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Institutional Corruption and the Collective Goods Trap; a Philosophical Exploration

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Abstract

Presently, institutional corruption has become an urgent matter with potentially grave effects on the future of our societies. Numerous academics have developed distinct theories of institutional corruption; one of the most prominent and recognized philosophical accounts is Seamus Miller's causal theory of institutional corruption. Within his theory, Miller provides a comprehensive framework of institutional corruption. However, Miller only goes as far as to identify prominent forms and cases of institutional corruption within specific settings; he does not provide a theoretically normative account of the possible effects of institutional corruption on society. Hence, this paper implements Miller's theory to present the Collective Goods Trap (CGT), a theoretically normative and causal exploration of the possible societal effects of institutional corruption within governmental institutions.

The views stated in this thesis are those of the author and not necessarily those of the supervisor, second assessor, Erasmus School of Philosophy or Erasmus University Rotterdam.

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1) Introduction

In our contemporaneity, institutions make up the fabric in which the citizenry, government and private sector operate. Firm and reliable institutions are highly important because they shelter the explicit and implicit social norms needed for societal trust, order and civility. Notably, institutions function with contrastive institutional purposes; governmental institutions play an essential supervisory and distributive role by ensuring that other institutions and resources are properly organized and allocated. In this sense, trustworthy governmental institutions contribute to societal stability and solidarity, especially in times of uncertainty.

One of the main problematics that institutions face is the threat of institutional corruption. Corrupted governmental institutions undermine the citizenry's trust, whilst increasing the costs of institutional processes and decreasing the availability of collective goods. As a consequence of corruption, public distrust towards governments may breed and cripple solidarity across a given society. It therefore comes as no surprise that, presently, institutional corruption has become an urgent matter with potentially grave effects on the future of our societies. Nevertheless, the complexity in identifying the corruptive element in an institutional procedure makes institutional corruption an evasive phenomenon. Because of this, institutional corruption is still a contested concept, especially concerning its moral foundation. One of the most prominent and recognized philosophical accounts is Seamus Miller's causal theory of institutional corruption. Miller's notion of institutional corruption is theoretically superior, relative to other accounts, because it is the most complete, coherent and structurally-sound.

Other philosophical understandings, such as Dennis F. Thompson's and Lawrence Lessig's accounts, provide limited theories in which institutional corruption is individually defined. Contrastively, Miller provides a complete theoretical framework to make sense of how, and in which contexts, institutional corruption comes about. In his book *Institutional Corruption: A Study in Applied Philosophy*, Miller theoretically frames and defines the key concepts needed to comprehend the phenomenon of institutional corruption; these concepts include the notions of institutions, collective moral rights and responsibilities, joint actions, social norms, among others.¹ Based on these conceptions, Miller clearly defines and demarcates instances of institutional corruption. Unlike Thompson and Lessig, Miller also provides concrete measures to combat institutional corruption.

Furthermore, Miller also focuses on corruption and anti-corruption in specific institutional settings; in doing so, Miller integrates corruption theory with practical approaches. Nonetheless, Miller only goes as far as to identify prominent forms and cases of institutional corruption within these settings; he does not provide a theoretically normative account of the possible effects of institutional corruption on society. Therefore, this paper implements Miller's notion of institutional corruption to present the Collective Goods Trap (CGT), a theoretically normative and causal exploration of the possible societal effects of institutional corruption within governmental institutions. In order to arrive at the CGT, Miller's notions of institutions, and institutional and political corruption will have to be explored beforehand.

¹ Seumas Miller, *Institutional corruption: a study in applied philosophy* (Cambridge University Press, 2017).

Thus, the main purpose of this paper is to present and implement Miller's causal theory of institutional corruption to explore the possible theoretically normative societal impacts of institutional corruption within governmental institutions.

Proceeding the Introduction, the topic of institutions will be presented in Section 2. In this section, Miller's notion of institutions and its constituent elements will be discussed with a special attention for governmental institutions. Thereafter, Miller's conception of institutional corruption will be introduced in Section 3; the implications of his formal definitional account will be explored. Subsequently, in Section 4, Dennis F. Thompson's and Lawrence Lessig's accounts of political corruption will be used to present the issue of political corruption. In this section, Miller's notion of political corruption will be introduced and used to criticize Thompson's and Lessig's accounts.

The Collective Goods Trap will then be developed in Section 5. In this section, each element of the CGT's detrimental cycle will be examined and its causal link with its subsequent elements will be explored. A pertinent example will also be utilized to empirically explain the different steps of the CGT. Finally, the conclusion will be displayed in Section 6, in which a concise summary will be formulated and used to refer back to the paper's main purpose.

2) Institutions

Many social contract theorists, including John Rawls (1972), have advanced detailed normative theories that deal with the principles justice that ought to be used for the moral evaluation of social institutions.² However, these philosophers have expounded their theories without a clearly-developed theory of the very social institutions to which their principles of justice should apply. Moreover, numerous sociological and philosophical theoretical accounts of social institutions exist. Some of these include John Searle's social institution account presented in his *Making the Social World: The Structure of Human Civilization* and Kirk Ludwig's notion of social institutions presented in his *From Individual to Plural Agency: Collective Action*.^{3 4} Nonetheless, most of these conceptions do not describe the same phenomena; they are partial accounts intersecting fields of social phenomena. It is therefore critical that the concept of social institutions is clearly defined and delimited in order to arrive at comprehensive definition of institutional corruption.

In public policy, institutions are commonly defined as mechanisms of social interaction that function in patterns of social self-organization and self-regulation beyond the cognizant intentions of individual members.⁵ These mechanisms are manifested in the form of *formal* organizations appointed by an acknowledged authority, and in the form of *informal* social order. The *informal* social order functions as a reflection of the societal traditions and norms that govern our interactions.⁶ In order to comprehend the phenomenon of institutional corruption it is crucial to provide an account of the entities that suffer from this form of corruption, namely, social institutions. In this section, Miller's

² Joseph D. Sneed, "John Rawls and the liberal theory of society," *Erkenntnis* 10, no. 1 (1976): 1-19.

³ Frank Hindriks, "Making the Social World: The Structure of Human Civilization, John R. Searle, Oxford University Press, 2010, 224 pages," *Economics and Philosophy* 27, no. 3 (2011): 338-346.

⁴ Kirk Ludwig, *From Individual to Plural Agency: Collective Action: Volume 1*. Vol. 1. (Oxford University Press, 2016).

⁵ Carter Becky, *Inclusive Institutions: Topic Guide* (GSDRC, 2014), 1-32.

⁶ Carter, *Inclusive Institutions*.

teleological normative theory of social institutions will be presented and used to define institutions and other related concepts.

2.1) Miller's Notion of Institutions:

Within his conception of institutions, Miller only concerns himself with the *formal* notion of institutions, namely, those institutions that are organizations and/or systems of organizations. Hence, Miller defines institutions as organizations and/or systems of organizations that provide collective goods by means of joint activity, specifically, multi-layered structures of joint action.⁷ Miller refers to these multi-layered structures of joint action as organizational action. In order to fully understand Miller's interpretation of institutions, his definitions' sub-elements will be explored below.

2.1.1) Joint Actions

Firstly, Miller's fundamental notion of joint actions must be explored in order to comprehend his teleological conception of social institutions. According to Miller, joint actions involve a number of agents carrying out interdependent actions with the purpose of realizing some collective end.⁸ Thus, joint actions consist of:

- (1) A number of individual actions;
- (2) The relations between these singular actions.

Joint actions can be found within many occasions of contemporary human interaction. For example, two individuals playing a match of tennis, or a trade ministry's unified efforts to formulate a new trade agreement, both constitute instances of joint actions. In these cases, each individual tennis player and ministry employee carries out a particular action in relation to the actions of their associates, with the purpose of achieving a collective goal. In this sense, Miller argues that the attitudes involved in such joint actions are individual attitudes instead of collective we-attitudes.⁹ It is the individual agent's mode of thought or feelings about a certain matter that determine his/her individual actions and the consequent relation with others' singular actions. Hence, individual attitudes are the constituent attitudes that compose joint actions.

Miller implements his individualist Collective End Theory (CET) as the theoretical foundation of his understanding of joint actions. He establishes that his CET is the theory that joint actions are actions aimed at the attainment of collective ends.¹⁰ Importantly, Miller considers that a collective end is an individual end that is pursued by more than one individual.¹¹ The singular actions, that comprise this pursuit for collective objectives, are interdependent with each other and form part of the mechanism by which a collective end is realized.¹²

⁷ Miller, *Institutional Corruption*, 23.

⁸ Miller, *Institutional Corruption*, 24.

⁹ Miller, *Institutional Corruption*, 25.

¹⁰ Miller, *Institutional Corruption*, 24.

¹¹ Miller, *Institutional Corruption*, 25.

¹² Miller, *Institutional Corruption*, 25.

Miller emphasizes that his CET is characterized by relationalism. Relationalism is the philosophical claim that objects' identity is not self-standing, instead it is constituted by the entirety of their relations to other objects in the world.¹³ Miller claims that his notion of relationalism is a form of individualism because the individual actions that constitute CET's joint activity, generally stand in relations to other singular actions.¹⁴ For instance, the act of verbally communicating via a phone call necessitates the active participation of two subjects who converse in relation to one another. In doing so, these two (or more) individuals perform a singular contributory action in the service of fulfilling the collective end of communicating with each other. Additionally, Miller advances this relational individualism by proclaiming that the individuals who participate in the necessary joint actions can have intersubjective attitudes towards one another. These intersubjective attitudes allow for instances in which agents are able to share subjective states and relate to one another's cognitive perspectives. It can thus be stated that Miller's elementary conception of joint actions is characterized by an interdependence of actions in which the individual acts in relation to the actions of others.

2.1.1.1) Organizational Action

There are numerous forms of joint action, nonetheless, the most pertinent for this text is organizational action. Before defining the concept of organizational action, Miller's conception of organizations must be presented. According to Miller, organizations consist of a formal structure of interlocking roles.¹⁵ These organizational roles are defined in terms of the tasks to be performed, the agents who perform given tasks and the established conventions that allow for these tasks to be carried out; conventions being defined as a set of joint actions each of which is executed in a reappearing circumstance.¹⁶ Moreover, organizational roles are interlocked in the sense that members' roles are interlaced with, and co-depend on, the roles to be fulfilled by other organizational members.

Furthermore, organizations are distinguished by their collective end goals and the activities they undertake in order to achieve these ends. For example, the police may have as an end the enforcing of a society's laws whilst ensuring the security of the citizenry. On the other hand, educational entities serve the purpose of developing and propagating knowledge by means of academic research and teaching.

The actions undertaken by these organizations in order to achieve their goals, Miller considers as organizational action. He establishes that organizational action commonly functions as a "multi-layered structure of joint actions"¹⁷. This multi-layered structure consists of different levels of individual and joint actions. For instance, take the case of a consulting firm's economic growth department. Assume that at an organizational level this department is working on a report that aims at exploring the socioeconomic impacts of the coronavirus pandemic on a given nation. The action of the department's econometric team is to build an econometric model that quantifies these impacts. The action of its economic team is to conduct the qualitative research required and to write the content of the report. Additionally, the action of the graphic design team is to generate aesthetic

¹³ Mark Young, "Relevance and relationalism," *Metaphysica* 12, no. 1 (2011): 19-30.

¹⁴ Miller, *Institutional Corruption*, 25.

¹⁵ Miller, *Institutional Corruption*, 26.

¹⁶ Miller, *Institutional Corruption*, 26.

¹⁷ Miller, *Institutional Corruption*, 27.

graphs and figures, and to format the final report. These team-level actions are considered second level actions, which, when taken together, constitute the second level joint action of developing the consolidated report.

However, these second level actions are already joint actions in themselves; they are constructed by first level individual actions. These singular actions consist of the individual team members' actions aimed at jointly conducting the respective team's second level action. Hence, actions that are considered individual at certain levels, might already be joint actions in themselves, forming a multi-layered structure of joint actions. Notably, the larger an organization is, the more levels of joint actions it will consist of.

2.1.2) Collective Goods

With the purpose of furthering the understanding of Miller's teleological account of social institutions it is also fundamental that his notion of collective goods is explicated. In accordance with Miller, the purpose of institutional functioning is to provide the collective goods required by the citizenry. Thus, Miller establishes that collective goods are those who have three main features:

- (1) they are produced, maintained or renewed by means of the joint activity of members of organizations or systems of organizations, i.e. by institutional actors;
- (2) they are available to the whole community (at least in principle);
- (3) they ought to be produced (or maintained or renewed) and made available to the whole community since they are desirable goods and ones to which the members of the community have an (institutional) joint moral right.

Based on the abovementioned criteria, Miller determines that collective goods are characterized by collectivity, desirability and non-excludability. For Miller, collective goods embody the notion of collectivity because they are the produce of interdependent actions; these interdependent actions form the shared activity required for the realization of collective goals. Miller also considers that, from an objective standpoint, collective goods ought to be desired because of their beneficial nature. This is because collective goods are either intrinsic goods (good in themselves) or the means to intrinsic goods, and therefore represent the goodness that should be aspired by society. Furthermore, collective goods are non-excludable in the sense that, in principle, these goods should be made available to all members of a given community. Here the concept of community refers to the members of an organization who cooperatively produced a collective good and/or hold a joint right to that good.¹⁸ Hence, collective goods' non-excludability entails a community's joint moral right to these goods. According to Miller, these joint moral rights of access to collective goods are an aggregation of individual moral rights to specific morally worthy goods.¹⁹

For instance, take the case of governmental institutions. According to Miller, governments function as an interrelated network of public institutions who organize other institutions with the purpose of ensuring the provision of collective goods for the benefit of the citizenry.²⁰ Akin to all other

¹⁸ Miller, *Institutional Corruption*, 35.

¹⁹ Miller, *Institutional Corruption*, 35.

²⁰ Miller, *Institutional Corruption*, 294.

institutions, the government's organizational role and provision of collective goods are brought about by means of joint activity. Within this scheme, the individual taxpayer functions as a co-funder and co-producers of the collective goods jointly provided by governmental institutions. Hence, every tax-paying citizen holds an individual moral right to consume the publicly funded collective goods considered beneficial for the individual. Once cumulated, individuals' singular moral rights form the polity's joint moral right to access those collective goods warranted by the government.

Whilst communities hold joint moral rights to collective goods, institutions are made collectively morally responsible for the provision of such goods. Communities' needs-based and non-needs-based rights to desirable goods bring about the moral responsibility that ascribes institutions their normative ethical basis.²¹ In this sense, social institutions are brought about when a people have an evident want or need for certain collective goods. In this context, the element that legitimizes social institutions are the social norms that govern people's desire for collective goods and the institutions that consequently provide them. In accordance with Miller, social norms are considered as widely-accepted consistencies in action to which adherents have a moral obligation.²²

Therefore, institutions are established, and their members partake in joint activity, with the purpose of, fulfilling their collective moral responsibility to provide collective goods, and realizing the aforementioned aggregated rights. Miller expounds this notion by presenting how the aggregated need for food and nutrition create a collective moral responsibility to institute and preserve social institutions, of which the main purpose is to provide the foodstuffs required.²³ Once these institutions have been established, the needy ought to have a joint moral right to access the foodstuffs in question.²⁴ Notably, when referring back to the case of governments, not only do governmental institutions hold the institutional rights and duties to provide collective goods, they also hold the moral rights and duties to ensure the provision of these goods.

It is evident that joint moral rights presuppose the attainment of individual rights. This also holds for the collective moral responsibility associated with the provision of collective goods. In order to accomplish their collective moral responsibilities, institutions must undergo a process of joint action. This joint action requires that individuals are able to perform their individual contributory actions freely and intentionally. Thus, joint action also necessitates that institutional members exercise certain individual rights, such as their rights to freedom, in order to perform their singular contributory actions.²⁵ It is in this sense that institutions' collective moral responsibilities also presuppose pertinent individual rights.

Miller's conception of collective goods does not only refer to the liberal economic notion of non-rival and non-excludable goods, but it also encompasses the broader common good of the polity. It is a notion of collective goods that stems from the fulfilment of moral rights. Evidently, there is a wide array of moral categories profoundly implicated in social institutions, such as contract-based and human rights.²⁶ However, Miller highlights that there is an additional joint moral right of access to

²¹ Miller, *Institutional Corruption*, 35.

²² Miller, *Institutional Corruption*, 26.

²³ Miller, *Institutional Corruption*, 35.

²⁴ Miller, *Institutional Corruption*, 35.

²⁵ Miller, *Institutional Corruption*, 41.

²⁶ Miller, *Institutional Corruption*, 46.

collective goods once produced, whilst there is also a collective moral responsibility to provide the collective goods in question.

2.1.3) Governmental Institutions

Since this text also focuses on political corruption, it is appropriate to define the institutions that suffer from this kind of corruption, namely governments and their sub-institutions. According to Miller's account of governments as meta-institutions, governments are defined as an interrelated network of public institutions who organize other institutions with the aim of guaranteeing the provision of collective goods for the benefit of society.²⁷ Apart from administering certain collective goods themselves, governments have as a collective end to ensure that other institutions provide the collective goods required by the citizenry.

Thus, governments enact legislation and implement policies with respect to the activities of other institutions and individual citizens, with the aim of promoting the common good of the polity. For example, a government's ministry of agriculture has the collective moral responsibility of assuring that other private institutions supply the crops necessitated, whilst considering the interests of other actors across the agricultural value chain. In this sense, the government governs and influences individual citizens indirectly via other institutions.

Not only are governments responsible for coordinating the cooperation between public and private institutions, but they are also liable for guaranteeing certain political and moral rights. The political rights that governments must warrant are, in a broad sense, citizens' joint rights to political participation.²⁸ In the case of contemporary liberal democracies, these joint rights commonly include the rights to select the government and to run for office. These political rights ensure that individual inhabitants have some form political representation within the legislative and executive efforts of a given government.

Furthermore, the government is also responsible for ensuring certain moral rights; these moral rights include a multitude of natural rights, such as the rights to life and freedom of thought. Ergo, the government is collectively morally responsible for guaranteeing these rights, and does so by providing morally charged collective goods, such as the safety and security it provides by means of its armed forces.

It is important to note that governments are not only unique types of institutions because of the organizational role they play, but they are also unique because they directly ontologically depend on collective acceptance.²⁹ Modern liberal democratic governments function predominantly by means of enforceable legislation.³⁰ However, a government's legislation is only enforceable because other institutions and civil society recognize the government as the legitimate source of legislative and executive power. Once a government's legitimacy is put into question, its reliability and enforceability are also questioned. This may then lead to calls for a change of government or more radical structural change of governmental framework.

²⁷ Miller, *Institutional Corruption*, 294.

²⁸ Miller, *Institutional Corruption*, 295.

²⁹ Miller, *Institutional Corruption*, 297.

³⁰ Miller, *Institutional Corruption*, 297.

3) Institutional Corruption

As presented in the Introduction, there are contrastive theories of institutional corruption. Some of these include Thompson's and Lessig's accounts of institutional corruption. These two consequentialist accounts focus on the differences between individual and institutional corruption, and institutional corruption's tendency to corrupt, respectively (as will be explained in Section 4).^{31 32} However, as previously stated, Miller's causal account of institutional corruption is considered to be the most complete and structurally sound conception of institutional corruption. Hence, Miller's notion of institutional will be presented and analysed in this section of the text. In his *Institutional Corruption: A Study in Applied Philosophy*, Miller develops the following formal definitional account:

An act x (whether a single or joint action) performed by an agent (or set of agents) A is an act of institutional corruption if and only if:

1. x has an effect, or is an instance of a kind of act that has a tendency to have an effect, of undermining, or contributing to the undermining of, some institutional process and/or purpose (understood as a collective good) of some institution, I , and/or an effect of contributing to the despoiling of the moral character of some role occupant of I , agent (or set of agents) B , *qua* role occupant of I ;
2. At least one of (a) or (b) is true:
 - a. A is a role occupant of I who used the opportunities afforded by their role to perform x , and in so doing A intended or foresaw the untoward effects in question, or should have foreseen them;
 - b. B could have avoided the untoward effects, if B had chosen to do so.

This consequentialist notion of institutional corruption is referred to as Miller's causal theory of institutional corruption. It is a causal theory because Miller does not focus on the general and controversial notion of immoral action. Instead, he concentrates on the moral effects that actions have. Therefore, Miller considers an action as corrupt when this action has a corrupting effect on an institutional process or purpose, or on the moral character of an institutional role occupant. Respectively, when a member of an institution violates an institutional rule or particular law, the act in itself does not constitute an instance of institutional corruption. The infringement becomes an act of institutional corruption once it has some form of institutionally corrosive impact *qua* role occupant, or is of a kind that contains a tendency to cause such an impact.

Furthermore, Miller's definition also entails a conscious act performed by a corruptor (i.e. the person who performs the corrupt act), in this case the corruptor being A . The corruptor is held morally responsible for his/her corruptive actions if the corruptor either intended, anticipated or ought to have anticipated the harmful institutional effects caused by his/her actions. Moreover, the corruptor's actions contribute to bringing about a corrupt condition of some institution. Miller notes that this

³¹ Dennis F. Thompson, "Two concepts of corruption," *Edmond J. Safra Working Papers* 16 (2013).

³² Lawrence Lessig, "'Institutional corruption' defined," *The Journal of Law, Medicine & Ethics* 41, no. 3 (2013): 553-555.

state of corruption exists only relative to an uncorrupted condition, which is the state of being a morally legitimate institution or a component thereof.³³

Based on his abovementioned formal definition, Miller establishes that institutional corruption consists of five characteristic features:

- (1) Corrupt actions involve a person who is a corruptor and/or a person who is corrupted;
- (2) An action is corrupt only if it undermines or is of a kind that tends to undermine an institutional purpose, process, or person (*qua* role occupant);
- (3) Persons who perform corrupt actions are morally responsible for so doing, albeit they are not necessarily blameworthy if, for example, they were coerced (the moral responsibility of corruptors);
- (4) Unlike persons who corrupt, persons who are corrupted are not necessarily morally responsible for being corrupted;
- (5) Acts of institutional corruption necessarily involve a corruptor who performs the corrupt action *qua* occupant of an institutional role – and, therefore, uses the opportunities afforded by his or her position – and/or a person who is corrupted *qua* occupant of an institutional role.

In order to comprehend Miller's account of institutional corruption it is crucial to examine what Miller signifies with these features. His first feature depicts institutional corruption's personal character. Corruption in general involves a process in which individuals' moral character are spoliated; within this process, a person acts as the corrupting agent whilst another individual acts as the agent that is being corrupted. In the case of institutional corruption, the process of corruption entails the spoliation of institutional role occupants' moral character *qua* institutional role occupants. It is in this sense that institutional corruption involves personal corruption and links institutional corruption to personal moral character. Thus, to be corrupt, an act must include a corruptor who performs the corrupt action or a person who is corrupted by it.³⁴

Miller's second feature presents institutional corruption's causal character. Miller establishes that an institutional action is corrupt only when it has an effect that undermines an institutional process, subverts an institutional purpose or despoils the character of a given role occupant *qua* role occupant. Considering the plausibility that some institutionally corrupt acts have insignificant effects, this second feature incorporates actions that are of kind or type that tend to undermine institutional processes, purposes or individuals (*qua* institutional role occupants). In this sense, token acts that lead to the aforementioned adverse effects, such as one-off bribes, are also accounted for by this defining feature.

Thirdly, Miller introduces the notion that corruptors are morally responsible when committing acts of institutional corruption. It is important to note that the concept of moral responsibility is itself theoretically complex and contested. Nonetheless, Miller's notion of institutional corruption is still connected to the moral character of individuals' actions. Miller establishes this connection by identifying that, when an individual performs a corrupt action, this person is morally responsible if he/she either intends, foresees, or ought to have foreseen the institutional damage that this action

³³ Miller, *Institutional Corruption*, 83.

³⁴ Miller, *Institutional Corruption*, 67.

causes.³⁵ Hence, the corruptor is, or should be, aware of his/her actions' moral significance and should therefore be aware of his/her ability to prevent the corruptive outcomes of his/her actions.³⁶

Even though corruptors possess moral agency and are consequently morally responsible for their institutional actions, they are not necessarily blameworthy for the corruptive actions they realize. This holds because there are certain cases in which an individual purposely performs a corrupt action, but is coerced into so doing, and is thus morally responsible but not blameworthy.³⁷ Furthermore, corruptors are generally not saboteurs or revolutionaries, even though their actions deteriorate the morality associated with institutional functioning.³⁸ This is because corruptors require that institutions keep on functioning in order to continue with their corrupt endeavours. Hence, corruptors function like parasites that benefit from the continued existence of institutions, without having a need to destroy or revolutionize the institutions they contaminate.

Subsequently, Miller's fourth feature presents, what he refers to as, the asymmetry of corruptors and the corrupted. Here Miller establishes that, in contrast to those who culpably perform corrupt actions, those who are corrupted by these actions are not necessarily morally responsible for having been corrupted. In certain cases, the corrupted willingly participate in the process of their corruption by purposely choosing to perform the actions that eventually lead to the corrupting effect on them.³⁹ In these cases the corrupted agent's moral responsibility does not differ from that of the corrupting agent, unless the corrupted has been coerced into performing the actions that lead to their corruption. However, in other instances, the corrupted lack the necessary moral maturity or pertinent information needed to foresee the possible moral outcomes of their actions. In these cases, the corrupted cannot be held morally responsible for their actions.

For instance, take the case of a young political advisor who has just started working for a given political party. Suppose that this individual receives a cash bonus from his/her political leader for every new voter he/she brings in. Nonetheless, the naïve political advisor is unaware that the cash he/she is receiving is a consequence of unlawful and politically incorrect actions the party's political leader had previously undertaken. By failing to report this unlawful payment, the political advisor can be distinguished as a corrupted agent within a corrupt political environment. However, in this case, it must be considered that the inexperienced political advisor is particularly unfamiliar with the moral implications of his/her institutional role and actions, and unaware of his/her superior's antecedent corrupt actions. Thus, in accordance with Miller, it is considered that this individual lacks the moral maturity and the information required to identify the corruptive element within his/her decision to accept given cash bonuses.⁴⁰ ⁴¹ Whilst morally responsible corruptors are able to 'measure' their intentions and respective impacts, in certain occasions, vulnerable corrupted individuals' lack of moral maturity and pertinent institutional information detach them from moral responsibility.

³⁵ Miller, *Institutional Corruption*, 73.

³⁶ Miller, *Institutional Corruption*, 140.

³⁷ Miller, *Institutional Corruption*, 74.

³⁸ Miller, *Institutional Corruption*, 72.

³⁹ Miller, *Institutional Corruption*, 76.

⁴⁰ Moral maturity refers to agents' capacity to implement a consistent moral judgement and recognize the moral implications of his/her actions. Thus, morally mature individuals are those who have the capability of recognizing themselves as moral agents.

⁴¹ Lawrence J. Walker, and Russell C. Pitts, "Naturalistic conceptions of moral maturity," *Developmental psychology* 34, no. 3 (1998): 403.

Finally, Miller's fifth feature of institutional corruption illustrates the notion that institutional corruption fundamentally requires the active participation of institutional role occupants. More precisely, instances of institutional corruption require a corruptor who performs the corrupt act *qua occupant of an institutional role* and/or an individual who is corrupted *qua occupant of an institutional role*.⁴² Here it is relevant to note that being part of a corrupt action *qua occupant of an institutional role* does not necessarily entail a particular breach of an explicitly specified institutional role or duty. Miller exemplifies this by providing an account of how certain lawyers specialize in facilitating large-scale tax avoidance for large, wealthy companies. These lawyers, in a narrow sense, do not breach the law or their institutional duty of providing legal consultation for private firms. Nevertheless, they evidently undermine legitimate institutional purposes by corrupting tax regimes and, as a corollary, engage in institutionally corrupt activity.⁴³ This final feature ensures that institutional corruption directly pertains to institutions and their members. In doing so, it differentiates institutional corruption from other forms of corruption that may also be linked to institutions, such as purely personal corruption.

Based on this description of Miller's notion of institutional corruption, it can be stated that institutional corruption's five distinctive features accommodate diverse forms of corruption, in a varied range of institutions in contrastive political, economic and social settings. Not only are these forms of institutional corruption not time- nor geopolitically-bound, they also incorporate divergent structures of corruption such as structural dependency schemes and diverse collective action problems.

4) Political Corruption

Political corruption pertains directly to governmental institutions and the institutional role occupants that constitute them. This form of corruption is one of the most notorious and destructive because it hinders the pivotal administrative and redistributive efforts that a citizenry depends on. Hence, the concept of political corruption will be analysed in this section, not only because it is one of the most prominent and detrimental modes of corruption, but mainly because the Collective Goods Trap that will be introduced in Section 5 focuses on governmental institutions, in which both institutional and political corruption may occur.

In recent years, various theories of political corruption have been formulated; two of the most influential and disputed are Thompson's and Lessig's conceptions of political corruption. These two accounts are contemporary attempts to, not only define the term of political corruption, but establish particular concepts of political corruption which serve as frames for attempts at reform. Whilst Thompson differentiates between individual and institutional corruption, Lessig highlights the hidden structures of political corruption that may contaminate a political institution. It is imperative to note that Thompson equates the broad concept of institutional corruption to political corruption. Hence, when referring to institutional corruption, Thompson directly refers to the political corruption associated with public officials. On the other hand, Lessig presents an institution-agnostic account of

⁴² Miller, *Institutional Corruption*, 81.

⁴³ Miller, *Institutional Corruption*, 82.

institutional corruption but implements this account to develop his dependence theory of political corruption.

With the purpose of exploring the possible effects of corruption within governmental institutions, it is important to examine Thompson's and Lessig's accounts of political corruption, what they implicate and how they relate to Miller's notion of political corruption.

4.1) Thompson's Institutional Corruption

One of the most influential theories of political corruption is Dennis F. Thompson's theory of institutional corruption. Thompson advances his theory by initially differentiating between individual corruption and institutional corruption. According to Thompson, individual corruption occurs when a public official accepts a personal gain or benefit in exchange for promoting private interests.⁴⁴ Thus, acts of individual corruption are directly associated with the individual moral character of the corruptors and the corrupted.

Conversely, Thompson holds that institutional corruption occurs when a public official collects political gain or benefit under conditions that in general contribute to the promotion of private interests.⁴⁵ Thus, an act is corrupt when it is of a type that tends to undermine political processes and thereby undermines institutions' primary purposes. These political processes include political competition and representation, among others. In other words, institutional corruption pertains to an institution's failure in directing role occupant's behaviour towards the realization of the institution's principal purpose because the institutional design promotes the pursuit of individual goals.⁴⁶

Miller is critical of Thompson's notion of institutional corruption because Thompson's focus on political gain makes his account too narrow. Thus, Miller claims that Thompson ends up describing a singular but prominent form of political corruption. Miller recognizes that motives for political corruption are varied and not only restricted to political gain; in many instances private and political gain are intertwined and indivisible.⁴⁷ Hence, Miller acknowledges the need to broaden Thompson's account and does so by formulating the following definition of political corruption: According to Miller, political corruption occurs when members of a government legislate or execute in a manner that undermines the institutional processes and purposes of other institutions for political or personal gain.⁴⁸ Here Miller indirectly invokes his notion, presented in the previous section, that governments function as meta-institutions, by referring to the undermining effect governments' political corruption might have on those institutions organized by governmental institutions. Accordingly, Miller's account of political corruption will be the definition referred to in later parts of this text.

⁴⁴ Dennis F. Thompson, "Two concepts of corruption," *Edmond J. Safra Working Papers* 16 (2013).

⁴⁵ Dennis F. Thompson, "Two concepts of corruption," *Edmond J. Safra Working Papers* 16 (2013).

⁴⁶ Sommersguter-Reichmann, Margit, Claudia Wild, Adolf Stepan, Gerhard Reichmann, and Andrea Fried, "Individual and institutional corruption in European and US healthcare: overview and link of various corruption typologies," *Applied health economics and health policy* 16, no. 3 (2018): 289-302.

⁴⁷ Miller, *Institutional Corruption*, 302.

⁴⁸ Miller, *Institutional Corruption*, 309.

4.2) Lessig's Dependency Theory of Political Corruption

Another important and controversial theory of political corruption is Lawrence Lessig's dependence corruption theory. Initially, Lessig defines the broader concept of institutional corruption. According to Lessig, institutional corruption occurs "when there is a systemic and strategic influence which is legal, or even currently ethical, that undermines the institution's effectiveness by diverting it from its purpose or weakening its ability to achieve its purpose, including, to the extent relevant to its purpose, weakening either the public's trust in that institution or the institution's inherent trustworthiness."⁴⁹ Akin to Thompson, Lessig's notion of institutional corruption is consequentialist in that it focuses on corruption's undermining effect on institutional purposes. However, Lessig also focuses on systematic and strategic influences, namely those that are common, predictable and used by others to accomplish a given deviation.⁵⁰ Moreover, Lessig also incorporates the notion that institutional influences, which weaken the public's trust for institutions, are also forms institutional corruption.

In his *Institutional Corruptions* (2012), Lessig builds upon his definition of institutional corruption to claim that, in certain cases, institutional corruption is caused by patterns of political dependency; therefore, it does not necessarily involve corrupt persons or moral responsibility.⁵¹ Lessig expounds this dependence theory of political corruption by developing an example based on the Congress of the United States (US). Lessig claims that the US's congressional system is politically corrupt because it functions based on a corrupting dependency. Lessig argues that, even though the US populace votes to elect its legislators, the outcome of this elective process is not solely dependent on these citizens, as it ought to be. This is because the outcome is significantly dependent on a small group of, what Lessig refers to as, "Funders". These Funders have the financial means to sponsor particular candidates; without this funding no candidate could realistically hope to be elected. Therefore, Lessig establishes that two elections are taking place: a first election in which the Funders choose their candidates of preference and a second election in which the citizenry is allowed to choose from the previously-screened candidates.

Thereafter, Lessig determines that there are two distinct dependencies that determine the outcome of the election: a dependency on the Funders' election and a dependency on the citizenry's election. According to Lessig, the structural dependency on the Funders is a corrupt form of dependency because it entices candidates to bend to the will of the Funders and therefore generates a tendency that undermines congressional democratic processes and purposes. Lessig also claims that, since this form of corruption is structural, it does not necessarily involve individual moral responsibility or blameworthiness. This conception is known as the *discontinuity thesis*; namely, the thesis that institutional corruption cannot always be traced back to the blameworthy corrupt behaviour of individual agents.

The discontinuity thesis of political corruption has been criticized by numerous authors, one of the most distinguished being Maria Paola Ferretti. In her *A taxonomy of institutional corruption* (2018), Ferretti counters this conception of moral discontinuity. Ferretti holds that institutional corruption can only be theorized in terms of the links between individual corrupt actions and institutional features.⁵² Subsequently, Ferretti develops a taxonomy of institutional corruption in which she

⁴⁹ Lawrence Lessig, "'Institutional corruption' defined," *The Journal of Law, Medicine & Ethics* 41, no. 3 (2013): 553-555.

⁵⁰ Lawrence Lessig, "'Institutional corruption' defined," *The Journal of Law, Medicine & Ethics* 41, no. 3 (2013): 553-555.

⁵¹ Lawrence Lessig, "Institutional Corruptions," (2012): 3.

⁵² Maria Paola Ferretti, "A taxonomy of institutional corruption," *Social Philosophy & Policy* 35, no. 2 (2018): 242-263.

distinguishes between summative, morphological and systemic models of corruption. Ferretti claims that all cases of institutional corruption fall within one of these models, in which corrupt actions can always be traced back to institutional members. This signifies that institutional role occupants are always morally responsible for their corrupt actions.

Contrastively, Miller acknowledges that political institutions, including the US Congress, are collectively morally responsible for the corruption of their electoral processes. Nonetheless, he implements his relational individualist account to establish that individual actors are ultimately fully morally responsible for their contributory actions within this corruptive process.⁵³ Thus, Congress as a whole is collectively morally responsible for its corrupt dependency on certain citizens. Nonetheless, its individual members are also morally responsible for their individual actions that bring about and maintain this corrupt scheme.

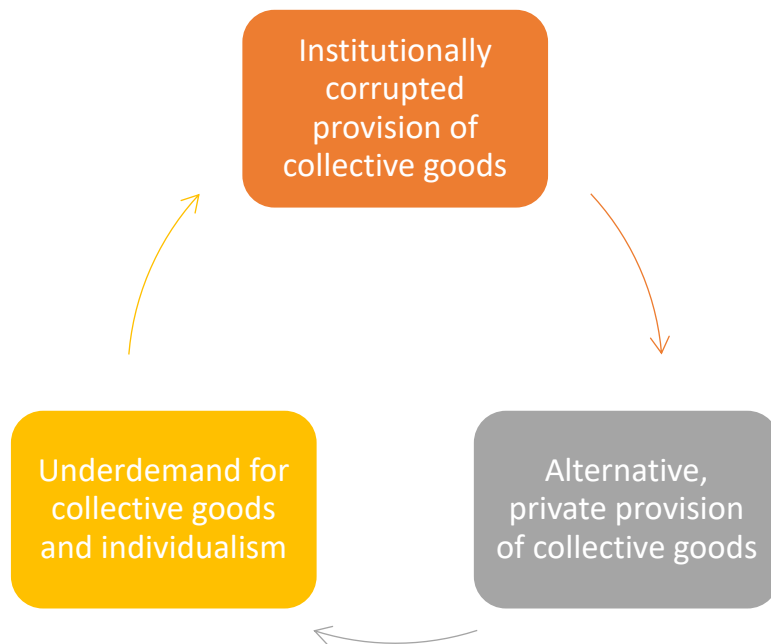
Moreover, Miller is also critical of Lessig's notion that instances of dependence corruption may arise disregarding the institutional processes needed for institutions to achieve their purposes.⁵⁴ Miller opposes this view by stating that, whether or not a dependency is corrupt is to be ultimately determined by referring to institutional purposes and to those institutional processes that are effective or defective in relation to accomplishing that purpose.⁵⁵ Hence, for the theory of dependence corruption to be truly consequentialist it must recognize that the corruption of institutional purposes commonly occurs indirectly via the corruption of institutional processes; this recognition is necessary in order to integrate the instrumental role played by institutional processes. Lessig's dependence theory of political corruption valuably highlights the hidden structures that may corrupt political institutions, nonetheless, it fails at fully incorporating institutional processes as vehicles for corruption.

⁵³ Miller, *Institutional Corruption*, 302.

⁵⁴ Miller, *Institutional Corruption*, 303.

⁵⁵ Miller, *Institutional Corruption*, 303.

5) The Collective Goods Trap



In the third part of his book *Institutional Corruption: A Study in Applied Philosophy*, Miller introduces, what he refers to as, the contexts of corruption. In this section, Miller focuses on corruption and anti-corruption in specific institutional settings, namely market-based institutions (business), finance and banking, policing and governments. For every institutional setting, Miller applies his normative teleological account of social institutions in order to characterize the relevant institutions as complex multi-layered structures of joint action.⁵⁶ In doing so, Miller establishes that these institutions exist with the purpose of providing collective goods. Additionally, Miller describes prominent examples of institutional corruption that have occurred within these settings. For instance, Miller presents the case of Enron, an American energy and commodities company, to demonstrate how the corrupt practices of institutional role occupants corrupt a private sector organization.⁵⁷ Moreover, he also depicts how financial benchmark manipulation constitutes a predominant form of institutional corruption in financial markets.⁵⁸ In this sense, Miller integrates corruption theory with practical approaches to corruption.

However, Miller only goes as far as to identify prominent forms and cases of institutional corruption within these contexts; he does not provide a theoretically normative account of the possible effects of institutional corruption on society. Therefore, this section of the paper presents the Collective Goods Trap (CGT), a theoretically normative and causal exploration of the possible societal effects of institutional corruption within governmental institutions. The Collective Goods Trap aligns with Miller's causal theory of institutional corruption in the sense that, akin to Miller's causal character of corruption, it focuses on institutional corruptions' undermining and detrimental effects. Nonetheless,

⁵⁶ Miller, *Institutional Corruption*, 253.

⁵⁷ Miller, *Institutional Corruption*, 244-245.

⁵⁸ Miller, *Institutional Corruption*, 259.

the CGT differs from Miller's account in the sense that it is not a linear but a self-sustained cycle of causes and effect.

The CGT's normative exploration of institutional corruption consists of three main interlaced elements: (1) An institutionally corrupted provision of collective goods; (2) An alternative, private provision of collective goods; (3) An under-demand for collective goods and individualism. As depicted in the diagram above, causality amongst the three components flows in a cyclical manner, generating a viciously interdependent cycle of corruption. It is important to note that all elements are theoretically founded on Miller's normative teleological account of social institutions and its accompanying definitions of institutions, institutional corruption and political corruption. In the following subsections each element will be examined and its causal link with its subsequent element will be explored.

5.1) Institutionally corrupted provision of collective goods

The first element within the Collective Goods Trap's detrimental cycle of corruption consists of an institutionally corrupted provision of collective goods. An institutionally corrupted provision of collective goods occurs when an institution's efforts to provide collective goods are undermined because the institutional processes and/or role occupants (qua role occupants) required for this provision have been corrupted. This conception relates to Miller's notion that the ultimate institutional purpose are collective ends, the realization of which constitutes the provision of collective goods.⁵⁹ Not only does a corrupted supply of collective goods compromise public access to the goods, but it may also subvert the reach, quality and reliability of these necessary goods.

The provision of collective goods may become institutionally corrupted in contrastive contexts of corruption. One of the most common cases occurs in governmental institutions. The case of governments is unique in the sense that a governmental provision of collective goods may become institutionally corrupted but also politically corrupted. A politically corrupted provision of collective goods takes place when a governmental institution's efforts to provide collective goods or to organize other institutions for the provision of collective goods, are undermined because governmental processes and/or role occupants (qua role occupants) have been corrupted for purposes of political or personal gain. Therefore, the cycles of CGT focus on governmental institutions in which both institutional and political corruption may occur.

In order to comprehend how an institutionally and/or politically corrupted provision of collective goods may impact people, the social norms that dictate the provision and consumption of these collective goods must first be expounded. As previously explained, the citizenry holds a joint moral right to access collective goods, whilst institutions are made collectively morally responsible for the provision of collective goods. In this sense, the citizenry is identified as the collective of individuals citizens who consume and have joint moral rights to access collective goods.

Nonetheless, there is another element that binds collective goods' moral implications together. This element is the trust that a polity feels towards an institution regarding the provision of collective goods. The notion of trust is fundamental for the relationship between the citizenry, who consumes collective goods, and the institutions, who provide these goods; without trust the relation between

⁵⁹ Miller, *Institutional Corruption*, 71.

the citizenry and institutions would not be feasibly sustained. The concept of trust referred to within the CGT consists of the citizenry's belief that a governmental institution is trustworthy and will subsequently provide collective goods in accordance with what is required of them. It is considered that, when institution's efforts to provide collective goods are undermined, the institutions' collective moral responsibility to supply these collective goods, the citizens' joint moral right to access these goods and citizens' trust towards institutions' provision of these goods, are all violated.

5.1.1) Colombian Example

It was previously stated that an institutionally and/or politically corrupt provision of collective goods may limit the reach, quality and reliability of the collective goods supplied by a governmental institution. In order to effectively explain how this may be the case, an example based on the Colombian Ministry of Defence and National Police will be implemented.

The Ministry of National Defence is the highest authority in all matters concerning the national defence, security and military affairs of the Republic of Colombia. The ministry is in charge of formulating, developing and executing all national defence and security policies; it does so by leading and coordinating Colombia's Public Force, made up of the Military Forces (National Army, National Navy, Air Force), and the National Police. Hence, the ministry is collectively morally responsible for the organization of other institutions with the purpose of providing collective goods such as safety and security. The highest seat within this framework is held by the Minister of Defence, appointed by the President of the Republic. One of the recent and most controversial Ministers of Defence is Guillermo Botero Nieto. Botero was in office between August 2018 and November 2019; on the 6th of November, after being publicly pressured to resign, Botero announced his resignation a day before his second motion of censure.

This public pressure arose once Botero was accused of participating in numerous acts of political corruption. Whilst being Minister of Defence, Botero was registered as the majority partner of the private security company Controlar Ltda. This firm, like all other private security providers, is regulated and monitored by the Superintendency of Surveillance and Private Security, which in turn is supervised by the Minister of Defence.⁶⁰ While in office, not only was Botero in charge of supervising the superintendency referred to, but he was also the president of the National Commerce Federation (FENALCO), a trade union that represents the interests of commercial firms.⁶¹ Therefore, Botero was representing public, private and personal interests whilst being able to design the policy lines concerned with the cooperation between private security companies and the National Police.

It then came to light that Botero had presumably taken decisions that favoured private security companies, including his company Controlar Ltda., without considering the implications of these on the National Police Force. Hence, Botero had starred an instance of abuse of authority for personal gain; this form of corruption is recognized by Miller as one of the most institutionally damaging.⁶² Botero's abuse of authority is considered an act of political corruption because it undermined the institutional and governmental processes through which the Ministry of Defence aims to organize

⁶⁰ Wilson Arias, "Desde el Congreso piden investigar al Ministro Botero," *Polo Democrático Alternativo*, June 10, 2019.

⁶¹ Colombiano Indignado Redacción, "Botero es socio de una empresa de seguridad que depende del mismo Ministerio," *Colombiano Indignado*, June 9, 2019.

⁶² Miller, *Institutional Corruption*, 118.

other institutions for the provision of collective goods. In this specific case, the process by which the Defence Ministry's supervisory framework organizes and monitors private security firms is undermined by Botero's role as a union leader, businessman and owner of the surveillance company Controlar Ltda. The ex-minister's corrupt actions corrupted the institutions' organizational efforts in the sense that contracts and/or resources were presumably allocated in an unfair, deceitful and/or inefficient manner in favour of his firm. Thus, the ministry's collective goal of organizing private security firms for the private provision of security was undermined by Botero's presumed politically corrupt actions for personal gain.

As previously mentioned, one of the entities supervised and politically represented by the Minister of Defence is the National Police Force of Colombia (PONAL). The PONAL functions as an armed body of civil nature, in charge of the nation's public security. The President of the Republic is the commander of the institution and exercises his authority through the Minister of Defence and the general director of the National Police. The PONAL is therefore the entity that, represents the Colombian government's civil authority, and holds the legal competence to enforce the government's legislative measures.

According to Miller, police organizations' main collective end is the protection of justifiably enforceable, legally enshrined moral rights.⁶³ The requirement that justifiably enforceable moral rights be legally enshrined links the institution of the police to the institution of the government and, in particular, to the government's legislature. The police exist in part to enforce the laws instituted by the government and, specifically, those laws that embody justifiably enforceable moral rights.⁶⁴ One of the principal, if not the principal, joint moral rights that ought to be provided and ensured by the police is the right to security. Thus, the PONAL counts with the legal power to enforce the laws that pertain to Colombians' joint moral right to security. In this sense, the National Police is made collectively morally responsible for the provision of this security, whilst the citizenry trusts (or ought to trust) that the police will provide the collective good in an appropriate manner.

Nonetheless, this crucial institution has also been plagued with institutional corruption, which has consequently undermined the quality and accessibility of the security it aims to provide. As noted by Miller, the police is the agency of government that the citizenry is most likely to see and have contact with.⁶⁵ This direct contact with the citizenry allows for one of the most prominent types of corruption, namely bribery. An action is considered an act of bribery if it involves a briber providing a benefit to a bribee in order to get the bribee to do (or abstain from doing) something that bribee ought not do (or ought to do), and which is in the interest of the briber.⁶⁶ For an act of bribery to be considered institutionally corrupt it must involve institutional role occupants who violate their institutional duties as a result of the bribe handed.⁶⁷

It is well known within Colombian society that domestic police officers regularly accept bribes from citizens and private institutions. Colombian police officials, both in administrative and executive roles, are most likely to be corrupted by bribes if they work in the areas of surveillance, transit, customs and

⁶³ Miller, *Institutional Corruption*, 270.

⁶⁴ Miller, *Institutional Corruption*, 298.

⁶⁵ Miller, *Institutional Corruption*, 298.

⁶⁶ Miller, *Institutional Corruption*, 107.

⁶⁷ Miller, *Institutional Corruption*, 107.

anti-narcotics.⁶⁸ According to a study developed by the non-profit *Transparencia por Colombia*, 31% of the study's sample had paid at least one bribe to police officers, with the purpose of personal gain.⁶⁹ In addition to one-off bribes paid to police officers, the PONAL has had various cases of bribery at a grander scale. For instance, during Botero's time in office, the Police's Administrative and Financial Directorate (Diraf) granted various contracts to the firm 7M Group for the provision of motorcycles, cars and tanks. However, these contracts had allegedly been granted by Diraf officials who were given bribes in order to favour 7M Group in the institution's call for contracts. It is estimated that 7M Group kept 76% of all contracts during this period.⁷⁰

The PONAL's participation in acts of bribery constitute acts of institutional corruption because their efforts to provide the collective good of security are undermined by the bribes that corrupt the institutional processes and role occupants required for the provision of this security. This occurs in instances such as when the Diraf made its purchasing decision based on bribery and undermined the quality of the vehicles acquired by the Police. This then negatively impacts the quality of the Police's operations that use these vehicles to ensure the citizenry's security. The same holds when a transit officer receives bribes in a routine manner from individuals who exceed the speed limit. Once these individuals are able to 'get off easy' by paying a bribe they will more than likely continue driving in the same manner. In doing so, they will put at risk citizens' road safety and security, that which should have been safeguarded by the police. The bribes received by police officials are therefore one of the corruptive factors that bring about the police's institutionally corrupted provision of security.

It can be stated that both the case of Botero's presumed political corruption and the National Police's institutional corruption undermine the organizational and executive efforts required to provide the security necessitated by the citizenry.

5.2) Alternative, private provision of collective goods

Institutional corruption has proven to be detrimental for governmental institutions' provision of collective goods. Furthermore, it is also theoretically relevant to identify how the citizenry may react once it recognizes that the collective goods provided by a governmental institution have been institutionally and/or politically corrupted. Within the CGT, the element that causally follows *the institutionally corrupted provision of collective goods* is the *alternative, private provision of collective goods*.

When an institution, especially a governmental institution, provides a collective good that has been corrupted in the aforementioned manner, in certain instances the polity becomes aware of this corruption by means of print or electronic media. In this sense, media organizations function as social institutions with an institutional role as "the free press in the service of the public's right to know".⁷¹ Media is therefore the channel through which the citizenry obtains some, if not most, of the

⁶⁸ Angélica Maribel Pineda Calderón, "La corrupción en entidades públicas como la Policía Nacional de Colombia," PhD diss., Universidad del Rosario, 2016. <https://colombianoindignado.com/botero-es-socio-de-una-empresa-de-seguridad-que-depende-del-mismo-ministerio/>

⁶⁹ Transparencia por Colombia, *Informe Anual: Capítulo Transparencia Internacional*, Corporación Transparencia por Colombia, 2013.

⁷⁰ El Espectador Redacción Investigación, "Los graves indicios de corrupción en la Policía que tienen enfrentados a dos generales," *El Espectador*, December 5, 2020. <https://www.elespectador.com/investigacion/los-graves-indicios-de-corrupcion-en-la-policia-que-tienen-enfrentados-a-dos-generales-articulo/>

⁷¹ Miller, *Institutional Corruption*, 306.

information it requires to judge the collective goods provided. It is worth noting that, in this sense, media institutions dictate what citizens are allowed to perceive of other institutions. Thus, media organizations' ability to deter facts for the benefit of private and public institutions entails a likelihood of being institutionally corrupted.

Once the polity becomes aware, or believes, that a governmental institution is institutionally corrupt, it will distrust the given institution and the collective good(s) it provides. As previously stated, the citizenry initially entrusts that an institution will provide collective goods in accordance with what is required of them. In this sense, the citizenry believes that a given institution is trustworthy with regard to the supply of a particular collective good. Notwithstanding, when a corrupted governmental institution deceitfully provides collective goods in a divergent manner as to what is expected, the citizenry might recognize the deceptive nature of these goods and their possibly lower quality. Thereafter, the public will perceive this as an act of deceit and moral inadequacy, and will therefore identify the given governmental institution and collective good supplied as untrustworthy. Even though institutions are collectively morally responsible and committed to providing collective goods in a certain manner, the citizenry will distrust that these institutions will meet their commitment.

Subsequently, those citizens who now distrust governmental institutions' corrupted provision of collective goods, might search for alternative, private provisions of these goods. Ergo, those individuals who have the necessary resources, will resort to private means of acquiring the collective goods they require. The most effective manner of explaining this step of the CGT is by referring back to the example of the Colombian Defence Ministry and National Police.

5.2.1) Colombian Example

Once the Colombian public identifies that the Minister of Defence and the National Police are participating in acts of institutional and/or political corruption, it deduces that the security provided by these entities is being undermined by the corrupt acts of their role occupants. Therefore, the Colombian citizenry distrusts that the PONAL will appropriately provide the security it necessitates. This far-reaching distrust towards the institution is portrayed in a study conducted by Los Andes University, in which it was concluded that only 25% of Bogotá's residents trust the local police.⁷² Moreover, 46% of those surveyed considered the National Police as a corrupt entity.⁷³

This distrust towards the police entails a distrust towards the security provided by the police. Hence, those Colombians that have the necessary financial resources, search for private means of obtaining the collective good of security. In Colombia, many private means of procuring security have risen as a result of the police's insufficient provision of security. According to Álex Castro, an expert in security issues, the State and its Police Force's weakness and inability to protect their polity, have generated a domestic private security industry worth over \$ 6.7 billion COP (1,500 million EUR).⁷⁴ The 856 private security companies that make up this industry employ more than 28,000 bodyguards and 297,000

⁷²Diana Cabrera, "Confianza de colombianos hacia la Policía ha disminuido en los últimos años," *La FM*, June 13, 2021. <https://www.lafm.com.co/colombia/nueva-critica-del-comite-de-paro-al-gobierno-por-dialogos-regionales>.

⁷³Cabrera, "Confianza de colombianos."

⁷⁴Ana María Sánchez, "Brinks de Colombia, Fortox y G4S Secure lideran el total del negocio de la seguridad" *La República*, February 3, 2020. <https://www.larepublica.co/empresas/brinks-de-colombia-fortox-y-g4s-secure-lideran-el-total-del-negocio-de-la-seguridad-2959326>.

security guards; this is one of the highest per capita private security figures in the world.⁷⁵ The citizens that can afford to, hire these firms in order to warrant their own security. In urban areas, it is therefore a common sight to see middle-class and upper-class apartment buildings with one or more security guard working 24-hour shifts. The PONAL's corrupted provision of security generates a need for private sources of security, this need is partially met by Colombia's private security industry.

Another manner in which the citizenry aims at ensuring its own private provision of security is by purchasing and carrying weapons. In the year 2017, there were 706,210 legal firearms and 4,267,790 illegal firearms owned by private citizens.⁷⁶ On the other hand, in that same year, Colombia's armed forces only counted with 350,689 firearms; this signifies that the citizenry held 11 times more guns than the Military and Police forces. Not only does this embody Colombians' fixation with resorting to private security measures, but it also represents a significant negative externality for Colombian society. This negative externality is exemplified by the fact that, in 2017, for every 100 thousand inhabitants, 18 homicides occurred in which a firearm was used.

In rural areas the search for private security has historically been of a more extreme nature. For nearly half a decade, paramilitary groups have been formed by wealthy landowners who disbelieve that a corrupt government and police force will be able to ensure their security and protect them from external threats. Illegal paramilitary groups, such as the Autodefensas Unidas de Colombia (United Self-Defense Forces of Colombia) and the present-day Autodefensas Gaitanistas de Colombia (AGC), have been founded with the purpose of ensuring the security of the rural upper class. The existence of such armed groups has led to thousands of deaths and has nurtured the discreditation of governmental institutions which have already been weakened by parasitic corruption.

Evidently, the Ministry of Defence's and National Police's corrupted provision of security have generated profound distrust and instigated the development of private security schemes. In certain cases, these private sources of security generate employment, nonetheless, in other cases they provoke severe negative externalities.

5.3) Under-demand for collective goods and individualism

When a society's governmental institutions are corrupted and fail to adequately provide the collective goods its polity needs, citizens will most probably search for alternative, private means of obtaining these goods. As a corollary, the citizenry will under-demand the collective goods provided by governmental institutions. This is the case because, the citizens that ensured a private provision of collective goods might be disinterested in consuming and improving the governmental provision of collective goods.

As individuals become accustomed to sourcing collective goods by private means, an individualistic environment is generated, in which the exercise of individual goals and desires achieve precedence over those of collective social groups. This conception of individualism refers to the elevation of individual interests above those of the collective; it does not refer to the Romantic notion of individuality as self-realization, nor does it refer to the economic individualism used to advocate for

⁷⁵ Sánchez, "Brinks de Colombia."

⁷⁶ Manuela Rueda Suárez, "Colombia: un gran mercado de armas sin incentivos para reducirlo," *Fundación Ideas Para la Paz*, July 27, 2020. <https://www.ideaspaz.org/publications/posts/1862>

laissez-faire economics. This form of individualism promotes the attainment of collective goods by individual means whilst it antagonizes the collective action needed for collective ends.

Consequently, those social norms that pertain to the provision of collective goods, and their power to dictate behaviour are contaminated by this form of individualism. One of these social norms are a society's shared anti-corruption expectations. According to Miller, individuals who adhere to social norms are inevitably being subjected to a form of power, seemingly the power of the social group composed in part by these norms.⁷⁷ Here social norms are identified as an interdependence of attitude that upholds a commonality of attitude and action.⁷⁸ Accordingly, each member of a social group disapproves of corrupt acts and thus refrains from committing corrupt actions. Social group members abstain from committing corrupt actions because one or more of the following conditions presented by Miller obtains: (a) Most believe that it is morally wrong to engage in corruption; (b) Most desire to be morally approved of by others and to avoid their moral disapproval, and they know that they will be disapproved of if they commit corrupt acts; (c) If anyone is caught committing acts of corruption they will be subject to formal sanctions. Therefore, anti-corruption social norms and their conditions make up the moral fabric that keep societal members from participating in corrupt actions. These social norms reign over (or ought to reign over) the social interactions of institutional role occupants.

However, once individuals are trapped in the CGT and are plagued with individualistic thought, they will not necessarily believe that institutional corruption is morally wrong. When viewing this segment of the CGT as a collective action dilemma, the populace is made up by conditional co-operators and rational egoists. Conditional co-operators are those individuals who are willing to cooperate and contribute to a system as long as they are assured that others will cooperate in the same manner.⁷⁹ Contrastively, rational egoists are those who, in instances where cooperation is required, will always act to promote their own interests. When a social group is characterized by individualism, a significant portion of the group behaves as rational egoists.⁸⁰ In instances where joint action is required for the achievement of a collective goal, conditional co-operators will reciprocally cooperate, but rational egoists will instrumentally use others' cooperative efforts to maximize their self-interests. Hence, individualistic rational egoists will also expect institutional actors to make institutional decisions based on their personal interests when participating in joint actions for the provision of collective goods, even if this entails being corrupt. In this sense, in a society in which a consequentialist notion of self-interests reigns, corrupt acts start to be viewed as morally acceptable because they are simply the means to achieve political or personal objectives.

Once rational egoists question the morality of corruption, their will and need to morally disapprove and retribute others' corrupt acts also starts to fade. Therefore, the conditions that sustain anti-corruption social norms are hindered by the individualism that arises within the CGT; the social norms that ensure that governmental institutions remain uncorrupted are consequently hindered. The moral basis of anti-corruption social norms is therefore corrupted.

The dissolution of the anti-corruption social norms that dictate the functioning of institutions foments the social acceptance of institutionally corrupt purposes, processes and agents. As pointed out by

⁷⁷ Miller, *Institutional Corruption*, 58.

⁷⁸ Miller, *Institutional Corruption*, 58.

⁷⁹ Ernst Fehr, and Urs Fischbacher, "Why social preferences matter—the impact of non-selfish motives on competition, cooperation and incentives," *The economic journal* 112, no. 478 (2002): C1-C33.

⁸⁰ Fehr and Fischbacher, "Why social preferences matter."

Miller, the widespread acceptance of contraventions of such social norms is frequently conducive to institutional corruption.⁸¹ In a society in which social norms do not clearly demarcate if instances of institutional corruption are morally acceptable or not, individuals are more prone to partake in corrupt acts even if formal sanctions are in place. This generates an individualistic culture of acceptance, in which corrupt acts are customary and commonly dealt with moral ambiguity. Therefore, the under-demand for collective goods and the individualism that accompanies it, causally lead back to the first noxious element of the CGT, namely, an institutionally corrupted provision of collective goods.

5.3.1) Colombian Example

In the case of Colombia, the citizenry's search for private security and its subsequent under-demand for State-provided security, bring about an individualistic culture which may be roughly referred to as paramilitary culture. This conception of paramilitary culture appertains to the notion of achieving private goals, by legal or illegal means, without considering the possible impacts this may have on the collective.⁸² Akin to the individualism described above, Colombia's paramilitary culture also undermines the social norms that regulate the behaviour of the Colombian polity and institutional role occupants. Therefore, this paramilitary culture does not only pertain to the collective good of security, but it can also be evidenced in many other segments of Colombian society. For instance, in a study conducted with a large sample of Colombian households, it was found that over 20% of respondents were willing to be complicit in value added tax (VAT) evasion.⁸³ What is most striking is that participants were not ashamed to admit this tax fraud openly. Hence, this form of every-day corruption illustrates how Colombia's paramilitary culture foments illegality for personal gain whilst it ignores the collective goal of tax recollection.

Colombia's paramilitary culture and its subversion of social norms also impact the internal functioning and moral fabric of institutions, including the PONAL. The institutionally corrupt actions of Colombian police officers and the repetitious manner in which they breach social norms, pollute the institution's moral fabric. This moral fabric refers to the arch of moral standards that ought to be commonly esteemed and upheld by the members of the PONAL. As noted by Miller, once corrupt acts become part of the fabric of an institution, this makes the individual role occupant vulnerable to committing corrupt acts in that institutional setting.⁸⁴ This signifies that once the PONAL's moral fabric is corrupted, its individual officers are more prone to take part in corrupt activities.

The PONAL's corrupted moral fabric is exhibited by the Police's internal divergence in perceptions as to what constitutes an act of corruption. In a research study conducted on 133 members of the National Police, it was found that, even though instances of conflict of interest and bribery are commonly thought of as improper, various members continue to perceive those same behaviours as not necessarily inappropriate or corrupt.⁸⁵ This discrepancy demonstrates that some of the members of the Colombian National Police lack the fundamental moral standards required to prevent them

⁸¹ Miller, *Institutional Corruption*, 88.

⁸² Oscar Mejía Quintana, "Cultura política mafiosa en Colombia," *Ciencia Política* 5, no. 10 (2010): 22-42.

⁸³ Leopoldo Fergusson, Carlos Molina, and Juan Felipe Riaño, "Consumers as VAT," *Evaders*." *Economía* 19, no. 2 (2019): 21-68.

⁸⁴ Miller, *Institutional Corruption*, 76.

⁸⁵ Andrés Macías Tolosa, and Daniela Castellanos Pinzón, "Percepción de integridad y corrupción al interior de la Policía Nacional de Colombia: una aproximación al tema desde la academia," *Corrupción, política y sociedad*, (2018): 1-44

from committing acts of corruption. Without a unified sense of morality, the police force is unable to provide security in a morally appropriate manner. Thus, police officers' disregard for social norms internally rots the institution's moral fabric and perpetuates the same institutional corruption that initiates the vicious CGT.

6) Conclusion

The main purpose of this paper was to present and implement Miller's causal theory of institutional corruption to explore the possible theoretically normative societal impacts of institutional corruption within governmental institutions. This purpose was prompted because, within his work, Miller only uses his causal theory of institutional corruption to identify prominent forms and cases of institutional corruption within specific institutional settings. However, he does not provide a theoretically normative account of the possible effects of institutional corruption on society. Therefore, this text implemented Miller's notion of institutional corruption to present the Collective Goods Trap (CGT), a theoretically normative and causal exploration of the possible societal effects of institutional corruption within governmental institutions.

In order to theoretically frame the CGT, Miller's notions of institutions, institutional corruption and political corruption were explored antecedently. In the paper's second section, Miller's conception of social institutions and its constituent elements were examined, with a special attention for governmental institutions. In this section, institutions were defined as organizations that provide collective goods by means of joint activity, specifically, multi-layered structures of joint action. Furthermore, governmental institutions were characterized as meta-institutions. In the subsequent section, Miller's formal definitional account of institutional corruption was introduced. It was presented how, in his account, Miller focuses on the corrupting effect on institutional processes, purposes, and on the moral character of institutional role occupants.

Thereafter, in Section 4, Thompson's and Lessig's accounts of political corruption were implemented to introduce the issue of political corruption. In this section, Miller's notion of political corruption was presented and used to establish that, on the one hand, Thompson's focus on political gain makes his account too narrow, and on the other hand, Lessig's dependence corruption ignores the instrumentally corruptive role played by institutional processes.

The Collective Goods Trap was then developed in the consecutive section. In this section, each element of the CGT's detrimental cycle was examined and its causal link with its subsequent element was explored. The first element of the CGT consisted of an institutionally corrupted provision of collective goods, in which the institutionally and/or politically corrupt processes and behaviour of role occupants undermine the provision of collective goods. To exemplify how this may occur, it was shown how the Colombian ex-Minister of Defence's presumed political corruption and the Colombian National Police's institutional corruption undermine the organizational and executive efforts required to provide the security necessitated by the citizenry.

Subsequently, the second step of the CGT was explicated, namely the alternative, private provision of collective goods. Here it was explained, how, when it recognizes that a governmental institution is providing corrupted collective goods, a polity will search for private means of acquiring collective goods. It was also exemplified how, in Colombia, many private means of procuring security have risen

as a result of the Defence Ministry's and National Police's corrupted provision of security. Finally, the third element of the CGT was presented. This final component consists of the under-demand for collective goods and the individualism that come about as a consequence of the corrupted provision of collective goods and the consequent search for alternative provisions. Collective action theory was used to establish that individualism deters anti-corruption social norms. It was then shown how, in the Colombian case, this individualism takes the form of a paramilitary culture in which social norms are routinely subverted.

Institutional corruption has become an urgent issue with potentially severe effects on nations, especially on highly disparate developing countries such as Colombia. Miller provides a detailed theoretical framework of institutional corruption needed for the search for actual and potential anti-corruption measures. This paper implements Miller's framework to expound the Collective Goods Trap, a theoretical determination of institutional corruption's effects, useful for the fight against corruption. It is theoretically and empirically relevant to continue the exploration of the causes and effects of institutional corruption in order to envision possible ways of combating this endemic form of corruption.

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