



ephemera: theory & politics
in organization

Critiquing corruption
a turn to theory

What is *ephemera*: theory & politics in organization?

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theory

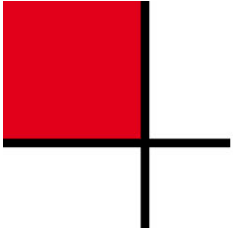
ephemera encourages contributions that explicitly engage with theoretical and conceptual understandings of organizational issues, organizational processes and organizational life. This does not preclude empirical studies or commentaries on contemporary issues, but such contributions consider how theory and practice intersect in these cases. We especially publish articles that apply or develop theoretical insights that are not part of the established canon of organization studies. *ephemera* counters the current hegemonization of social theory and operates at the borders of organization studies in that it continuously seeks to question what organization studies is and what it can become.

politics

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organization

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Critiquing corruption: A turn to theory

Eric Breit, Thomas Taro Lennerfors, Lena Olaison

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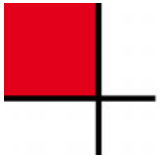
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Critiquing corruption: A turn to theory

Eric Breit, Thomas Taro Lennerfors, Lena Olaison

Introduction

Over the past two decades, the will to fight corruption has increased in society at large. Consequently, the importance of effective anti-corruption measures has expanded into a global political agenda with the OECD, the World Bank and the UN in the forefront. Historically, corruption has been seen as an issue in the public sector, defined as the ‘the misuse of public office for private gain’ (The World Bank Group, 2012). The scope has since been broadened to include other sectors, as illustrated in the widely used, post-Enron definition by Transparency International: ‘the abuse of *entrusted* power for private gain’ (Transparency International, 2009, italics added). Since 2003, when the OECD promoted a stricter definition of corruption, bribes, kickbacks and embezzlement are supplemented by practices such as illicit gifts, favours, nepotism, and informal promises (OECD, 2003a; 2003b; Lennerfors, 2008; Brown and Cloke, 2011; Breit, 2011). As the OECD puts it: ‘although, at a conceptual level, corruption is easy to define [...] corruption is a multi-layered phenomenon that may not always lend itself to neat definitions’ (2003a: 117).

The increased attention to corruption and anti-corruption has also led to a ‘corruption boom’ (Torsello, 2013: 313) in which corruption has been approached and theorized in various ways. Corruption is discussed in fields as diverse as economics, political science, anthropology, sociology, history, organization studies, international business, business ethics, psychology, and philosophy. While we will not attempt to summarize these discussions here, in economic terms, for instance, corruption is usually depicted as opportunistic behaviour based on rational choice and agency theory, and thus on the individual’s motivations for engaging in corrupt behaviour (Rose-Ackerman and Søreide, 2011). In political science, by comparison, corruption has often been regarded as

the result of dysfunctional overlaps between the private and public sector; the task is to decipher the organizational and institutional structures that give rise to corrupt behaviour (Heidenheimer et al., 1989; Johnston, 2005; Lambsdorff, 2007).

In organization studies, research has sought to describe and understand the organizational settings in which corruption takes place – whether by one or several members within an organization, by individuals on behalf of organizations, or by entire organizations in cases where corruption operates as an institutionalized practice (Pinto et al., 2008). Organizational scholars have emphasized that corruption should not only be regarded as a *state* of misuse, but also as a *process*, i.e. a gradual institutionalization of misbehaviour which contributes to legitimizing behaviour and socializing others into it in such a way that it gradually becomes normalized, what may be called a ‘culture of corruption’ (Ashforth and Anand, 2003). Such a process perspective has been invoked to explain why persons not considered to be corrupt or criminal might decide to engage in corrupt activities or networks (Fleming and Zyglidopoulos, 2009; Martin et al., 2009) and to understand the kinds of ethical reflections (or lack of these) that lie behind corrupt activities (Trevino et al., 2006).

Overall, the literature on corruption highlights the various ways in which the abuse of power is performed: for instance, the government official accepting a bribe or a kickback for his services (Rodriguez et al., 2005), or less overt exchanges such as gifts, favours, promises, symbolically sealed by surreptitious handshakes, and often embedded in, or consolidating, social networks (Bourdieu, 1977; Noonan, 1984; Granovetter, 2007). Stretching the notion of abuse of power even further, corruption may also involve practices such as violence, intimidation, harassment or bullying (Hearn and Parkin, 2001), thus highlighting the ‘dark side’ of organizational behaviour more broadly (Griffin and O’Leary, 2004).

The corruption literature has broken important ground for not only theoretical understandings of why corruption occurs and who it involves, but also for the development of anti-corruption policies and efforts across the globe. In this special issue, however, we argue that what tends to be neglected is an investigation into, and thus understanding of, the underlying causes and mechanisms of the phenomenon. Thus, we called for papers offering a critical study of corruption, and, further, we invited contributions that turn to theory to problematize and critique corruption. Our intention has been to go beyond descriptions of alleged corrupt behaviour or normative discussions of legitimacy of particular activities, through engagement in *theory-based critique*. By theory-based critique, we mean efforts to go beyond particular normative standpoints

regarding acceptable behaviour, as well as arguments rooted in a legal-positivist stance which restricts corruption to what can be defined in the courtrooms. Rather, we are searching for novel or forgotten theories, or combinations of these, that can further understanding of corruption.

This is not to say that there has not been a body of critical voices who in various ways have sought to problematize the mobilization of this 'war' as well as the 'enemy' that has been targeted, i.e. the very phenomenon of corruption, and the way it is 'fought' (e.g. Sîk, 2002; Bratsis, 2003; Sampson, 2005; Brown and Cloke, 2011). Hitherto, however, much of this research – which either explicitly has been labelled 'critical' or by their very character falls into what we would like to call 'critical studies of corruption' – has remained scattered through various disciplinary traditions and empirical studies.

In the next section we will briefly elaborate on the necessity of a turn to theory in corruption studies. Following this, we bring together some critical studies on corruption, and through this collection, sketch out a framework for a critical approach to corruption research.

A turn to theory

Admittedly, the central theme of this special issue – 'a turn to theory' – might seem naïve: What is critique, or research for that matter, without theory? On the other hand, what is theory if not critique? And turning towards theory from where or what?

Our insistence on a focus on theory has three pillars. First, corruption is an emotionally and ideologically vested concept, and corruption research is often characterized and/or motivated by normative descriptions and analyses of corruption. Such research tends to empirically single out corrupt practices as opposed to legitimate or non-corrupt but still illegal practices. Moreover, it is difficult to analyse – and even discuss – the concept of corruption because of the general assumption that corruption is bad for society. We believe that by undertaking more theoretical reflections on corruption, we can better take on the important task of thinking about the meaning of corruption – rather than to subdue our interests to the more practical concerns of eradicating corruption.

Secondly, we claim it is a challenge for critical studies of corruption to sufficiently address the assumptions underlying the dominant theories of corruption. Most studies that attempt to problematize corruption and anti-corruption practices take their point of departure in empirical data. This research, which often stems from or is inspired by anthropological methods, has

contributed with ‘thick descriptions’ of, for instance, how societies are prismatic (Riggs, 1964), how the public-private dimension does not make sense in all societies (Gupta, 1995), how the evil of corruption is problematized (Ledeneva, 1998), and how the anti-corruption industry is becoming an autopoietic system (Sampson, 2010). We want to explore the possibility for moving such corruption critique forward by focusing explicitly on the role of theory. We believe that a turn to theory can contribute to this already emerging body of literature by both providing a more powerful and effective critique, as well as contributing to the development of alternative conceptualisations of corruption and ways to tackle it.

Thirdly, theoretical explorations in corruption research have been characterised by an application of theories *to* corruption rather than a creative engagement in theorizing corruption *itself*. A turn to theory can give rise to *multiple* theorizations of corruption. This logic is rooted in a belief that critique should engage in dialogue and debate with the dominant theories of corruption, creating alternatives to them, rather than simply dismissing them out of hand. This, we hope, will lead to more multifaceted and nuanced discussions and understandings – both for research and practice. In addition, multiple theorizations may revitalize understandings of corruption as a complex phenomenon, and the different theoretical bases constructed could be a way to grasp the different dimensions and mechanisms of corruption.

What is more, since the mid-1990s, the argument has been made that we do not need to further theorize or define corruption, as dwelling on such issues hinders discussion and development in the field. Johnston (1996) even went so far as to state that it is unnecessary to turn to theory or define corruption – relying instead on the mantra of ‘we know it when we see it’. Ten years later, Johnston lauds the success of turning away from theory, satisfied to note

how quickly past debates over corruption – so often hung up on definitions, divided over the question of effects, and mired in a paralyzing relativism – have given way to extensive agreement [...] that corruption delays and distorts economic growth, rewards inefficiency, and short-circuits open competition (2005: 17-18, cited in de Graaf et al., 2010: 44).

Reflecting on this debate on corruption theory, Caiden (in the foreword in de Graaf et al.) argues that a key explanation for the lack of theorization is the broader legitimacy of corruption theories:

What further unites theorists is the recognition that research into corruption is not exactly welcomed, encouraged, or supported, that theorists are held at arm’s length, that their motives are suspected, and there may well be personal risks and repercussions if they delve too deeply and reveal too much about corrupt activities. (2010: 11)

This alleged agreement about potentially unreflective definitions of corruption, what in our view is the consequence of evading theoretical issues, represents a crucial paradox in corruption research. Agreement, despite operating as an important democratic tool for change and intellectual progress, also hinders reflexive discussion. To the extent that discussions take place, they may only perpetuate unreflective or prejudicial understandings of what constitutes corruption. It is precisely these concerns that compel us to (re)turn to theory when studying corruption.

We are not the only researchers in the field to express anxieties about the aversion to theory in corruption studies. In line with de Graaf et al. (2010), we propose a focus on *theorizing* corruption rather than on theories *of* corruption. Hence, Caiden compares theorizing corruption with ‘exploring a complicated maze replete with dead ends and surprising turns enough to frustrate the hardest venturer’ (2010: 9). Further, similarly to Caiden, we maintain that such ‘ventures’ of theorizing corruption will lead to rewards, as they ‘[strive] to reduce the confusion, to simplify the evidence, to discard the obsolete and unverifiable, and to incorporate new thinking’ (Caiden, 2010: 10). In short, theorizing corruption enables us to engage in theoretical debates and critique about social practices and organizational behaviour generally.

Although we build on and want to contribute to de Graaf et al.’s theorizing project, we want to stress that by turning to theory, we do not just mean turning to established theoretical approaches and incorporating these into the study of corruption, seemingly as fetishes or ‘full bodies’ (Badiou, 2009). In the end, that is where de Graaf et al. end up; they turn to rather well-established theoretical frameworks for studying corruption, such as Weber, structural-functionalist perspectives, and institutional economics. In addition to the use of established theory, this special issue calls for the application of novel theories to understand corruption. Thus, the contributions in our special issue are linked to the ideas of de Graaf et al., but are attempting to elaborate further and to engage creatively with the prospect of turning towards new pathways in the maze of theorizing.

Before we present the contributions of this issue, let us summarize here some of the previous attempts at critiquing and theorizing corruption. We focus on a body of critical voices that in various ways have sought to problematize corruption, the prominent role it has obtained in public discourse, and the way it is fought. This will serve both to contextualise the contributions of the special issue, and, we hope, open up pathways for theoretical explorations beyond this special issue.

Critiquing corruption

It could be argued that studies of corruption, by their very nature, involve a critical perspective. After all, at the heart of much corruption research lays an interest in highlighting the various ways in which the misuse of power is performed and the effects it has on individuals, organizations and society. Why, then, insist of a *critical* study of corruption? What does this add to the perspectives and approaches already existing in studies of corruption? In this section, we highlight four themes that we believe are central to those studies that concern themselves with critique in corruption research: to challenge oversimplification, to unveil interests, to construct alternatives and to creatively engage in theorization.

Challenging oversimplification

To challenge oversimplifications in corruption research involves, for example, attempts to identify aspects of corruption and anti-corruption that have not been (but could have been) discussed, views that have been suppressed or actors who have been rendered subordinate or silenced. Why, for instance, is corruption so often depicted as something ‘unwanted’ and ‘tangible’ that must be eradicated (Vogl, 2012), like a ‘virus’ (Ashforth, et al., 2008; see further Forsberg and Severinsson, in this issue) or as ‘cancer’ (Wolfensohn, 1998). That is, why is corruption seen as an alien organism that must be removed in order to heal the body? Further, why is this healing process, including the actors that perform it, so often epitomized as a just cause? Most would agree that the anti-corruption industry, including the OECD and the World Bank and ‘weapons’ such as the UN Convention on Corruption, and the UN Global Compact, have gained a massive impact on the global economic scale. Inevitably, this heightened attention to corruption has made a great impact on what is commonly understood as corruption (i.e. as something bad for the world economy) but also the way it is fought and the way in which certain actors are included in (and excluded from) this process.

Likewise, there has also been a lack of attention on *why* corruption has received such increased attention over the past few decades, as well as the implications for organizations and its members. As Williams and Beare (1998) have argued, the ‘problem’ of corruption might not be attributable to any increase in actual corrupt behaviours – i.e. the amount of opportunistic behaviour in economic terms – but it might rather be the result of a gradual reframing of the concept to account for broader shifts and transformations in the global economy. In this process, old institutions and relations between institutions have been replaced by

new institutions and new relationships – thus rendering practices and relationships that used to be accepted as unwanted, illicit or illegal.

Breit's (2011) study of media coverage of corruption in Norway between 1996 and 2009 provides support to this conclusion. The number of articles escalated from an average of around 50 articles per year in the major national newspapers up until 2001, to between 400 and 550 in the years 2005-2007, only to decline to around 300 in 2008 and around 200 in 2009. Much of this peak of attention can be attributed to the stricter definition of corruption that the OECD promoted in 2003 (OECD, 2003a; 2003b). As a result, friendships, networks and practices (not least involving gifts and favours) were forced to be rearranged and renegotiated – often involving massive sense-making in the media and in the courtrooms (Breit, 2011). Similar processes have taken place on the international scale, not least through the workings of the range of corporate scandals emerging during the 2000s such as Enron and WorldCom (Tumber and Waisboard, 2004; Hannah and Zatzick, 2008). At the same time, as Entman (2012) suggests, the news media also tend to neglect many more incidents of corruption than they cover.

Moreover, although the alleged wickedness of corruption may seem obvious, critical studies have reminded us that this not necessarily so, as the relatively beneficial or evil aspects of corruption depend on many aspects. Some researchers, for example, have suggested that corrupt exchanges can in fact be functional in inefficient contexts, and that corruption in some cases can be conceived as a fifth factor of production, in addition to land, labour, capital and knowledge (Kameir and Kursany, 1985; Ledeneva, 1998). In other words, to get things done, corruption may contribute to greasing the wheels of stiff bureaucratic systems that may otherwise be inefficient and counterproductive (see also Osrecki, in this issue). Others have further argued that in centrally planned economies, alleged corruption in the form of gift-giving fulfils the function of creating trust (Rivkin-Fish, 2005). In other geographical contexts, such as Sweden and Norway, there are efforts to eradicate *all* corruption, including a widespread and fervent fight against seemingly harmless practices such as giving chocolates or fruit baskets (Lennerfors, 2008). While giving a box of chocolates may be viewed as a form of undue influence, and therefore tantamount to corruption, it may also be seen as expected hospitality.

In a similar way, assumptions of efforts of fighting corruption as being (ideologically) noble and rational have been challenged. For instance, Lennerfors (2007) has argued that striving for a complete reduction of possibilities of corruption in public procurement, and the constant threat of disfavoured suppliers raising their voice against allegedly corrupt decisions, has led to public

procurers to base their decisions on the objective price of the service procured rather than the more risky, but ultimately more effective, concept of the most economically advantageous service. Fighting corruption *can* therefore be dysfunctional and contrary to the public good.

Unveiling interests

A second common practice for a critical study on corruption is unveiling hidden interests. Critical studies have unmasked the ideological interests behind anti-corruption. For instance, Everett et al. (2006) argued that the measures to fight corruption are themselves not unproblematic, among other things because they contribute to promoting and legitimizing epistemological truth claims about corruption, and by extension the workings of a capitalist and neoliberal economic agenda. More specifically, attempts to measure the level of corruption in various contexts or countries – such as the Transparency International Corruption Perceptions Index – have been critiqued for being a technology of a neoliberal agenda. Moreover, the failure of key anti-corruption actors to reflect upon the global economic crisis, which started in 2008, has been seen as a symptom of this neoliberal agenda (Brown and Cloke, 2011). Others have argued that this might also be an underlying driving force for why corruption is studied almost exclusively in the public sector, even though definitions of corruption are becoming more and more sector neutral, i.e. as the misuse of power more broadly rather than public power/authority (Lennerfors, 2010; Brown and Cloke, 2011).

Another aspect of corruption that has been revealed by critical studies is that the discourse is highly Western-centric and that it therefore – often unfairly – involves positing corruption as a result of non-Western activities (Haller and Shore, 2005; Brown and Cloke, 2011; Doig, 2011). It has been argued that the function of the Corruption Perceptions Index, for example, is to legitimize anti-corruption measures in the developing countries, with the aim of eliminating obstacles for the free flow of capital, rather than to fight corruption (Sík, 2002; Bratsis, 2003).

Constructing alternatives

The critical studies we are describing here often problematize the taken-for-granted aspects of corruption and/or unmask aspects of knowledge about corruption and anti-corruption, such as the neoliberal agenda. Yet, at the same time, it would be an oversimplification to argue that neoliberal forces comprise the sole driving force behind anti-corruption (see for example Sampson, this issue). To contribute to a more nuanced account of corruption and anti-

corruption, critical studies should therefore seek to go beyond unmasking the dominant understandings, by studying and building alternatives and by exploring the untold stories.

Hansen (1998), for instance, identified several actors and interests in corruption and anti-corruption practices and could thus broaden the understanding of the (power) relations embedded in differences between dominant or accepted meanings of corruption and more peripheral or subordinate meanings. Similarly, Breit (2010) has focused on how the discursive practices through which specific understandings of corruption are legitimized (see further Fairclough, 1989). These studies show how critique uncovers ‘other’, equally prevalent or barely existing, perhaps competing, interpretations embedded in the meaning-making struggles around corruption. In this sense, the concept of corruption can be seen as overdetermined, i.e. vested with excessive meaning (see Damgaard, this issue). This is similar to other ideologically vested concepts that have existed in the past, such as ‘the Jew’ (Žižek, 1989), or ‘the Bureaucrat’ (du Gay, 2000). Conversely, such efforts may also involve systematizing the plethora of highly visible perspectives of corruption and the actors behind them, including their underlying motives for taking particular positions in the struggles. Along these lines, many aspects of corruption indeed seem very visible and need no unmasking, echoing Žižek’s observation: ‘they know what they’re doing, still they’re doing it’ (1989).

Creative engagement

A fourth quality of critical studies of corruption is that the corruption critique should involve a degree of creativity. Critique needs to do more than simply challenging or polemicizing ‘the mainstream’ understandings. Critique is beneficial and productive only to the extent that something novel or alternative is generated – new theories or new approaches (see for example Peters and Yue, this issue). Bratsis is another important example of theoretically informed, critical studies of corruption in the field of political philosophy (2003; 2006; see also Pignot, this issue).

The very origin of the theoretical foundation of corruption research is a good example of a norm that should be challenged by creativity and by constructing alternatives. In most definitions, such as ‘abuse of entrusted power for private gain’ (Transparency International, 2009), corruption is framed as a principal-agent-relation. The agent misuses the trust granted from the principal – the public or a private principal – and, rather than acting in accordance with the will of the principal, acts to enrich him- or herself. (Della Porta and Vannucci, 1999; Rose-Ackerman, 1999; see further Lennerfors, 2010). In response to the

principal-agent understanding of corruption, an alternative theoretical perspective has been to resuscitate a more general, pre-modern idea of corruption as *degeneration* (Hardt and Negri, 2000; 2004; 2009; Lennerfors, 2008). For Hardt and Negri, this understanding of corruption renders visible that in Empire, corruption is everywhere, because of the absence of new political subjects. This theoretical perspective additionally moves the focus from fighting *against* corruption to fighting *for* something, such that fighting corruption is a detour from the fight for the good. A more pluralistic understanding of corruption than that of Hardt and Negri would be to posit the existence of a variety of goods, each of which is to a certain extent suffering their own form of corruption (see Damgaard, this issue). This understanding is similar to Aristotle's original idea of corruption as formulated in *The politics* (1981) – that each state form has its own form of corruption.

Although some potential theory-based critiques exist in the critical studies of corruption mentioned above, important contributions to the critical corruption literature over the last decades have been, as previously acknowledged, the anthropological perspectives on corruption. These approaches have used thick descriptions to describe the ways in which the war on corruption is lived in the non-Western, allegedly corrupt, world (Torsello, 2013). Recently, the anthropological approach has been complemented by rigorous historical studies of corruption that have demonstrated how the idea of the modern, non-corrupt state is debatable and how even the most modern countries still have their own forms of corruption (Kroeze, 2008; Kroeze et al., 2013). While locating new actors or voices can be a potential way forward for critical studies, we maintain that new ways (or resurrecting allegedly obsolete ways) of dissecting, discussing, and deconstructing corruption and anti-corruption are needed. In this sense, the novelty or creativity of the critical project implies that the critical is always that which is 'yet to come'. The call of this special issue, to turn to theory, directly ties into this understanding of the critical project. With these ideas in mind, we will now present the articles, notes and reviews in the special issue.

The contributions

The first article, Fran Osrecki's 'Fighting corruption with transparent organizations: Anti-corruption and functional deviance in organizational behavior', is inspired by the concept of 'functional deviance' to argue that some forms of corruption are positive for organizations. Given their very nature as social entities, Osrecki argues, organizations cannot function properly without some kind of rule-breaking and normative slack. In fact, Osrecki argues, drawing on Luhmann, that even outright deviation from formal procedures can have

positive effects in certain contexts, providing ‘win-win’-situations for organizations and their members through added freedom to think ‘outside the box’ and to be less ‘paralyzed’. In this manner, the paper problematizes the legitimacy of much anti-corruption work. Osrecki’s argument is that anti-corruption work stands the chance of throwing the baby out with the bathwater; it always runs the risk of ‘binding’ affected organizations to a strict formal operations mode.

In the second article, ‘Making up corruption control: Conducting due diligence in a Danish law firm’, Hans Krause Hansen and Morten Hove Tang-Jensen offer a critical analysis of due diligence as a specific anti-corruption technology. The authors argue that the lack of theoretical reasoning as to the nature and effects of such technologies has prevented a deeper understanding of how anti-corruption is performed and negotiated in practice. Hansen and Tang-Jensen provide an important example of the institutionalized, reified forms of knowledge, practices and beliefs in anti-corruption work and how they contribute to create *impressions* of corrupt-free environments.

In ‘Bringing down the house (of Goldman Sachs): Analyzing corrupt forms of trading with Lacan’, Edouard Pignot is inspired by Lacanian psychoanalytical theory (especially the ‘Essex Lacanian literature’). Specifically, the article discusses why corrupt actors derive pleasure from being corrupt. Pignot draws on four main features of the ideological fantasy: 1) a narrative structure, 2) the desire of the subject to fundamentally resist the public-official disclosure, 3) *jouissance*, which manifests itself as a secretly joyful and transgressive affirmation, and 4) a foundational guarantee for their existence as a subject of desire. Pignot employs this framework to study the Goldman Sachs Abacus deal, a case which constitutes the largest fine the SEC has ever imposed on a Wall Street firm (\$550 million). Pignot illustrates that behind the court orders, the lost money, and the technicalities of the argument, the critical situation was motivated by the *jouissance* of the corrupt subjects. Apart from providing a novel and creative application of the Lacanian framework to an interesting case, the paper also provides a comprehensive summary and review of the existing work on psychoanalytically informed perspectives for studying corruption.

In ‘Corruption: Multiple margins and mediatized transgression’, Mads Damgaard asks why corruption has become such a unilaterally illegitimate word. Damgaard does so by focusing on the use and meanings of the concept of corruption in media discourse. Drawing on Boltanski and Thevenot’s work in *On justification*, Turner’s concept of liminality, and contemporary media theory, Damgaard elaborates on the boundaries between different meanings of corruption in the media, thus providing grounded insight into the different

alternative theorizations of corruption. He develops the argument that the framing of corruption as actions crossing a line or boundary, and thus that they exist in a liminal and largely ambiguous space, in which various meanings may be easily attached to the concept. Overall, Damgaard's paper helps explain how different boundaries between corruption and *something else* are constructed in public and media discourses and how participants in these processes seek to gain control over the boundaries and hence the meanings of corruption. The paper also advances our understanding of the institutional role of the media in these processes.

In the first note out of three, 'The anti-corruption package', Steven Sampson critically discusses why the anti-corruption industry has become as 'hot' as it has during the past decades. Sampson argues it has gained legitimacy not necessarily because global actors want to build a better world, but because it is one of the latest innovations of global, neoliberal capitalism, and where corporate ethics and reputation are valuable assets. A fundamental problem, Sampson argues, is that the 'problem' – corruption – has changed from being relatively visible and tangible – i.e. bribery of public officials – to having a more liquid, floating character involving power abuse more broadly. As a result, corruption stands as a general explanation for social and political deroute, and anti-corruption operates as an all-purpose cure – and hence that neither of the workings are (theoretically) suitable to the problem at hand.

The two following notes examine the term corruption through thought-provoking rhetorical exercises involving metonymy and metaphor. Hence, they highlight how the use of the term may often refer to *something else* than what is often associated with the term.

In 'Corruption as co-created rupture', Anthony R. Yue and Luc Peters critically interrogate corruption through the lens of metonymy, i.e. naming something by other than its own name. Based on the ideas of Deleuze and Guattari, they challenge the definitions of corruption on the basis that they may be too rigid and may even (only) represent something that has been, rather than something that is – thus being too late, in a sense. In fact, the authors argue that from this perspective, attempting to define corruption involves a fundamental contradiction. Based on the exercise, they ask whether a dialectic between the hidden and the open is needed for the term to exist – i.e. does corruption 'come to life' through its exposure? And could it be that corruption is given new life (resurrection) every time it is exposed, and that exposure fuels much of the indignation and/or fetishism about corruption? The authors do not draw any specific conclusions. However, they argue that such rhetorical exercises are important ways to further our discussion and problematization of corruption.

Petter B. Forsberg and Kristofer Severinsson make a similar rhetorical exercise in their note ‘Exploring the virus metaphor in corruption theory: Corruption as a virus?’. They approach corruption from a rather unusual perspective, namely from biology, and virology in particular. They go through various common theoretical assumptions associated with the ‘corruption-as-virus’-metaphor – as escalation, infection, and immune response – and link these understandings with the conceptions and usages of the term ‘virus’ in the field of biology. Forsberg and Severinsson argue that this kind of interdisciplinary exercise is necessary in order to elucidate the crucial, but often subtle distinctions and contradictions in usages of the word ‘corruption’. They end by highlighting an important distinction: that whereas viruses represent the fundamental causes, corruption should be seen only as a *symptom* of such fundamental causes.

In the first book review, Mikolaj Dymek has read Eric Wångmar’s (2007) historical analysis of corruption in Sweden: *Trust and corruption: Corruption, abuse of power and lack of trust in Swedish local politics 1963-2011*. The remaining four books that are being reviewed all discuss current ideas on politics and capitalism. Amir Elmi Keshtiban reviews *Protest camps* by Feigenbaum, Frenzel and McCurdy’s (2013). Richard Bilsker then reviews Moulrier Boutang’s (2011) conceptualisation of *Cognitive capitalism*, while Jo Grady has read Paul du Gay and Glenn Morgan’s (2013) edited collection, *New spirits of capitalism? Crises, justifications, and dynamics*. Lastly, Martin Parker offers an account of Ash Amin and Nigel Thrift’s (2013) *Arts of the political: New openings for the left*.

Concluding remarks

Contemporary research on corruption has broken important ground for the development of policies and anti-corruption efforts across the globe. Missing in this process, however, is a more coherent, theoretically based, critical study embedded into and reflecting upon corruption theory.

In this introduction, we have attempted to collect and review some important works we regard as adhering to such a critical project. To take the next step from such works, forthcoming critical studies of corruption should engage more explicitly with theorizing – both as novel forms of inspiration and thinking, and as a way to use empirical findings of corruption to further social science theory more broadly. Corruption, we argue, cannot be understood as separate from society, nor can it be separated from the process of theorizing. Therefore, we should not settle for agreement on a set of ‘Theories of Corruption’ that define corruption, explain its causes and trajectories, or account for the motivations of corrupt individuals and groups. Corruption theories must be developed in

accordance with societal changes, including the effects of such changes on organizations and their members. Corruption theories are themselves creatures of society.

An endeavour that involves turning to theory is ambitious, and it cannot be fulfilled in a single special issue. Nor has this been our intention. Rather, the criteria we put forth – avoiding oversimplification, unmasking hidden interests, building alternatives, and creative engagement – are but an initial attempt to collect and relate critical studies of corruption. Together, the contributors to this special issue have produced creative, novel ways of theorizing corruption. They do not seek to promote a stringent view on theory. In their way, each article illustrates theoretical approaches that seek to integrate contemporary and updated societal impulses and changes into their theorizing of corruption. Hence, the turn to theory that this special issue has sought to invoke does not involve instrumental avenues, pre-understandings or ‘recipes’ of theory. There is no corruption theory template. Rather, we have sought to utilize creative and pragmatic forms of theorization. By showing some alternative theoretical ways of approaching and researching corruption, we hope we have illustrated the potential of theorizing corruption and the need to pursue this project further.

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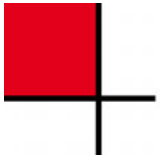
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Fighting corruption with transparent organizations: Anti-corruption and functional deviance in organizational behavior

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abstract

Although corruption and anti-corruption have a long history as research topics in the social sciences, little is known about the unintended side effects of anti-corruption measures in organizations. In this article, first the current anti-corruption literature is reviewed and critically examined with a focus on organizational issues. Second, the concept of functional deviance is introduced to show that organizations are dependent on permanent and latent rule-breaking to maintain adaptability and it is argued that current anti-corruption policies, in highlighting transparency, accountability, and compliance run the risk of installing an inflexible and ineffective work-to-rule regime by inhibiting functional deviance. Third, a case study on inhibiting functional deviance in organizations is presented and what unintended side effects resulted from this. The article closes with some theoretical considerations on distinguishing organizational corruption and functional deviance.

Thus every Part was full of Vice,

Yet the whole Mass a Paradise.

Bernard Mandeville, *The table of the bees*

Introduction

Compared with the large body of theoretical and empirical work on corruption, anti-corruption still is a somewhat neglected topic in contemporary social

sciences. Particularly with regard to organization studies, there seems to be a knowledge gap on how anti-corruption programs affect the structures of formal organizations. Over the last two decades, social scientists have in fact investigated anti-corruption, but mainly by analyzing the worldwide spread of the *transparency regime*. These discussions were mainly reactions to ‘principal-agent’ models of corruption, corresponding incentive-based models of institutional design to curb corruption, and attempts to draw a political map to point to the institutional and ideological sources of this particular framing of corruption. Thus, the discourse on anti-corruption was dominated by economists and lawyers on the one hand and political scientists and social critics on the other.

In this paper, I want to argue, first, that all these approaches, although contributing in important ways to our understanding of anti-corruption programs, pay only relatively little attention to potential organizational side effects of such measures. Second, I want to show that the concept of ‘functional deviance’ in organizational behavior is a good starting point for bridging the gap between analyses of anti-corruption and organizational studies. Here, the argument is that organizations regularly rely on a certain degree of deviance to hide behavior that is formally forbidden but functional for the organization’s adaptability and flexibility. Third, I will present a case study as empirical evidence of how the introduction of transparent, i.e. accurately observable, organizational structures can lead to both enhanced intransparency and ineffectiveness. Fourth, I want to outline a theoretical discussion on some difficulties in distinguishing functional deviance and corruption in organizational behavior.

Anti-corruption in organizations: Mapping the field

Current social scientific debates about anti-corruption programs are, by and large, dominated by three disciplines: economics, law, and political science. Not surprisingly, the leading role is played by economics, in particular by the so-called ‘new institutional economics’ and ‘agency theory’, broadly associated with this approach. Without going deeper into the concept, ‘agency theory’ is a model for analyzing the relationship between two parties, where one party, the principal (p), for whatever reason hires another party, the agent (a), to act on her behalf. The theory then offers ways of modeling such a relationship under conditions of imperfect information (p does not per definition know if a does what she was hired for) and incongruent interests between p and a, both parties being inherently self-interested (Laffont and Martimort, 2002). First developed by Becker and Stigler (1974), the basic idea is to define corruption as an exchange relationship where an entrusted agent betrays the principal for personal gains

(see also Banfield, 1975: 587-588; Rose-Ackerman, 1978: 7; Shleifer and Vishny, 1993).

In this model, corrupt behavior is understood as a question of incentives – agents will betray principals whenever they can and whenever the lack of effective institutional mechanisms inhibits a close monitoring of the agent's behavior¹. This is the background of Robert Klitgaard's (1988) famous formula of the causes of corruption: 'corruption = monopoly + discretion – accountability'. From this follows that corruption is mainly a consequence of weak monitoring and that anti-corruption programs should entail an organizational design that is based on a rather strict notion of transparency, accountability, and compliance.

Over the last decades, this concept was prominently taken up by international organizations putting corruption on their agendas and designing institutional mechanisms to curb corruption. So e.g. the World Bank defines corruption as the 'use of public office for private gain' (Campos and Bhargava, 2007: 9) and Transparency International (TI) as 'the abuse of entrusted power for private gain'². This development gave rise to countless descriptions of the history and implementation of anti-corruption regulation, usually with a focus on either the nation-state level or on the big international players like the WTO, the UN, the EU, the World Bank, the OECD, or Transparency International (TI) promoting certain ideals of 'good governance' (e.g. Nichols, 1999; Pieth et al., 2007; Salbu, 2000; Webb, 2005).

Some political scientists went a step beyond the description of anti-corruption regulation in arguing that international policies increasingly *converge* in creating an anti-corruption 'regime' or a global 'transparency norm' (e.g. Krasner, 1986; McCoy and Heckel, 2001; Wolf and Schmidt-Pfister, 2010). Without going into conceptual details, political scientists regard the emergence of the global anti-corruption movement as an unintended side effect of economic liberalization, globalization of trade and democratization, bringing together diverse international players in promoting anti-corruption legislations (e.g. Moroff, 2010). These and similar critical accounts would argue that though the rhetoric of international anti-corruption frames the issue as a manifest 'social pandemic', the actual reason for putting it on a global policy agenda was a coalition of diverse

1 As the aim of this paper is not to criticize this definition of corruption (for an elaborate critique see e.g. Philp, 1997), but to analyze the institutional visions and the organizational side effects that follow from it, offering my own definition of corruption would be beyond its scope.

2 For the UN's definition of corruption see e.g. United Nations (2004) see: http://www.transparency.org/whoweare/organisation/faqs_on_corruption#definecorruption.

actors and the convergence of their interests – facilitating global business, safeguarding institutional legitimacy, and NGOs like TI creating demand for anti-corruption expertise (Gephart, 2009: 10ff; Krastev, 2004). The problem of corruption is, thus, actively constructed by an emerging ‘anti-corruption industry’ (Sampson, 2010a) that benefits from offering solutions.

The second skeptic branch is leftist and post-structuralist social criticism that sees the current anti-corruption wave as a scheme for weakening the position of public officials and welfare states by framing state monopolies as a major source of extortion and corruption (Hindess, 2005; Ivanov, 2007). From a similar position, the anti-corruption movement and its advocates are sometimes accused of pathologizing political corruption, while simultaneously normalizing political influence through pecuniary incentives, e.g. by think tanks and corporate interest groups (Bratsis, 2003). Thus, the anti-corruption industry allegedly pictures an idealized, modernist vision of a potentially ‘corruption-free’ and autonomous politics, while political reality in capitalist societies is inherently and structurally interwoven with private and business interests.

The third skeptical position is neither actor-based nor deconstructionist, but methodological and held by those who criticize the proliferation of ‘corruption perception indices’. At the core of the methodological debate lies the observation that corruption perception indices (such as TI’s ‘Corruption Perceptions Index’ – CPI), are, in one way or another, heavily biased and, in extreme cases, also create perverse incentives to downplay corruption in order to ‘look good’ in international corruption rankings (Galtung, 2006; Jansen, 2005; Johnston, 2001; Razafindrakoto and Roubaud, 2005; Sampson, 2010b).

These three approaches certainly do not cover all facets of critique countering the anti-corruption movement and a much broader review of critical approaches can be found in e.g. Wedel (2012). Yet, most of those approaches, as illuminating as they might be, pay relatively little attention to effects anti-corruption programs have on the level of organizational behavior. This aspect is also missing in the currently intensifying discourse on corruption in and by organizations (e.g. Ashforth and Anand, 2003; Ashforth et al., 2008; Pinto et al., 2008).

Now anti-corruption initiatives cover a wide range of measures, not all of them concerning organizational reform directly, e.g. the regulation of organizational inputs and outputs, inter-organizational relationships, ‘awareness’ programs, disclosure policies, staff rotation, or raising salaries (Rose-Ackerman and Truex, 2012). Where anti-corruption does directly refer to intra-organizational design, it usually rests on two pillars. First, creating external and independent auditing bodies like anti-corruption agencies and, ideally, furnishing these bodies with a

legal mandate to regularly monitor the internal procedures in bureaucracies and punish wrongdoers as severely as possible (*ibid.*: 14ff). The second pillar is what Rose-Ackerman and Truex (2012: 22ff) and Rose-Ackerman (1999) call ‘program redesign’ to reduce corrupt opportunities. In line with Klitgaard’s (1988) above-mentioned formula, this aspect of anti-corruption is directly targeted at organizational design of public institutions and basically means *reducing the discretion*³ and monopoly of bureaucratic decision-making and *stating rules for public officials as clearly as possible*⁴.

The background of this ‘program redesign’ approach is the fear that disclosure as such does not provide for corruption-free bureaucracies, mainly because information asymmetry in principal-agent relationships enables agents to manipulate disclosed data, to disclose only secondary data and, most importantly, to disclose huge amounts of records that can only be interpreted with the agents’ help. Thus, organizational transparency has to be linked with steady and independent monitoring by anti-corruption agencies to ensure everyday compliance with regulations. To do so, proper organizational behavior has to be formulated as unambiguously as possible, not only because, in Klitgaard’s terms, discretion is just a permission to break the rules, but also because anti-corruption watchdogs need absolutely clear signals for when to bark. Eventually, the principal-agent approach to organizational transparency comes down to organizational *compliance* (Rock, 2007). It thereby follows a general trend in western societies that substitutes trust in professional decision-making for distrust in discretion and trust in external control, standard-setting, formalized auditing, and punishment in cases of failing to meet predefined targets (Hood et al., 2005; Hood and Heald, 2006; Philp, 2009; Pollitt et al., 1999; Power, 1997).

Despite this rich theoretical background, anti-corruption has not caught much attention on the level of its actual organizational effects, mainly because it seems to be yet another piece in the story of changing visions of governance, generally associated with trends like ‘audit society’ (Power, 1997) or ‘governing at a distance’ (Rose and Miller, 1992). Another reason for the relative disinterest of

3 Here, a common-sense definition can be used, defining discretion as *the right to decide according to personal judgment*. However, in formal organizations this right is itself formally granted, i.e. based on formal regulation beyond the personal judgment of organizational members. Thus, a narrower definition of discretion in view of organizational behavior could be the *formally unregulated sphere of organizational behavior*, i.e. the formal right to base actions on personal judgment instead of prescribed protocol.

4 A different approach that cannot be discussed here is anti-corruption via ‘integrity systems’, i.e. not to rely on external monitoring and compliance only, but to combine these mechanisms with value-based ethical self-control of public bureaucracies (e.g. Huberts et al., 2008; Menzel, 2005; Paine, 1994).

organizational sociology for anti-corruption initiatives could be called the ‘neo-institutionalist reservation’. Several studies suggest that it is far easier to create an anti-corruption agency than to maintain its political independence and keep it from becoming a toothless token institution without actual power to implement noble legislation (e.g. Batory, 2012; Lawson, 2009; Wolf, 2010). Organizational sociologists, especially those influenced by neo-institutionalism, can easily infer from this that anti-corruption initiatives targeting organizational change are more of a normatively legitimized ‘talk’ than actual ‘action’ and, more often than not, a globally called-for fashion in organizational ‘window-dressing’ (e.g. Reisman, 1979).

Still largely missing are empirical studies of changing organizational micro-structures caused by anti-corruption programs and corresponding theoretical concepts that take these changes seriously. Before presenting an empirical case, I will outline a theoretical framework that sees the current anti-corruption movement mainly as a bureaucratic reform set that runs the risk of paralyzing organizations by inhibiting not only corrupt, but also ‘functionally deviant’ behavior.

Theoretical framework: The concept of functional deviance

The most striking aspect of the *transparency-accountability-compliance nexus* is that it assumes that such measures increase the efficiency or legitimacy of agent behavior. On the one hand, it is assumed that information disclosure and opening professional practice to public scrutiny increases trust in and legitimacy of public institutions (see for an extensive review Albu and Flyverbom, 2013: 9ff.). Here, it is not directly argued that transparency increases organizational performance as this discourse is mainly concerned with information flows and the citizens’ ‘right to know what is going on’. Hood (2007: 196) calls this the ‘populist-particularist’ version of transparency, where citizens observe officials (in their public roles), but where officials are carefully restricted in observing citizens.

On the other hand, and more closely tied to the principal-agent vision of transparency and anti-corruption, there is the ‘Benthamian’ or ‘bureaucratic’ (*ibid.*: 196f.) version of transparency. Here it is assumed that agents will *behave better* if being monitored and that this, in turn, would *enhance organizational performance* by inhibiting corruption, embezzlement, sloth, lavishness, goldbricking etc. This discourse envisions the matching of principal interest and agent behavior via formalized rules, standardized audits and measurable performance targets and assumes that rule-following will not only lead to better

observability, but to enhanced organizational performance. What follows from this is a suspicious view on organizational informality and the assumption that it not only fosters self-interested concealment, but also organizational ineffectiveness (Bennis et al., 2008; Wehmeier and Raaz, 2012). From this point of view, enhanced transparency, compliance, and accountability have only short-term effects on efficiency during an adjustment period or if the outcomes to be accounted for are themselves flawed. In short, in the bureaucratic vision of organizational transparency it is argued that transparency, rule-following, and efficiency are mutually self-enforcing mechanisms.

Interestingly, a more balanced view comes from principal-agent approaches themselves. Here, it is conceded that transparency, accountability, and compliance obviously create costs in terms of time and financial resources and that an anti-corruption program is effective only if its costs do not exceed the costs caused by corrupt behavior itself. From this point of view, there exists a 'socially optimal' level of corruption. However, it was argued that a socially optimal level of corruption could be defined only for a fixed point in time, while, in the long run, corruption feeds on itself. This means that a moderate, socially optimal level of corruption will produce tolerance for that level and will slowly influence people's behavior – more and more severe corrupt behavior will be tolerated, ultimately resulting in a sub-optimal level (see Elster, 1989: 268ff). Eventually, this calls for a zero-tolerance policy in anti-corruption programs and basically means that such programs may produce costs for organizations, but that these costs will *per definition* be lower than the long-term costs of corruption. For Philp this is more than a principalist twist of the debate, because it 'undermine(s) the incentive-based account of principal-agent analysis' (2009: 51). It leads to the assumption that organizational costs of anti-corruption can be disregarded altogether and turns the economic incentive model into a quasi-legal one.

The centerpiece of this disregard for organizational costs and unintended consequences of anti-corruption is a suspicious view on *organizational discretion*. Rose-Ackerman and Truex (2012: 22f) admit that e.g. limiting discretion to fight corruption might produce costs, but, surprisingly, they do not think of the costs for organizations. Instead, 'the costs are the loss in discretion that might have been used for beneficial purposes to sort out the most deserving beneficiaries or to punish only the most harmful behavior' (*ibid.*: 23).

That discretion in organizational decision-making can have important functions *for* organizations and not only for beneficiaries *of* organizations, and that, consequently, reducing discretion can induce side effects harmful for the affected organization, is, from this perspective, rarely considered as a practical issue of

organizational reform. The quote stated above epitomizes the view that ideal, corruption-free bureaucracies should function like automated machines: formal rules and formal rules only! However, it has to be emphasized that the tendency to oversee organizational costs of limiting discretion and insisting on compliance is not a theoretical necessity in principal-agent models of corruption. It nevertheless creates very tangible side effects when practically implemented – as I will show below.

Envisioning ideal organizations as following rules *au pied de lettre* is a very demanding concept, to put it mildly. First, diminishing discretion demands from institutional designers not only to formulate procedural principles, but to anticipate in small detail every conceivable eventuality of cases, since every regulation gap will be filled with discretion and discretion with corruption. Second, diminished discretion requires agents to halt and to ‘escalate’ decision-making processes as soon as standard procedures do not apply, even at the cost of inevitable and expectable delay. Work-to-rule, as this mode is often called by its critics, is known and strategically used for paralyzing organizations – a handbook case in organizational sociology (e.g. Collinson and Ackroyd, 2005). But while work-to-rule is a frightening scenario for practitioners and only used as a radical last step in collective action, in the principal-agent vision of anti-corruption it became something of an ideal to strive for.

Despite its now popular principal-agent framing, the rule-bound and discretion-averse vision of organizational behavior is not new – and neither are critical voices. The insight that discretion and informality speed up decision-making and fill inevitable regulation gaps was e.g. the cornerstone of many widely-read studies in early functionalist sociology of organizations. From its beginning, most authors in this field questioned the empirical validity of rational bureaucratic organization models by arguing that strict hierarchies, clearly defined duties, procedures and goals, and top-down command lines only represent the *formal side* of an organization, complemented by an *informal order* that breaks official rules and questions automated rationalization in a significant way and on a regular basis. Gouldner’s (1954) concept of a ‘Janus-faced’ organization stands for this insight as much as do concepts like the ‘organizational paradox’ (Selznick, 1948) or the ‘organizational dilemma’ (Blau, 1955) of combining formal and social structures or, more generally, the concept of ‘bounded rationality’ (March and Simon, 1958). Similar points were made both for industrial relations (e.g. Burawoy, 1979; Dalton, 1959; Roethlisberger and Dickson, 1939) and for knowledge-intensive administrations (Blau, 1968; Blau and Scott, 1962). In short, all these approaches argued that even with the most precise planning, management cannot get rid of informal social relations in

organizations and is in fact dependent on them to keep the formal order from petrifying into an inflexible mechanism.

In a radical version, it is not only *discretion*, i.e. the formally unregulated sphere of organizational behavior, that plays an important role in speeding up routines, but also outright *deviation* from the formal procedures that can have positive effects for an organization's adaptability and efficiency. One of the first accounts of this idea was elaborated by Bensman and Gerver (1963), while extensive reviews of newer studies working with similar approaches can be found in Vaughan (1999) and in Greve et al. (2010).

The meanwhile huge amount of theoretical models and empirical evidence for this argument was first theoretically refined and radicalized in an early work of Niklas Luhmann (1964), who is nowadays usually associated with very abstract and general social theory, but actually started his academic career as an administration scientist. Like many sociologists of his time, Luhmann was fascinated by the concept of *latent functions*, i.e. the idea that *unintended* and *unrecognized* consequences of actions can contribute to the adjustment or adaptation of social units – persons, groups, or wider social and cultural systems (Merton, 1957: 6off). Already observed by Emile Durkheim and George H. Mead, a classic example of such unrecognized adaptive consequences is that rule-breaking and crime in fact have the positive function of emotionally uniting an otherwise fragmented community against the criminal and thus reassuring the normative structure of the social system – an argument not for a law-and-order policy, but for de-moralizing deviance. Luhmann (1964: 304) starts from there, but radicalizes the concept in saying that it is not only the exposure and shared condemnation of the deviant act, but already *the deviant act itself* that can have adaptive functions for a social system, in this case an organization.

Luhmann called this kind of formally illegitimate, but productive behavior in organizations *functional illegality*⁵ or *functional deviance*. His basic idea is that formal organizations are dependent on a variety of actions that are hard to transform into formal rules, mainly because formal rule making is bound to fully explicable, mutually consistent, legally flawless and steady procedures. Insofar as organizations are confronted with highly complex environments, a tight 'work-to-rule' compliance regime would significantly restrict the organization's adaptability to the various, inconsistent, and rapidly changing demands of

5 The original German term Luhmann (1964: 304ff) used is 'brauchbare Illegalität', which literally means 'useful illegality'. However, Luhmann's examples mostly refer to violations of formal procedures in organizations and not to outright violations of a *legal* order. Thus, I prefer the term 'functional deviance', where deviance is broadly understood as the violation of a *legitimate* order.

multiple costumers or clients. In short, the argument is that behavior that deviates from the formal or legitimate order of a social system can be functional, where 'functionality' refers to the system's *adaptability* to an ever-changing and uncontrollable environment.

Luhmann's approach, especially from today's often formalist perspective, is very radical in its permissiveness towards deviant behavior in organizations. First, and against some approaches listed by Vaughan (1999), for Luhmann the emergence of functional deviance is not an effect of *specific*, e.g. markedly strict or overly hierarchical, formal structures. Instead, he believed that *every* formal organizational order, as long as it strives for consistency and stipulation, will sooner or later begin to lag behind a changing environment that is more complex and dynamic than the organizational system trying to adapt. Functional deviance is, therefore, an essential and inevitable feature of formal organizations with largely unpredictable environments. This insight was partly due to theoretical considerations and partly meant as a critique of the 'human relations' (HR) movement in organization studies (e.g. Mayo, 1933). HR discovered informal and formally deviant behavior as a resource for management, which could raise productivity e.g. by allowing informal group cooperation, upward communication, and appreciative leadership. Yet, from Luhmann's perspective, functional deviance cannot be integrated into the formal order after becoming aware of its positive functions. On the contrary: it derives its functions exactly from being *latent* and loses the function of keeping an organization adaptive when becoming part of the relatively inflexible *manifest* (read: formal) arrangement. A formally allowed-for functional deviance would no longer be deviant, but would turn into a plain formal structure, ready to be circumvented by new forms of deviance as soon as it proved to be as inflexible as the previous formal order.

Second, and as another aspect of its latent structure, functional deviance does not necessarily have an intentional base, secretly 'designed' or explicitly 'agreed upon' by members of an organization to compensate for the failures and pitfalls of the formal order. Though deviance is heavily dependent on personal trust and, in cases of unplanned disclosure, on elaborate forms of justification (e.g. Ashforth and Anand, 2003), functional deviance usually comes in the form of well-rehearsed and tacitly granted routines. The concept does not need to conceptualize organizational members as altruistic or, in whatever kind, emotionally attached to their organization's adaptability. In fact, most examples Luhmann has in mind when speaking of functional deviance are primarily of use for deviating members themselves *and also*, though necessarily unacknowledged, for the organization at large.

One example he gives are ‘shortened communication lines’, where routine cases can be very quickly executed by deviating from some parts of the official procedure and, if necessary, ‘polishing’ them afterwards to sustain the impression of a correct handling (Luhmann, 1964: 190ff and 272ff). Another example is the production of ‘sugarcoated’ portrayals of organizations by their spokespersons (*ibid.*: 108ff.). Here, the spokesperson’s actual function can only be performed by latently deviating from the official one: formally designed to ‘communicate’ with the environment, the actual job is to deceive it and to shield the organization from external attacks on its image. This function is absolutely vital for an organization, but at the same time it is deviant, as it is hard to formalize it by *officially* forcing the spokespersons to gloss over the mess, i.e. to lie. The last example presented here is what Luhmann (1964: 220ff) calls ‘boundary positions’: persons with a relatively low status in the organizational hierarchy, but with a very sensitive intuition for the demands of the environment. The work experience of such persons, e.g. sales agents, helps organizations to identify upcoming problems much faster than by relying on formal superiors whose official job description entails screening the environment for alarm signals. Relying on boundary roles makes organizations more sensitive for changing demands of the environment, but, in turning them upside-down, deviates from and thereby questions the legitimacy of formal hierarchies and official duties.

In all these examples, Luhmann describes win-win situations: members, *for whatever reason*, break paralyzing rules and the organization can let them do so without needlessly broaching the issue and without shamefully confessing that the formal order has regularly been mocked. Thus, functional deviance is a much more common and a much less demanding arrangement than e.g. ‘productive resistance’ (Courpasson et al., 2012), where members break obsolete rules to *intentionally* save their beloved company. This is not to say that in the concept of functional deviance agency does not play a role – functionally deviant organizational members have to make a decision: play to the rules or bypassing them. However, a deviant act can be classified as functional for an organization even if the deviant actors act on purely self-interested grounds. So even if functionally deviant behavior rests on decisions, these decisions need not (but, of course, can) rest on ethical or altruistic motives in enhancing organizational flexibility. The functionality of a deviant act is a *latent* and *emergent* social structure, not deducible from a motivational base.

From this perspective, fighting corruption with transparency-, accountability-, and compliance-based programs is primarily problematic because, if successful, runs the risk of binding the affected organizations to a strict formal operating mode, discouraging not only deviant (read: corrupt), but also functionally deviant

behavior. Put differently, the problem with anti-corruption programs based on principal-agent models is that they do not differentiate between corruption and functional deviance but frame all informal, i.e. intransparent, behavior as *potentially* corrupt.

Notwithstanding some rare exemptions (e.g. Hollinger and Clark, 1982), the concept of functional deviance was, in its narrow sense, neither theoretically, nor methodologically developed further after the 1960s, mainly because functionalism lost its role as the leading paradigm in the social sciences from the 1970s onwards. Luhmann and his students did develop organizational sociology further (e.g. Baecker, 1999; Luhmann, 2000), but left the strictly functionalist paradigm and replaced it with a focus on autopoietic decision-making. In this concept, however, questions of rule-following, deviance, formality, and informality do not play the prominent roles they used to do in a functionalist framework, though some researchers made considerable efforts in explaining limits, paradoxes, and the informality of organizational decision-making within Luhmann's later perspective (Knudsen, 2006; Knudsen, 2012).

Apart from the paradigmatic shift in Luhmann's own writing, another reason for choosing to work with his earlier, decidedly functionalist approach is that it fits well with current research that focuses on unintended side effects of making organizations transparent. Here it was argued, from the perspective of organizational anthropology, that making organizations transparent via *standardized audits* undermines trust in experts, measures only measurable formal procedures (and delegitimizes informality), and thus forces organizations to adapt to accounting and auditing techniques that focus on monitoring single performance variables, while not enhancing the efficiency of the organization as a whole (Strathern, 2000; Tsoukas, 1997). Thus, attempts to make organizations more transparent, accountable, and auditable are no neutral tools for increasing visibility, but actually have a performative aspect in *changing* organizations affected by such measures (Albu and Flyverbom, 2013; Garsten and Lindh de Montoya, 2008). More specifically, studies in critical accounting (Power, 1997; Power, 2003) and critical studies in public administration (Hood, 2007; Hood, 2010; Hood and Heald, 2006; O'Neill, 2002; O'Neill, 2006) have shown that making organizations transparent via auditing and accounting leads to elaborate forms of 'blame-avoiding' and *reactant* behavior. Classic examples are moving delicate decisions to intransparent venues, scapegoating, avoidance of record-keeping, defensive reporting, 'gaming' of reported performance numbers and similar (for an overview see e.g. Hood, 2007: 202ff).

What the concept of functional deviance adds to this strand of organizational science is that it focuses on *organizational benefits* of deviating behavior, i.e. on

constellations where reactance to techniques of organizational transparency is not only of use for deviant individuals, but also latently for the organization's flexibility under conditions of rigid formal structures caused by compliance-based regulation. Functional deviance can be used as a theoretical model for explaining why transparency and compliance can indeed yield results in cases of individual deviance, but have counterproductive side effects in cases of deviance accepted, tolerated, and ordered by organizations.

With this background, functional deviance is a fruitful theoretical model for interpreting empirical data on unintended organizational side effects of anti-corruption (e.g. Lennerfors, 2012). In the following section, I will follow this path and present a case on how, at first sight successful, compliance- and transparency-based anti-corruption efforts limited functional deviance in organizations and what organizational structures resulted from this.

Limiting functional deviance

Anti-corruption models that distrust discretion will be explicitly disapproving of deviance – functional or not. If functional deviance is defined as deviations from formal organizational rules that increase the flexibility and adaptability of organizations, three classes of unintended side effects can be expected from attempts to eradicate it. Following Hirschman (1991) and Hood (2007: 202ff) unintended side effects of making organizations transparent can be classified as *futile*, *jeopardizing*, and *perverse*. 'Futility' refers to merely ceremonial changes in re-structuring organizations to meet transparency demands. In the case at hand, this would mean anti-corruption as 'window-dressing' or 'tokenism'. 'Jeopardizing' outcomes are those in which organizational structures are effectively changed (in the case at hand: made transparent for external observers), but at the cost of other important organizational values. Side effects can, finally, be classified as 'perverse' when they effectively undermine the intended outcome of organizational transparency.

Ruling out constellations of 'tokenism' or 'futility' (as they can, at least in principle, be tackled by ever stricter operational control), *jeopardizing* side effects of transparency-based anti-corruption arise when making organizations transparent effectively overshadows the value of organizational efficiency and flexibility. Here, anti-corruption can be expected to have structurally similar side effects as they have been described for *accounting* and *auditing* from a critical perspective. For one thing, it can be expected that inhibiting functional deviance can indeed force organizational members to strictly comply with formal regulation, but that this kind of compliance severely *slows down* decision-making

processes (Pollitt et al., 1999). Transparency-based anti-corruption would turn to *an end in itself* and force organizations to invest considerable resources in internal monitoring – creating organizational legitimacy but not efficiency (Power, 2003). Another jeopardizing side effect likely to occur is an effective *erosion of flexibility* in organizational decision-making. Here it was argued that strict and encompassing operational control can indeed make organizations transparent for external observers, but at the cost of undermining the value of context-specific and case-sensitive judgment in the administrative process. Instead of creatively dealing with complex, risky and uncertain cases, administrators begin to embrace a *box-ticking mentality* towards decision-making (O'Neill, 2002; O'Neill, 2006) – leading to weak management and a fear to decide on issues not covered by formalized protocol.

The second, or 'perverse', class of side effects of transparency-based anti-corruption programs is a reaction to jeopardizing effects and is likely to occur when organizations are forced into a strict compliance and surveillance regime but are *simultaneously* expected to decide efficiently, quickly, and case-sensitively. In such cases, organizational members are forced to withdraw into the least observable parts of the organization – i.e. into *small, trust-based, and like-minded cliques* where (functionally) deviant behavior can still be pursued, but now in *absolute secrecy*. Such unintended side effects of making organizations transparent are perverse insofar, as they reinforce exactly those structures transparency-based reforms try to overcome: organizational intransparency.

Yet, the effects of such strict transparency-, accountability-, and compliance-based anti-corruption programs have rarely been investigated empirically. As stated above, this is due to the (perhaps qualified) conjecture that such programs are mostly mere 'window dressing' or do not address organizational structures at all. But there is also an obvious methodological issue: violations of formal orders in organizational behavior (functional or dysfunctional) are utterly delicate issues for those involved in it and, therefore, extremely hard to observe directly. To exemplify the hypothesis that the implementation of principal-agent models of anti-corruption inhibit functional deviance, cases are needed that describe *intra-organizational* processes of redesign and use an empirical framework that goes beyond merely analyzing changes in the formal organizational structure (like document analysis).

The only study I am aware of that meets both criteria is an extensive, qualitative interview-based study by Anechiarico and Jacobs (1996) who analyzed the effects a very strict anti-corruption policy had on local public administration units in New York City. The authors describe a very radical transparency- and accountability-based anti-corruption regime that did not primarily rely on visible

compliance departments and regular audits, but rather on undercover investigations. A central role was played by the 'Department of Investigations' (DOI), a public anti-corruption agency that originally started as a plain comptroller's office, entitled to detect financial misconduct and organizational shortcomings in local public administration in an *ex-post* fashion. From its beginning in the 1930s until the early 1970s, the effectiveness of the DOI's work was largely dependent on the leeway and resources it was granted by the Mayor's Office: some mayors used it as a most welcome driving force in anti-corruption crusades, others cut the DOI's budget to keep political machines in place.

Since the mid-1970s, however, and partly as a reaction to the Watergate scandal, the DOI's mandate was steadily widened and the agency was slowly entitled to executive powers. It was turned into a law-enforcement agency, primarily staffed not by accountants or administration experts, but by personnel largely coming from special police forces (*ibid.*: 75ff). From now on, the main fields of activity were not accounts and recommendations for institutional reform, but undercover and 'sting' operations, assignments of informants, and wiretapping to fight corrupt behavior in the city's local bureaucracy.

However, the DOI's activities were not only planned to be about detection, but also about the prevention of corruption in local administration. Therefore, the so-called 'Inspectors-General' (IG) system was introduced (*ibid.*: 84ff). Originally, IGs were members of city agencies, entrusted with investigating charges of corruption raised against their administrative unit, while the DOI supervised the agencies' efforts in handling such cases. Though this was the first attempt to install anti-corruption officers at the agency-level, it soon became clear that IGs were in fact pawns of their agency's heads. IGs became the prime example of anti-corruption as 'window-dressing': charged with investigating corruption, they actually investigated little more than absenteeism and sleeping on the job. So it was decided that IGs, to act independently, should be responsible *only* to the DOI. As planned, the IGs could act as spies: they had unrestricted access to all meetings and records of their agency, they could start undercover investigations and they were allowed to launch proactive investigations to test the integrity of their colleagues. Most importantly, they could do all that without the agreement of the agency's head. Almost needless to say, the power of IGs to monitor was accompanied by increasingly comprehensive criminal laws 'backed by threats of sanctions, including jail, fines, and job and pension forfeiture' (*ibid.*: 62) and a far-reaching whistleblower-protection policy.

The anti-corruption program in NYC involved several other measures that cannot be illustrated in detail here. An additional aspect of preventing corruption that should be mentioned, however, is the introduction of very strict conflict-of-

interest regulation in the local administration in NYC (*ibid.*: 45ff). To prevent nepotism or favoritism in procurement processes, officials were required to disclose in every detail their personal and their family's income, property, and involvement in private business of whatever kind. Conflict-of-interest laws especially targeted non-governmental employment opportunities, which had become extremely restricted the tighter the DOI's grip on local administration got.

Altogether, the effect of this anti-corruption reform movement was a 'panopticon-like' environment, where public officials should and in fact did assume being permanently observed by an invisible force in order to enhance compliance with formal regulations. Referring to Foucault's approach (1995), the authors argue that the DOI proved to be an effective agency exactly because officials internalized its monitoring techniques. This is why the measures could go beyond mere 'window dressing': the IG systems made monitoring simultaneously pervasive and invisible, while more and more sanctions were designed to punish wrongdoers. Officials began to play strictly to the rules, simply because they did not know if they were watched and what rules they would break if not following protocol as strictly as possible. Anechiarico and Jacobs argue that while the internal structure of the DOI proved to be an extraordinarily effective tool to ensure individual compliance, ensuring compliance did not result in measurably less corruption. What could be observed, however, was that the effectively imposed 'work-to-rule' regime resulted in several unintended side effects, causing a loss in organizational efficiency.

First of all, the anti-corruption program caused severe delays in the decision-making process. This is mainly because functional deviance in the form of 'shortened communication lines' was effectively discouraged. Even the most routine decisions required multiple approvals to avoid any possibility of fraud, conflict of interest, or thievery (Anechiarico and Jacobs, 1996: 175f). No intuition or discretion was allowed. Also, this regime fostered a climate of caution, fear, and self-preservation. Knowing that every decision not covered by protocol could be interpreted as potentially corrupt, decision-makers followed rules as strictly as possible to exclude even the slightest suspicion of misconduct.

Second, the anti-corruption regime in NYC led to what Anechiarico and Jacobs (1996: 177) call 'inadequate authority'. This means that the diverse monitoring bodies in NYC required agency heads to get approval even for secondary decisions, thus losing a considerable amount of power. The IG's far-reaching monitoring assignments, combined with a strong whistleblower protection policy, went as far as creating competing power centers in an agency, leading to

confusions about who had the final say in strategic decisions – the IG or the agency head. All these measures effectively undermined the agency head's autonomy and authority, and resulted in a very defensive way of managing public administrations. Instead of flexibly and creatively adapting to ever-changing demands and to take risks, upper and middle-level bureaucrats were mostly dealing with impression management. They constantly had to ask themselves how a decision looked for the IG and if it could be interpreted as an attempt to act corruptly. In such a situation it was rational not to cut through 'red tape' but to reluctantly stick to obsolete rules (*ibid.*: 178f). In fact, the authors describe how the anti-corruption project in NYC led to the well-known bureaucratic phenomenon of 'goal displacement': instead of rationalizing administration, limiting discretion in fact created over-bureaucratization as the bureaucracy became 'absorbed in monitoring itself' (*ibid.*: 180). The monitoring process, though only a means in creating compliance, became the actual end of administrative processes.

Beyond massive delays in decision-making, goal displacement and defensive management, another harmful side effect of the anti-corruption project in NYC was poor morale and adverse selection in public administration (*ibid.*: 181ff). As the principal-agent model envisions a corruption-free administration to work like an automaton, bureaucrats are envisioned as cogs in a machinery. As an effect, especially well-trained professionals turned away from an administration that discouraged creative solutions, enforced strict compliance, and deliberately left no space for professional judgment. Furthermore, financial disclosure regulations forced officials to give an account of very private data. Finally, conflict-of-interest regulation and minute accounting of funds and employee time effectively erected barriers between organizations, especially between public and private organizations. All these aspects taken together created a climate that treated officials as potential criminals. Thus, the better-educated strata of administrators increasingly left public administration in search for jobs in quasi-public authorities still not under the aegis of the anti-corruption panopticon. Eventually, local administration in NYC had to rely on officials who could not get a job anywhere else.

The most striking side effect of NYC's anti-corruption regime, however, was *increased intransparency*. On one occasion, the authors describe how city officials, in fear of wiretapping, used pay phones for official communication (*ibid.*: 89f). The crucial point here is not that officials used pay phones to arrange corrupt transactions, but to get the job done swiftly and to avoid charges by the DOI for unknowingly violating protocol. At least this anecdote should be worrisome for transparency-, accountability, and compliance-based anti-corruption programs. It is one thing to downplay efficiency and resilience in favor of compliance, but

where measures to raise transparency and compliance lead to less transparency, the model becomes self-defeating in creating the above mentioned ‘perverse’ side effects. In this case, transparency-oriented anti-corruption created exactly those effects it claimed to eradicate.

Discussion: Functional deviance and organizational corruption

To sum up, the strict and panopticon-like anti-corruption policy in NYC created the expected ‘jeopardizing’ and ‘perverse’ effects exactly because the costs of deviant behavior were so high that it was avoided even if having positive effects in terms of flexibility and resilience – deviance was avoided even if being functional.

However, when using concepts like functional deviance to interpret such empirical cases, one has to be very cautious about the well-known pitfalls and limits of functionalist models in sociology. First, there is always the danger of crediting every kind of deviant behavior with some function for stabilizing a social system in an *ex-post* fashion. Thus, it is absolutely crucial to predefine expected functions as clearly as possible and to use empirical material that can, at least potentially, falsify a functionalist hypothesis. Admittedly, ‘flexibility’, ‘resilience’, and ‘efficiency’ are only first steps in defining the functionality of a deviant act, but more precise concepts are necessary.

Second, one should avoid the also well-known problem of Parsonian structural functionalism (Parsons, 1951) that worked with a *fixed set* of functions needed to sustain a social system and then inferred that a social system would fail to reproduce if not all functions were fulfilled properly. Instead, it seems more useful to work with the dynamic concept of *functional equivalents* (e.g. Gresov and Drazin, 1997). With Anechiarico and Jacobs it can be argued that bureaucracies do not simply stop to work when functional deviance is inhibited. Their pay phone example rather indicates that if there is no generalized trust in organizational discretion, this trust is sought in small, like-minded *organizational cliques* who support and ‘cover’ their members in cases of by-passing paralyzing regulation and who, due to panopticon-like transparency, have to do that in absolute secrecy (Dalton, 1959; Tichy, 1973). Thus, trust in closed, i.e. utterly intransparent, groups can be a functional equivalent for trust in discretion. A hypothesis could be that organizations bound to an extremely strict compliance regime would become simultaneously very transparent and very intransparent, at least if they are expected to make decisions and not only to demonstrate their devotion to formal correctness. Insofar, the ‘perverse’ class of side effects, in this case the intransparent decision-making processes in transparent organizations,

need not be regarded as purely negative. In fact, they *re-flexibilize* organizations bound to inflexible compliance regimes – they are, in Hood’s (2007) terms, an antidote to the class of ‘jeopardizing’ side effects.

Re-flexibilization through intransparency is, however, a risky issue. If transparency regimes force organizational members into functionally deviant cliques, there also grows potential for corruption *pure and simple*, i.e. deviance for *private* gains only, to emerge in these closed and intransparent groups. In the pay phone case described by Anechiarico and Jacobs, bureaucrats circumvented protocol to get their job done properly without having to fear surveillance and blaming. But protocol can, obviously, also be circumvented because of psychological factors like frustration and without any latent contribution to the organization’s flexibility. Here, a growing body of empirical and experimental research shows that ‘when social-control agents push individuals into [...] deviance by intrusive checking, they cause the individual to develop a deviant identity; that is, it causes them to think of themselves and act as wrongdoers’ (Greve et al., 2010: 81). It can be expected that social-control agents, such as the IGs in the NYC case, can turn functional deviance *into* corruption, i.e. into deviance from which only the wrongdoers themselves profit, and no longer their host organizations. This outcome is the more probable the more intrusive social-control agents behave. Such intrusiveness is fostered when accountability is understood in an egalitarian way (Hood, 2010: 998ff), i.e. where organizational members are not only held accountable by their designated superiors or visible auditing bodies, but where, as described for the NYC case, the process of accountability is, in a panopticon-like operational control, dispersed across the organization. The intrusiveness of social control agents can also be reinforced e.g. by using *governance, risk, and compliance* (GRC) software (e.g. Bamberger, 2010).

Having said that, it should be stressed that the concept of functional deviance does not presuppose an active interest in the organization’s flexibility. Thus, even deviance out of frustration can unintentionally break the deadlock of too rigid control as much as thoroughly well-meant functional deviance can, in the long run, turn into self-interested corruption when conducted in small, intransparent, and conspiring groups. What makes deviance functional is, therefore, not the *motivational* structure of deviant members, but its overall *system-wide effects* on an organization’s adaptability.

Third, both organizational sociology and the anti-corruption project should, more clearly than now, distinguish between organizational corruption and functional deviance. The model of functional deviance is tightly coupled with the phenomenon of *corrupt organizations*, i.e. the insight that corrupt activities can be

undertaken not for the wrongdoer's personal gain, but for the organization's benefit – mostly with superior toleration, involvement, or enforcement (Pinto et al., 2008). But while this discussion offers good arguments for distinguishing *corrupt organizations* from organization-wide activities of self-interested *corrupt individuals*, it does not clarify the relationship between organizational corruption and functional deviance. Here, it is only suggested that organizational corruption is a case of 'organizational citizenship behavior' (OCB), i.e. 'extrarole behaviors undertaken by individual employees for the benefit of colleagues or the organization as a whole' (*ibid.*: 690) that has 'gone bad'.

With Greve et al. (2010: 80ff) it can be argued that the line between functional deviance and organizational corruption is not a substantial one, but rather *actively constructed* by social-control agents, that it varies over time, and leads to inconsistency and arbitrariness in regulation – in short, incentives for hidden by-passes, clique-building, and, ultimately, intransparency. It would not be much of an exaggeration to argue that organizational corruption is functional deviance *made bad* – both manifestly and deliberately by legal 'work-to-rule' regulations and latently by its side effects. Elaborating on this point, the theoretical and empirical arguments regarding functional deviance seem to verify the hypothesis that strong social-control mechanisms might, as in the case of the daunted NYC officials, keep individuals from deviating, but 'when misconduct is instead on behalf of the organization and at its behest, stronger organizational control leads to more misconduct' (*ibid.*: 92). Individual compliance does not seem to add up to organizational compliance – quite on the contrary.

Forth, the concept of functional deviance does not specify on what organizational level a deviant act is allowed to occur to call it 'functional' for the organization. This leads to the interesting case where formally deviant behavior increases the adaptability and performance of an organization's *sub-unit*, but does so at the expense of the adaptability and performance of the organization as a whole. Clandestine practices that smooth decision-making processes at the departmental level do not necessarily add up to the organization's interests at large – an issue likely to, again, re-emerge on intra-departmental group levels. An even more difficult case seems to be functional deviance *by* corruption. This constellation emerges when an organization can pursue its goals only if its members deviate from formal rules for directly *private* gains. An example is 'petty corruption', where officials carry out at least parts their duties only because their *personal* income is augmented by corruption. As far as I can see, the ongoing discussion about distinguishing organizational from individual corruption does not take into account such subtleties, mainly because corruption is seen as being undertaken *either* for the benefit of organizations at large *or* for the benefits of individuals or groups of individuals. I leave it to further research to examine

whether the ability to explain fuzzy cases between those two poles is an advantage or a downside of the concept of functional deviance.

Conclusion and outlook

The qualifications stated above show how functional deviance offers new insights in analyzing anti-corruption programs, while also being an under-theorized concept. Building on critical studies on accounting and auditing, the concept of functional deviance highlights constellations where strict compliance mechanisms are not only circumvented, evaded, or manipulated, but where such practices *also* flexibilize the rigidity of formal structures and, unintentionally, strengthen organizational adaptability. Transparency, compliance, standardized accountability and auditing obviously create incentives to outsmart control mechanisms. The concept of functional deviance goes a step further in arguing that such arcane behavior (the ‘perverse’ class of side effects of transparency) can sum up to an organization’s benefit in intransparently alleviating the inflexibility of compliance regimes. Thus, the conceptual innovation offered by the functional deviance approach is to focus on *systemic* and *emergent* effects of deviant organizational behavior instead of focusing on *individual* reactance and its *motivational* structure.

Further research in this field could concentrate on analyzing under what circumstances arcane, secret, and intransparent behavior does sum up to organizational adaptability and under what conditions it remains purely interest-maximizing, or corrupt behavior by individuals and organizational cliques. A deeper understanding of such processes can be delivered both by sociological and psychological micro-analyses of organizational *group formation* and by comparing deviant behavior in different *organizational types* confronted with compliance and transparency regulation – besides public administration obvious cases are the financial industry and the medical sector. From a theoretical perspective, further research could tie the concept of functional deviance with similar concepts such as Moore and Tumin’s (1949) concept of ‘social functions of ignorance’ or with concepts associated with organizational anthropology like the ‘performative’ role of transparency mechanisms (Albu and Flyverbom, 2013; Garsten and Lindh de Montoya, 2008).

Though it is not within the scope of this paper to offer policy solutions or a model for organizational reform, the concept of functional deviance can sensitize anti-corruption reformers for the unintended side effects of compliance and panoptic transparency. In practice, this could mean to acknowledge *limits of operational control* (Bernstein, 2012), i.e. to consider measures that allow for

functional deviance but simultaneously keep it from becoming ‘privatized’ into corruption pure and simple. As already mentioned, this is socially a tricky task, as ‘allowed for’ functional deviance loses its latent structure and runs the risk of being perceived as a managerial containment mechanism, ready to be circumvented when proven too rigid. From this perspective, functional deviance is *not* a normative postulate that can be integrated into a formal organizational design.

Such difficulties in controlling deviance call for a renewed discussion on the bureaucratic ethos, i.e. a discussion that defends bureaucracy not only against entrepreneurial and post-modernist attacks (e.g. du Gay, 2000), but also against a principalist view that reduces organizational behavior to rule-following without being aware of well-documented side effects of this vision. One option is to argue that what makes a low-corruption bureaucracy (e.g. in terms of TI’s CPI) is not strict compliance, but the ability to keep functional deviance from turning into private rent-seeking. Currently, I am not aware of research working with such an approach. There is a growing interest in designing bureaucratic control mechanisms that rely on e.g. ‘stewardship’ (Segal, 2012) or ‘integrity’ (Paine, 1994) models instead of strict formal compliance only. But if the further path of organizational reform should stress and re-discover flexibility, adaptability and discretion, I doubt that this can be achieved by, again, making organizational members play to the rules, only this time via internalized ethical codes of conduct.

All this being said, what does the model of functional deviance add to the policy-oriented discussions on corruption and anti-corruption? Above all, it can make anti-corruption reformers aware of the fact that fighting corruption by trying to eradicate all deviations from formal organizational orders basically means throwing the baby out with the bathwater. In the best case, rigidity is evaded by hidden functional deviance and in the worst case, such arcane practices lead to corruption. Thus, anti-corruption reformers should acknowledge limits of compliance and limits of outlawing deviance. This is not a fatalist or a generally skeptical argument – corruption obviously can be tackled by institutional fine-tuning. The concept of functional deviance can contribute to this kind of fine-tuning with a sociologically informed perspective on organizational reform.

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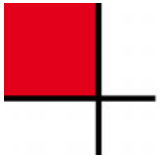
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Making up corruption control: Conducting due diligence in a Danish law firm

Hans Krause Hansen and Morten Hove Tang-Jensen

abstract

Contemporary scholarship on corruption control lacks an analytical focus on anti-corruption in practice. We examine corruption control at the micro-level as exemplified by the use of anti-corruption due diligence in a Danish law firm. Building on concepts from studies of the cultural economy, anti-policy, risk theory and classifications in examination processes, we argue that careful analysis of the subtle processes involved in the conduct of due diligence by professionals provides insights into the ambiguous implications of mobilizing particular forms of knowledge and expertise in practical corruption control work. By providing also an extended view on the operations of due diligence in the wider corruption control regime the paper problematizes clear-cut distinctions and categories used in established literatures.

Introduction

Since the 1990s, national legislation and international conventions have proliferated in the name of 'anti-corruption'. Citizens and businesses are now part of and often the key drivers in corruption control efforts orchestrated by international organizations, non-governmental organizations and other organizational arrangements. Management consultancies, audit and accounting firms, law firms, investment banks and service providers of corruption control knowledge and technologies make up the commercial side of this transnational regime.

Scholars of international relations and international political economy have addressed the roles of state and non-state actors in corruption control, focusing

on hard and soft regulatory dynamics at the macro level, the efficiency of the regime and its neoliberal underpinnings (e.g. Rose-Ackerman, 2002; Abbot and Snidal, 2002; Wraage and Wraage, 2005; Bukovansky, 2006; Getz, 2006; Hansen, 2011; Jakobi, 2013). Scholars of international business, management and organization have analyzed the multiple causes and consequences of corruption at the organizational level (e.g., Rodríguez et al., 2006; Ashforth et al., 2008; Nichols, 2012). In this spate of research we often find normative ideals about proper organizational practice, including suggestions as to how corruption might be curbed. For example, Luo in a largely theoretical study of the complexity of corruption observes that organizations 'should have detailed procedures for disseminating their anti-corruption statements to employees in all hierarchies, sub-units and locations' (2005: 146). However, researchers have rarely explored the meaning nor theorized the significance of the specific governance technologies deployed in practical corruption control work in organizational settings. These technologies include the training of employees, the creation and use of codes of conduct, whistle-blower systems, indicators and metrics, and the deployment of various investigative methodologies aimed at handling corruption risks. This article sets out to analyze one governance technology of growing importance in the emerging corruption control regime: due diligence. We examine the significance of due diligence in terms of its cultural and classificatory logics in corruption control work carried out by professionals in a specific organizational setting, and we relate these logics to the broader corruption control regime.

Although scrutinizing business partners is a practice as old as commerce itself, the term due diligence originates from the US Securities Act of 1933. In essence, due diligence today typically refers to the procedures through which corporations assess the track record of their potential partners before engaging in business with them. Important is the control of the existence of any previous legal disputes or illicit activities before closing a transaction (Maurer, 2005). Due diligence has also entered the statutory books of the US Foreign Corrupt Practices Act and the recent UK Bribery Act as investigations companies must undertake when engaging in mergers and acquisitions (M&A). It is recommended by organizations like the UN Global Compact, World Economic Forum and Transparency International to address the challenges of corruption, not least when encountered in global supply chains (UN Global Compact, 2010).

The information gathered in due diligence investigations is commonly dealt with as if it represents the economic, political and cultural realities of the target(s) of the investigations. For the professionals conducting the investigations – lawyers, compliance officers and consultants – trust in the representational capacities of the information gathered is central to the purpose and success of their work. The

investigations in principle equip corporate actors for targeted practices, such as avoiding the payment of bribes or the acquisition of a firm with a suspicious history.

For researchers interested in the dynamics of corruption and corruption control, this observation could suggest the relevance of proposing a framework for assessing the effectiveness of due diligence as a corruption control technology in corporations. If effective, due diligence should be recommended, and simultaneously help to position corporations using this tool as ‘crucial allies’ against corruption (Álvarez-Arce et al., 2008). Our analytical perspective here is different, however. Instead of searching for causal links between the effectiveness of specific corruption control technologies, corporate self-regulation and social responsibility, or suggesting models for how to get rid of corruption in organizations, we explore the social and cultural processes that go into the conduct of due diligence in the first place. We believe such a critical perspective is important for two main reasons. First, it can help future scholarship as well as practitioners to be more reflective about the taken-for-granted assumptions of much corruption control work, including its blind spots and risks. Second, it provides a bottom up perspective on the broader corruption control regime. Due diligence resembles peer reviewing (Maurer, 2005), which establishes a particular relationship of power between an examiner and an examinee. Due diligence is a technology of governance that might discipline corporate conduct through the examination it undertakes. Whatever the direction, success or failure of this process, due diligence contains its own set of legal, cultural and social assumptions. These are essential to analyze in order to understand not only the meanings of due diligence when carried out within and across specific organizational contexts, but also the increasingly widespread endorsement of this corruption control technology across sectors and its implications for governance more broadly.

The article is structured as follows. Section I outlines a conceptual framework for analyzing due diligence as a governance technology. We argue that understanding due diligence this way requires insights into the ways cultural perceptions shape governance technologies aimed at curbing ‘bad things’ like corruption. Due diligence represents one such technology, being its key interactional dynamic the examination and its classificatory schemes. Section II sketches the empirical research methodology, which combines the single case study with a mixed method approach. Drawing on this framework, section III analyzes how due diligence is carried out in a Danish law firm providing counselling in mergers and acquisitions (M&A).

The contribution to studies of corruption control is discussed in the concluding section IV. Our conceptually grounded empirical glimpse of due diligence demonstrates that the information gathered by professionals does much more than simply representing people, objects and processes. Due diligence facilitates classification in knowledge hierarchies, which makes control, inclusion and exclusion, and organizational changes possible. Deeper insights into these subtle processes can enhance reflexivity about the ambiguous implications of mobilizing particular forms of knowledge and expertise in corruption control work. Especially some of the taken-for-granted frames and blind spots that particular professions such as lawyers come to apply when operationalizing corruption control technologies, including limited cultural reflexivity, are important. The study also provides an extended view on the operations of due diligence in the wider corruption control regime, problematizing conventional distinctions in much research and suggesting the usefulness in future research to experiment with different conceptual vocabularies.

Governing risks: The examination and due diligence

The expansion of corruption control efforts remains a major international ambition, and scholars continue debating whether such efforts have any bearing on corruption levels, however measured. Some scholars have seen in the emerging corruption control regime the prospect of a 'business case', which is believed to reduce corruption over time. According to Nichols, corporations have come to have strong incentives 'for complying with rules that prohibit the payment of bribes and for developing programs and policies that ensure compliance with laws prohibiting the payment of bribe' (2012: 368). Conversely, critical scholars point to the corrupt role and failed responsibility of the private sector in times of financial crisis. The so-called business case of anti-corruption is illusory since the continuing dominance of neoliberal economic theories leads businesses to focus on profits and growth rather than on societal responsibility (Brown and Cloke, 2011: 118).

While these debates are important, they are often premised on generalizing theoretical and ideological assumptions that make it difficult to really address the multiple forms of knowledge, technologies and practices shaping the regime, which, when studied carefully in empirical settings, might reveal some of its underlying contradictions, limitations and potentials. Thus, our purpose in this section is to offer a framework for theorizing and empirically investigating the classificatory systems, technologies and cultural meanings in practical corruption work. Doing this, however, requires not only a focus on the social creation of corruption control in specific organizational settings, but also on its linkages to

and interdependence with broader institutional processes, in casu the corruption control regime.

A useful starting point for our endeavour can be found in recent studies of the cultural economy, which investigate the heterogeneous ways in which objects and persons are 'made up' by particular cultural frames, classificatory schemes and material technologies (du Gay and Pryke, 2002; Best and Paterson, 2010). Organizations, regimes and markets have traditionally been regarded as existing prior to and hence independently of our vocabularies. The key agents have been framed in terms of rational actors, capable of strategically assessing the costs and benefits of their activities in everyday life. The bulk of research on corruption and corruption control is premised on this view. But a turn to cultural analysis 'instigates a reversal of this perception, by indicating the ways in which objects are constituted through the discourses used to describe them and to act upon them' (du Gay and Pryke, 2002: 2).

The meanings people ascribe to social life and material objects, and the constitutive aspects of the material technologies and objects mobilized, are pivotal (Best and Paterson, 2010: 3). Important cultural dimensions of the economy of corruption control include the webs of meaning that span economic actors, and their relationships and products. These are left out of purview if we restrict our analytical focus to formal and rationalistic models. Politics and power is imbricated in meaning-making processes as well as in economic and material activities and artefacts.

Turning a particular social practice like corruption into a problem is thus linked to cultural perceptions of what counts as good or bad practices. Indeed, such problematizations inform the design of specific governance technologies to control and handle such practices. Recent studies of anti-policy (Walters, 2008) and risk management (Power, 2007) provide a conceptual terrain for understanding how the alignment of cultural perceptions and governance technologies can take place. The concept of anti-policy unpacks how organizations come to identify, problematize and govern 'bad things.' It focuses on the policies and strategies that name themselves explicitly as 'anti-', the kinds of legitimacy these might enjoy, the forms of resistance they might face and, not least, the productive processes such anti-policies can entail in terms of spurring socio-technical networks of people and objects around the problem to be governed. Anti-policies can mobilize particular professions, refine knowledge and provide the occasion for creating new institutions and technologies to address the undesirable things. This includes the formation of industries and markets where relevant 'anti-' knowledge and social technologies are produced and consumed.

Anti-policies intersect with the increasing focus on risk management and surveillance in organizations (Brivot and Gendron, 2011). Considering something a risk constitutes not only one of the primary ways in which a bad thing becomes visible and governable, it also presupposes expectations about actor and management responsibility (Power, 2007). Governments have conventionally been regarded as responsible for the control of bad things. But today the notion of risk management places a particular emphasis on corporate self-regulation to avoid liabilities. Corporations have come under pressure to act as socially responsible market agents and to make their anti-policies visible (Barry, 2004; Shamir, 2008; Scherer and Palazzo, 2011).

International anti-corruption efforts provide an apt illustration of these dynamics. Alongside international and national legal efforts governments have come to rely on an expanding number of governance arrangements in which corporations, industries, NGOs and other actors, including professions and experts operating across all these sectors, play a key role in the identification of 'bad things'. Neoliberal orientations and practices, however defined (Bukovansky, 2006; Everett et al., 2007; Ericson, 2007; Shamir, 2008), have induced regulatory changes and shaped corporations and other actors. The result is a fundamental diversity of corruption control practices, penetrated by commercial logics, technologies and devices, and socio-technical networks for 'control of the bad'. An 'anti-corruption industry' (Sampson, 2010), or adapting insights from Haggerty and Ericson (2000), an 'anti-corruption assemblage', is in the making, which in various ways connect state and non-state actors, including commercial actors, research institutions, NGOs and other experts and bodies of knowledge. Conceptually, an assemblage refers to the entanglement of heterogeneous human and non-human elements – people, objects and networks – and their formation into a field of thought and action. Conventional *a priori* distinctions dominating extant research on corruption and corruption, including between the 'national' and 'international', the 'public' and 'private', 'hard' and 'soft' law, might usefully be reconsidered against this background (e.g., Abbott and Snidal, 2000; 2002). The anti-corruption assemblage cuts across these conventional distinctions and can be articulated in specific contexts and situations, defining discursive and material relationships. It is with this in mind that the following sections highlight the role of due diligence as an ascendant corruption risk technology in the emerging corruption control regime. We begin our exploration by scrutinizing analytically some important components of this technology before turning to a study of its practice.

The examination and dynamic nominalism

Similar to other types of risk technologies due diligence involves examination. Whatever the particular methods enacted by the examiner, the examination reflects certain knowledge and expectations about the ideal conduct to strive for on the part of the examinee. By marking up appropriate conduct it operates with a model of deviant, or risky, behaviour. Thus, the examination always rests on hierarchy of knowledge, being its aim to shape the conduct of the examinee based on the ‘truth’ established through the investigation and questioning. This shaping can take place through training, surveillance or punishment, suggesting also that the examinee can be deemed responsible for both its own negative classification in the examination as well as for future improvement (Löwenheim, 2008: 259). Of course, the examinee may be listened to, but it is the examiner who decides which sources of information about the examinee will be included, what specific aspects will be focused on in the examination, and how to balance the different kinds of information retrieved for the final decision-making.

Scholars have begun to investigate the various forms of examination deployed in the emerging corruption control regime. This includes the peer review process undertaken by the OECD whereby officials from member state carry out missions to other member states to examine the degree to which the examined state has adopted the anti-corruption practices suggested by the OECD. Scholars have also explored the development of performance measurements in the area of corruption and anti-corruption, which relies on examination and surveillance of risky countries, sectors and businesses (Hansen, 2012). As a form of examination due diligence is much like qualitative peer reviewing, although quantitative assessments can clearly form part of it (Maurer, 2005).

Considered a type of examination the conduct of due diligence relies on the use of language. However, for our analytical purpose here, focusing only on language use does not do justice to the complexity of the matter. To understand the project of ‘making up people’, as Hacking (2007) notes, several interacting elements must be taken into account. Thus, it is not only the ‘names’ used in the work of classifications that should be taken into account

but also the people classified, the experts who classify, study and help them, the institutions within which the experts and their subjects interact, and through which authorities control [as well as] the evolving body of knowledge about the people in question – both expert knowledge and popular science. (*ibid.*: 295)

Hacking proposes the concept of ‘dynamic nominalism’ to capture the interaction between classificatory and non-classificatory elements in social processes. Much like conceptions of reactivity (Espeland and Sauder, 2007) and

performativity (e.g., MacKenzie, 2006), dynamic nominalism includes ‘looping effects’, which refer to the ways in which classifications interact with the people or objects classified. Such looping effects and their classificatory logics typically unfold at micro- and macro-levels. Goffman’s (1959) concepts of schemata, frames and impression management can help us to capture some of the ways in which people in due diligence processes in micro-setting can play strategically with particular representations of themselves, drawing on both expert and popular discursive repertoires. Additionally, concepts from Bourdieu’s (1987) reflexive sociology of law, including legal habitus and field (Dezalay and Madsen, 2012), serve to address the broader legal reasoning, which is applied in anti-corruption due diligence. Such reasoning typically comes about as classificatory schemes anchored on specialized repertoires of knowledge and expertise circulating at the macro-level. Before we investigate these processes in relation to the conduct of anti-corruption due diligence in a Danish law firm, for which this service has become a cornerstone, we sketch the methodology of the study.

Methodologies

The law firm under scrutiny is among the largest law firms in Denmark. It is specialized in providing advice on M&As, which makes up its largest business area in terms of revenue and number of lawyers, and it has several times been recognized for its services through third-party awards. In 2013 it provided due diligence investigation on more than thirty M&As. Importantly, the firm was also a first mover on the Danish market in providing anti-corruption services. These include the drafting of codes of conduct, e-learning programmes, training, whistleblower schemes and, what is especially interesting here, due diligence on anti-corruption in an M&A context. It was on this issue the firm gave us access to confidential empirical data that otherwise would have been hard to retrieve. All this material has been anonymized.

Our approach is a single case study combined with a mixed method approach. The small sample research is appropriate to understand the peculiarities and the determinants of a phenomenon at an early stage of knowledge (Eisenhardt, 1989). Here it is complemented by a mixed method approach (Patton, 2002) with interviews, observations and documents. Twelve interviews were carried out with lawyers engaged in anti-corruption due diligence investigations. The documents include requests lists and questions sent to target companies, mail correspondence, meeting synopses and descriptions of standard operating procedures in the law firm. Observations were conducted in the Virtual Data Room (VDR, more on this below) and through participation in kick-off and ongoing meetings concerning anti-corruption due diligence.

In recent years anti-corruption due diligence has gained ground in M&A globally as a result of new legislation, increased liability, increasing legal enforcement and the pursuit of new revenue sources in the repercussions of the financial crises. Analyzing the Danish case is interesting for several reasons. Since the mid-1990s, Denmark has been on top of Transparency International's Corruption Perception Index (TI CPI), which measures the perceived level of corruption in 180 nations. This low level of perceived corruption combined with a limited enforcement¹ might explain why Danish enterprises seem to be lacking behind the emergent wave of anti-corruption compliance, in contrast to the Anglo-Saxon anti-corruption tradition. Nonetheless, anti-corruption services in the Danish law industry have undergone a significant expansion. Nowadays the largest Danish law firms provide services on anti-corruption as an independent business area, or explicitly, as part of a broader compliance or legal risk management service. Just half a decade ago dedicated anti-corruption services in Danish law firms were a rare sight.

A focus on the Danish case provides us with insights into logics that are likely to be found elsewhere as well. As an interesting comparison, in the UK, the growth in anti-corruption services has been even more evident following the introduction of the UK Bribery Act. Today the five leading law firms having the highest earnings per-partner and earnings per-lawyer among UK-headquartered law firms promote specific anti-corruption business services. This growing trend is evident in law firm Allen and Overy's M&A Index that highlights the number of anti-corruption measures in joint venture transactions. In 2013, 54 % of the joint venture deals included such measures, compared with 45 % the year before. And, further, 18 % of the transactions also dealt with wider corporate responsibility issues (Allen and Overy, 2014).

Anti-corruption due diligence services in a Danish law firm

In this section we analyze the Danish law firm providing advice to companies on due diligence in corporate M&A, looking mainly into the micro-dynamics of corruption control. However, it will also be clear that the due diligence conducted has threads to macro-classifying institutions defining the legal reach of

¹ Until 1998 bribery was deductible on equal terms to ordinary operating expenses in Denmark. At request of the OECD Denmark enacted an amendment to section 8 in the Danish Tax Assessment in 1998, which abrogated bribery as tax-deductible. However, for the bribe to be deductible it had to be a 'standard practice necessity' in the country where it was taking place. In 2013, OCED criticized the Danish fraud team (bagmandspolititet) for lack of enforcement and resources to combat bribery in Denmark (OECD, 2013).

corruption control, as well as to the expertise and information provided by the key professionals and other commercial and civil society actors involved.

We can distil four interactive elements that this particular kind of examination puts into motion: (1) *Classifications of activity* – i.e. the examiner's (the buying company and its lawyers) classifications of the examinee's (the target company) business activity in terms of compliance with the examiner's minimum standards; (2) *Classifications of people and markets* – i.e. the classifications of the examinee and connected partners, networks, territories and jurisdictions of operation, etc.; (3) *Institutions* – i.e. the key regulatory actors, institutions and standards that provide the conceptual and classificatory canvas from which the examiner operates and makes decisions in matters of corruption risks; (4) *Knowledge and experts* – i.e. the forms of expertise and popular knowledge that inform corruption risk diagnoses. We first describe how the law firm organizes its anti-corruption services in matters of due diligence with respect to M&A. We then analyze the classificatory practices undertaken and point to some of their implications.

Organizationally, anti-corruption due diligence is caught between different lawyers and consultants covering different areas of expertise, but orchestrated by the responsible project group in the M&A department. External accounting firms, specialized in forensic investigations, are contracted to validate information. In addition, partners and departments are in a constant battle for resources and billable hours. A senior M&A lawyer states:

M&A due diligence lives its own life. You work under accelerated timetables collecting and analyzing data under confidential and complex conditions.

That conducting due diligence on anti-corruption requires a lot of work has also be documented in US cases (FCPA, 2004).

In simple terms, an M&A consists of an acquirer and a target company. The acquirer seeks professional legal assistance to examine potential corruption issues in the target company. The most predominant classification variables are the type of transaction, markets, industry, geography, size and characteristics of the acquirer and target. Each of these variables has a significant impact on the extent and scope of the anti-corruption due diligence, which can range from all-encompassing to very limited.

This is why a preliminary screening of prospective targets and a macro risk assessment in the preparatory phase precede any specific anti-corruption due diligence investigation. The risk assessment typically examines the level of corruption in the relevant jurisdictions through a review of case law material. It

is also based on indexes like the TI CPI, MapleCroit, a commercial risk management tool combining analysis of corruption risks at local, country, issue, and sector level, as well on Getting The Deal Through, which summarizes anti-corruption laws and enforcement policies in 44 countries. This illustrates how legal institutions and procedures, driven by classificatory systems, are combined with quantitative metrical systems provided by NGOs and firms, to make up a knowledge hierarchy for later decision-making. This preliminary screening and risk assessment typically reduce the number of potential target companies from several to between one and five.

Next, the acquirer makes an initial anonymous approach to the shortlisted targets. Negotiations are then initiated and the shortlisted company (the final target company) is scrutinized in the anti-corruption due diligence alongside more conventional due diligence investigations. In larger transactions in the Western world the target company and its consultants upload data to a virtual data room (VDR). The VDR allows exchange of information and follow-up-questions in a Q and A forum. The investigation can hereafter be divided into the following eight phases (the sections italicized will be elaborated further throughout the analysis): (1) *Request list sent to target*; (2) Setting-up of VDR; (3) Admission to VDR; (4) *Review of information in the VDR*; (5) *Q and A in the VDR*; (6) *Q and A session with top management*; (7) Closing of VDR; (8) Final due diligence report delivered to the client.

The request list (1) is issued by the acquirer and its consultants, primarily the lawyers and is the starting point of the formalized anti-corruption due diligence. As such, it aligns with the hard law features of the emergent anti-corruption regime. The request list demand information on a variety of issues, the level of details being dependent on the initial screening and risk assessment. As an M&A project coordinator explains:

For every transaction the request list is adjusted to fit the particular target company and reflects the compliance level demanded by the client.

In essence, the list is a classificatory system aiming to feature and isolate any information relevant to anti-corruption, but it also serves to facilitate communication among lawyers and consultants of the target and the acquirer. The framing of the request list together with the VDR enables lawyers to process large amounts of information rapidly and to share information with the acquirer and the target company. Conceptually, the request list works as a 'schemata of interpretation', i.e. 'frames' that enable individuals 'to locate, perceive, identify, and label' (Goffman, 1974: 24) corruption issues and information. Below is an

example of the anti-corruption section of the request list from a particular transaction.

The meaning that the lawyer attributes to the information provided to the request list is pivotal in terms of next steps in the due diligence. The findings from this review are categorized into (4) a 'traffic light arrangement' consisting of green (no or minor issues), yellow (issues for further investigation) or red (red flag issues that need to be addressed in further detail). The process for deciding what constitutes a red flag in the due diligence investigation involves a gap analysis of legislation and the performance of the target company.

Example of request list on anti-corruption matters (not complete)

- Compliance management system incl. programs, policies, procedures, training materials, and internal and external audit processes.
- Code of conduct.
- List of responsibilities of each person and management group involved.
- Provide a risk assessment carried out on corruption and bribery risks.
- List of accept and granting of donations, sponsorships, corporate hospitality, events and gifts in the current calendar year and preceding six calendar years.
- List of all intermediaries (in the broadest sense), incl.: name, type of service provided, country where service is provided, interaction with public officials, remuneration, whether agreements contain anti-corruption provisions.
- List of business relationship with public officials.
- List of conviction for criminal conduct covering all company and group, subsidiary etc., employees and owners incl. type of crime, department, date, status in the current calendar year and preceding six calendar years.
- List of training activities carried out incl. type, frequency, participation rate, questions and coverage in the current calendar year and preceding six calendar years.
- List of facilitation payments incl. type, amount, country, date in the current calendar year and preceding six calendar years.
- Information on whistle-blower scheme, ethics hotline and other compliant channels.

- Any information and documentation, which has not been listed in the Request List, but might be relevant to a potential buyer's assessment of the company, should also be provided.

On surface, these vocabularies appear as 'neutral' and objective. Nonetheless, according to one lawyer there is an underlying assumption of mistrust to the point where aspiration of control exceeds trust:

Trust is okay but control and guarantees are better.

These categories of mistrust, framed by a classification *by* some people *of* other people, are determined by a group of experts who classify others, i.e. those described by them. In other words, the acquirer and its lawyers label the categories of mistrust and suspiciousness through the request list, whereas the examinee become subject to these categories. This accession and implicit labeling of mistrust by the buyer towards the target company and their advisors might accommodate or change their behavior as a matter of defense mechanism as people classified often end to conform to or grow into the ways that they are described (Hacking, 2007). In all, we see here how the request list (1) and the ensuing review (4) are basically a classificatory system, which helps to assess whether adequate measures are in place in terms of mechanisms of prevention (screening, risk assessment, training, policies), detection (whistleblower, audit) and responding (dismissal, settlement and handling of cases) in relation to potential breaches of corruption in the target company.

In many cases the information provided prompts more questions than answers, and these new questions are then addressed in an ongoing Q and A session in the VDR (5), or in the face-to-face Q and A (6) which also forms part of a due diligence investigation. Impression management (Goffman, 1959) plays a key role in these Q and A sessions. The target company will attempt to gain an advantageous first-impression to influence the acquirer's perceptions of the company by providing self-assessed beneficial information within social interactions – both online and in face-to-face Q and A sessions. For the target company, the fear of being perceived in certain ways can naturally translate into strategic impression management whereby the target and its consultants purposively seek to promote certain representations of the company. The sense of impression management spurs skepticism among the lawyers representing the acquirer. The lawyers need to gain a true and fair picture of the target's anti-corruption performance in contrast to the target company's self-portrait. At this stage, the lawyers are not instructed in detail on how to conduct the due diligence or what questions to ask in the Q and A, instead, they are given a 'few cues,

hints, and stage directions' (Goffman, 1959: 72) by the client. As one lawyer explains:

It is the risk appetite of the client that decides if we are to wear both belt and braches when conducting the due diligence investigation.

And it is assumed that the acquirer's lawyers through prior experience and specialization in anti-corruption have accumulated the necessary knowledge to identify material findings. The Q and A takes place on the VDR platform. With all of this information in place, the investigation can continue to the next stage, which typically includes more detailed interviews with key personal at the target, face-to-face. It is the acquirer who weighs all the information and makes the final decision whether to close the deal or not.

An example will illustrate how the Q and A can carry along unintended consequences in an anti-corruption context. In one case, the review of an employee handbook of the target company revealed the existence of a corporate social policy promoting employment of individuals with a criminal record. While the policy exhibited social responsibility on the part of the target company, which could in principle signal good corporate reputation, it posed a red flag to the buyer as the risk of engagement in bribery was believed to be more likely among employees with a criminal record. The issue prompted the following Q and A in the VDR:

Question by the acquirer:

It appears that employees convicted under section 122 in the Danish Penal Code, can be approved for work by the local head of staff. Has this been the case? And/or have you hired any employees convicted of fraud, embezzlement or bribery? If so please provide a list that includes the crime, the date, the department that hired the respective offender and the reason for hiring the respective offender

Answer by the target:

According to our best knowledge no one has been convicted.

Question by the acquirer:

What are the reasons for your best knowledge qualification?

Answer by the target:

We are not aware of any such hiring.

Not satisfied with the answer provided by the target company in the VDR, the lawyer representing the acquirer decided to raise the issue in a face-to-face

meeting with the target company executives, who proved unable to elaborate on the answers given in the VDR. Ultimately the buyer decided to erase the referred section in the employee handbook after takeover of the targeted company. This illustrates how the classificatory system involved in this anti-corruption due diligence led the lawyer to advise the acquirer to put an end to a practice, which from a different point of view could be perceived as good corporate social responsibility: re-integrating previously criminalized and punished subjects into work. Moreover, when the lawyers classify the activity – the hiring of former convicted employees as incompliant with the institutional expectation – it has the side effect of classifying the people – the convicted employees – as less legitimate than conventional employees. Ultimately, this counteracts societal norms of treating subjects who have served their time equally worthy to others. Finally, when the acquirer – post-acquisition – deletes the section on hiring former convicts in the employee handbook it becomes evident to the employees that the acquirer has changed the social practices of the target company.

The process illustrates the interrelation between the interactive elements of classification of activity, people and markets, and how the established hierarchy of knowledge comes to produce externalities. A conflict of anti-corruption compliance and promotion of social responsibility can thus exist in an M&A context: The aspiration of governing the ‘bad’ of corruption produces a blind spot for promoting potentially ‘good’. More generally, the level of risk appetite in the due diligence process is a balancing act. If numerous uncertainties are highlighted and proclaimed risks repeatedly turn out to be minimal or even non-existing, the enacting of the institutional classification is close to amount to scaremongering. On the other hand, if a risk is underestimated it can have severe commercial consequences. In practice, the level of certainty is established in a dialogue between the client and the lawyers, while keeping in mind that risk-taking can be a potential source of income for the lawyer.

The processes of establishing such an acceptable level of certainty obviously raises the broader question as to what counts as ‘certainty’ for the professions involved in the anti-corruption due diligence process. Whereas lawyers are specialized in giving advice on legal requirements in corruption control regarding M&A, they normally are not trained for cultural analysis. They thus lack a deeper understanding of the cultural, institutional and social mechanisms involved in corruption, but potentially also a broader reflexivity around their own role in due diligence processes and corruption control (Angwin, 2001; Hines, 2007). When the various classifications based overwhelmingly on the language of law and risk management are rolled out it is difficult to capture and understand the variations and social dynamics of corruption. Nonetheless, in the Danish firm under consideration several of the lawyers emphasize that ‘informal’

cultural considerations are applied. This happens especially during the initial screening and risk assessment. For example, the Chinese practice of *guanxi* (networking) and gift giving is taken into consideration as specific cultural traditions that can collide with western anti-corruption policies. This issue is on the table when advice is given to Chinese clients making acquisitions in Denmark or vice versa. However, this also illustrates the static approaches to culture taken by lawyers. Culture is implicitly defined by nation and market assumptions, and such rather simplified 'cultural data' often come to shape the risk assessment process.

More generally, the practical difficulty of introducing an informed cultural awareness of the target's social and cultural circumstances in anti-corruption due diligence can be related to certain characteristics of legal professions and their thinking. For example, Bourdieu (1987) has convincingly argued that the autonomy of legal thinking is based on a number of features of the juridical field. Legal traditions, education and professional experiences mobilize a legal habitus, which becomes applied to legal reasoning. This legal habitus is dominated by juridical and economic capital, which leaves a blind spot for other considerations such as human recourses, social responsibilities and cultural concerns. This can explain why deeper cultural considerations in terms of customs, norms and beliefs often not are prioritized in anti-corruption due diligence investigations. As an M&A lawyer from the Danish law firm expressed it in an interview:

What is not in the statutory books doesn't count much.

So-called 'softer issues' like cultural values are often treated more as a token gesture than leading to a thorough attempt to understand the risk profile of the target company. However, as lawyers are increasingly confronted with growing cultural complexity in terms of decoding corruption, it becomes of pivotal importance, not least from an instrumental perspective, to be able to decode, understand and provide service in proportion to this complexity.

In all, we have seen how the various classificatory logics at play in due diligence investigations establish a knowledge hierarchy, which essentially serves to discipline and provides mechanisms for inclusion and exclusion. We focused on the construction and use of procedures, templates and databases, the attribution of identities and the prescription of correct behaviour through classifications anchored in particular bodies of knowledge, including legal regulations, case law material on anti-corruption as well as free-of-charge and subscription indexes. Throughout, the *classifications of activity, people and markets* are shaped by the *institutional benchmark* set by the increasingly strict anti-corruption regulation. Specialized *knowledge and expertise* provided particularly by lawyers authorizes the

classificatory endeavour, which can lead to organizational practices being modified or stopped. In this way, the information achieved through the examination, however fragile, does more than simply representing people and objects – it also ‘orders’. From the initial screening to the final decision, due diligence has threads to macro-classifying institutions defining the legal reach of corruption control, but also to the expertise and information provided by commercial and civil society actors. By its very selectivity and foundation in classificatory schemes of corruption control enacted by particular professions, due diligence conducted at the micro-level obscures other aspects, which might have produced more nuanced accounts of the target.

Conclusions

As we noted in the beginning of this article, much research on corruption and corruption control has been focusing on macro-level dynamics. When studied at the micro level, there has mainly been focus on the development of conceptual explanatory models and/or strategies for how to curb corruption in organizations. Researching corruption control empirically in organizational settings has not been a major main scholarly concern. Against this backdrop, we suggested the relevance of taking a deep empirical look into such corruption control practices in organizational settings, and this precisely at a time when stakeholders at large – ranging from governments and businesses to civil society organizations – seem to converge around the recommendation of a particular set of tools to tackle corruption. Our objective, however, was not to assess the effectiveness of specific corruption control technologies, but rather, by means of a conceptually grounded single case study of anti-corruption due diligence, to understand the underlying assumptions and effects related to the use of a specific technology, as well as its linkages to the corruption control regime. While the Danish case is unique, we believe our conceptual focus on the dynamics of the examination in the broader context of anti-policy and risk, including aspirations of doing away with ‘bad things’, the operation of classificatory logics, schemata and impression management as professionals negotiate the meaning of their endeavours, coupled to the conceptualizations of the corruption control regime as a blend of legal, political, commercial and material logics, an assemblage, applies much broader than the Danish setting.

First, the study provides detailed insights into the micro operations of corruption control technologies. By also illuminating the role of professional cultures, especially legal experts, in deploying particular control technologies it suggests some of the cultural blind spots, hidden assumptions and risks that corruption control involves. The professionals in corruption control work develop a

consensus of meaning for certain actions based on their broader legal habitus, which is played out at the interactional level. The language and methods used by anti-corruption lawyers and other professionals are reproduced in a process involving institutions and classificatory logics adopting the same languages and devices to exhibit an alignment with the values of the corruption control regime. We might expect that the more due diligence procedures becomes standardized, the more examinees will eventually learn what the examiners are *not* focusing on, spurring strategies and practices at odds with the spirit of the corruption control regime. In this vein future research might analyze in more detail the mobilization of other corruption control technologies, for instance the training of employees and whistle-blower systems; their shaping by particular professional cultures, the mechanisms of inclusions and exclusions that are at stake, including various forms of strategic behaviour. Such research may not only provide a more nuanced picture of how corruption control works in practice, but also about its underlying premises, potentialities and risks. This would be of relevance for researchers and practitioners alike, and provide a basis for critique and reflexivity around corruption control and its technologies.

Second, while we have focused on the practice of due diligence mostly from a bottom-up perspective we still believe there is also contribution to research focusing mainly on corruption control from a macro perspective, or to research that aims to bridge the two perspectives. Our study clearly suggests that the due diligence investigations observed interact and are assembled with socio-technical networks that extends well beyond the examiner and the examined within the setting in question. Those networks enrol not only the key classificatory institutions of the state and inter-state regime in corruption control, but also a whole raft of commercial actors and NGOs and other bodies of knowledge, specifically professions, which operate at various levels and across established distinctions, providing material services and 'moral guidance' to the control work on the ground. It is worthwhile to take a closer look this *anti-corruption assemblage*, its organizational features and tensions in future research. Besides crossing micro-macro divides, the term suggests the usefulness of engaging more systematically with conceptual vocabularies that question or at least consider reflexively the *a priori* distinctions such as 'national' and 'international', 'public' and 'private', and 'hard' and 'soft' law, all of which have been so common in much academic and practitioner work on corruption control.

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Bringing down the house (of Goldman Sachs): Analyzing corrupt forms of trading with Lacan*

Edouard Pignot

abstract

Why do organizational members derive pleasure from being dishonest? The paper seeks to respond to this question by adopting a psychoanalytically informed approach to the analysis of how individuals perceive their own corruptness. I focus in particular on the Goldman Sachs Abacus deal, a notorious case of corruption concealed behind a facade of legality. Building on the detailed analysis of emails exchanges from within Goldman Sachs, I utilize the Lacanian concept of 'ideological fantasy' to discuss how the traders' narratives bear witness to a certain logic of fantasy that appears to fuel corrupt activities. I also examine the cover-up tactics which were adopted to camouflage the corrupt operations and make them appear licit. Corrupt performances and their cover-up are theorized as forms of self-transgressive *jouissance*, a simultaneously pleasurable and self-destructive practice that is needed to sustain and protect the impossible norms of the corporation.

Introduction

A large number of press articles have appeared recently dealing with a general suspicion of corruption, fraud and crime in the banking industry. For example, Standard and Poors (S&P) have been suspected of having over-rated corrupt

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collateralized debt obligations (CDO)¹ to please Wall Street banks at the peak of the subprime crisis (Cassidy, 2013). In an email sent in March of 2007, an analyst from S&P's New York offices commented on the financial crisis to his colleagues in a rather derisory way, parodying a famous song by the rock band Talking Heads:

Watch out

Housing market went softer

Cooling down

Strong market is now much weaker

Subprime is boi-ling o-ver

Bringing down the house [...]

Shortly after sending the message, a second email stated: 'For obvious professional reasons, please do not forward this song'. Emails and private conversations, including jokes, parodies and complaisant comments shared between analysts, have been used as evidence of fraud by judges in various trials. Such emotive language is unique, as it renders the performances of the corrupt amenable to observation and analysis.

The empirical focus of this paper is on the Goldman Sachs scandal known as 'the Abacus deal', which involved the unethical selling of corrupt CDOs to the German bank IKB Deutsche Industriebank (IKB). CDOs played a prominent role in the U.S. subprime crisis, and Abacus can be regarded as an exemplary case of the excesses of Wall Street firms during the crisis. CDOs had been applied to mortgage-backed securities to provide investors with greater diversification of the risk of mortgage lending. In brief, Goldman had been accused by the Securities of Exchange Commission (SEC) of omitting key information that IKB and other investors buying the CDO known as Abacus might have wanted to know, namely the role played by the Paulson's hedge fund, a direct competitor of IKB, in selecting the specific securities in that transaction. As a result, Paulson made profits of up to a billion dollars, while IKB became one of the first financial institutions to require a bailout during the global financial crisis (McGee, 2010).

1 The International Monetary Fund (IMF, 2003) defines CDO as bonds whose income payments and principal repayments are dependent on a pool of instruments. Typically, a CDO is backed by a diversified pool of loan and bond instruments either purchased in the secondary market or from the balance sheet of a commercial bank.

Although an established literature already exist on corruption at both an individual and organizational level (Pinto et al., 2008), more work needs to be done to understand the way individuals perceive their own corruptness. In particular, the role of affect and identity performances in the self-rationalization of corruption has not yet been studied. Why do organizational members derive pleasure from being dishonest? And how can the analytic category of fantasy be used to analyze the way individuals perceive their own corruptness? To respond to these questions, I will try to demonstrate how and why the mode of enjoyment of rogue traders materializes the grip of ideological fantasy, which can be defined as the logic providing social actors' energy with a direction. From a Lacanian perspective, ideology is not understood as an internal cognitive, but rather external affective level: it is out there, embodied through our action.

The corpus of Lacanian (1966/67; 1977; 1991; 1998) and post-Lacanian psychoanalytic theory (Butler, 1990; Glynos and Howarth, 2007; Laclau and Mouffe, 1985; Žižek, 1989; 1991) is mobilized, as it typically seeks to confront public norms with actual narratives that emerge in practice, taking seriously dirty secrets, parodies and self-transgressive acts (Glynos, 2008; Glynos and Stavrakakis, 2008; Stavrakakis, 2010). Mobilizing Lacanian theory in order to study organizations is not new; for example, two special issues have addressed the use of psychoanalytic and Lacanian theory to study workplace phenomena, namely *Organization* (see Contu et al., 2010) and *Organization Studies* (see Fotaki et al., 2012). In particular, I will concentrate on a number of emails (essentially, various selected quotes from four email exchanges within Goldman Sachs) shared between traders involved in the design of a corrupt CDO, known as Abacus. Therefore, this paper contributes to the study of corruption, as well as providing Lacanian studies of organization with an illustration drawn from the subprime mortgage crisis.

The paper is organized as follows. I will situate this work within the literature on corruption. Then, I will firstly examine the narratives through which the traders fantasize and provide the CDO with an imaginary substance; secondly, the problem of self-transgressive enjoyment which fuels this fantasy; and thirdly, the performance of naming through which the traders provide their toxic construction with a fantasmatic appeal. Finally, I will discuss this case and show that such corrupt performance can be read as an erotic drama.

What do we know about corruption?

The study of corruption has a long history; its literature is multi-disciplinary, drawing on economics, political science, criminology, sociology and

management. In this paper, I will discuss more specifically how individuals perceive their own corruptness.

As I will illustrate through the example of the Abacus deal, corruption is hard to formalize as it does not have to be illegal. In fact, regulations are constantly challenged by the complexity and dynamism of organizational life; the slippage between rules and behavior offers some latitude (Ashforth and Anand, 2003). A good example is provided by Gellerman (1986) through a case of fraud at E.F. Hutton, in which the accused pleaded guilty to 2000 counts of mail and wire fraud, and agreed to pay a fine of \$2 million, pay the government's investigation costs of \$750,000 and to set up an \$8 million reserve as restitution to the banks. Hutton's branch managers were encouraged to pay close attention to cash management. The practice for which they were condemned was somewhat analogous to an individual overdrawing a checking account. Managers of the companies argued that if overdrafts were not specifically labelled as being wrong, they were thus permitted:

They presumably thought they were pushing legality to its limit without going over the line. The branch managers were simply taking full advantage of what the law and the bankers' tolerance permitted. (Gellerman, 1986: 88)

Laws and regulations have also been historically created to legitimize unethical behaviors. A good example is that of the German Third Reich enacting laws to strip Jews of their rights, citizenship and property, thereby legitimizing their genocide (Ashforth and Anand, 2003). Moreover, paperwork and false documentation may be artificially created to conceal fraudulent activity and make it appear legal. Thus, Daly and Sampson (2012) describe how the Mafia penetrates the banking system, citing the silent role of an army of white collar workers between the black economy of drugs crime and the mainstream economy. Daly and Sampson quote Antonio Maria Costa, head of The UN Office on Drugs and Crime, who claimed publicly in an interview with the Executive Intelligence Review to have evidence that the Mafia poured money into various banks on the brink of collapse to keep the banking system afloat during the subprime mortgage crisis: 'In the financial institutions there are people who are involved in laundering not necessarily the money, but the paperwork which is necessary for making blood money licit' (Spannaus, 2012).

How do corrupt individuals cope with their ambiguous behavior? How do they relate to themselves as being corrupt? The mainstream literature (Ashforth and Anand, 2003; Brief et al., 2001) on corruption has addressed the way corruption is normalized, that is embedded in organizational structures and processes. For Ashforth and Anand (2003), the key dimension of *normalization* is the way individuals internalize and rationalize their actions, namely the process by which

those individuals who engage in corrupt acts use socially-constructed accounts to legitimize their acts in their own view. Thus, corrupt individuals involved in white collar crimes acknowledge their mistakes, but nonetheless refute, unlike street criminals, their being labelled as criminals (Benson, 1985; Cressey, 1986). Moreover, individuals involved in corrupt acts continue to value fairness, honesty and integrity (Sykes and Matza, 1957). Ashforth and Anand (2003) mobilize the notion of *rationalising ideologies* to explain how and why individuals deny the identity implications of their actions. The rationalizing ideologies are used by individuals motivated to resolve the inherent ambiguity of their actions in a manner that preserve their social respectability:

When corruption is ongoing, these idiosyncratic social constructions tend to become woven into a self-sealing belief system that routinely neutralizes the potential stigma of corruption; hence, our use of the term 'rationalizing ideologies'. (*ibid.*: 16)

The mainstream literature has not yet sufficiently explored the affective motives at work in the rationalization of corruption. We still know little about the inter-linkage between emotions and the rationalization of corruption, and how affectively-charged processes and rationalizing ideologies require one another to function. More studies are needed to understand the way corrupt subjects engage with the norms and spontaneously adopt, and even enjoy, their corrupt behaviors.

A psychoanalytic approach is one way of addressing this affective dimension. A first milestone in this literature is Levine's (2005) account of corruption as self-aggrandizement. Levine regards corruption as an attack on norms driven by a specific form of greed, called 'ultimate narcissistic fulfilment'. To illustrate greed at work, Levine describes the contempt for rules constitutive of Enron's culture:

Accounting norms were not about assuring transparency and protecting the interests of investors and the public; they were simply obstacles to be overcome, complex rules systems waiting to be manipulated and circumvented. [...] As one Enron trader put it: 'We took pride in getting around the rules'. (*ibid.*: 275)

Put another way, the legitimacy of the norms was not taken for granted; manipulating the norms was regarded favorably. Significantly, Levine argues that greed is motivated by 'the hope to make real a grandiose self-fantasy'. This accounts for the inability of the corrupt to perceive their conduct as corrupt. The key argument in Levine's work is, therefore, that a *new morality* substitutes for the social norms in the mind of the corrupt self; 'greed can be defined within, rather than in opposition to, a moral world' (*ibid.*: 736).

Corruption is indeed an ambiguous phenomenon, a side product of the classification between privacy and transparency (Bratsis, 2006; Lennerfors, 2010), which reveals the conflict between what is said and what things are:

Scandals bring out the duality that underlies political life: the gap between what is said and what things are, between idealized politics and down-and-dirty politics, between the norms that are publicly legitimated and upheld, and actual behavior. (Tumber and Waisbord, 2004: 621)

Bratsis (2003) denounces the lure of the separation between the private and the public. He describes the fight against corruption as a need to abstract oneself from material existence. Thus, Bratsis stresses the pragmatic problem raised by this separation, and further adds that everyone knows that it is fictitious. Although we know that George W. Bush the public servant cannot be abstracted from George W. Bush the private citizen, along with his religious fundamentalism, corporate alliances and personal affiliations, we *desire* this illusion to be maintained. Furthermore, Bratsis also argues that this logic of *cynicism* involved in political corruption is also at stake in the corporate world.

Lennerfors connects Bratsis' element of fiction to Žižek's notion of superego injunction (Lennerfors, 2008). Thus, the problem raised by the idealization of the norms, as well as the demand for performance inherent to competitive organizations such as Enron or the mediatic pressure of the political environment, is that bureaucrats or politicians are forced to abstract themselves from their material existence. The norms operate as a superego injunction ('You can make because you must') by bombarding the subject with contradictory demands that are impossible to fulfil, with the sadistic and malevolent neutrality of the Law (Žižek, 2002). From this perspective, greed is a symptom of the *failure* of the subject to reconcile these abstract rules and norms of the organization with his/her own private pleasures and interests. Lacanian theory enriches our understanding of corruption by capturing the paradoxical *jouissance* of the subject, secretly enjoying his failure to fulfil the proclaimed ideal. The notion of *jouissance* is distinct from mere pleasure in the sense that it also involves an element of pain, an act of transgression, a thrill which can be found, for example, in an illicit and risky love affair (Žižek, 1991).

The notion of *jouissance* leads Lennerfors (2008) to examine more closely the fantasies in the perceptions of corruption – that we externalize the corrupt, and see ourselves as deprived of *jouissance*, while the corrupt enjoy themselves. Corrupt activity is simultaneously fascinating and repulsive for society, as corruption constitutes a 'theft of enjoyment' (Žižek, 1993) for honest people. Corruption is what escapes to us, what has been stolen from us; it is always what we cannot do, whether it is externalized to other people, other companies, other

industries or other continents (Lennerfors, 2008). Corrupt subjects enjoy what the non-corrupt cannot enjoy: being greedy, dirty, arrogant, something that we, the 'non-corrupt', cannot do. For Lennerfors, corruption cannot merely be captured by the public and private dichotomy; if that were the case, everybody would be corrupt. What captures the distinctive dimension of corruption is a small, extra symbolic thing, a leftover, an element of *jouissance*. Hence, *jouissance* captures the *excess*, the projection of desire, which makes corruption so provocative (*ibid.*). Thus, corruption is, in Lacanian terms, an empty signifier, which means an empty box into which one projects one's desires. From Lennerfors' perspective, beyond the concept of corruption lies what we introduce into it, whether it be secrecy, the attack on norms or alcohol.

Thus far, I have summarized the existing psychoanalytic account of corruption. However, this literature is not entirely sufficient to understand all the subtleties of corruption. While Levine (2005) touches upon the notion of self-fantasy, his definition of the word seems to be narrowly understood as the false representation of reality, or the aggrandisement of the self. Furthermore, the notion of new morality fails to explain the erotic aspect of transgression that is consubstantial with corruption. While this element of transgression/*jouissance* is at the core of Lennerfors' (2008) view, his approach and his empirics are more preoccupied with the perception of corruption among the non-corrupts and the fascination this produces. More work and examples are needed to understand the *jouissance* of those who actually transgress rules. What do emotions tell us about the corrupt subjects? What passions and desires drive the corrupt subject beyond 'private gain' and the mere pursuit of rational interests (Voronov and Vince, 2012)? What dirty secret about the self is rendered visible by corruption? To fill this lacuna, I offer here the notion of ideological fantasy, which is introduced by Žižek (1989) and further theorized by the Essex Lacanian School, as a promising way to conduct studies on corruption.

In the above section, I have situated this work within an already established body of literature on corruption. However, rationalising ideologies can be better understood by adopting an affective lens. It is now time to explore what the notion of ideological fantasy has to offer to the theorization of corruption.

Ideological fantasy

The notion of 'ideological fantasy' is a theoretical milestone for understanding the pivotal role of affect in the ideological rationalizing of corruption, and how *jouissance* can be mobilized as a theoretical tool to trace ideology in discourse.

I draw here on the Essex Lacanian discourse literature (Glynos, 2001; Glynos, 2008; Glynos and Howarth, 2007). This is heavily influenced by Laclau and Mouffe's opus *Hegemony and socialist strategy* (1985) and Žižek's reading of Lacan. In brief, Laclau and Mouffe conceptualized the 'radical contingency' of social relations, a fundamental element of undecidability presiding over social relationships. The contingency of structure and identity is especially evident in moments of dislocation, such as the subprime mortgage crisis, which induces an identity crisis for the subject and 'compels' him to act in a way to restore or affirm a recognizable sense of identity through an identification with discourses (Laclau and Mouffe, 1985). Thus, the Lacanian notion of fantasy constitutes a particular version of the hegemonic approach to ideology and pertains to the affective grounding of ideology.

A growing body of analyzes is currently drawing academic attention to the power of fantasy to structure the motivations underpinning workplace practices (e.g. Cederström and Grassman, 2008; Kenny, 2012; Sköld, 2009; 2010). Glynos' account of the logic of fantasy makes clear the analytic distinction between the norms of a practice and the way subjects engage with these norms (Glynos, 2008). In other words, ideological fantasy pertains to the way we identify with specific norms and the direction towards which we invest our energy. In fact, we are never fully confident that it is this particular role that we should carry and identify with (Cederström and Willmott, 2007); therefore, our political acting is always provisional and requires fantasy to function.

What does the Essex Lacanian literature tell us about fantasy? The category of fantasy comprises four main aspects. First, fantasy names a narrative structure involving ideals and obstacles to its realization, the promise of an imaginary fullness as well as the converse horrific side of the scenario (Glynos, 2001). Second, fantasy stems from the *desire* of the subject which fundamentally resists the public-official disclosure. The category of desire captures the mode of subjectivity which escapes the constraining dimension of fantasy (Glynos, 2008). Third, fantasy produces and structures *jouissance*, which manifests itself as a secretly joyful and transgressive affirmation against an officially-affirmed ideal. The category of 'self-transgressive enjoyment' is defined by Glynos and Stavrakakis as the 'subject's transgressive relation to an officially-affirmed ideal' (2008: 263). Finally, fantasy provides the subjects with a foundational guarantee for their existence as a subject of desire, a degree of protection from the anxiety of being directly confronted by the 'radical contingency' of social relations.

Therefore, this approach requires a tracing of the affectivity present in the discourse of the traders, including the technical norms which they discuss. I will

show how corrupt people enjoy themselves, what form of enjoyment is promoted and what fantasy sustains their work.

Corruption in action: The Abacus deal

The Abacus deal is a particularly interesting and revealing case of corruption in action. When the financial markets crashed in 2008, Goldman Sachs were able not only to survive the meltdown, but also to generate profits at a time of crisis. Hence, the ethical implications of their trading practices have generated public suspicion.

It would have been unthinkable, a few years ago, to have mentioned the name of Goldman Sachs, one of the iconic firms of Wall Street, in a paper about corruption. At least this was the case until the summer of 2010, when the investment bank paid a fine of \$550 million, which constitutes the largest penalty the SEC² has ever imposed on a Wall Street firm. The SEC argued in its lawsuit that the bank had ‘made materially misleading statements and omissions with the CDO that Goldman Sachs had structured and marketed to the German bank IKB’ (SEC, 2010). In the rhetoric of the SEC, the Abacus deal is also a symbol of the excesses of Wall Street during the subprime crisis, in the sense that the corrupt transaction ‘contributed to the recent financial crisis by magnifying losses associated with the downturn in the United States’ housing market’ (*ibid.*).

More specifically, Goldman failed to disclose a conflict of interests in the mortgage investments it sold while the housing market was experiencing a downturn. During this litigious transaction, IKB requested that an outsider – an independent third-party with knowledge and expertise of the US market – should put together and secure the deal. ACA³ Management, a firm analyzing credit-risk, was designated as this third-party, and its name was disclosed in the communication with IKB. However, evidence produced by the SEC tells another story, indicating that Abacus was, during the six months Goldman executive spent putting the CDO together, assembled by hedge fund manager John Paulson, one of Goldman’s institutional clients and IKB’s direct competitor. Hence, the SEC argues that Goldman

knowingly, recklessly or negligently misrepresented in the term sheet, flip book and offering memorandum for [Abacus] that the reference portfolio had been

2 The Securities and Exchange Commission (SEC) is the agency of the United States Federal Government whose mission is to protect investors, regulate markets, and facilitate capital formation (SEC, 2013).

3 ACA stands for Adviser Compliance Associates.

selected by ACA without disclosing the significant role in the portfolio selection process played by Paulson, a hedge fund with financial interests in the transaction directly adverse to IKB, ACA Capital and ABN. (*ibid.*)

In other words, Goldman was accused of pushing a product that was designed to fail, as Paulson was simultaneously betting against this product. In summary, the gambler Paulson conspired with the croupier Goldman to rig the game by weighting the roulette against fellow gambler IKB (Cohan, 2011).

The discourse and communication of traders of Goldman Sachs came to resemble a Machiavellian manipulation of artefacts and acronyms in which nothing was as it seemed. Goldman publicly acknowledged that the fundamental basis of the lawsuit was accurate, without explicitly recognizing their guilt:

It was a mistake for the Goldman marketing materials to state that the reference portfolio was ‘selected by’ ACA Management LLC without disclosing the role adverse to CDO investors. Goldman regrets that the marketing materials did not contain that disclosure. (SEC, 2010b)

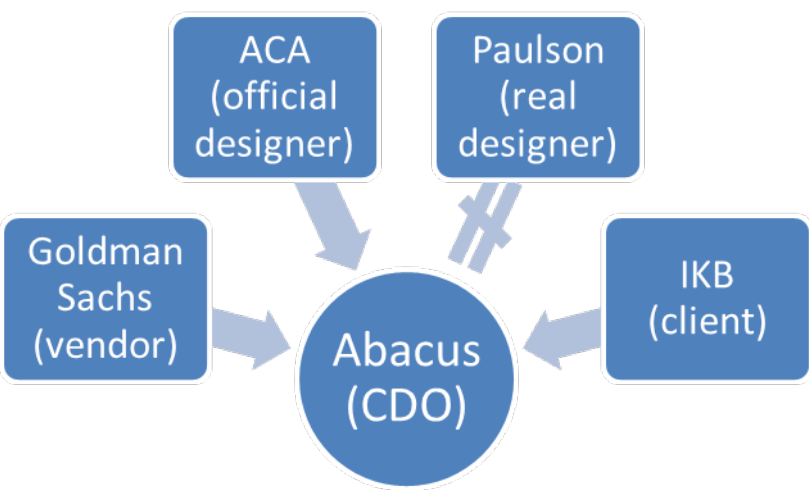


Table 1 The making of the corrupt CDO⁴.

The Abacus deal also revealed the tacit rules that many Wall Street insiders were already aware of, namely that clients need to be able to look after themselves (McGee, 2010). A CDO investor told the Financial Times that IKB was known to be a patsy:

4 The relationship between Abacus and Paulson is unknowable, as the identity and the role of Paulson are undisclosed in the marketing materials.

IKB had an army of PhD types to look at CDO deals and analyse them. But Wall Street knew that they didn't get it. When you saw them turn up at conferences there was always a pack of bankers following them. (Cohan, 2011: 15)

Although the fact that this behavior was morally wrong was not altogether contested by the defendants, the issue of knowing whether this was legal or not is another matter: 'Didn't Goldman have a duty to reveal his views and identity to anybody thinking of taking the other side of the wager?' (Pratley, 2010). Goldman's detailed defense here tended in fact to legitimize the making of corrupt CDOs: 'as normal business practice, market makers do not disclose the identities of the party on the other side' (Goldman Sachs, 2010).

The Abacus case provides a typically perspicuous context of legal corruption. Although highly symbolic of the excesses of Wall Street which led to the subprime crisis, Abacus remains as the sole law enforcement case to have surfaced against Goldman. While in 2010 Goldman paid \$550 million to settle accusations, in 2012 the SEC ended an investigation into a \$1.3 billion subprime mortgage deal. Thus, the Justice Department finally decided not to examine further Goldman Sachs' actions during the crisis, and 'ultimately concluded that the burden of proof to bring a criminal case could not be met, based on the law and facts as they exist at this time' (Protess and Ahmed, 2012). The final word goes to a Goldman Sachs' spokesman, finally closing the affair: 'We are pleased that this matter is behind us' (*ibid.*).

Fantasy narratives at the height of the crisis

On January 23rd 2007, Fabrice Tourre, young vice president on Goldman structured product correlation trading desk in New York City during the relevant period, sent to his girlfriend, an employee at the Goldman London office at the time, an article from The Financial Times dealing with a 'CDO boom' and 'largely unseen' bubbling. The reading of the article and the premise of a broader crisis conjured both a horrific and beatific picture in the trader's mind, as manifested by the content of the email⁵:

More and more leverage in the system. The whole building is about to collapse anytime now [...] Only potential survivor, the fabulous Fab [rice Tourre] [...] standing in the middle of all these complex, highly-leveraged, exotic trades he

5 The excerpts of Goldman Sachs internal emails in this paper were released publicly by the Securities and Exchange Commission (2010) as part of their complaint and by Senator Carl Levin (D-Michigan) as part of the April 27, 2010, hearing 'Wall Street and the financial crisis: The role of the investment banks' before the United States Senate Permanent Subcommittee on Investigations (2010), whose transcript has also been publicly released.

created without necessarily understanding all of the implications of those monstrosities!!! (SEC, 2010)

The extremely informal register mobilized here contrasts with the register of typical technocratic discourse. Let us note first that the trader endorses a demiurgic position, by comparing himself to a creator contemplating his own creation. The self-centered location of the trader and vice-president is remarkable; he does not communicate as a subject, but sticks to a knowledgeable perception of the self through an objectifying perception of himself using the third person form 'he'. The nickname 'fabulous Fab' illustrates this infantilized register through a fragmented and objectified perception of the self; to some extent, 'Fab' is a mutilated name. The etymology of the word 'fabulous' is telling: in Latin, 'fabula' means 'legend' or 'myth'. Metaphors such as 'survivors' tend to represent the self as a hero or a warrior, constituting the climax of the fantasy of self-rationalization. However, words such as 'creators', 'monstrosities', 'exotic', 'collapse' refer to a strange, distorted and threatening perception of the environment, as if the trader were immersed, in Lacanian words, in a fantasy-scenario (Lacan, 1966-67). Those words have the function of transforming the impossibility of the fantasy into 'mere difficulty', maintaining a protective distance from the desire of control and rendering the desire of the trader bearable and familiar. Thus, Glynos (2008) underscores that the narrative structure varies across contexts, but a crucial element is the obstacle preventing the realization of one's fantasmatic desire, as the Lacanian conceptualization of the subject survives only insofar as its desire remains unsatisfied.

The excessive *jouissance* of the trader manifests itself through both horrific (the building's collapse and monstrous imaginary) and beatific (the figure of the demiurge creating and controlling his environment) fantasy narratives. In the subsequent part of the above email, the jubilation of the trader is nourished by an ideological fantasy through which the trader articulates his self-explanation or self-rationalization:

Anyway not feeling too guilty about this, the real purpose of my job is to make capital markets more efficient and ultimately provide the US consumer with more efficient ways to leverage and finance himself, so there is a humble, noble and ethical reason for my job ... amazing how good I am at convincing myself!!! Sweetheart, I am now going to try to get away from ABX and other ethical questions, and immediately plunge into Freakonomics [...] I love when you advise me on books I should be reading. (US Senate Permanent Subcommittee on Investigation, 2010)

Bratsis' logic of cynicism is apparent here in the ironical distancing of the trader, who dramatizes the split between a corporate identity (from 'Anyway' to 'job') and the personal and blasé identity (from 'amazing' to 'reading'). Not only do the

cynical reasoning and ironic detachment of the trader fail to prevent ideological fantasy to determine his decisions and actions, but they also provide this corporate ideology with its libidinal force and excitement.

To summarize, the trader fails to understand the very complex crisis he is facing, and control is impossible. Thus, the logic of the fantasmatic narrative provides the subject with both an ideal and an impediment to the realization of this ideal.

The problem of self-transgressive enjoyment

Although the above narratives demonstrate the impossibility of possessing positive knowledge of the complex implications of the CDOs, the traders are required to behave in a transparent and predictable way. How do they cope with this impossible demand?

The lawsuit of the SEC quotes numerous emails, full of technical jargon and acronyms, which present a superficial sense of structure and predictability. I propose here the idea that these labels and acronyms are not only instruments of control, but are also indicative of a certain fantasy screen which structures the particular mode of enjoyment of the traders, organized towards the success of the deal. This point is well illustrated by the following email, sent later on January 29th, in which Fabrice Tourre quite clearly describes the CDO as an object of *jouissance*, combining ambiguous elements of sexual pleasure with the pain of self-destruction:

When I think that I had some input into the creation of this product (which is, by the way, a product of pure intellectual masturbation, the type of thing which you invent telling yourself: ‘Well, what if we created a “thing”, which has no purpose, which is absolutely conceptual and highly theoretical and which nobody knows how to price?’) it sickens the heart to see it shot down in mid-flight... It’s a little like Frankenstein turning against his own inventor ;) (U.S. Senate Permanent Subcommittee on Investigations, 2010b)

Furthermore, the corrupt CDO is anthropomorphized, turned into Frankenstein. Freund and Jacobi (2013) identified how the emotional terrain of the metaphor of the monster transects political ideology and the striving for personal immortality. In particular, they draw on Marx’s metaphor of the capitalist vampire embodying the insatiable nature of capitalism. Furthermore, the metaphor of the plane to designate the CDO ‘shot down in mid-flight’, can here be connected to the banking system described, in the email above, as a ‘whole building about to collapse’, which is also reminiscent of the ‘bringing down the house’ parodied by the S&P’s analyst. The *jouissance* of the trader is therefore dramatized through the fantasy of a war-like experience and a self-destructive thrill.

In other words, the practice of assembling corrupt CDOs is fuelled by *jouissance* within a certain ideological fantasy through which technocratic discourse is rendered desirable. Thus, technocratic rationality fixes in the trader's unconscious the right way to do the job; it covers up the 'radical contingency' of the financial markets which surfaces and is visible when the system is in crisis. But why is corruption so difficult to see? Corruption appears in contexts where the 'radical contingency' underpinning technocratic rationality is revealed. The dominant use of technocratic discourse is reinforced, whereas corruption operates silently through transgressive enjoyment, disclosed informally to girlfriends and colleagues. This is akin to practices within military communities; practices such as bullying or hazing, which transgress the ideal of fair treatment of the institution, are kept secret. Their function is to sustain an ideal of discipline and order by enabling the enjoyment of its transgression (Glynos and Stavrakakis, 2008). Thus, the design of this corrupt CDO can be read as a self-transgressive practice which sustains the technocratic rationality being transgressed; indeed, the joyful and confidential failure to respect the ideal of transparency perpetuates its lure. The category of self-transgressive enjoyment helps us to understand how traders cope with the conflicting demands of an impossible ideal of transparency and private and contingent situations.

In the previous section, the CDO has been identified as an object of desire, fantasized by the trader through narratives, producing his self-transgressive *jouissance*. A particular way of transgressing in the case of Abacus is the manipulation of names and labels.

The performance of naming

When Goldman's clients consider an offer, they examine the portfolio and the marketing materials, and subsequently make their decisions based primarily on who is taking part in the design of the CDO. The reputation and names of the parties involved in the CDO's design are therefore central to the decision-making process.

In December 2006, Tourre and his team were focussing on finding a 'portfolio manager' to select the securities to be referenced, which led to some internal debate about which firms would potentially want to be involved with Paulson:

They will never agree the type of names Paulson wants to use. I don't think [redacted] will be willing to put [redacted's] name at risk for small economics on a weak quality portfolio whose bonds are distributed globally. (U.S. Senate Permanent Subcommittee on Investigations, 2010)

However, Goldman finally requested that ACA play the role of official portfolio agent. In the following internal email dated February 7th 2007, the vice-president makes explicit that ACA's reputation and brand has been used solely to facilitate the success of the offer:

One thing that we need to make sure ACA understands is that we want their name on this transaction. This is a transaction for which they are acting as portfolio selection agent, this will be important that we can use ACA's branding to help distribute the bonds. (SEC, 2010)

Yet how do names symbolize the object they denote? What do they mean? How do ACA, IKB or Paulson refer to organizations and institutional properties – offices, employees, assets, reputation, bureaucracy and so forth?

To understand the tactic of naming, a short digression via Clint Eastwood's film *Flag of our fathers* (2006) may prove helpful. This film tells the story of an American flag being raised by anonymous US soldiers for the first time on Japanese soil on Mount Suribachi at the peak of the battle of Iwo Jima, with these soldiers thereby risking their lives for the sake of the United States of America. After this heroic performance, Colonel Johnson orders random soldiers named Doc, Ira and Rene to replace the original worn-out flag and to raise a brand new one. The second performance takes place chronologically after the battle is won by the U.S. army, and is therefore banal and insignificant. The soldiers did not in fact heroically risk their lives; they are merely executing a practical decision. However, the second scene is captured by a photographer, and the image unintentionally becomes highly symbolic in the context of the US war propaganda. Unable to find the names of the original heroes, the government officers ask for the raisers of the second flag, Doc, Ira and Rene, to raise money in the United States and embody heroic U.S. soldiers. While performing their role in public, the soldiers become, in private, progressively sick and devastated by the haunting sense of guilt with regards to the true heroes who had remained and died on the island. This example illustrates how loose the link is between the signified 'war heroes' and the process through which those heroes have been retroactively designated through a contingent naming process in order to respond to the needs of war ideology.

Likewise, the names (in the trader's words) manipulated by the trader are very similar to those of Doc, Ira and Rene. Are they not chosen for purely marketing (and ideological) purposes? The Lacanian notion of 'logical time' (1991) helps to understand how the CDO is symbolically constructed through 'retroactive determination of meaning' (Parker, 2010: 161). While Paulson was the *original* designer of Abacus (the true heroes raising the flag), ACA were only designated *afterwards* (the parodic actors of the flag raisers). Yet the desire of the traders is

bound to the reputation of ACA, as it appears clearly in the email quoted above: ‘we want their name on this transaction’ (SEC, 2010). ACA does not operate as an actor materially designing the CDO (as Paulson technically designed the portfolio), but as a name performing a symbolic function; this is why they are ‘acting as portfolio selection agent’ (*ibid.*). When Goldman designs a CDO, the assemblage has to signify trust, legitimacy and predictability in order to ensure a successful offering. To respond to this objective, the bank posits a name retroactively and arbitrarily attached to those connotations. As stated by Butler et al. (2000), the linguistic function of positing retroactively confers a necessity on the object through the name it uses. Although ACA acts merely as a sponsor, and its participation in the design is not effective in practice, the name itself is necessary, as it provides a substantive force to the CDO and ‘helps distribute the bonds’ (SEC, 2010). The illusion of prior substantiality is created through the performance of naming, although the trader knows that this functional anchoring is a lure and that his message covers up a series of dangerous gaps.

In sum, the ideological fantasy bounding the traders to Abacus and provides them with an institutional guarantee to create value, covers up the traumatic ‘radical contingency’ of the markets (Laclau and Mouffe, 1985). This twist operates through naming performances, inscribed in a logical timeframe.

Interpreting corrupt performance as an erotic drama

Corruption scandals reveal the gap between the norms officially claimed and the guilty pleasure of transgression motivating the work of the traders. How does this fantasy analysis of the discursivity of the Abacus case finally enrich our understanding of corruption?

In this paper I have identified the (1) narratives structures as well as the beatific and horrific scenarios through which traders dramatize their failure and re-signify their identity. This failure manifests itself through an excessive identification with labels and acronyms which merely constitute a partial indicator of the trustworthiness of the deal. This lure of technocratic rationality explains why, underneath its hyper-technical surface, the discourse of the traders turn out to contain highly emotional biases – narcissism, aggression, fantasy narratives, paranoia and so forth. The value of the Lacanian framework mobilized in this paper is that it unearths the fantasmatic mode of attachment to technocratic norms underpinning the ideology of the corporation.

The second aspect of fantasy which I have highlighted is the (2) crucial role of desire in the discourse of the traders. In this case, the technocratic use of

language enacts the public-official disclosure of Goldman Sachs; a particular right way to do the job and making sense of it. Yet traders and analysts are gripped within a linguistic regime which is closed to their true feelings. As a result, desire takes weird, self-destructive, corruptive forms; it does this as a revenge of immediacy, a return of the repressed passion of the subject through, for example, unauthorized speech, as in the email sent by the Standard and Poors' analyst, quoted in the introduction ('For obvious professional reasons, please do not forward this song'). As a result, Goldman vice-president becomes a 'desiring machine' (Böhm and Batta, 2010), who speaks the technocratic language (as does a sociopath or a robot), while secretly enjoying its transgression, as is evident in the private email to the girlfriend quoted by the SEC.

This leads us to the third element of fantasy, namely that it (3) structures and produces *jouissance*. I have interpreted that corrupt forms of trading can be read as the self-transgressive enjoyment of the trader. Paradoxically, this explains why corrupt performances reveal, in a rather pathetic way, the craftiness of the trader, and are often recognized informally within an organization such as Enron or E.F. Hutton. As Gellerman puts it concerning E.F. Hutton: 'On several occasions, the managers who played this game most astutely were even congratulated for their skill' (1986: 88). Such informal congratulations are necessary for the proliferation of corruption. The ideology of the corporation is not to be found in the code of ethics which officially displays the values of the firm, but rather in the form of enjoyment which is promoted informally within the corporation. In this sense, corrupt acts embody the concrete ideology of the organization, materialized and performed through the *jouissance* of its members.

Ideological fantasy finally bears (4) a reassuring function. It is, in a way, through this fantasy that the trader performs his job and preserves a degree of protection from the anxiety of being directly confronted by the radical contingency of social relationships, the social-ethical consequences of his actions as well as the emptiness underpinning the rules, procedures and jargon he is manipulating, which are particularly visible during the subprime mortgage crisis. This relational understanding of corruption recalls that corruption is also motivated by the desire of the subject to mean something for others, to be recognized, admired by his peers or girlfriend.

In sum, rogue traders are not merely self-serving, greedy people, who create an image of technocratic rationality to promote their ends without believing in it. It is because their enjoyment is unconscious even when it seems strategic that they know how to play the game. It is precisely this element of fiction which the notion of ideological fantasy captures. More specifically, the trader's corrupt

performance has the structure of an *erotic drama*: the vice-president performs a fantasy-scenario combining escalating pleasure with the thrill of self-destruction leading to the breaking point of *jouissance* and the fatal ending with the trial of the SEC and his dismissal from the bank. He serves fully the ideology of the corporation, which in return bombards him with ambivalent requests, using its fantasmatic appeal to get the most out of him.

The ideological fantasy operating in the organizing of Goldman Sachs is not to be found at the level of official norms, but in the visible *jouissance* of the traders. Furthermore, corrupt speech acts invite us to shed light on the fiction sustaining the belief in technocratic rules.

Conclusion

This paper has examined a corruption case in the banking industry, and has contributed to existing psychoanalytically informed approaches to corruption (Bratsis, 2003; Levine, 2005; Lennerfors, 2008) by drawing more specifically on the Essex Lacanian literature. Yet this case is based upon a few emails only and further research could potentially complement these data through more robust methods such as interviews or ethnography. In sum, I have made three main contributions to the existing theorization:

Firstly, Levine's notion of new morality of the corrupt fails to capture the erotic nature of this new ideology, which substitutes for the official one. His concept of 'new morality' does indeed extinguish the thrill of transgression and self-destruction. It is precisely because this ideology is performed and nourished ambiguously and seductively at an informal and affective level, for example through informal congratulations, that it is reinforced and so hard to capture.

Secondly, the notion of ideological fantasy better accounts for the mechanism underpinning Bratsis' account of the cynicism of the corrupt and the pivotal role of self-transgressive enjoyment through which the subject manages to spontaneously perform the fiction. The notion of self-transgressive enjoyment captures the contemporary ideological grip which is not at the level of abstract knowledge, but at the level of action and concrete affectivity. Cynicism is a form of ideology: 'Cynical distance is just one way – one of many ways – to blind ourselves to the structuring power of ideological fantasy: even if we do not take things seriously, even if we keep an ironical distance, *we are still doing them*' (Žižek, 1989: 30, italics as in original).

Thirdly, this approach complements Lennerfors' mobilization of Žižeko-Lacanian theory to interpret corruption by looking not only at the perceptions of corruption within the non-corrupts, but also at the feelings of the corrupt themselves. The novelty of a theorization of corruption through the Essex Lacanian theory is the demonstration that the *jouissance* of the traders is not subversive *per se*, but rather materializes the grip of ideology (Glynos, 2001), the glue binding the organizing of Goldman Sachs. Corruption is the intimate *raison d'être* of the rogue trader, as it is informally valued and recognized by the hierarchy and colleagues. Traders are frequently treated as scapegoats and described as isolated cases in such affairs. In contrast, a fantasmatic interpretation suggests that the normalization of corruption happens within the affective and ideological context of the corporation. From that perspective, the notion of ideological fantasy enables to bridge the gap between individual perception and the broader organizational implications of corruption.

Finally, this case is reminiscent of the story of Jérôme Kerviel, the world's most famous trader, who lost € 4.9 billion of the French bank Société Générale. Kerviel did not steal one centime for himself; his ultimate ambition was merely to increase his own bonuses. The media nicknamed him 'Mister Nobody'. In October 2010, the trader was found guilty and sentenced to five years in prison, two years of which were suspended. Further, the court ordered him to repay € 4.9 billion to his employer – before cancelling this latter decision in 2014. After the trial, the rogue trader summarized his case with these words: 'I had to be killed so Société Générale could survive' (Davies, 2010).

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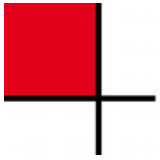
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Corruption: Multiple margins and mediatized transgression

Mads Damgaard

abstract

The emerging global awareness of corruption in organizations and politics, ubiquitous in the media and public discourse in recent decades, has launched multiple ways of condemning corrupt phenomena. Every mode of condemning and critiquing corruption articulates a marginal zone of action and forms a boundary in relation to a specific notion of the common good. The different notions at stake in mediatized discourse on corruption render the social construction of corruption contested, ambiguous, and multifaceted. This article establishes an analytical framework, using ideas from Boltanski and Thévenot's *On justification*, Victor Turner's theory of the *liminal*, and contemporary media theory. In this framework, the mediatization of corruption is analyzed as liminal, i.e. socially polluting and dangerous to the fabric of society, because corrupt actions represent transgression of the normal rules of conduct. As the media discloses such transgressions, processes of expulsion and discursive exclusion are triggered. In corruption scandals, corruption thereby discursively emerges as a shadow or a counter-concept of several different social orders, or several conceptions of the common good: As the dark side of the state, the law, economy, development, or other ordering principles of society. The multiplicity of concepts and the possible consequences of such multiplicity are explored here as a struggle between co-existing social orders or *polities*. Casting administrative or organizational practices as corrupt in the media, the *polities* struggle for boundary control of society through different modes of condemning corruption, and thereby shape public discourse and political reality.

[...] the limits set by civilization can dictate the conditions without which it could not exist. But it is enough for it to dictate them rather often. If the situation appears clear, it is as if the limits were there to be transgressed. (Bataille, 1991: 220)

A theater of shadows

Critique of corruption proliferate in the media worldwide. How come? What makes critique of corruption so easily employed and broadly applicable? Why has corruption emerged as a global, political buzzword, denoting wildly varying transgressions, sometimes forcing governments out of office and draining credibility from organizations, and at other times referring to run-of-the-mill manoeuvring? The apparent multiplicity of perspectives in condemning corruption is explored here, segueing into a discussion concerning the consequences of corruption's multifaceted character. If condemnation, critique and justification of corruption emerging in the media in fact derive from multiple ideals of society, what are the consequences for the public discourse on politics and for society's resolve in the combat against corruption?

Several recent anthologies have placed corruption as a phenomenon in the margins of the state, partly inside and partly outside the law (Das and Poole, 2004; Harris, 1996; Nuijten and Anders, 2007). In these works and elsewhere, many imminent scholars have followed the argument persuasively made by Akhil Gupta (1995), who asserts that in constructing the discursive entity called 'the state', one of the ways to define such an entity and its conceptual boundary is by relegating some objects to the outside of 'the state', framing certain actions and dispositions as 'corrupt' relative to 'the state'. These accounts, however, crucially only observes a single zone of ambiguity, i.e. the inverted or shadow side of 'the state'. However, in contemporary discourse, corruption seems to emerge as a counter-concept in relation to several heterogeneous ideals of democratic ethics, administrative rationality, efficient and inclusive governance, amongst others. We are dealing not with a singular shadow, but with a theater of multiple shadows, crossing each other as intermingled 'discourses in a circular, Moebian compulsion' (Baudrillard, 1988: 176).

Theorizing corruption therefore requires specification beyond notions of 'the state' or 'the law' to explain the dynamics of the concept 'corruption' in its worldwide proliferation. Ethnographic research on corruption in fact shows that states, laws, and the everyday practices enacting such concepts are criticized, legitimized or justified in heterogeneous ways (e.g. Haller and Shore, 2005; Pardo, 2000). Accepting that 'corruption' transgresses multiple boundaries, and thereby functions as a multifaceted counter-concept, the question becomes: A counter-concept to what? What casts these intermingled shadows?

Tentatively, I will suggest that critique (or justification) of corruption implies some conceptualization of the collective, or some instantiation of the common good, when it states that transgressions of a certain boundary constitutes

corruption. Such an instantiation is articulated in a particular *mode of justification* (Boltanski and Thévenot, 2006), ascribing worth to some kinds of actions and objects and denying other kinds of worth. We can readily discern different ideas of the common good, co-existing in the same cultural circuit, when we open newspapers, websites or newscasts discussing corruption. But the multiple, simultaneous ideas of the common good in turn produce differing perspectives and configurations of corruption, and the transgressive act thus becomes ambiguous. The idea that societies operate with multiple conceptualizations of the common good, and multiple ways of attributing worth is drawn from the pragmatic sociology of Luc Boltanski and Laurent Thévenot. The combination of a concept of the common good, a grammar of worth and a mode of justification will henceforth be referred to as a *polity*. Expanding this framework, the present article adds the notion that such polities yield a potential for articulating corruption in a specific marginal or excluded domain of transgressions.

If anthropology, social sciences and political sciences intend to study the discursive theater of shadows, where many transgressions are labelled corrupt, a comparative approach for analyzing the polities, their modes of justification, their mechanisms of exclusion and their public interplay is in order. Before heading into this endeavour, I will briefly remark on the discursive existence of corruption. For practical purposes, I will bracket the question of a precise definition of corruption, and instead collapse all definitions together, because the argument presented here concerns *transgressions* rather than a specific set of actions, taking transgression to mean the crossing of an instituted or constructed boundary from some perspective. The burgeoning of academic literature, policy initiatives and media scandals concerning corruption corroborates the contention that many contingent perspectives on corruption emerge and proliferate.

Whether or not an act is ‘really’ corrupt or not, from one perspective or other, is of course a relevant question to certain disciplines, law foremost of these. However, corruption frequently enters the media sphere as a focus of intense coverage, where the question of veridicality, important as it may be, often gets eclipsed by the tides of public attention. In such cases, public debate, defensive discourse and condemnations of corruption together assemble a media event, which in and of itself can influence political reality (Breit, 2011). As stated by John Fiske,

in a postmodern world we can no longer rely on a stable relationship or clear distinction between a ‘real’ event and its mediated representation. Consequently, we can no longer work with the idea that the ‘real’ is more important, significant, or even ‘true’ than the representation. A media event, then, is not a mere representation of what happened, but it has its own reality, which gathers up into itself the reality of the event that may or may not have preceded it. (1994: 2)

Therefore, I will unfold my inquiry so as to wedge open this tangle constituting the social and mediated reality of corruption. What is gathered up or folded into this type of transgression? Aiming at exploring corruption as a media event with sociological consequences and political efficacy, I will sketch out the following framework:

The first part of the article discusses the idea of corruption as a threat to ideas of the common good, which in the second part is then linked to the theory of liminality. Framing corrupt transgression as actions crossing a boundary, existing in a liminal and ambiguous space, this conception of corruption is explored in the third part in the context of media, and the fourth part connects this to the socio-political dynamics of corruption discourse. Finally, the framework is used for developing a tentative typology of possible outcomes when corruption is condemned, defended or contested in the media.

Corruption: A threat to the common good

Though it may be obvious, I will start by underscoring that corruption cannot be seen strictly as a legal concept. In the tangled web of legality and morality, the concept of corruption often goes beyond the category of the criminal. We can observe this when a public servant has juggled a bit too deftly with principles and codes of conduct, or when a politician has grafted or embezzled, but still slid through the cracks of the legal system: The condemnations of the act and the outrage displayed in press and visual media shows that transgression is not only perceived in relation to a legal framework. Laws, whether bendable or clear-cut, are just one set of configurations enacting a moral order of justification. Other values can be at stake, and critique of perceived corruption frequently invokes extra-legal moralities (although such moral frames may very well be implicit). Thus, in many cases people perceive a corrupt act to be offensive, even if the act is not strictly illegal. Why? Because a corrupt act constitutes a transgression relative to several ideas about the common good and their associated modes of justifying or criticizing actions.

This, of course, makes for good television as well as flaming headlines: As the scandal breaks, critique and condemnation forms the bulk of the news material until (if ever) evidence is produced and a juridical process is initiated. Across a range of positions, including economic, liberal-democratic, juridical, institutional, developmental and moral standpoints, the normative condemnation of corruption is agreed upon. But every position in this repertoire hinges upon a particular notion of the common good: for the sake of equality before the law, for mutual economic benefit, for the quality of public institutions – and every single

evaluation thus contains or implies a reference to at least one specific polity debased by corruption. Of course, several polities might be activated in debates concerning corruption scandals, even in the same text or sentence, and every polity might be put to the test concerning its particular attributions of value (Boltanski and Thévenot, 2006: 133).

A test, in the framework of Boltanski and Thévenot models how contention is constituted initially by differing schemata of value-attribution. The elements of the situation and their worth in the differing grammars will be included in such a test, and the arguments will bring forth deficiencies and challenge the given order, eventually maintaining or adjusting this order as required (*ibid.*). Thus, in the case of a corrupt politician, for instance, a test of his worth could proceed from the differing states of worth attributed to his corrupt actions; the test will attempt an unequivocal ranking in a hierarchy of worth. Continuing this example, the test could determine whether the politician had corrupt intentions or only incidentally transgressed the principles of democracy in his well-meaning efforts to serve his constituency.

Because the repertoire of polities available is contingent upon political and historical processes, the common good is not a world- or nation-wide, all-encompassing notion (as the founding fathers and midwives of modern anthropology remind us). This is not only apparent when visiting the notorious site of ethnographic fieldwork in all its exotic splendour or wildness, but obvious in the most trivial corruption scandals. When parliamentarians and office holders fall from grace in a Western society (whatever that may mean) and the public opinion makes a transgressor exit the Garden of Liberal Democracy, alternate ways of justifying transgressive actions in modern governance often emerge. The potential conflict of different polities might then form a second pool of raw material for the media to process. A few examples of different stances on corruption will suffice:

In the history of corruption studies, 'traditional economy', based on personal partaking in transactions, has often been noted as an alternative to Western bureaucratic governance. This was theoretically (as well as empirically) explored as early as Mauss's *The gift* (1923-24), and has emerged many times since, conceptualized as 'corruption' in developing states as well as established democracies. More recently, others have documented the alternative legitimacies developed in the wake of state transformations (e.g. Rivkin-Fish, 2005; Rose-Ackerman, 2009), the pragmatic solutions to lifestyles at the fringe of society (Gill, 2000), the embedding of bribes in highly formalized contracting processes (Li, 2011), the aura of charisma and audacity clinging to a leader that gets things done (Cotta, 2008), and even sexual potency associated with political thrust in

the murky domains of law (Mbembe, 2001: 13ff). In sum, the family, network connections, respect for professional qualities, and even the ideal of Progress can require illicit payments, just as personal qualities in individuals can justify their extra-legal dealings. Such modes of justification can easily eclipse the politics invoked in Western conceptions of the liberal-democratic state, replacing them with locally adapted definitions of the common good.

To summarize, corruption is constructed as a transgression from multiple angles, and justifications, such as the aforementioned, can similarly be criticized and condemned from a range of politics. When the media and politicians hold ‘bribes’, ‘graft’, or ‘embezzlement’ up for scrutiny against standards of transparency, efficient bureaucracy, and good governance, the grammars of economic, rational, legal and moral politics are invoked. In organizational settings, specific and more local notions about the shadow side of an organization might also form the vantage point from which to condemn corruption (e.g. Bowles, 1991; Kociatkiewicz and Kostera, 2010; Lennerfors, 2008: 350). Indeed, during the last twenty-five years such invocations and scrutiny have multiplied in different societal domains and produced an audit society (Power, 1997), to the extent that ‘we can think of audit as an actant to which all kind of powers are attributed’, as Marilyn Strathern remarks (2000: 5).

But beyond these seemingly very diverse orders of liberal-democratic governance lie other realms, locally vested with power and legitimacy. Every polity draws its boundary conditions for defining corruption differently, based on its specific grammar of worth developed through semantic and historical contingencies. For this reason, it is beyond the scope of this article to provide an exhaustive list of the modes condemning corruption across the globe. Rather, in the next section, I will delve into a theory describing processes for creating and controlling the boundaries of social orders, before eventually heading into a discussion of the contestation of such boundaries in the public space of the media.

Thresholds of the social body

In this section, I will explore the *liminality* of corruption. As mentioned initially, anthropologists and political scientists have attributed marginality and ambiguity to corruption, pointing out that the discursive existence of the concept emerges from the boundaries of ‘the state’. In the discussion above, however, it has been demonstrated that corrupt actions can be justified or condemned from a repertoire of politics, thus augmenting the number of boundaries from which concepts of corruption can be articulated: Corruption is situated on the fringes of political society and in the margins of law, working by logics of the market where

no trades officially take place, leeching on public trust – but at the same time, a deal struck illicitly can be a pragmatic solution to administration and demonstrate personal efficaciousness and network skills, and can even be morally superior to supporting an evil regime.

All of these conceptions can co-exist in the same society; they can be tried and tested in public discourse, and even held simultaneously at an individual level, but still their ambiguity might only show up on rare occasions, such as scandals (Cottle, 2006: 411; Thompson 2000: 194ff). In order to gain theoretical purchase on the ‘paradoxical relationship between the legal and illegal, secrecy and publicity, condemnation and fascination’ found in concepts of corruption (Nuijten and Anders, 2007: 12 and 19), I want to explore the structure of this ambiguous zone of morality and social order. I will proceed from the science of religions in order to investigate the idea of the *liminal*.

Liminality, in classic theories of religion (van Gennep, 1960[1908]; Turner, 1969), denotes the dangerous state between life stages, at the thresholds of transformations (*limen* means threshold). At this threshold, the ritual prepares and hedges off the liminal object in order to enact a religious change and safely transform the object from one stage to another. He who successfully moves across such a threshold returns to a normal, socially safe state, and the liminal traits recede as the object of the ritual gets incorporated into the ordinary social body again. The liminality is thus heightened during stages of ritual, making it a processual trait: Liminality can be attained and shed as the ritual processes unfold. The basic conceptual model is not necessarily processual, however.

The theory was developed by Victor Turner for comparative analysis of rites of passage, and Turner himself acknowledged the generic character of the theory: all kinds of ritual prescriptions can contribute to this process. Around the same time, Mary Douglas, another British cultural anthropologist, developed similar ideas with different objects of analysis, including food, dirt, and bodily fluids (Douglas, 1966). Douglas pointed out that ambiguity in religious categories and systems of classification is handled by introducing taboos. Such ritual restrictions guard against the construed dangers of stepping outside sacred zones, in touching religiously polluting material, and in manipulating divine powers.

The relevance of taboos and transformations in the context of corruption springs from the idea that liminal danger and power depend on conceptual and discursive structures pertaining to ambiguity (see also Bratsis, 2003: 19ff). Aligning Turner’s concept of liminality and Douglas’ notion of pollution allows for reformulating the relation between transgression and social boundary

control: Approaching the margins of common frames of action, we find power – and danger – in the form of potential transgressions.

Because the threshold isn't absolute but rather ambiguous, it permits transactions across the boundary. The negotiations of categories and boundaries are vested with power, as well as fraught with danger, and the very banishment of corrupt actions to the outskirts of normal activity and institutionalized practices is what invests corruption with discursive power. Similar effects pertain to other exceptional states of social order (c.f. Agamben, 1998; 2005, following Schmitt, 1985[1922]). Bribes, for instance, are morally polluting, powerful, dangerous, and efficacious. Those who successfully steer corrupt dealings escape ordinary systems of norms, their impunity proves their extraordinary abilities, and at the same time places the whole system at peril by suspending the economic order of society. The social body must expel such elements and thereby dispel the danger of *anomie*, i.e. a temporary state of de-regulation, formal or informal, in the economy (Durkheim, 1951[1912]: 252).

Those permanently residing at the religious threshold – for instance shamans, oracles, and other exceptional adepts – cannot exist as integrated in everyday society. While the regular members and legit frames of action in society need to build up liminality in ritual processes if they are to change, some conceptual domains maintain their marginal status (Turner, 1967: 112). These domains are discursively instituted by the attribution of value derived from a polity's grammar of worth, i.e. certain actions and states of worth are marked out as negative relative to the polity's conceptualization of the common good.

Although Turner developed his theory of liminality in the ritual context of minimally polycentric societies, expelling and relegating actions to the margins of society is just as important to societies with a greater repertoire of available polities. When a transgressive action crosses the threshold of a polity, it calls into question the basic values and threatens the configuration of the polity's social order. Quite possibly, a justification given for this action will refer to a deviant or competing social order.

Thus the denouncement and the scandal, in which different actors through the same or through different media evaluate the transgression, have some affinity with the rituals isolating religiously dangerous matter (Cottle, 2006; Douglas, 1966). Like these rituals, the scandal is a performative act, useful for strategically locating issues on either side of a threshold constituting the normative perspective of the performing polity. 'Scandals are struggles over symbolic power in which reputation and trust are at stake' for individual actors and organizations (Thompson, 2000: 245), but at the macro-level, the symbolic stake is actually an

entire fence: the threshold, beyond which lies the shadow zone, incidentally producing the transgression as something dangerous, extraordinary, and powerful, i.e. liminal.

Liminality, in this formulation, is a discursive effect resulting from the successful demarcation of a grammar of worth. In a Foucauldian manner, we can think of polities as formations of not just values, but also of knowledge. When a polity, esteeming some actions and condemning others, draw boundaries in social space, a knowledge is constituted: The ontology of the polity (what is?), the location of transgressions (what lies beyond?) and the associated value-attribution schemes (what holds value?). Normalizing and subjugating other definitions, emergent polities shape power relations because the polities' grammars are readily actualized in everyday critique and justification, and thereby stabilize their systems of norms and knowledge while rendering some actions (such as corruption) liminal by expelling and inhibiting them. In Foucault's words,

Each society has its regime of truth, its 'general politics' of truth: that is, the types of discourse which it accepts and makes function as true; the mechanisms and instances which enable one to distinguish true and false statements, the means by which each is sanctioned; the techniques and procedures accorded value in the acquisition of truth; the status of those who are charged with saying what counts as true. (Foucault, 1980: 131)

To summarize: Processes of discursive expulsion of false, corrupt and marginal objects and actions instantiate such 'regimes of truth'. Corruption, in all its modern guises, 'emerges only with the formation of liberal constitutional states based on the fiction of public interest' (Poole, 2004: 62, with reference to Bentham, 1843), but since this formation of liberal constitutional states, more grammars of worth have emerged, based on other myths, beliefs and values. Every such regime of truth, existing in current cultural repertoires of ideas about the common good, casts its own shadow and thereby create an ambiguous zone, excluded from and therefore constituted by this particular social space. But where are these regimes established, maintained and possibly challenged?

Processes that discursively draw boundaries can be discerned in several settings. Boundary-drawing happens in everyday organizational interactions, as well as in many legal procedures (by definition), but especially in the type of discourse made public in the media. For a number of reasons, however, a discussion of the liminal spaces in the judicial sphere and internally in organizations will be omitted in the following: Though the social construction of corruption is certainly negotiated in court rooms, the legal sphere displays a state-sponsored closure, which is relatively immune to modes of critique and justification present in the social world in general. Therefore, processes of condemnation and

expelling corruption, that is, boundary control of the politics transgressed, are mirrored in the court room, but only in highly formalized or even autonomous (Bourdieu, 1987) ways. As mentioned earlier, an action may even be considered corrupt no matter the verdict of the court, and in many instances (e.g. Rigi, 2012) courts even approve of corruption by feigning or simulating justice (Comaroff and Comaroff, 2007).

Likewise, the boundary-drawing activities of organizations, where certain actions are permitted or restricted, are typically internal to these organizations, although several organizations might commit to a common charter or a framework for combating corruption, such as PACI, the Partnering Against Corruption Initiative (Hansen, 2012: 518; see also Hansen and Flyverbom, 2014: 8). The organizational responses to corruption target the organizations themselves and thus only rarely extend beyond the grammars of worth associated with industrial or market worlds (Boltanski and Thévenot, 2006: 193ff).

The media, in contrast to court rooms and office towers, are especially salient as a series of arenas in which multiple boundaries and liminal spaces are manifested as well as contested. In the media, boundary-drawing is public, it is shaped and transmitted specifically to be attention-grabbing, and it is therefore a central function of contemporary political interactions. Because the media thus provides publicly available and politically vital spaces for imagining communities (Anderson, 1983), for articulating politics and for justifying actions, the rest of this article will concentrate on the media sphere.

Corruption as a media event in a sphere of publics

In the following, corruption will be explored as a media event, because it is arguably the *mediatized* existence of corruption that commands the spotlight and produces multiple shadows of society's politics. The question of corruption is submitted to the logic of the media and framed through the operations of the media, setting certain conditions for the dissemination of knowledge about corruption. The conditions of dissemination includes, but are not limited to, the institutional and corporate structures of the media, the market and target groups the media attempt to reach, the struggle for attention on the media's agenda and the modes of narration pertaining to specific media technologies (Fiske, 1994; Hjarvard, 2013; McCombs, 2005).

Despite the mediatization and possible streamlining of perspectives upon corruption, the tangle of shadows surrounding a media event about corruption is still ambiguous and polysemous. As it gathers 'up into itself the reality of the

event that may or may not have preceded it' (Fiske, 1994: 2), the media event doesn't have a predetermined script, and therefore holds potential strategic and political value (Thompson, 2000). Public allegations of corruption, rumours and investigations, though contested and opaque, can severely tarnish public images or precipitate polls and thereby shape political reality profoundly.

Because of the numerous possible thresholds transgressed, media spotlight homing in on corruption might result in a blurry picture, or rather, a contest of definitions (e.g. Cottle, 2006: 412; Ettema, 1990: 313). Though overlaps in condemnations do not necessarily result in dissent, consensus on a single verdict, remedy, or punishment for a corrupt transgression is still not easily brokered across a range of polities. The model of several thresholds, many shadows, and multiple margins thus needs to be able to handle the conflict and differing perspectives on corruption emerging in media. In order to satisfy this requirement, it is necessary to unpack the notion of the public sphere.

In Habermas' (1989[1962]) early conception of the public sphere, which informs later thinking about the link between (national) media and the state, the conflict of interests in liberal states could, if only in principle, be tempered by critical and rational debate. The sphere of public opinion would then, through rational deliberation, reach a decision. But as private interests succeed in imposing opinions in legislature and other state sanctioned instruments, 'critical publicity is supplanted by manipulative publicity' (*ibid.*: 178). In this model, theoretically developed by Neo-Marxists such as Chomsky and Herman (1988) and eerily reminiscent of many modern Latin American mediascapes (Kitzberger, 2010), the power games of political elites dominate the public sphere, although subversive perspectives might surface from time to time.

In a more recent discussion on the public sphere, Nancy Fraser (2007) has convincingly argued that the very idea of a *united* public sphere, legitimate and efficacious because it holds the body politic accountable, no longer stands up to close scrutiny in a globalized, mediatized world. To be sure, the 'integrity warriors of the anti-corruption industry' (Sampson, 2005: 103) have certainly exported and disseminated a liberal-democratic definition of corruption globally, thus partly eclipsing specific national notions of corruption. But in any given media context, be it more or less globally intertwined, the concept of corruption still appears as an empty signifier, as it 'provides the terrain for the articulation of particular struggles – and may potentially lead to the creation of a plurality of political spaces and public spheres' (Koechlin, 2013: 93ff).

Corruption thus conceptually challenges the Habermasian public sphere and the notion that the media forms a single political space. Michael Warner (2002) has

cogently argued that the unity of the public sphere is and always has been a necessary discursive postulate of any text, which is embedded in the reflexive act of constituting its public. A public is not necessarily united, Warner reminds us, but is rather constituted through attention. This attention is governed by semantic spaces in which individuals can meaningfully reflect their identities and ideas. Inserting this idea into the framework developed presently, such spaces, and publics attentive to them, are also constituted by the grammars of worth which are active in debates about corruption in the public sphere. Supported institutionally and intertwined with political agency, articulated through different media outlets (or in different utterances in a single media), many synchronous publics may exist. Each public points to its own conception of the common good and its specific definition of corrupt transgressions. The notion of a public sphere in the singular, Habermasian sense, thus needs to be multiplied.

While Warnerian publics might have potentially infinite axes of signification, spiralling inwards in their reflexivity (see also Eco, 1984 concerning unlimited semiosis), I would contend that social imaginaries invoked in the constitution of a public nonetheless refer to conceptualizations of a particular polity. Society's polities are finite in number and historically contingent: As Jeffrey Alexander and Ronald Jacobs point out, 'there are a limited number of publics available to serve as interpretive communities for narrating the social' (1998: 29). Such a set of available polities seems well suited as the entry point of empirical inquiry for interpreting transgressions against society and the mediated reality. In this way, we can discern a local configuration of transgression and corruption – performed in a specific media context, or disseminated through a specific cultural narrative – and through its reference to a public trace the transgression back to a polity. The public realizes its world and rehearses its mode of justification in the critique of corruption, carried by and performed in particular cultural forms (media, narratives, metaphors) adapted to this public.

In an overly simplified example of this, business newspapers might have specific notions of growth as the greater good harmed by corruption. The business journalists and commentators might use economic rationalities in their condemnation, and rhetorics suitable for suits. Of course, this wordplay doesn't hold up to close scrutiny, because any public and any media nexus can incorporate several stances or dissolve into factions among many fault lines in spite of institutional or subcultural underpinnings and the media-structural support. In the next section, a real-life example of this, drawn from Brazil, will illustrate such pressures and conflicts in the mediascape.

To sum up, different media give voice to one or several modes of justification, and even while speaking of the same corrupt action, different publics are discursively brought forth in these discrete configurations, drawing upon the legitimizing structures associated with their modes of justification. The media event, scandal, or mediatized ritual (Cottle, 2006) can thus be seen as the equating of an act with a liminal aspect of a grammar of worth, placing the transgression in the margin and establishing the boundary of a polity. In the following, the interplay between multiple publics and contested boundaries will be unpacked.

Corruption aligned or contested in an arena of multiple publics

What happens when different polities' view of corruption are simultaneously articulated in different publics? Critique and justification of corruption emerge in contested discursive fields of media publics, ultimately structured by culturally specific grammars of worth. The modes of justification anchor these discussions in the media by providing frames for referring to ultimate values of society, the common good. The contestation of corruption, a *clash between worlds* in the words of Boltanski and Thévenot (2006: 224), based in differing perspectives brought forth in actual public debate and discourse, is in itself a very important facet of corruption: The multiple, floating character of the phenomenon (Koechlin, 2013: 128ff) is exactly what conditions the wide range of perspectives from which suspicions of corruption are raised. Likewise, the explosion of corruption discourses in recent decades (Breit, 2011: 1; Nuijten and Anders, 2007: 3) can be linked to the value that such clashes represent to media and political actors: The invocation of corruption and initiation of clashes draws attention useful for agenda-setting purposes (McCombs, 2005).

In debate, however, persistent disagreement can be avoided by working out compromises. Boltanski and Thévenot give several examples of processes of compromise or escape when an impasse between two or more modes is reached. The general formula of compromise consists in equating positions in two different polities with each other: Instead of seeking clarification by invoking each polity's hierarchy of worth, the differences are subsumed in an argument that can include both polities (Boltanski and Thévenot, 2006: 277ff).

When several polities combine in this way, the zones of transgression in each polity are aligned and strengthen each other. At this point, the labelling process of the media associated with these polities will usually converge in the designation of a scandal (Heidenheimer, 1996: 339). As polities align, the stakes are greatly increased in anticipation of a legal verdict, condemning the culprits.

In many Western nations, we can detect such an alignment as a ‘trend in various spheres of political and social life, from the development of codes of conduct to courses in corporate ethics’ (Sampson, 2005: 104). In these cases, even though several publics are constituted through the observation and activation of multiple thresholds (pertaining to different grammars of worth), corruption threatens every polity’s representation of the social order and its cohesion. Thus, multiple liminal spaces converge, fusing many shadows into one.

Here, especially, transgression carries an aura of danger and an air of potency if left unchecked or unpunished. Consensus on condemnation might, after all, not extend to all members of society, due to weak institutions, legal loopholes, etc. The lure of bypassing laws for personal gain, as well as the risks of denunciation and ensuing punishment, is heightened then. In circumstances of heavy media attention, what are the effects of corruption with impunity? Research has shown that media attention to corruption actually heightens awareness in individual encounters with transgression (Brunetti and Weder, 2001). However, as noted by George Bataille, the ‘transgression [...] suspends a taboo without suppressing it’ (1987: 36). Impunity can accompany a sort of circular mechanism, in which the boundaries (or Bataillian taboos) are instaurated anew, though temporarily suspended. As the transgression makes the norm of a polity visible, it is brought into discursive existence through the discussion and attention of the media. Of course, existing norms *de jure* might not be rules *de facto*, if transgressions repeatedly and publicly breach the principles of a polity. Such situations of decoupled moralities and legalities are especially salient in cases of state upheaval and institutional change (e.g. Andvig, 2005; Rigi, 2012; Rivkin-Fish, 2005; Rose-Ackerman, 2009).

The taboo or boundary might, of course, eventually be re-inscribed upon social space. Any public’s debate on corruption cases can lead to many cleansing activities and unfold many narratives, confirming the very boundaries transgressed (or perceived to have been transgressed) by corruption. Cathartic and condemning stories and activities proceed from a specific public, its cultural forms and value-oriented context, and reinstate the boundaries of a polity, while the media covering such activities provide enunciative and thereby privileged positions to the mode(s) of justification.

In media markets with a plurality of media outlets, publics and associated grammars of worth, corruption cases can last many months and even years. Exemplifying this, the *mensalão* case of Brazil emerged as a national scandal in May 2005, with the exposure of corruption in the Postal authorities. This minor incidence of corruption allegedly involved the parliamentarian Roberto Jefferson, who in turn denounced leading politicians in the main government party, *Partido*

dos Trabalhadores (Vasconcellos, 2006). The party leaders had allegedly handed out large monthly checks (hence the Brazilian neologism *mensalão*, literally meaning 'big monthly') to supporting parliamentarians from secret slush funds. The investigations, lasting more than seven years, eventually led to the conviction of 25 businessmen, politicians and directors of two Brazilian banks. During these seven years, numerous different perspectives upon the *mensalão* case emerged.

In a case such as this, a society-wide hegemonic or consensual polity emerging through discussions on corruption can turn out to be difficult, as the prolonged contestation renders compromises between different polities unstable (Boltanski and Thévenot, 2006: 282-4 and 293ff). This was also the case in Brazil: Tabloids, sensationalist newspapers and weeklies tried to implicate the president Luiz 'Lula' da Silva, hinting at larger conspiracies embedded in the government, while intellectual and left-leaning press tried to frame the scandal as the work of the mainstream and populist media conglomerates, covering up political corruption involving the right-wing opposition. Other media interpreted the convictions of the *mensalão* culprits as a decisive turning point in the combat against the systemic Brazilian corruption (Damgaard, 2015; Taylor and Power, 2011).

In the *mensalão* case, another possible outcome of mediated corruption is thus demonstrated: The multiplicity of publics and polities might render the norms of a society opaque, pitting several polities in a deadlock for definitions and suspend indefinitely the exclusion of the transgression. The complexity of modern society and polycentric bases of discursive and symbolic power also makes it very likely that a remainder escapes, that some perspective gets lost in the flux of a particular *mediascape* (Appadurai, 1996: 35). Finally, it is perfectly possible that one definition of corruption together with its proposals and remedies eclipse other polities' attempts at exclusion or inclusion in the scandal's circular torrent of images and words. Certain grammars of worth may be more salient in some media settings than others, which in turn may support these polities more than others and make arguments from their perspectives more likely to persist in debates. The specific elements in the scandal's narrative (characters, plots and themes) constitute important points of orientation in such mediatized clashes of polities and politics (Polletta, 2006; Somers and Gibson, 1994; Strömbäck, 2008: 233).

The media thus perform different roles in corruption cases: Narrators of cleansing catharsis in court rooms, public prosecutors against supposed perpetrators, campaigners against immoral groups or cultures, mediators of conflicts of interest, to name a few. The media can pick sides as well as amplify or attenuate conflicts between different views; indeed, the media are ubiquitous in such processes. Permeating society, the media have become a structural

condition for the processes and practices of the social, political and cultural sphere (Hjarvard, 2013: 3; Strömbäck, 2008). The social drama ‘enacted within and through the press by other institutions of social power’ merge ‘the narrating of politics and the waging of politics [...] into a single process – the production of political reality’ (Ettema, 1990: 327). Because politics are heavily mediatized, their reality, or indeed hyperreality (Baudrillard, 1988: 171), cannot be understood without considering how the tides of attention are modulated by (and distributed in) the media.

A typology of mediatized corruption

The possible outcomes suggested in the previous section can be seen as a tentative typology of societal responses to corruption under mediatized circumstances: A) compromise and alignment between several polities; B) transgression with impunity; C) re-inscription of prohibitions; D) unstable definitions and suspended exclusion; and E) overlapping and even eclipsed zones of liminality. These outcomes simultaneously spell out some of the trends visible in international and national public spheres and political fields of the last couple of decades. It must be emphasized that they are preliminary analytical categories of the theoretical framework presented here and, as such, need empirical exploration and evaluation. However, the outcomes can point to some important practical consequences of corruption’s multiplicity.

A first possible outcome (A – *alignment*) supports the tendency towards a ‘transparency creep’ – an increasing obsession with standards of transparency, accountability and corporate social responsibility. As more sectors and spheres become entangled in the production of the transparent, the ambiguous zones of shadows also spread. Every corruption ranking produced, every audit performed and every media story on a corporation’s new compliance standards begs the question amongst competing actors: What have we done to reduce corruption? What remains hidden? The liminal holds power because it appears, as Bataille has it, ‘as if the limits were there to be transgressed’ (1991: 220), and so there is always a possibility of transgression, and with it, the threats of mediatization: whistleblowers, denunciations and bad press. Proliferating layers of bureaucracy, *judicialization* (Comaroff and Comaroff, 2007; Filgueiras, 2013) and anti-corruption policies in turn feed back into the media sphere by projecting transparency (Hansen and Flyverbom, 2014: 11) and at the same time implying new liminal zones and new shadows of the state, organization or economy.

A second possible outcome (B – *transgression with impunity*) in this typology appears to result in declining trust in institutions and politicians, as experiments

and surveys show (e.g. Graeff and Tinggaard Svendsen, 2013; Rothstein and Eek, 2009: 90) show. It has become something of a truism (albeit a contested one) that this, in turn, will weaken the quality of institutions (e.g. Putnam, 1993). If corruption frequently goes unpunished, the incentives for other corrupt acts are increased. For the public servant, the prospects of turning around this negative spiral seem bleak (Morris and Klesner, 2010: 1259).

A third possible outcome (C – *the re-inscription of boundaries upon social space*) should in theory support societal integration. This idea, in a Durkheimian tradition, was proposed by Thompson in his seminal *Political scandal* (2000: 234ff). It is Durkheimian in the sense that the scandal, when resulting in convictions, discharges from office or other kind of norm-enforcing events, supposedly reinforces incentives to stay within the given boundaries of society (Cottle, 2006: 414). When thresholds of good governance and business ethics are re-inscribed, some practices are normalized and purified, while others are banned and condemned to the shadows. In this way, the re-inscription might drag some practices – administrative, organizational or political – into the limelight of critique. Therefore, politicians, public officials, employees and managers in organizations need to be keenly aware of the political value in defining liminal zones. To re-inscribe may also subtly re-define norms and their area of application, because the margins of politics are fluid, although their boundaries may only shift slowly.

A fourth possible outcome (D – *the de-stabilization of compromises between different politics*) highlights the uneasy relation between the media and political actors. As more and more politics buy into the semantic space around concepts of corruption, accountability, transparency and similar ideas, the scope of disagreement and conflicts multiply. Unstable definitory frames can appear on several levels, for instance in the context of organizational hypocrisy (Brunsson, 1989), or a society-wide schism of legitimacies (Pardo, 2000).

This provides the media with a burgeoning pool of material for conflict-laden stories. For the actors who have steered clear of the liminal spaces, conflicts of definitions and unstable boundaries can then provide a launch pad for critique in the media along with much-desired attention in the public's spotlight. A media event which is spun around corruption issues, no matter any subsequent legal outcome, can make or break political or business careers. For politicians, corporations and even nations, mediatized corruption disputes thus constitute important symbolic resources that need to be managed or manipulated. International corruption indices, in this lens, put nations on display as competitors in a race for accountability (Hansen, 2012: 513; Hansen and Flyverbom, 2014: 11): High-ranking nations on corruption indices, for instance,

have an easier time attracting foreign investments, just like corporations with high-profiled CSR initiatives or compliance policies appear as better business partners.

The final possible outcome (E – *eclipsed or overlapping liminal zones*) implies a distinct kind of alignment that foregrounds one attribution of worth relative to other implicated grammars. To illustrate this, in the New Public Management style of management, auditing and monitoring of results is central (Hood, 1995). The instruments for this have become equally ubiquitous in the transparency industry (Sampson, 2005), although with another motivation: Auditing for transparency is lauded not for reasons of economic efficiency, but with public accountability in mind. The very same organizational practice creates a dual zone of liminality, but in the actual implementation, it might be difficult to discern what grammar of worth is invoked. In cases of institutional or organizational change brought about by corruption charges, such co-optation of processes is likely to create overlaps between polities' boundaries and modes of justification.

The above outcomes and consequences are starting points for empirical inquiry. The framework presented, describing multiple conceptualizations of corruption in mediatized publics, allows for tracing the dominance of certain polities' definition and connecting this to institutional and political structures and dynamics, as well as to the outcomes of political interactions. Like the mediatization theory in general, this theory is of the middle-range (Hjarvard, 2013: 4, following Robert K. Merton), in the sense that it connects identifiable speech acts of condemnation or justification to the media's societal structuration of the political field, or rather, the field of polities. As such, it is a theory for linking local modes of justification to nation- or region-specific socio-political arrangements and the concrete actors and publics activated in the narratives of a media event (Alexander and Jacobs, 1998: 31).

Conclusion: Constructing margins

In this article, I have developed a framework for thinking about corruption as a relational concept, constituted by discursive and mediatized processes that locate certain actions and actors in the margins of an order of worth. In such processes, discussions and debates sparked by public disclosure or allegations of corruption, corrupt actions are constructed as liminal by different polities. The exclusion of corrupt actions to marginal or liminal domains of these polities presents corruption as dangerous and threatening to a social order. Through different modes of justification and critique, multiple ways of attributing worth and ordering the social sphere can come to be articulated. Each mode or formation of

modes, stabilized by specific systemic and institutional links, articulates a public and propagates different calls for action against corruption, varying remedies, and heterogeneous thresholds of transgressions. The possibility of acting against corruption is shaped by this field of configurations and the specific societal legitimacies of each order of justification.

This multiplicity of publics and polities condemning corruption constitutes a politically potent, media-saturated field, but not only because it invokes powerful imagery of sinister dealings struck. The processes and strategies of dealing with the media also attribute or deny worth to the quotidian practices of institutions and organizations, and embed different conceptualizations of corruption in the cultural repertoire of different grammars of worth. Seen this way, debates in the media on corruption mirror struggles over the control of the social order's boundaries. These boundary-drawing processes can overlap, co-exist, compete, and interfere in a variety of ways, shaping public discourse and political agency. The media are instrumental in aligning or contesting the boundaries and thresholds inscribed by the different polities into social space.

This framework ties together ideas concerning the social reality of corruption, the mediatization of politics and ritual-theory approaches to corruption scandals. Building on the pragmatic sociology of Boltanski and Thévenot (2006), it integrates current media theory in the vein of Cottle (2006), Warner (2002) and Hjarvard (2013) into the polycentric model of polities. The culturally contingent polities, as well as the boundaries of their grammars of worth, are articulated in mediatized publics. Different perspectives upon corruption emerge from these publics and their margins. Taking concepts of transgression, exception, and shadows of the state – akin to those proposed by Bratsis (2003), Das and Poole (2004), Lennerfors (2008) and Rigi (2012) – and rephrasing them through seminal theories of religion, the framework builds a cross-disciplinary vantage point from which corruption can be analyzed.

The model of multiple thresholds of the social body doesn't answer the question of what corruption is, but rather probes how researchers can trace definitions of corruption and establish the relation of these to a specific but multifaceted social order. The tentative typology suggested here describes outcomes of mediatized contests of definition and exclusion, and can be utilized for cross-cultural comparisons of corruption cases. Such comparisons would enable systematic comparative research into the conceptual similarities and differences of national or local repertoires' influence upon corruption. The framework also constitutes a starting point for thinking about how settlements on corruption are performed in the media (Cottle, 2006: 427), how compromises are institutionalized and normalized in legislation and discourse, and what types of corruption cases

provoke which modes of critique. Though focusing on the mediated reality of corruption, policy-makers aiming at reducing corruption could benefit from heeding the practical and theoretical insights, especially in regards to disputes of values and the creation of shared conceptions of the common good.

Unpacking the alignments of polities that show up repeatedly in different contexts, or unusual configurations of publics, power and institutions, could help explain regional exceptions (such as Chile's low levels of corruption relative to other Latin American nations), as well as isomorphic organizational and political developments (as seen for instance in the Scandinavian countries). The mediatized ideas of the common good and liminal domains articulated in corruption cases represent a powerful aspect of the imagined state (Gupta, 1995). Such an aspect casts shadows in the political sphere of any state, but the sizes and hues of these shadows are not a question of latitude: Though concepts of corruption sometimes appear as variations of the global North/South divide, the approach developed here provides tools for identifying structural and narrative conditions for the public production of social order and transgression.

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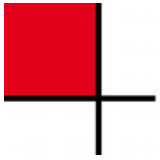
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The anti-corruption package*

Steven Sampson

Corruption, the abuse of power for private gain, or more generally, the degradation or deformation of the political order, has been with us since the earliest classical city-states. So have complaints about corruption, and so have various politicians who pledged to ‘do something’ about it.

But the global corruption regime, what I have called the ‘anti-corruption industry’, is little more than a decade old (Sampson, 2010a). What has happened over the last 15 years or so to make anti-corruption highest priority for international donors, a budget line with aid agencies, a slogan for both NGOs and authoritarian politicians, and a campaign in countries that would hardly qualify on the Freedom House Democracy Index? Why is anti-corruption hot?

One possible explanation, of course, is that the world is becoming a better place, that moral and ethical projects, the imperatives of transparency and openness, the skepticism about the rich and powerful – even among the rich and powerful – has gotten the upper hand. This renewed moral commitment has compelled public authorities to become more open – if not more honest – with the ever watchful global civil society or the local branch of Transparency International ready to shine a light on suspicious practices. The new business ethics is everywhere, it seems. Private corporations accused of being secretive or unprincipled are starting to think and act ethically. Enron becomes an object lesson, and companies once penalized for gross bribery violations now formulate anti-bribery policies and set up ethics and compliance units. Large multinationals now have literally hundreds of ethics and compliance officers making sure that

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their employees know the code of conduct and that they do the right thing. In this line of thinking, the rise of what I call 'anti-corruptionism' is one sign that the moral state of the world has improved. Civil society, consumer groups and anti-corruption activists are now marching hand in hand with the International Chamber of Commerce, the World Bank, USAID, with Siemens, Rio Tinto and Shell to do battle with the cancer of corruption. Even the Chinese are on board! How nice.

There is a second explanation for the rise of anti-corruptionism. It is that anti-corruption initiatives are but the latest innovation of global capitalism. In this view, neoliberal governance and an audit culture, invoking the rhetoric of 'level playing field', seek to increase profitability by reducing the barriers to commerce: no more kickbacks, bribes and under the table agreements. No more so-called 'facilitation payments' to corrupt African finance ministers; no more bribes to a regional governor for a mining concession or to the customs officer at the port of entry. No more outlandish hospitality payments, free trips to business partners or the hiring of their children as interns. The slogan is now: 'Say no to corruption'. In this optic, the need for corporations to bribe their way to contracts is an onerous tax; corruption payments, once considered a means of greasing the bidding machine, are now seen as an extra expense that reduces profits. While we may think of the anti-corruption movement as being driven by civil society groups such as Transparency International and local anti-corruption NGOs, especially those in the developing world, the global anti-corruption agenda seems to be driven by the World Bank, OECD, the EU, the corporate leaders promoting the Global Compact, and the other usual suspects. These actors are backed up by policies and laws such as the UN Convention Against Corruption, the UN Global Compact (of corporations supporting ethical behaviour), the OECD anti-bribery convention, by renewed enforcement of the U.S. Foreign Corrupt Practices Act (1977), by the newly enacted UK Bribery Act (2010), by the anti-bribery and ethics units of the major accounting firms, and most spectacularly, by the U.S. Security and Exchange Commission's Office of the Whistleblower, which now pays out cash rewards to whistleblowers who report corruption in their companies (the most recent payout to a single whistleblower being no less than USD 30 million! [U.S. Securities and Exchange Commission, 2014]). With China and Russia promoting anti-corruption campaigns as well (for very different reasons), we can detect some kind of confluence of states, public authorities, international organizations, the private sector, authoritarian political leaders, aid organizations, NGOs, political activists, civic groups, financial institutions, multinational companies, and yes, even Swiss banks, all of whom suddenly want to fight corruption. Forget the moral progress argument. It looks like we have some kind of global conspiracy here. Is anti-corruption the new 'capitalist plot?'

Morality or conspiracy?

Let me use the remainder of this commentary to unpack the global morality explanation for why anti-corruption is hot, versus this conspiracy theory argument. It is not my purpose to promote one or the other explanation as the key to understanding the anti-corruption wave. Rather, I will argue that anti-corruption seems to be both: a platform for a new global morality and a channel for yet another readjustment of global capitalism, where ethics and reputation are a valuable asset and where 'reputation management' is now a corporate priority on a par with cost accounting.

A *global morality argument* would postulate that due to the collapse of time and distance, what we call 'globalization', and with the aid of new technologies and transnational movements, the corporations and corrupt officials who once acted with impunity cannot act with impunity anymore. It is an argument based on an assumption that corruption has become more intolerable, that political and economic actors need to become more accountable, and that the mechanisms for assessing this accountability are more readily accessible (more frequent auditing reports, universal smart phone cameras, easy-access anonymous whistleblowing sites, etc.). The trend here is towards more transparency, more democracy, more human rights, more welfare and more economic prosperity as desirable and inevitable. It is an argument for governance over government, and it is promoted not only by populist movements such as the World Social Forum and Occupy and by advocacy groups within 'global civil society' but also by major international institutions and Western governments. This liberal, human liberation project certainly has its setbacks (authoritarian 'retreats from democracy', civil wars, collapsing states, spectacular corruption scandals, uncivil society, fundamentalist movements, Islamic State beheadings). Yet the pressure toward transparency and disclosure as keys to democracy remains. And it is this pressure that keeps anti-corruption at the top of the global development agenda, making it an integral part of public administration, corporate governance, and civic movements.

Added to this general morality project is an additional argument: that good ethics is also good for business, that ethics is profitable. Hence, a recent study was cited to me by the ethics officer at Coca Cola, describing that companies with ethics and compliance programs had 16% greater profitability over a ten-year period than companies that did not have such programs. Sixteen percent is 1.6% per year. We might call this the 'morality dividend'.

Now we need not exaggerate this morality trend. A recent Ethics Resource Center (2013) survey of employees in U.S. companies notes that one out of three

employees still do not report misconduct in their companies, and that 21% of those who did report experienced retaliation from their employers. Not everyone is doing the right thing just yet.

Nevertheless, if we survey the number of ethics and compliance officers being hired, the ethics and compliance departments being created inside companies and public authorities, the numerous anti-bribery training and certification courses being conducted, and the large number of vendors now selling 'ethics and compliance solutions', it seems that there is now a moral and ethical dimension to business that did not exist some years ago (this includes Master's programs in ethics and compliance, echoing the trend toward specialized programs in areas such as Non-profit Management, Disaster Management, or Human Rights Law).

The conspiracy argument for anti-corruption, like any conspiracy, requires that 'we' can identify an insidious 'them' who have some kind of master plan with a secretive, power agenda. A conspiracy theory of anti-corruption would have to identify this master plan for domination and trace links between various powerful groups and institutions. We would have to 'connect the dots'. In trying to understand the emergence of a global anti-corruption regime, conspiracy theory is good to think with. This is partly because conspiracies always have contradictions embedded within them. On the one hand, everything is connected, there are links between actors and forces which show the extent of the conspiratorial network. On the other hand, every conspiracy theory has many loose ends; the dots are never fully connected. Viewing anti-corruption as a plot, hatched with World Bank President James Wolfensohn's 'cancer of corruption' speech in 1996 and continuing with the enhanced prosecutions under the U.S. Foreign Corrupt Practices Act and the UK prosecutions under the Serious Fraud Office, along with the spectacular rewards to whistleblowers by the U.S. government, we have a configuration of actors and networks, an 'anti-corruption assemblage' (following Ong and Collier, 2005), with its rhizomatic characteristics so beloved by Deleuze and Guattari (1987) adherents. We have a kind of loose grouping of animate and inanimate actors, discourses, policies, resources, metaphors and ideologies bringing together a global elite across the political spectrum. Anti-corruption in this sense, becomes part of Hardt and Negri's *Empire* (2000). The difference, however, is that the 'multitudes' who are supposed to resist Empire seem to be coopted into the project. Anti-corruptionism rewards the professional corruption fighters with project grants for anti-corruption advocacy campaigns. Excluded from the anti-corruption scene are (1) fundamentalist anti-corruption fighters, who seem to operate not just with a concept of corruption as bribery of corrupt officials, but of a larger, entirely corrupted society which has cowered to Western, secular influence, (2) mass

movements who take to the streets and try to overthrow corrupt regimes and (3) authoritarian anti-corruptionism in Russia and China, which is avidly pursuing bribe-giving Western managers instead of their own bribe-taking officials.

From fighting corruption to fighting what?

Taken as a global morality project or as a conspiratorial plot, anti-corruptionism is both less and more than what political scientists would call a 'regime'. Anti-corruptionism is amoeba-like, much like corruption. The unstructured character of anti-corruptionism is due to continuing changes in the definition of its 'enemy', i.e. corruption. Corruption is no more the straightforward bribery of public officials. It is now a more general abuse of power in all forms of social and political relationships: in governments, in the private sector, in NGOs. This new understanding prompted Transparency International, following the Enron scandal, to alter its own definition of corruption from 'abuse by public officials...' to 'abuse of entrusted power for private gain' (Enron, by the way, was once a donor to TI).

The liquid character of anti-corruption is amplified by the problems of measuring or assessing the phenomenon they are fighting. Transparency International's Corruption Perceptions Index and the Bribe Payers Index, the various World Bank 'Governance matters' indicators (e.g., 'State capture', 'Control of corruption', 'Voice and accountability'), and 'Doing business' statistics (e.g., comparing the costs in time and money necessary to obtain a building permit in, or to import a container into, Nigeria versus Singapore, these measurements now capture only a very small part of the phenomenon that is 'corruption'). 'Corruption' has now become abuse of any and all kinds of power in any and all ways.

The 'corruption' concept has become inflated, a floating signifier, encapsulating the general decadence of the political regime in which people find themselves. This definition of corruption as general decadence or decline reflects the Classical and early Christian view, a view gradually replaced by the familiar focus on making public officials made more accountable through rules, regulations and procedures, and most lately by the kind of ethics training that we now call 'awareness raising' (Buchan and Hill, 2014). Fighting corruption has now reached into every aspect of social and policy life: not just foreign aid and international business, but political contributions, health services, education, environment, security and antiterrorism. 'Everything' used to be human rights. Now 'everything' is anti-corruption. Every new scandal of a company, a bureaucracy or a politician brings corruption and anti-corruption to the forefront

in a way that was unimaginable a decade ago. We may not be able to define, nor measure, what it is we are fighting, but there is no doubt that we have to 'do something' about 'it'. Fighting corruption, or just fighting, is now a set of 'tools' that we learn; these tools include awareness raising, diagnostics, metrics, e-bidding, incentivisation (yes, it is a word) and ethics training. It includes training in the UK Bribery Act's 'adequate procedures', guidelines to firms on how to avoid being listed on the World Bank list of debarred companies, publicity of the SEC's whistleblowing cash bounties, and that brilliant invention by the U.S. SEC known as 'deferred prosecution agreements', used to compel firms to establish anti-bribery programs in exchange for lowered fines or reduced jail time. The anti-corruption toolkit has grown large indeed. The final stage, a global ISO 'anti-bribery management system' (ISO 37001, based on the British standard BS 10500) is now being finalized. This is global governance with a vengeance.

Perhaps it is time to reconcile the tendencies of the global morality theory, keyed to global governance, and the capitalist conspiracy theory whereby international financial institutions and global firms now attack corruption. Are we now living in a world where there are indeed new moral visions? Or is this transparency and morality discourse but a cover for conspiratorial, more sophisticated capitalist practice? What kind of world is it when Transparency International representatives (whose driving force, Peter Eigen, himself worked for the World Bank), are invited to Davos but where they also attend the World Social Forum? In what way are ostensibly grass roots organizations also a part of some kind of global elite? How did the World Bank and Statoil become part of what is known as 'the anti-corruption movement'? Can we envision a world where there is both more morality and more conspiracy? Why indeed is everyone against corruption?

This is not to demonize Transparency International as part of a global plot. One cannot equate the hundreds of millions of euros used by multinational mining or defense companies to implement anti-corruption programs (and avoid prosecution) to Transparency's 10 million euro budget, most of which is donated by European foreign ministries. Laws and conventions aside, the enforcement of anti-corruption remains an uphill battle. Nevertheless, we would be remiss not to observe that anti-corruption has entered the center of much global policy-making, and that we really do not know why.

What we do know is that 'corruption' has now become an all-purpose explanation for social and political deroute, and that 'anti-corruption' has become an all-purpose cure. Corruption is invoked to explain poverty and underdevelopment, alienated youth and fundamentalism, fragile states, political instability and poor business climates. Corruption is now something everyone wants to do something about. It is something we fight, and the 'we' now includes Vladimir Putin and

the Chinese Communist Party (whose arrest of executives from GSK and other Western firms is now the topic of many compliance and anti-corruption gatherings).

Industry, landscape, assemblage, package, gift

In this milieu, we might profit by combining the moral project and the global capitalist conspiracy into a single framework. In studying anti-corruption, I myself have wandered through a kind of metaphorical excursion, seeing anti-corruption as a 'landscape', as an 'industry', as a discourse of 'anti-corruptionism', as what Ong and Collier call a 'global assemblage' or what Latour might refer to as an 'immutable mobile' (Latour, 1987; Ong and Collier, 2005; Sampson, 2005; 2009; 2010a; 2010b).

Perhaps the simplest metaphor for this combination of morality and conspiracy is that of a 'package'. The word may be reminiscent of Latour's actor-network-theory, but it is also frequently used in Scandinavia (Danish: *pakke*) to denote a set of legal and regulatory measures attacking a certain issue, such as the 'immigration package' or 'youth unemployment package'. The anti-corruption package contains conventions, laws, policies, resources, project units, consultants, donors, recipients and sets of practices. The package originates in the centers of anti-corruptionism, which are the Western governments, international organizations, financial institutions and aid agencies, and the package is then wrapped up and delivered by consultants, NGO project managers, trainers and IMF loan officers. There may be anti-corruption activities elsewhere (such as the anti-corruption political movement in India), but these are not part of the anti-corruption package described here. Anti-corruptionism is not about demonstrations but about 'coalition-building' between business, government and responsible advocacy groups (to cite the Transparency International policy). The project is to get everyone 'on board'.

Such packages are transmitted as gifts, which means that there are gift-givers and gift-recipients. And as every anthropologist knows, gifts express social relations and moral obligations (Mauss, 1925). We have the obligation to give, the obligation to receive, and the obligation to reciprocate. Anti-corruption programs are also gifts. But they are gifts with strings. The anti-corruption gift package is usually attached to another package of obligations. In the EU, for example, borderline candidate countries such as Romania and Bulgaria, in order to gain full entry, had to establish anti-corruption agencies. Under EU scrutiny, they had to demonstrate sufficient resolve in fighting corruption (by showing the number of high-level politicians prosecuted). This effort helped them finally enter the EU. As soon as they entered, however, the corruption fighting began to cease. The EU

has now been compelled to establish a special post-accession monitoring unit to oversee the seriousness of the Romanians' and Bulgarians' anti-corruption commitment. It is as if the Romanians and Bulgarians took the gift package, and like the proverbial Christmas necktie, threw it away. Now they have had to retrieve it and show the gift-givers that they are using the gift in the way it was intended.

EU membership itself was also a gift, but the EU has also extracted something in return. European integration has wreaked havoc on local industries in Romania and Bulgaria, as well as the other Balkan countries seeking membership. In these candidate countries as well, officials trying to extract facilitation payments from European investors is a means of 'leveling the playing field' (for Albania, for example see Kasjiu, 2013). Hence, corruption agencies notwithstanding, there is still plenty of bribery going on in all the Balkan countries. Seen from Tirana, Skopje or Bucharest, the Western anti-corruption project has been viewed as a scheme to make the world safer for international capital. The EU emphasis on 'corruption awareness' and metrics has not had any impact on the crude abuse of political power and the kinds of entrenched networks that we would otherwise call nepotism, cronyism or clientelism. Anti-corruptionism has not reduced corruption.

The gift of anti-corruption

Corruption research has concentrated on theorizing the causes, consequences and impacts of corruption. We have done much less in trying to understand the dynamics of anti-corruptionism.

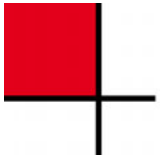
Globalization involves the diffusion of resources, people and discourses. But globalization also standardizes and homogenizes. This is what has happened to the anti-corruption package, as it took the form of a gift wrapped up by major donors and then given to countries seeking foreign assistance or foreign investment. The moral appeals, transparency pressures and imposition of bribe-free trade have become standard elements of the anti-corruption gift. As such, we need to understand who packs this gift, how it is 'wrapped', how it is sent, and how it is opened. We then need to study what the recipients do with its contents. Gift-giving has always been a combination of social obligations and hidden agendas, of morality and conspiracy. So is anti-corruptionism.

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Corruption as co-created rupture: A definitional etymological approach*

Anthony R. Yue and Luc Peters

abstract

We critically interrogate corruption via examinations of its meaning(s). Through examination of some of the definitions of elements of the word 'corruption' we engage in a textual reading whereby our typical conceptions of corruption are able to be put aside temporarily and are augmented if not replaced with alternative understandings. The notion of the co-rupture is surfaced through this basic language based technique and seems to be missing from the existing literature regarding corruption. Finally, we discuss some ideas of the co-rupture and in doing so open new possibilities for the theorizing of corruption as well as offer a glimpse of a braided methodological approach to a Deleuzian inspired take on metonyms.

Introduction

Corruption is a phenomenon which is treated as reasonably well understood and identifiable. However, taken for granted assumptions surface and are often uneasily dealt with when the need to ascertain how to pragmatically come to terms with corruption arises. This is evident, for example, in MBA classroom discussions about international business, cultural relativism and corruption practices. Once an absolutist understanding of corruption is challenged, unarticulated meanings become problematic in that they are missing the simple and instrumental nature of the taken for granted understandings.

* Note: An early working paper version of this essay was presented in 2013 at the EGOS Conference in Montréal, Canada.

We think that it is useful to challenge absolutist understandings of corruption and expand beyond the meanings that the World Bank definition of corruption offers (i.e. 'the misuse of public office for private gain'). We intend to do this by means of a particular language based technique, namely an examination of corruption through the eyes of process and an exploration of meaning found around and in-between definitions. We think of corruption as a phenomenon that is in a constant state of becoming which Deleuze and Guattari might describe as an: '[...] act of thought operating at infinite [...] speed' (1994: 21). In Deleuze and Guattari's view, at any given point, definitions may become too rigid or even obsolete. Put another way, a definition is about what we already know about a concept, which likewise has already changed. This suggests that definitions never reveal everything about corruption, but that definitions always arrive somewhat too late. Consequently, to rigorously attend to a definition would not allow us to grasp any new appearances, forms or qualities the defined entity might have. Indeed, from this perspective, attempts to (re)define corruption would be a fundamental contradiction. So, this essay does not attempt to redefine corruption or even specifically critique existing definitions of corruption. Instead, this work seeks to use language-based techniques to examine the word 'corruption' itself. We loosely employ aspects of philology, which as a practice typically examines language in historical texts, and embark upon comparison and contrast with other meanings from other texts, languages and indeed contexts. Our approach seeks to explore and examine associated meanings which arise, thereby expanding our conceptual understanding of corruption.

One might expect our technique of examining related but underexplored meanings of corruption to be a breezy Foucauldian genealogical approach. Although we think that an etymological approach is a good starting point, it is not sufficient. Rather, we are engaged in a dance which involves a treatment of alternative definitions as being metonyms (naming something by other than its own name, but still retaining its meaning), despite Deleuze and Guattari's implied disdain for definitions of emergent phenomena. Metonyms are different than metaphors, in that a metaphor compares using an 'as if' comparative structure. For example, we could write of economic market forces functioning as if a well-oiled machine (metaphor) or we could alternatively refer to the 'invisible hand' at work (metonym). Typologies of these and other related rhetorical constructions (e.g. synecdoche) are various and contested, however the use of metaphors in organizational analysis is well entrenched, with much more recent moves in the case of metonyms. Our metonymical examination through derived and associated yet different meanings than the conventional, allows ones analytic imagination to soar, and has potential for new insights, incidentally breaking down absolutist understandings. We particularly agree with Holmgren Caicedo's contention that:

Metonymic reading, as has been argued, can be of assistance in delaying interpretation. In effect, while metaphor unites at the level of the poem, discourse or situation, metonymy disintegrates. (2014: 246)

This research note lets the reader embark on a process of constitutive critical examination in which we attempt (in the spirit of the metonymy) to disintegrate and add to the discussion. That is, rather than attacking extant understandings and perspectives, the addition of other conceptualizations through simple lines of questioning is useful and thought provoking.

Reading the dictionary

As suggested above, to better understand what corruption is and how it works, one might initially use an etymological approach; that is, one can use a dictionary. In the authors' native languages of English and Dutch, the linguistic origins of the word corruption relate to being spoiled, expired, decayed or corruptible. Corruptible means that one allows one's behavior be dependent upon payment; a willingness to break rules or ethical codes for money. This can be considered a form of prostitution. A difference between corruption and prostitution might be that the former doesn't necessarily request taking your clothes off, whereas with the latter this might be helpful or even required. An example of this is portrayed in *Eyes wide shut*, the 1999 Stanley Kubrick film in which not only are the prostitutes masked but so also are their customers who are the wealthy powerful and elite of the community. In the film is the portrayal of a secret community or sect, which places itself outside the law and more or less outside of society. The film depicts the breaking of one ethical code and the replacement of it with another, complete with rules and a hierarchy. Beyond superficial analysis of the portrayed exchanges of sex for money, the film also offers the suggestion that this willingness to modify personal behavior, sanctioned or not by ethical codes, for personal gain directs society as much as it flaunts its condemnation of it. Thus corruption is about more than simply a misappropriation of resources from the public sphere for private gain. It is also about the willingness to break established codes of behavior and replace them with others, which may well have similarities to those that have been cast aside. This also brings up not only the need to study codes of conduct, but also codes of corruption, rather than seeing corruption as mere aberrations from the norm.

Another dictionary-based meaning of corruption is forgery. Forging can be understood as the illegal copying of words or things; a sort of unauthorized mimesis. Using a similar line of reasoning as that of Benjamin (1935) in his examination of copying of art through mechanical reproduction, a copy can be seen as a decay of the original. Consideration of this definitional element

highlights that for forgery to occur, there must be a recognizable original to be mimicked or copied. Take, for example, the very common and recognizable act of paying for government services. We would understand that, for instance, taxes, which are remitted to a government, are intended to pay for provided services. We can juxtapose this situation with the aforementioned World Bank definition in which resources intended for the public sphere are diverted to private interest for private gain. Corruption is therefore not a simple matter of, for example, an individual asking for money as in begging or mugging. Rather, a distinguishing feature of corruption is that there is a level of mimicry of the legitimate exchange of money with the understanding of public services to be rendered and the payment to be directed to the public institution. Put more simply, from the taxpayers' point of view the diversion aspect of corruption is largely invisible, but the act of paying for a specific service looks similar to legitimated form of exchange, for example the paying of licensing fees that allow one to operate an automobile. Such mimicry is reminiscent of Baudrillard's *simulacrum* (1979; 1993; 2005) whereby the copied outcomes of mimesis are so far removed from the original so as to gain their own ontological precedence through a process of reflection and perversion of the original.

Except that in the case of corruption we are able to see the legitimate original mode of exchange alongside the superficially similar corrupt practice; we can observe vestiges of the original, which has not yet disappeared as is the eventual case with simulacra. This is an important point; for corruption to exist, it seems that a simultaneous comparison between the corrupt and the corruptible, or clean, is necessary. To extend this thought further, one can thus consider that the evolution of a system in which corrupt practices are evident as forged reflections of acceptable practices has self-contained and self-referential aspects. As an example, the outsourcing and privatization of a government service involves exchanges whereby funds that are remitted to the public sphere (e.g. taxes) are effectively moved to the private sphere via contracting out of a service understood to be a function of the public sector. This example has elements in common with the World Bank definition of corruption, yet also seems barely one step removed from the normalized sense of legitimate public/private exchange. In this respect outsourcing government services is a hybridized variant of both corrupt and non-corrupt practice.

If corruption requires a legitimate comparison to both mimic and to be identified by, might the converse be true? That is, do legitimate forms of public exchange of resources derive legitimacy by distinguishing themselves from corrupt practices? Processes and outcomes are braided together in corruption, and disentangling the mechanisms at play in how corruption arises is challenging. Playing with ideas of forgery and mimicry allows one to ask questions that might not have

been initially apparent, such as: ‘How does corruption allow for the rise of legitimate and sanctioned public/private exchange?’ Inverting the taken for granted causal chain may reveal unseen linkages.

These readings of the implications of definitions are helpful in so far as they hint at some key processes involved in corruption: particular conditions of exchange which involve breaking of some sort of rule or norm and a hidden sort of mimesis or forgery which renders a tawdry copy of the original sanctioned process. These readings of definitions of corruption form an introduction to our metonymic approach. They allow for an expansion of the conceptual backdrop against which we view corruption. However, it is possible to further extend our method to somewhat more tenuous and conceptually adventurous terrains.

Between togetherness and the rupture

Having discussed the entanglement between corrupt and legitimate processes naturally leads to the consideration of the inflection point of change between something being sanctioned and accepted and the subsequent mimicry of such a process as being understood as corrupt. Likewise, in the spirit of inverting the presupposed relation, one also wonders at what particular point corruption could lead to legitimacy. To explore these ideas, we continue to extend our etymological approach to the word corruption through breaking the word itself apart.

Beyond definitions, the word corruption can be parsed out in another way through breaking it into parts. Rather than a focus on the Latin root ‘*corruptio*’, where the best turns into the worst, just as the sweetest wine makes for the sharpest vinegar, one can break the word corruption into interesting sub-units: co-rruption. ‘Co’ makes reference to accompaniment, a dialogic togetherness, and so it implies an existential requirement of the other; one part does not exist by itself. So co-rruption always involves at least two parties, participants, or phenomena implying mutual dependency between at least two actors and/or actants. Taken one step further, based upon earlier discussions, this furthermore involves an element of prohibition and a cloak of secrecy.

The other element of co-rruption is the ‘ruption’, or the rupture. A rupture is typically understood and experienced as dramatic and visible and yet our prior explorations about corruption suggest that corruption requires secrecy to persist. This dyadic relationship between concealing and revealing suggests a complex relationship between corruption and being in the open. If the corrupt and the legitimate require each other to exist, but such a relationship is hidden in plain view through a process akin to forgery, is it possible that corruption also needs to

be exposed to even exist? Put another way, perhaps one is able to discern corruption only when the separation between the corrupt practice and the legitimate one it mirrors becomes too great. On the other hand, the exposure of corruption can place unwanted attention upon it. Corruption seems to only be viable in the open when it is masked, visible perhaps but not without some sort of disguise. Perhaps this explains the aspect of mimesis examined earlier. An effective way to disguise corruption in the open is to have it closely mimic acceptable practices. Now the tension in our earlier example comparing privatization or outsourcing of government services and corruption becomes more apparent. Perhaps the adage that the best place to hide something is in plain view might be appropriate in the case of corruption.

So the rupture in corruption could be argued to be the tenuous and dangerous shifts between the unseen and the seen. If the mimicry is too close, corruption is so indistinguishable from legitimacy as to not exist, whereas if corruption is far removed from its legitimate original, it ceases to be disguised in plain view. The 'rupture' seems to be a continual state of becoming, with tensions between mimesis, disguise, hiding and existing only in juxtaposition with the other (be it corruption or legitimacy).

Recalling that the Latin root 'corruptio' is about the best becoming the worst and that ruptures rend asunder, one wonders about this disruption of the ongoing legitimate business that is conventionally understood to be ruptured through corruption. The situation is difficult to disentangle because it is not clear what the starting point is in the corrupt/legitimate relationship. Is it possible that there are accepted bureaucratic conditions of possibility that tend to lead to ruptures that manifest themselves as corruption? Normally corruption is seen as flourishing in various types of organizational deficits or absences (e.g. governance structures, laws, etc.). If corruption may be understood as a forgery of sorts, then the acts of both rupture and of mimesis suggest the possibility of unintended consequences. Simply put, corruption may require the existence of certain organizational features as much as the absence of others. Less than obvious intersectionalities of constitutive bureaucratic or structural conditions may be both dependent upon and constitutive of corruption. The rupture is contained in the tension between both.

This line of reasoning is not without some very real and pragmatic consequences, for it allows for the constant presence of corruption; not only corruption in a traditional way, but also corruption that becomes almost indistinguishable from non-corruption when framed as arising from legitimate practices. That is, one might consider corruption to be in a tension of being neither one state nor the other, but rather existing in a Deleuzian state of

becoming. This is the ongoing, near continual rupturing as a tension that allows for both the corrupt and the not corrupt to come into being. In this respect corruption becomes more or less a *pharmakon* (Derrida, 1981); it is a state that is constantly dying and resurrecting.

The dying/resurrection cycle is a representation of the process of corruption as hermeneutically bound in a system of legitimated bureaucracy and anti-corruption. The conditions of possibility for corruption are contained in legitimate practices and likewise the legitimate is contingent upon perceptions of a possibility of corruption. Such a perspective points to a relational approach to understanding not only how corruption arises but also how it allows for the retrenchment of process and systems based upon the reactionary role of anti-corruption efforts. This offers an interesting tension between corruption, which is hidden or disguised, and governance, which is central, visible and understood to be integral to many organizational pursuits, including anti-corruption efforts.

Such ideas regarding corruption and its becoming, as situated in established practices, are examples of how an exploratory reading of definitions, taken as metonymically literal, can offer new conceptual insights into a phenomenon. It remains the realm of empirical work to explore how these conceptions may be evident or not.

Conclusions and works in progress

Notwithstanding the value in pursuing a broad philosophic approach to the topic of corruption, there are tangible possibilities for the research of corruption that arise from our metonymical approach. The ideas of corruption and anti-corruption being bound together in a concealing/revealing and dying/resurrecting process of becoming are areas that we are exploring through examinations of cases where we can tease out organizational changes that illuminate such dyadic relationships. Indeed, our exploration of the rupture as co-created was an unintended outcome of an empirical case study examining the role of masks and masking in an arts based music organization.

The main purpose of this essay has been to show how a comparatively simple approach of treating various definitions (both obvious and derived) as metonyms allows for the intellectual space to consider other possibilities and relationships. Naturally this is contentious when simultaneously invoking ideas of Deleuzian states of becoming, and yet such tension is revealing. Often, when a phenomenon presents with undesirable outcomes, we suggest reasonably linear underlying processes that contribute to it. This can result in conceptual, indeed

philosophical, blind spots which may not be revealed even through diligent empirical research. On occasion it may be fruitful to take a more naive approach and follow a line of inquiry which pushes the boundaries of the present understandings. This does not in any way devalue other lines of inquiry, but rather expands the field of possibilities and we hope becomes generative of interesting and indeed useful new perspectives.

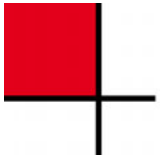
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Exploring the virus metaphor in corruption theory: Corruption as a virus?

Petter B. Forsberg and Kristofer Severinsson

Introduction

Corruption within organisations is frequently referred to as a type of virus, a concept that is undoubtedly used to shine light on its perceived destructive nature. When most of us think of viruses it is hard not to make associations with epidemics such as the SARS-virus that spread from Asia and threatened to become a pandemic in the early 2000s or maybe the more recent Swine Flu that hit the western countries with a swift blow killing hundreds of people. Within popular media many books and movies portray stories of how a new deadly virus spreads at such a rapid pace that it threatens to annihilate the human race from the face of the earth, or indeed even turn people into flesh eating zombies. It is obvious that when corruption and virus are mentioned in connection with one another it is almost exclusively with a nod towards our underlying fear of *the deadly virus*. Or, put differently, linking the virus with corruption is a powerful tool used by scholars to highlight both the vicious power of corruption as well as its contagious nature. When writing this note we have been inspired by Røvik (2011) as well as Morgan's classic and influential book *Images of organisation* (1986). Both scholars concern themselves with the complexity of the metaphor within organisations and Røvik, just as we do, uses the concept of virology to make his case. We have a rare advantage when dealing with the virus metaphor in being trained micro- and molecular infection biologists and thus we believe that we are well suited to tackle the metaphor of the virus in corruption theory. In our attempts to demonstrate how the virus metaphor shapes our understanding of corruption we focused on more recent advances in corruption theories that describe a dynamic processual spread and escalation of corruption, as we believe

that these correlate well with the nature of virology. When reviewing features of virology we utilized literature that we have come across in our own undergraduate studies as biologists. Scientific articles within natural sciences tend, naturally, to have a highly specific focus in their attempts to describe the world of viruses and are more engaged in claiming new findings on specific molecule binding sites rather than, on a more general level, describing virology. An introductory but still detailed text book on the other hand, is most of the time considerably more straightforward and puts concepts and theories into a larger context that aims to build a basic understanding towards the subject at hand.

Aim (and structure)

As briefly described above, scholars within corruption theory commonly use virus as a metaphor to portray corruption as an evil, spreading and escalating phenomenon. By 1) clarifying what the metaphor of the virus brings to corruption and 2) juxtaposing this with more recent corruption theory our note aims to 3) unfold interesting aspects we believe have not yet been emphasised enough within corruption theories.

Metaphors

According to Morgan (1986) metaphors are paradoxical in that they create insight, which at the same time become misrepresentations of the very thing one seeks to explain. Some things will inherently be left out, seeing through metaphors is also a way of not seeing. In his own words; ‘the interesting aspect of metaphor is that it always produces [...] one-sided insight, [by] highlighting certain interpretations it tends to force others into a background role’ (*ibid.*: 4). This would imply that metaphors frame our understanding in a distinctive yet partial way. Metaphors are also, in essence, the process of moving a concept from a source domain towards a target domain, which hopefully leads to the creation of novel insights and inferences about the target domain (Røvik, 2011). That is to say that the sentence ‘*The man is a lion*’ would imply that the ‘*man*’ is brave, strong and ferocious because those are characteristics we associate with a lion (Morgan, 1986). Organisational theorists who are looking to use metaphors in illuminating a concept are however often ‘playing on foreign ground’ when encountering source domains outside of their own field, they might only possess a superficial knowledge of the chosen metaphors and their respective domains (e.g. the machine, the brain, the organism or in the case of many corruption theorists, the *virus*). Thus, most of the metaphors imported from a source domain to a target domain suffer from a chronic knowledge imbalance (*ibid.*).

This imbalance is of course only to be expected; in fact, one could say that it wouldn't be a metaphor without it.

Metaphors can also carry an intrinsic reverberative power (Lakoff and Johnson, 1980), they have the ability to sometimes emphasize or even change our understanding of a word or concept. A good example is 'Love is madness' in which the metaphor can provide a new meaning to love. If those things entailed by the metaphor are for us the most important qualities of our love experiences, then the metaphor can obtain the status of truth; love is truly madness for some people. Because of this the metaphor provides a feedback effect, guiding our actions in accordance with it. We expect to, and thus become, 'mad' when in love (*ibid.*).

The idea that metaphors are just a matter of language and can at best only describe reality stems from the view that what is real is exclusively external to, and autonomous of, how humans conceptualize the world – as if the study of reality was only the study of the physical world. The idea of an 'objective reality' unaffected by human culture leaves out all the subjective agency of how humans perceive the world, motivate their actions and act accordingly. No, the idea of reality – objective reality that is – is surely not how the world works. Metaphors are a large part of our everyday life, not just in our language but also in thought and action. The way we think is fundamentally metaphorical (*ibid.*).

Virus in corruption theory

Both in layman's terms and scientific discourse the metaphor of the virus seems to be widespread when referring to corruption. As our aim was to explore how the virus metaphor is used within the field of corruption theory we performed a literature review, displayed in table 1. Important to note is that we did not select articles based on the different use of *the virus*, we only took the first relevant hits on Google Scholar. Looking towards the table it is striking, and somewhat surprising, how varied the use of *the virus* seems to be among our fellow scholars: Corruption can proliferate within an organisation as a virus and needs to be remedied, corruption is a kind of social virus, corruption is a dangerous virus infection of a group, organisation, or industry, the spread of the corruption-virus is capable of crippling all of a country's institutions, there is anxiety about the strength of the virus of corruption. These examples highlight some of the very different meanings given to the concept. However, there appear to be two somewhat common ways to apply the concept of the virus: 1) as a connection between our innate fear of the destructive, dangerous virus and corruption, undoubtedly a way to make an argument or a description of a corruption

phenomenon more colourful and vibrant; 2) There is also a clear connection between a virus' epidemiological pattern (i.e. it spreads) and corruption. But it does not only spread, apparently it also seems to escalate, to become more harmful the longer it has time to propagate, to infect, to do harm. Put these alleged functions of a virus together and we have briefly summarized the extent of how corruption theorists appear to use the metaphor.

Author(s)	Quotes from articles	The virus metaphor implies that...
Huberts, 1995: 7-18	'Italian politics appeared to be penetrated by structural corruption and in a short period of time the traditional party political system was destroyed by the corruption-virus'; 'The awareness of the presence of the corruption-virus is growing, and in public and expert opinion there is some anxiety about the strength of the virus'; 'Political parties in a lot of Western European countries might argue that their negligence is justified by the absence of the corruption-virus in their societies'; 'Nations will have to develop methods to combat the corruption-virus and to prevent its spreading'.	Corruption spreads within organisations as well as having the power to infect a whole bureaucratic system. Corruption can also spread from infected to uninfected societies, and nations need to develop defence systems for protection.
Luo, 2008: 191-192	'The cell of virus exists when guanxi and corruption are highly intertwined but the level of power abuse is relatively low'; 'It seems hard to find a panacea to remove virus in this cell since it requires maturations of both formal structures and social norms'.	Corruption is a local phenomenon e.g. within an organisation.
Okogbule, 2006: 92	'It suggests the strengthening of these mechanisms and a re-orientation of social values as the best strategy for dealing with the corruption-virus in the country'.	Corruption can infect a whole nation.
Ma, 1989: 49	'While these practices were disclosed at the beginning, the sequence of events shows how rapidly the virus of corruption can breed in the wake of reform'.	Corruption rapidly breeds when systems are changing (almost strategically).
Nieuwenboer and	'...assists managers in gaining a better understanding of the causes of	Corruption spreads just like a virus.

Kaptein, 2008: 142	corruption and the reasons why it spreads like a virus’.	
Sarre <i>et al.</i> , 2005: 201	‘When corruption becomes widespread in society like a virus, the traces it leaves behind become permanent’.	Corruption has the ability to spread throughout an entire society.
Bhargava and Bolongait a, 2004: 1	‘We are all deeply concerned about the spread of corruption, which is a virus capable of crippling government, discrediting public institutions and private corporations and having a devastating impact on the human rights of populations, and thus undermining society and its development, affecting in particular the poor’.	Corruption can spread between, infect and cripple all institutions of a nation, which will ultimately have devastating effects on the nation’s whole population.
Osobaa, 1996: 372	‘Corruption in Nigeria is a kind of social virus which is a hybrid of traits of fraudulent anti-social behaviour derived from British colonial rule’.	Corruption has established itself in the social and cultural systems of a society.
Aliyu and Bayero, 2008: 1	‘Corruption has also been described as a deadly virus that attacks the vital structures that makes for a society’s progressive functioning’.	Corruption has a consciousness of its own and strategically infects specific vital structures of societies.
Ashforth <i>et al.</i> , 2008: 671	‘The concept of corruption reflects not just the corrupt behaviour of any single individual – defined as the illicit use of one’s position or power for perceived personal or collective gain – but also the dangerous virus like infection’.	Corruption has the ability to infect individuals, groups of individuals, organisations and even institutions.

Table 1: Quotations from articles exemplifying how the concept of virus is commonly used

The dynamic and escalating corruption

We have argued that the metaphor of the virus is commonly used to describe how corruption spreads and escalates in proportion and magnitude. If we once again turn our attention to table 1 we can observe not only *that* the virus metaphor is used but also *how* it is used (see examples above). A virus is organic, it is a biological entity, thus one could say that it not only tells the story of the ‘destructive and spreading corruption virus’ but it also suggests that corruption is a dynamic, changeable and almost living phenomenon with its own inherent force. It is then of particular interest that recent advances within the field of corruption are putting forth similar ideas describing corruption as a dynamic and escalating phenomenon (see e.g. Fleming and Zyglidopoulos, 2008;

Nieuwenboer and Kaptein, 2008; Zyglidopoulos et al., 2009). Formulating theories involves deep intellectual work, conceptual as well as abstract thinking, and as such it involves metaphors (Lakoff and Johnson, 1980). These scholars are formulating attractive theories on how we can understand corruption in a better way, but in doing so we believe that they also provide corruption with its own intrinsic force, a force that fits with how a virus behaves. With words like ‘spread’, ‘escalate’ and ‘dynamic’ it is easy to connect many corruption theorists with their previous use of the virus as a metaphor for corruption. If corruption theorists denote that corruption is like a virus then that would imply that some of the features of viruses would be transferred to corruption, following the reasoning of Lakoff and Johnson (1980) and Morgan (1986). So what is the virus metaphor bringing to the understanding of corruption? In the following sections we seek to juxtapose corruption and some of its processual theories with some of the features of a virus.

Infection of an organisation

To establish some demarcations for the elaboration and expansion of the virus metaphor we need to state how we have chosen to represent different levels of virology within corruption. Following the infectious routes (see below) of the corruption virus we denote that the individual actor is to be seen as the cell of a host’s body, individuals forming groups/sub-units are to be seen as a body’s differentiated organs and an organisation as being made up of a multitude of organs forming a body. With that said, we can turn our attention to how a corruption virus spreads, or more correctly put, how a corruption infection escalates in proportion and severity within organisations. We have chosen to focus on two distinct routes that the infection of a body (organisation) with a corruption virus could take. The two routes described are in reality not as differentiated as the text might show, as they are often working simultaneously and overlap. Nevertheless the course of the infection process creates a clearer framework of separate directions that an infection from a corruption virus might take.

Route 1: Infection

A virus infects a body, evades the immune system response, is able to replicate and by doing so interferes with normal cellular protein synthesis and functions, leading to damage and ultimately death of the infected cell. Death of a cell means that a massive number of viruses will be released into the extracellular space or in the case of corruption: in between individuals. The virus is then able to spread further by infecting more cells/individuals. Over time important functions of the

body/organisation will deteriorate and subsequently wither and die if this process is not halted.

The first step of a virus infection is always the same, a few virus particles are able to adhere to a cell and move in to it and begin to proliferate. Corruption thus infects a single individual, or a few individuals (the bad apples) and if that or those individuals are unable to repel the initial infection, corruption spreads to an increasing number of people. More so, although highly unlikely, the internal spread of corruption in an organisation could then take massive proportions and over time move from an internal spread to a spread between different organisations on an epidemic (regional) and even an pandemic (global) scale. Important to note is that we are not claiming that an individual would actually die by being corrupt. It could however indicate that an individual needs to become increasingly corrupt before performing a corrupt act and infecting a substantially increased number of individuals.

Some virus strains do not always cause this explosion-like release of a massive amount of virus at once. Some viruses exit their host cell via a mechanism called budding; meaning the release of one virus particle at the time and without destruction of the initial cell. An interesting question is which mechanism could be the most effective when it comes to the spread and severity of corruption within an organisation? If corruption spreads in similar ways, it would probably depend on its ability to evade the organisation's defence mechanisms.

Route 2: Immune response

A virus infects a body, but the immune system is able to mount an effective response either before the virus can grab hold of a cell or after an initial infection has started. If the body is able to clear the virus it also gains immunity towards that specific strain of virus.

On most occasions when a virus infects a host the immune system is able to mount an effective response and clear the virus, often without the host ever exhibiting any symptoms. As the escalation of deception (Fleming and Zyglidopoulos, 2008) can be perceived as 'spiralling down' the working of a corruption virus can be understood in a similar manner; the more individuals that are infected the more severe the symptoms will be. In Fleming and Zyglidopoulos (2008) article 'The Escalation of deception in organizations' they describe a number of different halting moderators that can stop corruption before it escalates and spreads throughout the organisation. Then if the corruption virus is detected by the immune system because it raises enough attention, halting mechanisms will be mounted and the process of escalation will

immediately come to a stop. They also suggest that a reinforced and applied ethical code of conduct could help in halting an escalation process. Depending on how well the ethical code is implemented and reinforced there will be a defence mechanism present which could be said to be a type of artificial immunity i.e. the organisation is in some way vaccinated against a specific type of corruption and thus make it impossible for corruption to infect the organisation.

One important characteristic of defence against infections is the body's/organisation's ability to build natural immunity as this exponentially increases the immune system's ability to clear an infection. This can only be achieved if the body or organisation has been previously stricken with the same disease and successfully managed to eradicate it. This also means that the organisation cannot be infected (i.e. sick) with the same corruption virus again as the immune response will eradicate the virus with ease.

In a body the escalation process of a virus particles depends on how effectively the immune defence mechanisms can mount a response. When it comes to corruption, its spread and escalation is most likely also dependent on organisational defence systems, and as in the case of the HIV-virus which infects and destroys cells of the immune system, it is inevitable that if nothing is done about the corruption virus the whole organisation will become infected and perhaps perish over time.

Key to the detection and successful elimination of corruption within an organisation is how much attention the virus attracts; there will not be a sufficient immune response to clear the virus if the corrupt deeds go unnoticed. This means that the corruption virus can exist, spread and go undetected within an organisation as long as it does not attract too much attention.

Concluding remarks

The aim of this note has been to unfold the use of virus as an explanatory concept or metaphor for the spread and escalation of corruption. For one thing, we believe that it has demonstrated a number of novel insights into how one might connect virology to corruption as well as what that merger might show. However, our attempt at this point is not to be taken as trying to create a new theory on how corruption works. With our literature review it would not be difficult to jump into a harsh critique on the problems of using *the virus* in the 'wrong' way, but that would in no way be productive, it is used as a metaphor and we should therefore treat it as such. However, we do find this inconsistent manner somewhat troubling but it has nothing to do with right or wrong, it is

more of a reflection on what such use of the virus metaphor brings with it. As stated above, metaphors have a profound way of influencing the way we think and reflect upon the world around us, corruption theorists and the way we formulate our theories are obviously no exception to this. As such this could be viewed in two ways, as something to be aware of (since virus as a biological entity and corruption have very little in common) and something to build on.

Perhaps there is more to the notion of the virus within corruption than the mere clarification of a metaphor. With the above outlined discussion it is feasible to speculate that the virus metaphor has implications for the understanding of how corruption functions within an organisation. As we have pointed out, moving the notion of a concept from its source domain to assign features to a target domain (in our case, corruption) is a powerful tool that gives rise to a number of properties for the target domain. Some of the features perhaps highlight aspects of corruption while others will indisputably move into the shadows, as that is the nature of a metaphor. Thus, if a concept becomes intertwined with a theory, it is also reasonable that the concept will have an impact on how we understand the phenomenon, not least as it could be said that the virus seems to 'fit' with the idea of how corruption spreads and is perceived, just as a virus, as something inherently evil. Corruption can also be said to be many things; what is viewed as something corrupt in one culture might not be in another one. There can also be different types of corrupt acts e.g. bribing someone is different from embezzling money but both are generally still viewed as something corrupt. Proclaiming that corruption is like a virus moves those connotations into the shadows, i.e. the metaphor blinds us from understanding corruption as a pluralistic and varied phenomenon.

In contrast to what some corruption theories are saying about corruption; Viruses are everywhere, there is not one place on earth that has not been colonised by some form of virus and in many respects we are living in viral world. Our evolutionary journey has been followed by a vast number of viruses, even to the extent that some virus DNA has been incorporated into our genome. We are exposed to constant attacks from infectious and harmful viruses in every instance of our lives, we are just not aware of it. It is only when we exhibit symptoms of a viral infection that this becomes apparent. Perhaps it would be more fruitful to look at corruption as we look at viruses, i.e. corruption would then be seen as always being present, it would be seen as part of our society and the way we organise our lives. Corruption would not be something that appears and then goes away, but instead a phenomenon that is present but not visible until *symptoms* occur. Viruses are also extremely abundant and it might very well be the case that they are required to keep our immune system in check and on the alert. For example, there are theories stating that allergies and other

autoimmune diseases are increasing because we are less frequently exposed to foreign particles and organisms. If corruption, just as viruses, is a natural part of society and thus constantly represents a threat to organisations it might actually be a necessary evil as it keeps operations in line with ethical and moral guidelines.

To end this note we add a final comment on what we regard as the most important point: In many of the descriptions of corruption we have come across, corruption in itself often seems to have been given its own inherent force: corruption as such makes individuals, groups, organisations, institutions and even societies corrupt by attacking them as some kind of mysterious power. A simple but clear example of this is when stating that corruption *spreads like a virus*. The image produced by a statement like that goes hand in hand with how most of us perceive viruses; as a dangerous and invisible being with the evil intent of infecting us, even killing us, just to ensure its own survival. But can corruption really be said to be a force external from human agency and is it really so that corruption is different to any other notion of social behaviour? The social world is made up by human action and corruption is obviously not an exception to this. It is also in this instance that it becomes obvious how the virus metaphor once again blinds us; it blurs the fact that corruption is guided and produced by human decisions and actions. Human agency is moved into the shadows and replaced by *the virus*.

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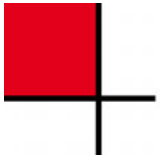
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Corruption, abuse of power and lack of trust in Sweden: Does NPM corrupt?

Mikolaj Dymek

review of

Wångmar, E. (2013) *Tillit och korruption: Korruption, maktmissbruk och bristande tillit i svensk lokalpolitik 1963-2011* (Trust and corruption: Corruption, abuse of power and lack of trust in Swedish local politics 1963-2011 [author's translation]). Stockholm: Santérus Förlag. (PB, pp. 288, 30,50€//\$35,28, ISBN 978-91-7359-064-8)

Erik Wångmar's book on corruption presents an astonishingly thorough and methodical historical analysis of five corruption cases set in the world of Swedish local politics, i.e. on a municipal level. While impressive in its laboriously scope, archival accuracy and extensive time frame, the book does not counterbalance this empirical focus with an equally rewarding theoretical analysis and development. Wångmar does, however, provide a number of thoroughly grounded insights that question fundamental tenets of Swedish corruption research – and on a larger scale – corruption research as such.

Wångmar's book is part of the research project *Tillit och korruption i lokalpolitiken* ('Trust and corruption in local/[municipal] politics') conducted between 2007 and 2012 at the Linnaeus University (2013). As the project, and the title of the book, implies the focus of Wångmar's project has been to study the position of trust vis-à-vis the notions of trust, corruption and abuse of power. Wångmar is a historian focusing on issues within political sciences. The book is intended primarily as a study of Swedish corruption cases, but its secondary purpose is as educational material on undergraduate level, but also readers outside of

academia: politicians and citizens – particularly in the municipalities discussed by Wångmar's five cases.

The objective of the book is to thoroughly investigate five major cases of corruption, abuse of power and lack of trust on a municipal level in Sweden during the years 1963 to 2011. As a contextualisation it should be noted that municipal governance is considered an important cornerstone of Swedish democracy, which prides itself of its high degree of local self-government. Wångmar's study is primarily a history project with strong elements of political science, as well as lesser components of communication studies and psychology. Economy, jurisprudence and criminology are excluded as they are considered outside the scope of his study. Considering the time scale of the study, Wångmar applies two major temporal frameworks: short-term and long-term perspective. The short-term framework focuses on the legal consequences and its effect on local politics in terms of re-election results and change of personnel. In a long-term perspective the focus is on axiomatic transitions of power balance within municipal party politics as a consequence of the corruption and/or abuse of power.

The central concepts of Wångmar's text are those provided in the subtitle: *corruption, abuse of power and lack of trust*. Corruption is a special case of unethical actions with multiple definitions, Wångmar claims. Primarily, corruption is an instance of breaking official codes of conduct of public offices – when the lines between public and private spheres are blurred i.e. private gain is generated from public loss. From a legal point of view corruption is something that explicitly breaks laws – but corruption must also include the public opinion of what constitutes corruption. Wångmar acknowledges that many of these definitions are not unquestioned – many countries, among them Sweden, lack legislation that specifically targets the phenomenon of corruption. A normative perspective defines corruption simply as wrongful conduct by politicians and civil servants. Nevertheless, Wångmar concludes that he prefers the legalistic definition that primarily focuses on bribery, nepotism and embezzlement.

Abuse of power is the second central theoretical tenet of Wångmar's study. It is stressed that this in many regards overlaps with the notion of corruption, since abuse of public power very often coincides with private profits gained from public losses. However, it is possible to abuse public power, from a legal perspective, *without* benefitting the private profits of politicians or their relatives. Examples consist of actions that illegally favours the local business community with the intention of increasing employment.

The final concept in Wångmar's framework is *lack of trust*. Wångmar posits lack of trust in politicians by citizens as a direct consequence of stated corruption and its legal consequences. Lack of trust also arises when corruption is committed but within the confines of legal actions that are nevertheless considered improper conduct by the public. Wångmar sees links to the notion of *legitimacy* – citizens accept the power structure as viable whereby citizens are subordinated a centralised political power entity regardless if they agree or don't with the political opinions of the ruling political constellations.

These three concepts *corruption*, *abuse of power* and *lack of trust*, form the central concepts of Wångmar's analysis. They are clearly defined (leaning towards a legalistic perspective) but are complemented by a focus on the political consequences of these three perspectives. The consequences are analysed mainly in terms of court decisions, changes of responsible personnel and particularly electoral effects for political parties on a municipal level. These are based on existing research and own archival research. The conclusions vary from case to case and are influenced by factors such as unemployment tendencies, national election results, population increase, positions of prosecuted (elected or civil servant) among others. In conclusion negative political consequences are evident as expected, but otherwise nothing unanticipated is presented regarding this aspect.

Furthermore, Wångmar transitions into a contextualisation of his study within the framework of *New Public Management* (NPM) and in particular its effects on corruption. It is claimed that previous research on municipal corruption in Sweden has proposed a link between NPM and increased corruption based on historical comparisons between periods before and after the general introduction of NPM in the Swedish public sector. Based on predominantly previous research on Swedish municipality corruption Wångmar concludes that dominant tenets regarding the history of Swedish corruption – particularly by the prominent political theorist Bo Rothstein who claims that reforms in Swedish municipality laws during the late 19th century contributed to the decline of corruption – are based on research that has somewhat overlooked the presence of corruption on municipal level during most parts of the 20th century. Consequently, Wångmar indicates that historical conclusions based on comparisons in correlation to the 20th century – in Rothstein's case *before* and *during*, and by many NPM researchers *during* and *after* – are in many cases to a small extent misguided. Corruption in Swedish municipalities between the municipal reforms advanced during the end of the 19th century and the onset of Wångmar's study (1963) was more prevalent than has been previously known – and mainly due to lack of politically autonomous auditing systems. Although partially based on Wångmar's own findings built on his empirical data – namely flawed municipal auditing as a

result of power abuse by politicians – the core of this argument (the underestimated prevalence of corruption between 1870 and 1960) is *not* based on his own research or the timeframe covered by his study.

As a final act, Wångmar discusses his own views on how to stifle corruption, although with the proviso that they are not based on his empirical data. His recommendations are in general primarily focused on improving the mandate of the municipal audit commissions, which as described previously is one of the primary lacunae in Swedish local anti-corruption legislation identified by Wångmar in his empirical data.

There are both positive and negative aspects with Wångmar's study. Let's start with the negative. Sometimes the empirical focus of the book might be overabundant and slightly daunting – for instance readers are amply treated with minute chronological accounts from voting protocols of municipal archives – although this might more be due to the academic style of the history field, rather than necessarily Wångmar's study. As a result of this methodological presentation approach the text as such becomes somewhat lengthy and slightly monotonous. Nevertheless, in terms of methodology Wångmar supplies an abundance of archival evidence and it is profusely adequate.

Secondly, Wångmar's study is limited by its own restricted perception of corruption as such. The study implicitly focuses on corruption research delimited by occurrences within and in relation to the *public sector*. Admittedly this constitutes the most visible form of corruption, but corruption is not exclusive to the public sector – an entire separate sphere exists of *private-to-private corruption*. Its extent is unknown and as a phenomenon goes fairly unnoticed by corruption research (with some exceptions, for instance Argandoña, 2003) – this study is no exception. Acknowledging corruption from a wider perspective would be rewarding in this study – particularly if considering the privatisation of enterprises which transfers public resources to private ownership that often follow in the wake of NPM policies. On the other hand Wångmar's study (and the wider research project that his study is part of) is focused on municipal corruption and subsequently emphasises public corruption cases. As a part of a wider discussion Wångmar also provides a short chapter on the countermeasures taken by municipalities in light of their corruption scandals.

From a positive viewpoint, in a wider perspective of corruption research, Wångmar's book provides two notable insights: the first is the questioning of the purported increase in corruption by NPM politics, and the second is a questioning of Rothstein's perspectives on Swedish (local) corruption. The first is a fairly hotly debated issue and what Wångmar does is to question what historical

data, in the case of Swedish corruption research as well as mainstream political discourses, this widely-accepted claim is based on. Wångmar does not question the NPM-induced corruption claim wholesale, but concludes that NPM cannot be fully attributed for all increases in corruption during the last decades, but rather can be considered a factor that *reinforces* corruption settings. Admittedly, privatisation or the 'marketisation' of public spheres involves numerous situations that increase the risk for private gain at public loss (if we subscribe to that particular definition of corruption). As regards the second insight, Wångmar concludes that Rothstein's claims do not hold on a local/municipal level. This is a fairly bold statement as it challenges a fundamental tenet of a prominent, particularly in Sweden, political theory – at least on a local level. Rothstein's recognised political theory (Rothstein, 2011), somewhat categorically summarised, states that *quality of government* and the *public trust* in this quality is the most decisive factor in terms of social, economic and democratic development. Rothstein theory has, in an international setting, become an advocate of sorts for the Swedish welfare model based on the social democratic stalwart cause of an extensive high quality government in society. Occasionally Rothstein's theories are juxtaposed with Robert D. Putnam's (2001) influential studies of contemporary democratic societies (mainly Italy and USA) where he claims that *social capital* and the role of *civic engagement* is the key decisive factor in social, economic and democratic development – hence from a dichotomising perspective an individualistic civic perspective opposite to Rothstein's more structural and state/institution focused framework. This conclusion releases a plethora of rewarding issues for further corruption research – but with the overarching insight that corruption might be more prevalent than previously considered in developed nations despite their generally higher quality of government.

To summarise: Wångmar's book contributes to new perspectives on Swedish municipal corruption by delivering highly detailed and historical accounts of its mechanisms on a level of local politics. It provides a thick and rich empirical study which can serve as a solid foundation for further research – particularly in the context of local politics. Nevertheless, the implications for the wider context of corruption research is provided by the contextualisation of the five corruption cases with a historical review which positions arguments concerning NPM and Rothstein's quality of government theory.

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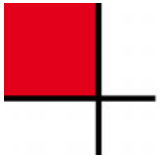
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Non-ephemeral nomads

Amir Elmi Keshtiban

review of

Feigenbaum, A., F. Frenzel and P. McCurdy (2013) *Protest camps*. London: Zed Books. (PB, pp. 272, £16.99/\$29.95, ISBN 9781780323558)

Protest camps is an inside look at various protest camps all over the world, from Resurrection City in Washington, DC to Greenham Common in the United Kingdom and to Horizon in Stirling, Scotland; from Tahrir Square in Cairo, Egypt to OccupyLSX in London. The book provides a detailed account on how protest camps work to achieve their goals. More specifically, it provides both inside and outside accounts of protest camps. The book thereby takes into account several theoretical approaches, such as a sociological, a political science, and a communications approach. By integrating these different approaches, the authors develop a framework capable of studying protest camps in a more robust way.

Anna Feigenbaum, Fabian Frenzel, and Patrick McCurdy argue that protest camps are spaces where people gather to create and experience an alternative world with others, while sharing a common antagonism against the state. In their 'research framework', the authors refer to Chela Sandoval's book published in 2000, *The methodology of the oppressed*, and borrow her notion of the 'concept soup' (814). The 'concept soup' is an interdisciplinary approach to research that seeks to combine concepts and ideas from different periods and perspectives which can help authors to better understand and navigate political struggles under the conditions of global capitalism. Thus, different approaches,

backgrounds and expertise on existing debates about social movements and protest camps are brought together, based on extant literature. Amongst others, spatiality and temporality, actor-network theory, affect, ecology, and autonomy are concepts that have been used in the authors' concept soup.

Protest camp is a compelling book, full of detailed information on several protest camps, a fact that helps the reader to understand how a protest camp works in everyday life from start to finish. It talks in much detail about the interactions among the people inside and outside of the camps. The book also discusses very specific factors that affect protest camps and their communication, such as the diversity of tactics employed (123) or the use of different signals (e.g. hand signals) in processes of consensus decision-making (150). Above all, the authors yet employ spatiality and temporality techniques, two techniques that characterise any protest camp. Notions of space have significant importance in understanding the physicality and dynamics of a protest camp, as well as its temporality. Temporality involves the question of whether a protest camp lasts for an afternoon or a decade. As the authors argue, no matter how long the protest camp lasts, the occupied places are always recognised as places where ideas and people converge.

Actor-Network Theory (ANT) is another conceptual tool which informs the authors' approach throughout the book. ANT helps to understand how interdependencies among people, groups, relations and objects emerge and function. According to the authors these interdependencies are also related to the language of ecology (21), a language that tries to make sense of how people live interdependently with other living creatures, things, and environmental conditions. The relationships between human and non-human agencies (such as environmental conditions) also link the authors' ideas to those found in Guattari's (2005) work, *The three ecologies*. In addition to using concepts from ANT and ecology, theories of affect, emotion in social movements, and affective labour are, besides, taken into consideration by the authors. Moreover, the often articulated need to discuss the notion of autonomy in the context of social movement analyses has been seized by the authors and their 'concept soup'. Feigenbaum et al. argue that autonomy plays an increasingly important role in the practices of social movements and has thus moved to the centre of political theory explaining social movements.

As the authors are researcher activists, they are at the same time insiders and outsiders of the protest camps explored. They are insiders because they have participated in some protest camps. They are simultaneously outsiders because they have not participated in all the protests discussed in the book. Generally the authors have a very rich empirical data basis consisting of interview data,

documentary analysis and visual analysis. In order to make sense of their data, they developed a so-called theory and practice of 'infrastructural analysis' (27). Feigenbaum et al. use the term infrastructure to capture how protest campers build interrelated, operational structures for their daily living – whereby structures, and the practices attached to them, function together and create miniature societies able to disseminate information and provide services (27). Basically this theory and practice of infrastructural analysis establishes a set of material criteria as well as some general modes of operation shared among all camps. 'Infrastructural analysis' include the following components: media and communication infrastructure and practice (e.g. media strategies, distribution networks, production techniques); action infrastructure and practices (e.g. direct action tactics, police negotiations, legal aid, medical support, transportation networks); governance infrastructures and practice (e.g. formal and informal decision-making processes); and re-creation infrastructures and practices (e.g. food supply, shelter, sanitation, maintenance of communal and private space). The authors argue that when these four organisational dimensions interact, they enable and hinder one another and, while doing so, create the distinct architecture of each protest camp. The authors, besides, claim that looking at these infrastructures *across* camps facilitates an analysis of how organisational designs, ideas, and material practices travel and spread in multiple directions. Thus, the four organisational dimensions also allow the authors to compare and contrast different protest camps.

The book is divided into six chapters, each of which represents one of the infrastructures mentioned above. The 'media infrastructures' chapter demonstrates and analyses protest campers' efforts to manage mainstream media and illustrates their persistent endeavours to create their own media representations of camp life, e.g. through the use of documentary video and live-streaming technology. The 'action infrastructures' chapter focuses on direct action and on how the camps' direct actions are normalised. It, besides, elaborates on the diversity of tactics (122) that are used in protest camps and, in particular, on how protest campers reorient their tactics in response to collective reflections and interactions with the police. In this chapter, the authors also introduce the idea of 'protest action ecology' (125), i.e. the idea of moving away from the binary oppositions that plague the 'diversity of tactics' debate. The idea of protest action ecology can also provide room for understanding the complexities of both people and objects involved in protest camp infrastructures. This allows the reader to imagine the spaces, objects, and feelings that such tactics involve in actual protest camps.

Horizontal decision-making is the object of the next chapter, a chapter dedicated to 'governance infrastructures'. The main argument of this chapter relies on the

procedural and spatial practices of protest camps and on how these influence decision-making in protest camps. The 'recreation infrastructures' of protest camps is the next chapter of the book. This chapter discusses the use of space and shelter, food, mobile kitchens, toilets, barricades, childcare, and the like. It is noteworthy to state that the authors seek to uncover more than just how these mobile facilities work; they also point to the bio-political nature of protest camps, and to how their facilities may become political expressions of autonomy, often against the status quo, where campers actively seek to produce an alternative and 'better' world (30).

Protest camps have massive impacts on most countries in the world, whether political or environmental. The sad news of Ukraine's protest campers' deaths is the latest news from protest camps all over the world. Hopefully, these protests will lead to a better life for Ukrainians. However, this example, along with other great examples mentioned in the book, demonstrate the need to have a comprehensive insight into protest camps in order to better get to know those occupied places. The authors of the book have managed to achieve this. *Protest Camps* is a detailed work on the different types of infrastructures that protest camps use in their work and organisation. It will definitely help researchers and others interested in protest camps to study these occupied spaces from a variety of different perspectives.

A point of criticism is, however, that the theoretical framework of this book does not fully engage with the rich data set that the authors have collected. Besides, the introduction is, in my view, a little bit too long. Another issue that might have been worth exploring refers to the question of leadership within and among the protest camps. For instance, there are two protest camps that are claimed and dubbed to be leaderless, the Tahrir Square and OccupyLSX, and it might have been interesting, for researchers but also the wider public, to hear a bit more about their (non)leadership practices and styles. One well-known example, illustrating what happens in place of (non)leadership in social movements, is the 'Tyranny of structurlessness' (Freeman, 1972) where both the media and the public were struggling to find leader(s). Generally, questions of leadership could have been covered in the 'governance infrastructures' chapter where horizontal decision making was the object of study. Nevertheless and as aforementioned, the book provides a valuable and insightful window into the life in protest camps – not least because the authors are insiders as well as outsiders of some of the camps explored. This hands-on and observational experience makes the book an excellent resource to refer to while researching the organisation of social movements and concomitant debates.

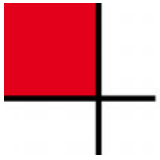
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What is this thing?

Richard Bilsker

review of

Moulier Boutang, Y. (2011) *Cognitive capitalism*, trans. E. Emery. Malden: Polity Press. (PB, pp. 240, US\$24.95, ISBN 9780745647333)

Introduction

It is difficult to define a revolution while in the midst of it. It is even harder to shape it. In terms of the technological revolution, do we live in the post-industrial age, the knowledge age, the information age, Toffler's (1980) 'Third wave', or some other *thing*? Further complicating this is the determining what the 'we' refers to. As Edgerton (2007) has pointed out, the *developed* world might be in this new age, but the *developing* world is still in the industrial age. Similar questions abound regarding the nature of the corresponding new age of capitalism, and whether there is one.¹ Yann Moulier Boutang, Professor of Economics at the Université de Technologie de Compiègne, France, has a moniker for it. He brands it 'cognitive capitalism' to distinguish from its predecessors, mercantile capitalism and industrial capitalism (he also has a name for the technological age: the 'pollen society', which figures in his yet unpublished next book).

It is not until the third chapter that we get a brief description:

1 Williams (2002) ties technological revolutions to changes in the human habitat. She posits that what marks the new revolution is that our habitat is entirely artificial.

Then came cognitive capitalism, founded on the accumulation of immaterial capital, the dissemination of knowledge and the driving role of the knowledge economy. This form adapts itself paradoxically to the world of exacerbated competition of post-Fordist and industrial capitalism. (50)

It is worth considering the build-up to this definition and what follows in the order he constructs, so that one gets a sense of how his exposition of his idea is built.

Building a case

The book opens with a brief forward by Nigel Thrift, Vice-Chancellor of the University of Warwick, that highlights some of the differences in new capitalism: the move 'from product to process' and the notion that 'people and goods become complex entities that link and think' (viii). The forward is followed by Moulier Boutang's short 'Preface to the English edition'. Here he indicates out how his work has progressed since the original edition in French (2007) and teases that there is a new concluding chapter, unique to the English edition, regarding the financial crises of 2007-2009.

The last of the prefatory material is a ten-page introduction with three sections. In the first, he bemoans a lack of political ideas in the contemporary world. In the second, he claims that we need something akin to a Copernican revolution (I use this phrase to recall Kant's epistemological turn – Moulier Boutang actually argues that we need 'to abandon maps that merely reproduce the flat world of Ptolemy' [3]). Ideas in the last section of the introduction, 'From Lenin in England to Marx in California', can be boiled down to this claim: 'We are not living a period of socialist transition. The irony of history is that we are living, everywhere, a transition to a new type of... capitalism' (9, his ellipses). In sum, the forward, preface, and introduction are setting the stage for his argument (as mentioned above, the first description of cognitive capitalism does not arrive until page 50).

Chapter 1, 'The new frontiers of political economy', begins with a history of the global economy since 1945². To get at what's changed, he pinpoints the first important change as the recent globalization, which he thinks is best described

2 Robert Reich discusses the same time period and calls the new capitalism 'supercapitalism' (Reich, 2007).

as ‘neoliberal financialisation’³, which is different from the 1945-1975 boom because of

the deregulation of economies, the flexible exchange-rate regime, free trade as the modality or ‘default setting’ of international trade, the anti-Keynesian counter-revolution of the Chicago School[...] as well as monetarism and prioritisation of the fight against inflation. (14)

A second element that’s added is the change in our attitude toward the environment (the biosphere and its resources), which earlier stages of the global economy had a difficult time including in its accounting practices. The third new feature he calls ‘the revenge of externalities’. After a history of what is meant by an externality (a result of ‘gains or losses for third parties’ not involved in the original transaction), Moulrier Boutang looks at recent changes when considering externalities. This includes the idea of compensating for those losses, which in turn leads to commodification (putting a price on something that previously could not be bought or sold). Fourth is ‘immaterial labour’, meaning that the key feature today is not ‘the expenditure of human labour power, but that of *invention power*’ (his emphasis). The elements that make up invention power include ‘research and development[...] potential, intellectual capital, organization, customer databases, intellectual property rights, image, confidence, stock exchange surplus value and so on’ (32) that do not fit in to conceptions of labour in industrial capitalism, which has little room for the immaterial.⁴ The last element in Chapter 1 is ‘collective intelligence’, which results from the immaterial labour mentioned previously, having ‘a brain that is equipped and extended by networked computers’ that leads to ‘a social accumulation of knowledge and memory of social organisation’ (36). These five features set the stage for what he is coining ‘cognitive capitalism’. Before he fully defines what it is in Chapter 3, though, he briefly sets out what cognitive capitalism *isn’t* in Chapter 2.

People talking about changes in capitalism come in two broad categories, he tells us in Chapter 2 that there are: ‘those offering us old wine in new bottles and those offering us new wine in old bottles’ (38). First, are those that say that there is not really anything new in kind, just in degree – capitalism + new technology. He includes ideas put forth in reports by the OECD, UNESCO, and others. Second, there are those that get some, but not all, of the pieces, but have ‘the problem of matching categories to the emerging reality’ (45). The new wine, in this case, is the digital revolution and the new reality it creates. This chapter is

3 For alternative accounts of globalization, see the works by Friedman (2005), Kates (2003), and Stiglitz (2002; 2006).

4 See Edgerton (2007) for the idea that the industrial revolution is ongoing.

transitional and allows one to position what comes next alongside the theories and theorists (too many to mention here) he characterised in this chapter.

Chapter 3, 'What is cognitive capitalism?' is the core of the book. After the description of cognitive capitalism given above, Moulier Boutang offers a list of the 'fifteen markers of cognitive capitalism'. In brief, they are:

1. Virtualisation of the economy and the growing of the immaterial.
2. Digitalised data.
3. Capturing the innovation of the present in the interactive cognitive processes of social cooperation and tacit knowledge.
4. The creation of socio-technical systems characterised by information and communication technologies.
5. Questioning of the division of labour model in three respects:
 - a. reduction of complex work to simple work.
 - b. separation of manual execution to reduce learning time.
 - c. specialisation loses relevance in a world of small series production.
6. Economies of scale no longer help with complex markets and recourse to learning economies instead is needed.
7. The conception/production/marketing sequence is reversed (he also calls this the move from 'Fordism' to 'Toyotism' model) and users are co-producers.
8. Lines between capital and labour are now blurred – inputs are now being distinguished as hardware (the physical), software (the logical), and wetware (the cerebral/the living).
9. A fourth layer, network (the network) can be added to the three layers from the item above.⁵
10. The rise of 'cooperation between brains' at the same time that there is a decline in transforming material goods (and affecting the environment) into wealth.
11. The convergence of the above as the 'bio-productive' aspect of invention power (living labour as opposed to dead labour).
12. The decline of individual performance standards in favour of aggregate productivity and 'territorial excellence' (this applies both to individual employees and individual companies).
13. Stronger 'horizontalisation' and a crisis in implanting/enforcing intellectual property rights.
14. Externalities are more centralised and less marginalised.
15. Knowledge of the living and the means of producing are at the heart of the contemporary paradigm of production.⁶

5 As noted by Kevin Cattell, Vice President and Chief Architect at Pitney-Bowes, in conversation with me 'this layer is critical to both the delivery of and type of direction. It is evolving too. The device, the mode, the immediacy, and the unfiltered breadth of sourcing of information are all artists on a single canvas. In the past, we had too little information, now we have too much and much of it is not validated'.

To provide a proper definition of cognitive capitalism, we need to identify ‘a type of accumulation, a mode of production, and a specific type of exploitation of living labour’ (56). Instead of the accumulation of machinery and organized manual labour found in industrial capitalism, it is the accumulation of knowledge and creativity. Instead of the transformation of matter found in industrial capitalism, we have the cooperation of brains as the mode of production of collective intelligence. The third piece of the definition, exploitation of living labour, is not specified in Chapter 3. He does, however, devote a section of Chapter 3 to changes in the division of labour found in cognitive capitalism. There is a table on p. 62 and two figures on p. 70 that illustrate the differences in division of labour between industrial and cognitive capitalism, but it amounts to items 5 and 6 from the list above. What is considered scarce has changed: ‘cognitive attention; time and what people call “care” (affective attention)’ (72). The kind of fatigue at work changes along with the new scarcity. Attentive activity brings nervous fatigue. Productivity is fragmented and is hard to measure as there is no longer ‘a beginning, middle and an end’ (75).⁷ This means that work itself is inherently different, in terms of process and product. In a bold claim, Moulier Boutang notes that motivations have changed from the industrial age desire *to feel* or dominate to the cognitive age desire *to know*, which he says has a double meaning: a desire to share and social bonding with others. Evidence for this motivational change is weak. However there are some studies on worker motivation (Zhan et al. [2013] is an example of a recent meta-analysis), too recent to be cited by Moulier Boutang which bear out what he is claiming. The chapter ends with a discussion of free software and open-source software, including an analysis of Linux. Even Moulier Boutang muses at the end of the chapter that ‘have we not perhaps drawn too idyllic a picture of this third capitalism[...]?’ (91).

Interlude: Theory

At this point in the book, one has to think about the characterization of cognitive capitalism itself, which is difficult to do. Many of the references alluded to in the book have not been translated into English. The text itself, though translated into English, still retains the French postmodern/poststructuralist style of authors like Baudrillard, Lyotard, or Foucault. His goal is plausible, but it is debatable that it fully maps onto what is going on with global capitalism. One reads on with a

6 This idea can be seen in the work of Hawken, Lovins and Lovins (1999).

7 Kevin Cattell noted, in conversation, ‘that the “always connected” and “always reachable” world of smart phones (they must be smart as they run our lives instead of us running them) is impacting creativity and delivery of excellence’.

‘let’s see where he goes with it’ attitude. That is, what are the implications of using his view as a lens through which to look at the world? With that in mind, there is much here that is of interest, especially regarding the nature of work in the knowledge economy.

Chapters: Applications

In Chapter 4, ‘New capitalism, new contradictions’, Moulner Boutang directs our attention to negative features of cognitive capitalism. Mirroring language from Marxian critiques of industrial capitalism, he refers to them as ‘contradictions’. Using Table 4.1 (94) he contrasts worker exploitation in industrial capitalism with exploitation in cognitive capitalism. The main difference is that it is ‘living labour’ (brains, primarily) that is exploited in the new capitalism, as opposed to the process and product of labourer as it is/was in industrial capitalism. Table 4.2 (96) expands this comparison to all forms of labour from ‘slave, serf’ to ‘creative, free cognitive worker’. Next, he considers property rights. After a brief history of ‘enclosure’ and property rights (98-103), he considers how lack of scarcity (ideas are less scarce than land, for example) is a challenge for ‘knowledge goods’. The model is changing and he uses Digital Rights Management (DRM) as an example here. Initially, DRM was seen as a way to protect against piracy of software, and later audio files, like mp3s. As he notes (107-110), the system is all but abandoned with buying being replaced by streaming or subscribing. A complicated Figure 4.3 (112) is an attempt to depict in a flow chart what a system of property rights will look like in cognitive capitalism: a struggle between models that attempts to strengthen and extend copyrights and patents centring on *ownership* on the one hand, and models that move toward ‘copyleft’⁸ and open archives that are centred on access and *use* on the other. Lastly, the preceding points of the chapter change the nature of work as living labour, which exemplifies that it does not occur in isolation. At the very least, it requires ‘access to machines (hardware), to software, to networks and to conditions of deployment of its networking activity’ (118). Access trumps ownership in the new capitalism.

Chapter 5, ‘The question of social classes and the composition of cognitive capitalism’, begins with a historical overview of the working class since 1760. The new capitalism blurs old distinctions as social background becomes less important than education and training. Knowledge workers depend more on

8 For more on ‘copyleft’ and open-source software, see the work by Cass Sunstein (2006) listed in the references.

‘mental mobility’⁹ than on ‘geographical mobility’ (127). In addition, we are seeing ‘a resurgence of the working poor’ (128). Consequently, work is less secure than it was. He calls those in this precarious position ‘the precariat’. Movement is toward the old model of piecemeal payment as opposed to a fixed position (something that is also being noted in academia with more reliance on adjunct as opposed to permanent faculty). There is also ‘the solitude of the cognitariat’ to contend with as knowledge workers do not have to gather together in a single place in order to work (135).

In Chapter 6, ‘Macroeconomic deadlock: Going beyond the critique of neoliberalism and financialisation’, Moulier Boutang notes that accountancy is still stuck in a Fordist model based on the ‘separation between the organisation of work dictated by machines and carried out during fixed working hours and the free person’. This is problematic because the ‘wealth of any company, and its potential for real innovation, are less and less able to be grasped by the accountancy[...] that has evolved over the past two hundred years’ (140). Rules for accounting for physical capital have a difficult time capturing the idea of ‘human resource in dual form’ as ‘living labour (or “wetware”)’ and the ‘cooperative network (or “netware”)’ (141). How does one value knowledge? One can put a dollar amount on advertising, but accounting for networks, suppliers, and ‘innovative potential’ is a more complex task (141). This leads to what he labels ‘the intrinsic instability of cognitive capitalism’ in the last section of Chapter 6 (144-148). Given that knowledge is the major commodity of the new capitalism, and that property rights are in flux (as per Chapter 4), one result is ‘the monopolistic concentration of giant companies operating in the fields of communication and of technologies for the transmission of information and knowledge’ (144)¹⁰.

The solution to these problems is addressed in Chapter 7, ‘Envoi: A manifesto for the Pollen Society’, which was the last chapter of the French edition of the text. This chapter is supposed to serve as a transition from the current book to his next one. *Cognitive capitalism* is supposed to help ‘remove the epistemological obstacles to a shift of paradigm’ (149). Near the end of the chapter, he explains how the pollen society serves as an analogy:

In reality, the human activity that is being captured in this way is not the production of honey, undertaken by productive human bees, but their infinitely more productive activity of pollination of social relations, which determines the

9 Kevin Cattell (2014) notes that ‘this is reflected in the request/demand from new workers that they work in a vibrant, dynamic, growing environment. This offers them mental stimulation which translates into new opportunities’.

10 For more on the concentration of mass media, see Arsenault and Castells (2008).

degree of innovation, adaptation, and adjustment. In a society where production operates through the living and is geared to creating the living (bioproduction and biopolitics) and living knowledge by means of the activity of living knowledge, the measuring of working time goes into crisis. (165)

This conclusion is drawn from several ideas. First, the changing relationship between biopolitics and biopower arises from the ability to alter biology with new technologies. Second, knowledge is being decentred: ‘training, education, learning, life itself in society directly produce wealth through networking’.¹¹ Companies, he posits, we still be the ‘nerve centres’ of the production of wealth, but size does not matter as much as it did in the industrial economy, with ‘small and medium enterprises (SMEs)’ having the same intensity as big businesses and universities (151). A third feature is the uncertainty regarding wages. At the global level, there is uneven development. At the same time, the notion of guaranteed income in the developed world is in decline, despite efforts to provide a minimum guaranteed income in parts of Europe at a much higher level than the minimum wage in the United States. How remuneration works in the pollen society is complex. The ‘macroeconomic problem[...] is that activity does not translate into jobs’ (166). To solve this conundrum, we need the ‘macro-institutional constraint of the guaranteed income – the equivalent of the cost of the hive and maintaining the population of the bees’ (166).

The book concludes with an eighth chapter written in December 2009 for inclusion with the translation of the text into English, ‘Does the financial crisis sound the knell of a cognitive capitalism that is stillborn?’ Here, he notes several things. The environmental crisis is not subsiding and neither is ‘the staggering social inequality divide’ (169). We are at a crossroads. The question posed is this: ‘Could it be that it had only a 30-year lifespan, from 1975-2007?’ It all depends on how we describe things, ‘the diagnosis that we make of the current crisis and of its nature’ (177). The cause of the crisis, for Moulier Boutang, is liquidity: ‘the amount of outstanding discounted bills of credit[...] has increased dramatically by comparison to what it was in the 1970s. Inflation in the price of goods, or in costs – including wages – for the years 1960-1980 has been replaced by an inflation of financial assets’ (177). Is the answer a return to an industrial economy, instead of one based on finance? Moulier Boutang disagrees. The problem is not the immaterial itself, but rather the deregulation of the financial markets that was concurrent with the rise of the knowledge economy. He returns to the concept of pollination:

11 A new wrinkle that came about after the publication of this book is the rise of the MOOC (Massive Open Online Course). It is not clear what the impact of MOOCs will be on the knowledge economy. See the articles by Baggaley (2013; 2014) and Fox (2013), for overviews of issues regarding MOOCs.

Classic political economy is only interested in the work of bees in relation to the production of 'output' (honey), and does not take into consideration an aspect that is a substantially greater source of wealth production for humanity, namely the pollination, which is so vital for the biosphere. (186)

And further

The crisis we are now witnessing has to be related to the non-remuneration of pollination (positive externalities of the noosphere) and a failure to take into account the negative externalities threatening the pollinating activities of the bees in the literal (as well as the figurative) sense. (188)

The pollination thesis ties the environmental crisis to the predicament in capitalism. Ultimately, what we need, according to Moulier Boutang 'is a new ecological New Deal for the economy. And in particular a new accounting system' (190).

Conclusion

The book takes much effort to work through, especially the first three chapters. Thus, it is hard to recommend this book without qualification, despite the fact that it is interesting. Four years on, the knowledge economy does appear to be stabilised. The balance is still precarious, though, for all the reasons mentioned in the last two chapters of the book. The discussion that I think is the most thought-provoking, especially for organisational theory, has to be the consideration of the worker in the knowledge economy against the backdrop of the pollen society. We may be moving to a state of permanent underemployment for knowledge workers, as they move from task-to-task, one short-term contract to the next. It works both ways, though, as workers are not as interested as they once were in working for one company from college to gold watch. Yet, in a way, it is still the same old story: 'the ideal from the point of view of the employer is to have output without employees, and the ideal from the point of view of the employee is to have output without employment'.¹² The difference is that employees in the knowledge economy are more motivated by novelty or meaningful work, as we saw above. How cognitive capitalism plays out remains to be seen. It is not easy to describe a revolution while inside it.

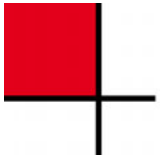
¹² This is E.F. Schumacher's summary of industrial capitalism in the 'Buddhist economics' chapter of his *Small is beautiful* (1973).

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New spirit of critique?

Jo Grady

review of

du Gay, P. and G. Morgan (2013) *New spirits of capitalism? Crises, justifications, and dynamics*. Oxford: Oxford University Press. (PB, pp. 360, ISBN 978019 95953 4)

du Gay and Morgan's edited collection, comprising of thirteen chapters, focuses on the seminal and similarly titled *The new spirit of capitalism* (TSC), co-authored by Boltanski and Chiapello, originally published in France in 1999, and later translated into English in 2005. Boltanski and Chiapello argued that from the mid-1970s onwards, capitalism began to reorganize and abandoned hierarchical Fordist structures that epitomised earlier periods of production, in favour of network-based forms of organizing within the workplace. Their book, therefore, primarily examined the way capitalism re-ordered itself in the workplace in the neoliberal era. Boltanski and Chiapello's argument maintains that disenchantment with old style bureaucracies, and their perceived lack of freedom, led to calls for greater workplace responsibility, autonomy, and freedom. They argue that an unintentional consequence of this, however, was to reinforce and extend legitimacy to neoliberal reorganization projects. Thus, traditional leftist critiques of capitalism and alienation paradoxically provided a reorganization of work that would ironically best serve the interests of capital. This can be seen in the transformation of working practices over the last 30-40 years for many people, as old industries – and the Fordist working arrangements that typified them – have been removed.

The strength of TSC was not only its ability to examine these changes within the workplace, but to also explore the consequences of these changes for those wishing to critique work. However, in doing so it tended to ignore the role of institutional level change, and thus how the phenomenon that they discussed relates to a broader reconfiguration of the capitalism system. In short, Boltanski and Chiapello failed to adequately discuss the processes that helped create the changes they analyse; namely the processes of financialization. For me this was a key problem with the initial text. Indeed, what we have seen in the neoliberal era is a reconfiguration of the economic base, changes in economic development, and the movement towards increasingly international capitalism. Thus, we have also seen a corresponding increase in the importance of finance and finance capitalism, particularly in certain areas of the West, and this has in turn produced a state apparatus and society that is increasingly accommodating to the needs of finance and embodying its priorities. Most noticeably this can be seen in an increase in the adoption and dissemination of attitudes and practices originating in finance; widely known as 'financialization'. Understanding this gives Boltanski and Chiapello's work greater depth, and transforms its contribution; particularly in a world still quivering from the impact of the 2007/2008 financial crisis.

Indeed, once we recognise the importance of this broader reconfiguration we can also recognise that changes at workplace and organizational level reflect this, as financial elites free themselves of the burdensome economic ties of Fordism; this is particularly visible in the downward trend in the value of average wages, access to social security, closure or downsizing of occupational pension schemes, the rise in atypical, precarious and zero hour work arrangements/contracts, and deregulation of labour markets and associated worker protections. Thus, despite the fact that Boltanski and Chiapello made a sound contribution with TSC, it has become clear since its publication how important it is to connect the two areas of study, because otherwise we are analysing a set of practices without understanding why financialization occurred in the first place; which seems like focussing on a wagging tail, rather than the dog and its role in generating it. In searching for the roots of financialization we see no better example than the growth of the London finance market since the 1970s. The London market was able to grow exponentially during the time period under investigation, from an approximate US\$ 46 billion value in the late 1970s, to US\$ 500 billion by 1980, and to a staggering UD\$ 2.7 trillion near the end of the next decade (Shaxson, 2011: 92), and as a result has become fundamentally important to the UK economy. Similar levels of market growth have also been witnessed across the globe, and the role of finance capital has become increasingly dominant. But during this same period of profit accumulation we have seen the value of real wages decline. Understanding the neoliberal reconfiguration of capitalism, and

the role of finance capital in this reconfiguration, is therefore crucially important for anybody who also wants to understand changes in the economy and the workplace. Such a view allows for both macro and micro analysis, as obviously any change in the configuration of the economy also leads to change in organizational life, and peoples lived experience of this workplace change.

Thus, given what I have outlined above, it is welcomed that in *The new spirits of capitalism?*, du Gay and Morgan choose as their focus, 'the contemporary crisis of financialized capitalism' (v), and consider the contribution that NSC can offer in terms of speaking to, and elucidating the aforementioned crisis. The self-proclaimed contribution of du Gay and Morgan's volume, therefore, is to take the new/current financial crisis of capitalism as its focal point and assess the continued relevance of Boltanski and Chiapello with reference to these events. It must be acknowledged, that the collection does a very good job in achieving this stated aim, but it falls short of achieving what I call for above.

The collection starts with what I consider one of the highlights of the book, the editors' introductory chapter (ch1), and then has twelve following chapters that are organised into two sections. Section one, entitled 'New spirits of capitalism: Developments and critique' essentially attempts to put NSC into a broader conceptual context, and contains some critique of NSC. This section is varied in scope and features contributions from Boltanski (ch2), Chiapello (ch3), du Gay (ch4), Willmott (ch5), Parker (ch6) and Thrift (ch7). Section two then seeks to apply this varied theoretical discussion to a variety of empirical scenarios, and is helpfully entitled, 'Applications: The changing nature of capitalism, work and organizations in the public and private sector'. Contributions in section two originate from Huault and Rainelli-Weiss (ch8), Hull Kristensen (ch 9), Ötsch et al. (ch10), Serrano-Velarde (ch11), a further appearance from du Gay (ch 12), and finally, Ekman (ch13). With the exception of Willmott, Parker, du Gay (ch4) and Ekman's chapters most contributors do not seek to openly critique NSC, but tend to critically explore its continued relevance, or lack thereof.

The book makes an important contribution to the field of organizational studies, and arguably offers a more accessible route into considerations about NSC than any other text, with the added benefit of framing those debates around empirical examples, but also important contemporary events. It also provides us with valuable insights into the state of contemporary capitalism in the current period with a specific focus on management studies. However, I wonder if there is a missed opportunity here by using NSC as a framework, which the edited volume itself seems to collectively admit has theoretical problems and limitations. Indeed, theoretical limitations of NSC identified by Parker, Willmott and du Gay in section one of the book, are then empirically confirmed (to varying degrees) by

chapters in section two. It is unclear, then, given that *The new spirits of capitalism?* acknowledges that the approach offered by NSC does not seem to be appropriate as it is unable to encompass modern forms of capitalism (ch 10 and 13 in particular stress this) why seek to use it as a framework at all? There is also a delicious paradox, which I cannot resist pointing out, that in *The new spirits of capitalism?* we have an edited collection where concurrently there is a contribution from Kathia Serrano-Velarde which focuses on the impact of financialization of higher education (and the associated obsession with ranking and reification), alongside a chapter authored by Nigel Thrift, Vice-Chancellor of the University of Warwick. For those not familiar with the UK university context, it is widely known in the UK that academics at Warwick Business School have come under increasing pressure to produce research in journals ranked highly by the ABS (Association of Business Schools) list, and thus find themselves under an extreme process of reification. As Vice-Chancellor of Warwick, one must assume (professionally speaking at least) that Nigel Thrift is comfortable with the practice being critiqued by Serrano-Velarde. Odder still, is that alongside all of this is a chapter authored by Martin Parker, who informed readers will be aware has published recently on *University, ltd* (2014), which is an open critique of Warwick style business school models. Indeed, it is quite breath-taking how all of these chapters sit alongside each other so unproblematically.

Beyond this quirk, the contribution of the book, particularly as set out in its own terms of reference, is undoubtedly solid and strong. It is shame, however, that given such an illustrious group of contributors, the book misses the opportunity to say more about the nature of financialization, and the way in which this change within the economy has impacted on society, through the reconfiguration of the role of the state and economy. As identified by du Gay and Morgan in their opening chapter, neoliberalism has been defined in various ways, but we can often see ‘family resemblances’ in the way in which neoliberalism is enacted in different nation states. The work of Plant is helpful in bridging this theoretical and empirical gap as he stresses the importance of the role of the state in his definition of neoliberalism; he views it as a political, legal, and economic doctrine, and in his analysis he focuses particularly on the role of the state, its nature and its powers, because it is the state that gives neoliberalism its coherence and cogency (Plant, 2012). Plant reminds us that contrary to often repeated Hayekian myths, free-markets are not particularly helpful to neoliberalism. This is because whilst free-markets theoretically allow for vast wealth accumulation, they are also inherently risky. However, protected markets are not much use to neoliberals either. Thus neoliberalism is better understood as an ideology that actually calls for, not the liberating of markets as is often suggested, but the diffusion of market relations into all aspects of the economy

and social life, and thus the reshaping of institutions on the model of the market, including the workplace and our lived working experiences.

Not only does this increase the financialization of everyday life, and create markets where none previously existed, but it allows for the state to underwrite important markets (deemed 'too big to fail'). It also ties people into the market, and thus makes them dependent on its success, but also vulnerable to its volatilities. Market relations, therefore, are diffused into people's lives, and risk is transferred to them. We see this in the financial products people are required to purchase as the state retrenches (whilst extending the market); these products include, critical injury insurance, health insurance, personal pension provision, education 'investment'/loans, you can even buy 'livelihood insurance' which protects individuals against long-term risks to their salaries. These new financial products represent new forms of commodification as market boundaries are redefined.

In addition, the financial crisis has led to a sudden and negative transformation in people's circumstances, leading to an increase in insecurity amongst the working populations. This is sustained because financial elites, who draw their power from wealth and from the elite networks, are pushing financialization from a united and ideological class position. They are able to manipulate markets, and reconfigure government policy, either through cooperation or coercion in order to create further financing, and therefore profit making situations.

This not only creates extra revenue for them, but has the added benefit of cutting costs. This transferral of risk, from state to citizens (Hacker, 2006; Martin, 2002), and from employer to employee (Bryan, Rafferty and MacWilliam, 2010), is a naturalised facet of financialized capitalism, and has been referred to as the 'financialization of daily life' (Martin, 2002). Accounting for how citizens have become the new 'shock absorbers' for capitalism is key in any analysis of the changing experiences of working and living in contemporary capitalism.

Much like the supposed transition to Post-Fordism and to the network society (which never occurred) was destined to deliver workers from bureaucratic slavery, the transfer of financial risk to individuals is often packaged up by advocates of such policies as 'democratizing finance' (Shiller, 2003: 1, 26). Along with Fordist bureaucracies we saw extensive welfare state workplace pension arrangements that allowed most workers to remain economically active (normally until pension age) until they could retire on full pensions. As we already know, this is no longer the case. As both state and employer withdraw from these concessions, individuals are left with private insurance 'solutions'.

This is a development that is all too often overlooked by scholars in business schools. It is fair to say discussion of these issues would probably be considered beyond the scope of *The new spirits of capitalism?*, particularly given the brief set by the editors, but if as a community of scholars working in business and management schools we want to engage with these issues we need to examine these things collectively.

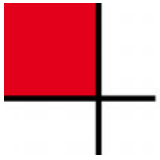
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‘But it hardly needs saying...’

Martin Parker

review of

Amin, A and N. Thrift (2013) *Arts of the political. New openings for the left*. Durham, NC: Duke University Press. (PB, pp xiv + 239, \$22.95, ISBN 978-0-8223-5401-7)

The seating arrangements in the French Estates-General assumed two sides, left or right, for or against, this or that. Seats have to go somewhere, but the division of politics into two ‘sides’ has certainly encouraged glaring and shouting. It encourages us to believe that this is a practice which requires firm distinctions, and to express disappointment when all available options on a ballot paper converge on focus group centrism. For most people, to recognise something distinctive called Politics, we need to see assertion, struggle, and antagonism. Whether this is the politics of the assembly or of the kitchen sink, the point is that there must be disagreement, and a taking of sides. That is how we usually recognise something called Politics, and make it different from other forms of action.

When big cheeses like Amin and Thrift get hold of Politics, such agonistic certainties become difficult to cling to. This book is ostensibly aimed at the Left, capitalised throughout the book, but its style is characteristic of a certain sort of theory which is far too clever to actually take a position. There are some interesting linguistic devices at work here in order to achieve such an effect. One is the citation of authorities – ‘we need only think of the work of Tarde here’ – combined with airy dismissals of other authors or ideas with an ‘of course’ which assumes the sort of reader who is as well read as the authors and already

predisposed to agree. Rather than persuading, or exhorting, this creamy style *assumes* agreement. It piles the citations high, and surveys the field from the height therefore produced. 'Think, for example, not only of some of the ...', 'But it hardly needs saying...'. This is combined with grand assertion, followed by partial negation. 'Of course, we are not saying...'. Add to this neologism of the 'what we call' variety and you have a book which is not written for a reader who wants to decide whether to agree or disagree with a political position, but someone happy to murmur appreciatively at the moves in this episode of the glass bead game. So what are Amin and Thrift actually saying?

I think, because I have to admit some uncertainty here, that they are encouraging 'the art of imagination as an integral part of political practice' (x). In saying this, Amin and Thrift are suggesting that politics needs to have less reliance on the manifesto, and more on the open utopian horizon. In practical terms, theirs seems to be a politics which invents new possibilities, constructs forms of organization to support them, and understands that affect and reason are always tied together. They summarise this position as suggesting that the Left needs to create 'structures of feeling' (borrowing the term from Raymond Williams) which allow projects to be built. Throughout the book there is a consistent attempt to bring together speculative 'world-making' with grounded pragmatism, in order to 'channel the conduct of idealism' (15). Praising various historical left projects – the German SPD, Swedish social democrats, the British women's movement, and the US Progressives – they suggest that we can learn from 'the organization of hope around a clear diagram of future being' (36).

So far, so good. But we then spin away from a relatively conventional account of politics to a chapter on enlarging what counts as an actor (including non-humans), as well as moving away from normative or contractarian political ontologies towards ideas of affect. At this point, things start to get tricky.

In common with Giorgio Agamben (and his account of bare life), Deleuze (and his account of a molecular economy of desire), Felix Guattari (and his account of territories of existence), and Nigel Thrift (and his account of the non-representational), Lazzarato, in considering this plane of existence, wants to make no distinction between the human and the non-human, the subject and the object, and the sentient and the intelligible. (49)

Indeed. But anyway, the message is now that this is a radically new form of politics being announced. It is a politics which doesn't begin with the rational political actor, but with networks of people and things in which coffee and barbed wire play political roles. Politics is now inscribed in relations, in spaces, in non-humans, in the flows of affect which shape experience. It seems like politics, and the Left, might start looking pretty different after this. But no, with another lurch

we are now back in another version of politics, the contemporary Left which 'remains alive and kicking and has plenty to say' (77). This is puzzling, because at the beginning of the book the last thirty years of the Left appeared to have been written off and in need of the new openings announced in the title of the book. Nonetheless, this multiple left – anti-capitalist, post-capitalist, reformist, pluralist – and concerned with recognition, identity, ethics and so on, is surveyed. Various tendencies are accused of not being utopian enough, or of being too unrealistic, pragmatic, naïve, programmatic or whatever. Next, again with a lurch, we move from airy summaries and dismissals of different Lefts to considering politics as organization, though what organization appears to mean here is the state in its various forms, not the prefigurative organizing which post-capitalists would celebrate. Noting that bureaucracy is political too (did someone say that it wasn't?), they then consider the complex publics of Euro bureaucracy, or statecraft, concluding that the left has an ambivalent relationship to the state. Finally, back to affect again, and to a politics which uses social media, and sells Obama's 'yes, we can' message of optimism to populations who can be swayed by affect.

I have no idea what this all adds up to. The conclusion, that a Leftist 'structure of feeling' should be concerned with labour, fairness, heterogeneity, accomplishments and steadfastness, would be fine in some generally normative and inspirational sense if it hadn't been preceded by much of the rest. After lurches from social democracy to post-human politics, from the virtues of bureaucracy to flows of affect, how can normative statements about 'fairness, harm and injustice' (184) underlie this 'new' politics? How can they claim that 'the recurring evils of inequality, oppression and exploitation need to be fought' (xi) without a normative humanism which allows you to identify such things? Their concluding paragraph contains the following –

We can hold our hands out to the messy, perplexing future, and we can do it confidently. But we are also sure that a politics of imagination, by definition, has to be left open. We cannot, and we should not, prescribe every answer, legislate every action, lock down every idea. (200)

Such ringing words do remind me of Obama in his inspiring emptiness. But, pausing a moment, who (apart from Lenin or Hitler) would actually disagree with this statement? Where is the politics, let alone the Left politics, in such a truism? This book is really a series of essays, stitched together with grandiose rhetoric but not adding up to a consistent argument or position. The most insistent claim is that politics involves the 'disclosure of worlds yet to come into existence' (185), 'a machine for generating new dawns' (186). These are nice lines, and ones that plenty of other people on various Lefts have been pushing for a long time. The problem is that there are plenty on the Right who would see

capitalism in similar ways, and modernists in general have the future in their sights, so utopianism in itself doesn't help distinguish Left from Right. What this whole book reminded me of most was Anthony Giddens' 'utopian realism' (Giddens, 1995: 154), not a million miles from the 'pragmatic worlding' which seems to attract Amin and Thrift. Both are conjunctions which sound rather clever, but rely on assuming that each half of the coupling is insufficient on its own. Which, as anyone who has done politics would tell you, is actually pretty obvious. In other words, you have to have ends, and means. Duh.

To make their argument work, Amin and Thrift need to construct a Left which is obsessed with means – straw men in cheap suits playing with paper, or nostalgic Leninists demanding obedience to the party. 'It has long been attractive for the Left to think in terms of a program that can be burnished and kept pure' (4). But if this view of the contemporary Left is not accepted then it becomes really unclear just who this book is written for, and what problem it solves. Even the authors themselves don't seem to subscribe to this view in their chapter on Leftist thought, and their epilogue appears to suggest that much of what the contemporary Left is already doing – complementary currencies, social economy, regulation, localization – are part of their agenda already. In which one might ask just how the theoretical agenda of affect and post-representationalism are relevant, or needed, since many lefts (not capitalized) seem to be getting on with things very nicely indeed (Parker et al., 2014). But perhaps I should be more generous. I have complained about a lack of consistency in the arguments, about the smug writing, and about the detachment from actually existing left politics. Nonetheless, this book did make me think about politics rather a lot. When academics claim to care about the Left, I am pleased. That is, assuming that consistency is a virtue in this new politics, and in the lives of people who write books like this.

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