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## *Political Corruption Under Transnational Capitalism: A Marxist View*

The study of the forms and functions of how political corruption is understood within capitalist societies has been an area of significant neglect within Marxism. There have been countless studies that have examined the ‘corrupting’ effect of capitalism and economic interests upon politics, but there has yet to emerge a systemic or cohesive Marxist understanding of political corruption as such. That is, although Marxist political theory may be especially adept in showing the class biases and functions of the presumably impartial and neutral mechanisms of the bourgeois State, the function and significance of how corruption is conceived and regulated within capitalist societies has received very little attention.

In previous work, I argued that the rise of capitalism had engendered a new understanding of political corruption. The traditional understanding of corruption as decay and destruction, common to political thinkers from Aristotle through Machiavelli, was joined by a new notion of corruption as being out of place. This new understanding of corruption became the foundation of how capitalist societies were able to establish what constitutes normal and pathological presences of self-interests within the political sphere. When all of politics consists of conflicts of interests, the only way to maintain the fiction of some universal ‘public interest’ is by differentiating between normal and pathological presences of private interests within political life. The omnipresence of private interests within the public cannot be seen as a corruption; only some forms of this are considered a corruption and, accordingly, most presences of the private within the public are normalized. As such, it was argued, the problem of corruption is inherently tied to the rise of the nation State, a matter of maintaining legitimacy and organizing society through the categories of the public and the private.

The purpose of this essay is not to repeat those earlier arguments; it is to extend them in order to address new developments within capitalism and in how political corruption is understood. These previous examinations suggested that the bourgeois notion of corruption was an essential moment within the internal dynamics of the capitalist State; corruption was fundamentally a domestic matter. From this standpoint, there would be little reason for international agencies to have much interest in the question of corruption or to expect corruption to be a key issue within international relations. In stark contrast to these expectations, however, we find that corruption, in addition to its continuing domestic relevance for national states, has increasingly become a key topic within the international community. In the last twenty years, political corruption has become one of the most central topics taken up by international organizations and actors.

The purpose of this essay is to address this transformation, to attempt to make sense of this internationalization of the question of corruption. This essay will argue that this recent international focus does not represent an abandonment of the ways that ideas and rules regarding corruption function to reproduce the social division of the public and the private. Rather, it signifies an addition to and further complication in how corruption is understood. Corruption

now, in addition to the earlier understandings already noted, also comes to signify a lack of transparency.

This most recent meaning of corruption, it will be argued, can be best understood as a product of two closely interrelated factors. Firstly, that this new, internationalized, understanding of corruption as opacity is a tactic used by transnational capital in its efforts to reduce transaction costs and to more precisely calculate its expected costs and benefits when making investment decisions. This tactic is part of the broader strategy of increasing the autonomy of State bureaucracies from local interests and elites so as to be more hospitable to transnational capital and so as to make the policies and actions of the State much more predictable and transparent to outsiders. Drawing from as well as encouraging a burgeoning economic literature on corruption as opacity and rent-seeking, the agents of transnational capitalism have vigorously supported and popularized a new understanding of corruption that attempts to further the goal of a global capitalism with minimal political barriers or limits to its flows. In Marxist terminology, the international effort against political corruption strives to establish and extend the internationalization of capitalist states throughout the world and to increase the relative autonomy that they may have from many of the particular interests found within their national societies.

Secondly, this internationalization of the question of corruption also functions as the most recent repetition of the colonialist point of view. The focus on corruption serves to explain global differences in wealth and development as, overwhelmingly, a product of the inferiority of the cultures, ethical standards, and/or political and legal frameworks of those economically deprived nations and regions of the world. Thus, it also functions as part of the normative justification for the political and economic domination enjoyed by the 'advanced' nations of the capitalist global heartland. In short, a Marxist analysis of how the meaning of corruption has changed in capitalist societies will prove to be an important element for understanding much of the current trajectory in both the shift to governance and technocracy that is such a ubiquitous characteristic of the State in contemporary capitalism as well as the growing moralism that pits many of the societies of the capitalist heartland against those of the periphery and semi-periphery.

## THE BREAK

The immensely influential anti-corruption organization Transparency International was founded in 1993. Beginning in the same year, major anti-corruption campaigns were launched by USAID, the World Bank, the Open Society Institute, the United Nations, the IMF, and the OECD, among others. Armed with donations from many corporations and espousing the merits of transparent governance and a strong civil society, these organizations began pushing for cultural and legal reforms throughout the world. This anti-corruption movement took root so fast that the *Financial Times* declared 1995 as the 'year of corruption'.

That corruption should so suddenly become a key issue for these organizations and the interests that they represent is a very significant deviation from what was true of the past. This is a very curious break because, previously, the question of corruption had been a strictly local issue or, at least, its importance was much more significant to national political regimes and their populations than it was to anyone outside of that context. Indeed, from the time that Francis Bacon was convicted of corruption in 1621 until the 1990s, corruption was almost exclusively a domestic matter.

This sudden interest by international organizations and actors is puzzling for another reason as well. It is not simply that the question of corruption became an international issue but also the fact that it is the agents of capital (USAID, the IMF, the OECD and the World Bank, among others) that have championed this transformation. From the standpoint of the usual understanding of corruption as the subversion of the public good by private interests, there would seem to be little incentive for either individual corporations or for the international agents of finance and trade to be fighting against the role that their own interests often play in politics.

In fact, the anti-corruption movement has not targeted much of what is often thought of as 'corruption'. It would not be unfair to claim that this new transnational movement against corruption is overwhelmingly concerned with bureaucratic, not *political*, corruption. One often glossed over distinction in the corruption literature is the distinction between political corruption and bureaucratic corruption. Although it is often treated as a matter of scale, the differences are much more significant. Bureaucratic corruptions are deviations from the principle of indifference in the applications and enforcements of policies and laws by civil servants, such as police or tax collectors, because of bribes or other considerations (such as party affiliation or tribal and family connections). This type of corruption is not distinguished by the size of the favors being exchanged but by the fact it is about the application of laws and policies, not the formation of them, and by the fact that it occurs at the junction where the institutions of the State mostly directly come into contact with citizens. Political corruption, by contrast, involves private regarding within the policy making process, be it a matter of bribery or any other inducement, and these decision making summits are necessarily very removed from the lives of common citizens. Another key difference is the fact that bureaucrats typically have very little formal leeway in the application of the law whereas policy makers have very few, if any, limitations regarding the content of legislation. For policy makers, anything short of a direct bribe is usually allowable. Thus, civil servants are much more amenable to regulation and oversight.

The focus on bureaucratic corruption displaces any serious effort to address the question of political corruption as a matter of private interests within the policy making process; an attribute of the way the question of corruption is addressed that mimics what has also been true on the national level. By focusing on the problem of bureaucratic corruption, national states have been able to create the perception of being very clean and uncorrupt by having its citizens experience the State as always treating them with indifference. The bureaucratic machinery can be organized and civil servants trained so that there is a minimum of any deviation from the formal requisites of their positions, whereas with policymakers, whether high bureaucrats or elected officials, it is impossible to police the motivations and competitions of interests that underpin the political process; private regarding within the policy making process is impossible to outlaw or eliminate in any meaningful way. For example, the professionalized bureaucratic machinery of the British State is fundamental to the perception that it treats its citizens equally and that it is relatively clean and uncorrupt despite the very direct and, often, determining role that the City of London and numerous other commercial interests play in British policy making. Unsurprisingly, Transparency International, Exxon, Shell, and the IMF do not seem particularly concerned about the role of private interests, especially their own, within the policy making process and certainly are not out to challenge the influence of the economically powerful within politics.

#### OPACITY, GLOBALIZATION, AND THE RELATIVE AUTONOMY OF THE STATE

As the name Transparency International indicates, what these organizations focus on is not the presence of the private within the public but, rather, they seek to eliminate the opaque. From this perspective, the problem with phenomena such as bribery and clientelism is that they are informal arrangements and are often unpredictable and opaque. This 'corruption' creates two interrelated problems for transnational capital: it does not allow for many of the measurements necessary for the cost-benefit calculations that are so central to investment decisions, and it increases the information costs of transactions. Tellingly, the one of the key measures of corruption is the Opacity Index, which attempts to calculate the costs of phenomena that correlate to this new conception of corruption – such as informal payments, unclear laws, and their uneven enforcement or interpretation. For example, according to the original, 2001, version of the Index, the opacity costs for direct foreign investments in China are equal to a 46% tax.

The foregoing points to a basic element within contemporary forms of governance, instrumental rationality. It is instructive to recall Max Weber's famous three ideal types of authority: charismatic, traditional and legal-rational. Each is distinguished by the reasons someone would obey a command. Put simply, in charismatic authority the reason for obedience is an effectual response to the person giving the command, in traditional authority commands are obeyed out of habit, and in legal-rational authority commands are obeyed because of a rational calculation. Rationality refers to a cost-benefit calculation that functions as the basis of the action, thus someone would obey a particular command or rule because they judge it to be in their best interest to do so, the benefits outweigh the costs. For such instrumental reason to be possible, however, one must be able to gauge costs and benefits. Instrumental rationality presupposes law and the consistent enforcement and interpretation of the laws through bureaucratic organization. For example, unless you know the penalty for parking illegally it is impossible in most cases to make a rational decision as to whether or not to follow parking regulations since the costs are unpredictable. The difference between a penalty being two or twenty or fifty or a hundred Euros will be very significant and this has to be known and predictable for instrumental reason to be possible.

Accordingly, the push for transparency can be understood as an effort to secure the conditions necessary for instrumental reason. Capitalist enterprises follow the logic of maximizing utility and engaging in actions where the benefits outweigh the costs. When it comes to the State and its regulations, capital depends upon the presence of law and bureaucracy in order to be able to make rational decisions regarding investments. The lack of 'corruption' from this perspective is equal to the intelligibility and predictability of State regulation. The actions of Transparency International and similar organizations illustrate the measures that capital and its servants undertake in order to secure the conditions necessary for instrumental reason. The need for predictability necessitates that State forms be made as bureaucratic as possible and that laws be posited, clearly written, and consistently applied. All informal arrangements, confusing laws and inconsistent enforcements become branded as opaque/corrupt.

Indeed, this international push for predictability and the reduction of opacity has created a thriving industry of its own. The aforementioned PricewaterhouseCoopers and many other corporate agencies, such as Global Insight and The Asian Development Bank, provide investors with information and measures intended to make visible the otherwise opaque risks and costs involved in investments around the world. Conferences for transnational corporations, investors, and financial services are now regularly held for the purpose of furthering the anti-corruption agenda and learning about the latest anti-corruption efforts and opacity measures. For example, The Ethical Corporation, a profit enterprise, organizes a yearly 'European Anti-Corruption

Summit' for the stated goal of instructing its participants in 'how to do profitable business while mitigating corruption risk.' Speakers for 2010 included representatives from Babson Capital, the World Economic Forum, Siemens, KCB Bank Group, the European Investment Fund, Boeing, and the US Department of Justice. Registration fees for the conference ranged from £1,345 to £2,295 (depending on how many networking opportunities you desired) plus vat, per person.

In the age of globalization, transnational capital has asserted its hegemony and we are witnesses to its attempt to shape and modify State forms around the world. This fraction of capital builds its political hegemony, in significant part, through intellectual and moral leadership. There is no doubt that one of the main intellectual achievements of this movement has been to introduce and popularize this new understanding of corruption as opacity. The principles of transparency and 'good governance' are unquestioned today. Even the most basic of critical questioning remains absent. For whom is it, after all, that transparency is for? Does Transparency International advocate literacy campaigns so that common citizens can better see and understand what their governments do and say? To be able to read newspapers or State documents? Not at all. Transparency or opacity is always from the standpoint of business leaders and technocrats. Even the measures of perceptions of corruption used by Transparency International and others are exclusively of businesspersons, academics, and other country or regional 'experts'. It is a testament to the success of the OECD, World Bank, and similar organizations, that the viewpoint of transnational capital has been accepted as *the* viewpoint from which the transparency/opacity of political institutions and regimes are to be evaluated.

In light of the foregoing point, it is not at all surprising that this new politics of corruption took shape from the early 1990s onwards. The collapse of communism and the increase in globalization raised the stakes for transnational capital and, concurrently, eliminated one of its most significant hurdles. A core and overarching class dimension to this international turn has been the conflict between transnational and domestic fractions of capital for political dominance within social formations throughout the world. In these national societies we find a myriad of institutional forms and political traditions, created as they have been by generations of struggles, conflicts, concessions, and compacts. As part of these national and regional traditions, many strong institutional ties to local elites and their allies within the popular classes are to be found. Although it is undoubtedly true that anything resembling a 'national' bourgeoisie or capitalism has long been a thing of the past it is also the case that the State still remains a product of nationally focused struggles and strategies. Situations where State power is so directly tied to the vicissitudes of local interests and conflicts present significant problems for capitalism in the broader sense, and transnational capital most significantly, because of the lack of autonomy that the State may have vis-à-vis the demands of individual capitalists and others who are politically privileged.

The push for 'transparency' and the various national strategies and reforms that it may engender help to extend and solidify the relative autonomy of the State. As first explicated by Poulantzas (1973), relative autonomy is necessary for the capitalist State as it must occasionally be in a position to act against the will of individual capitalists in order to be able to act in their collective, or class, interests. Thus, the problem with the nomenklatura in China or Vietnam, clientelism in Greece or Ghana, and populism in Venezuela or Bolivia has to do with the unmediated way that social interests are present within the institutions of the State. The 'opacity' costs of such arrangements are clear, too much potential volatility when it comes to policy formation and not enough indifference when it comes to implementation and enforcement. The State apparatuses are too tied to particular individuals and groups and any change in the

personnel within the State can have dramatic upheavals, good and bad but difficult to predict or measure in either case, for business interests as well and common citizens.

Beyond this question of risk, measurement, and opacity costs, there is an even more fundamental question regarding which kinds of interests are best capable of exercising influence within these institutional arrangements. As transnational capital has gained in importance in the global era, its willingness to pander to local interests and demands has been reduced. Accordingly, it pushes for institutional structures that are tied to technocratic governance and are capable of acting in opposition to popular demands and against the preferences of many local elites. It demands much stronger institutional mediations between domestic power holders and, most importantly but not only, fiscal and monetary policies and their execution. Perhaps the best example of this process of adapting the State and the institutional forms through which interests are mediated is the rise of the European Union. By displacing many of the most important decision making functions to the highest of institutional levels, often outside not only domestic interest group structures but also outside of any direct control by elected officials, it has greatly increased the relative autonomy of its member states from the demands of domestically bounded capital. An equally important dimension of this process are the new institutional spaces that emerge and which serve as the venue for those transnational factions of capitals and other sufficiently large interests to struggle over and formulate cohesive strategies for accumulation and regulation. For example, it is very likely that the elimination of many agricultural subsidies and the selling off of most State-run enterprises, from utilities to transportation, throughout the EU would not have taken place in the absence of these new institutional mediations and the increased capacity of national states to act in opposition to vested local interests. It is not inconsequential that those fractions of capital which are large enough to take advantage of these changes are necessarily transnational.

To the degree that these international anti-corruption efforts target clientelism, populism, and other forms of interest articulation that minimize institutional mediations, these projects are direct attempts to secure and formalize the relative autonomy of the State. The anti-corruption movement provides us with an extremely clear example of how the relative autonomy of the State is created in the current political conjuncture; complete with riot police, legislative battles and animosities, austerity plans, privatizations, and threats of monetary and trade sanctions. Moreover, it also demonstrates for us why many states, rather than losing power or becoming less significant, actually can be said to increase their capacities, as well as bureaucratic and technocratic tendencies, in the age of globalization.

It is here that we can clearly see how capitalism becomes internationalized by becoming transnationalized. One of Poulantzas' main arguments on the question of internationalization was that capitalism can only expand through a process of transnationalization; that is, through a process of reproducing the spatial and temporal matrix that is necessary for capitalist exploitation to be possible. As he put it:

. . . imperialism is consubstantial with the modern nation in the sense that it cannot be other than *internalization*, or rather *transnationalization*, of the processes of labour and capital . . . and it is because it moves in the *international* spatial matrix of the labour and exploitation processes that capital can reproduce itself only through *transnationalization* – however deterritorialized and a-national its various forms may appear to be<sup>1</sup>.

In other words, the formal separation of economic from political struggle that is a constitutive moment of the capitalist State together with its institutional capacity for relative

autonomy as well as a whole host of other fundamental legal and political presuppositions upon which capitalism as we know it has emerged can not be absent in societies that become integrated into the international circuits of capital. Although there may be some space for local and regional particularities, transnationalization implies a never-increasing homogenization of political and legal forms and space across national boundaries since only a State that is able to maintain formal equality and indifference vis-à-vis individual interests is more properly able to function as a relation of class domination and facilitate the mechanisms of economic exploitation and the circuit of capital. This is even more fundamental today than in previous imperialist arrangements given the greatly increased speed and scale of international movements of capital.

At this point it is necessary to point out a key fallacy in works such as those by William Robinson and many others who follow his lead on this category of the transnational. In stark opposition to the way that Poulantzas has been appropriated here, Robinson takes transnationalization to be a process where the national State becomes less and less powerful as it becomes increasingly replaced by a new, super-national, spatial and institutional reality. As he summarizes:

As the organic and internal linkage between peoples becomes truly global, the whole set of nation-State institutions is being superseded by transnational institutions<sup>2</sup>.

Here the term ‘transnational’ is not used to refer to how the capitalist State is reproduced in ever more social formations but rather as a kind of a-national withering of cellular, parceled, national political spaces in the face of global capitalism and class formation. There are very many problems with such an approach, not in terms of how faithful or not it is to the original arguments in Poulantzas but in terms of how it leads us to severely misread and misunderstand the spatial terrain of capitalist exploitation and political struggle and leads us to an overly reductionistic understanding of the relationship between national political struggles and external, international, influences and actors. What the rise of the international anti-corruption movement shows us is that, rather than pushing states to become less important and powerful, these international movements are pushing states to become more powerful and capable of going beyond direct control of political power by dominant economic agents. As much as this also implies that fractions of capital that are not tied to place benefit from being able to move with fewer costs and limitations, this is accomplished not by superseding national political space and institutions but by homogenizing its forms and strengthening its institutional capacities.

It may be likely that these new international efforts against corruption *qua* opacity have had not fully realized their agenda in actually transforming the State in many societies that they have targeted (China, India, and Nigeria being possible examples). Nonetheless, the motivations and intended political consequences of these efforts are clear. Moreover, this drive toward ‘transparency’ has become gospel; not one world leader or regime even dares to argue against it. Thus, even when reformist efforts fail to secure institutional or legal changes they most often succeed in driving the direction of political discourse and agendas. Perceptions of corruption in Greece, for example, have stayed very high and increased in spite of (and because of in many ways) the efforts of Transparency International. However, the last three elections have centered on the question of corruption, with each victorious party pledging to finally bring it under control. The centrality of the question of corruption in Greece is directly tied to these international efforts as they surely are in many other places around the world. The ideological, cognitive, and cultural impact of this new politics of corruption is at least as important as its intended economic, institutional and legal impact.

## DEVELOPMENT AND THE WHITE MAN'S BURDEN

These new anti-corruption efforts have had great successes and impact regarding how the world is imagined and ordered in terms of propensities to corruption and how, through this, we understand the relative fortunes of peoples around the world. The new, internationalized, politics of corruption has always declared that the purpose of attacking corruption is to foster economic and political development around the world. As Peter Eigen, writing on why he founded Transparency International, asserts:

Corruption – the abuse of entrusted power for private gain – is a roadblock to human development. It distorts competitive markets, leads to the misallocation of resources, and disproportionately burdens the world's poorest and most vulnerable. ... Corruption makes a mockery of rights, breeds cultures of secrecy, deprives the neediest of vital public services, deepens poverty, and undermines hope<sup>3</sup>.

It was clear to all concerned, it seems, that poverty and lack of development was largely a product of corruption and the emergence of these new movements against corruption were for the ultimate purpose of fighting poverty and encouraging democracy. There are now hundreds of scholarly books, articles, and reports confirming this belief and demonstrating how it is that corruption inhibits economic development. As Shang-Jin Wei concludes:

Systemic research conducted recently by a number of authors find that the more corrupt a country, the slower it grows. There are several channels through which corruption hinders economic development. They include reduced domestic investment, reduced foreign direct investment, overblown government expenditure, distorted composition of government expenditure . . . .<sup>4</sup>

Today these ideas have become so successful and dominant that not only poverty but everything from the crisis of the eurozone to the political upheavals in the Middle East and the humanitarian fiasco in Haiti are understood as the outcomes of corruption.

As I have already indicated, such explanations fit very well with the typical colonial viewpoint that it is something within those peoples who are disadvantaged which can best explain their condition. In previous generations, the question of race or religion was paramount for explaining global disparities. Today, it is a people's capacity to defer short term gains and/or the institutional arrangements and inducements of their governments. That is, either people have a propensity to corruption because they are not fully civilized (do not have sufficient self-control) or, in cases where they may be as rational as the next person, their laws and political institutions do not make it rational to be uncorrupt. The benefits of being corrupt outweigh the costs. Just as with previous imperial ideologies, the problem with this discourse on corruption is not simply that it blames the 'natives' for their economic disadvantage but that corruption, just as with the use of race as an explanation, has no analytical utility. It explains nothing; the discourse on corruption as a cause of poverty and underdevelopment is a purely ideological one that in no way is able to explain relative growth or poverty. Rather than being a tool of understanding, it is a tool of ideological manipulation and political domination.

This claim, I suspect, will be quite shocking for many. However, even a cursory review of the last ten years should be enough to at least raise significant doubts regarding the utility of corruption as an explanatory variable for economic growth, let alone for poverty or development. Among those states that consistently score low on most measures of opacity/corruption are



China, India, and Greece. In the 2010 CPI Greece and China are both ranked 78<sup>th</sup>, India 87<sup>th</sup>. In absolute score, they are much closer to those at the bottom of the list than they are to those at the top and have held very similar scores for more than a decade. Have such high levels of corruption resulted in a lack of economic growth or stagnation? Just the opposite is the case. All three countries have enjoyed economic growth in the previous decade that far and away belies any predictive or explanatory power for measures of corruption. China's average yearly growth in GDP for the 2000s was 10.3%, an incredible rate. Similarly, for India the rate of growth was 7.1%. In both cases, rates of growth were well above those of every economy that measures as being relatively corruption free (the yellow and light orange on the CPI map). Perhaps more applicable as a comparison, Greece has consistently been considered to be, far and away, the most corrupt member of the eurozone, on par with China and very far below even Portugal or Italy. Nonetheless, for the previous decade its average yearly rate of growth in GDP was 3.4%, within the eurozone second only to Ireland's 3.81% and far above the very 'uncorrupt' Finland (2.11%), Germany (0.85%), and Belgium (1.54%). There are many other examples we could cite that go against the presumed relationship between corruption and rates of growth, from Brazil and Argentina to Mozambique and Nigeria.

How can we explain such apparent anomalies? Most economists would likely point to the many factors which influence growth and argue that rates of growth in all these cases were high despite the levels of corruption. In the case of China, for example, factors such as high levels of foreign direct investment (FDI) and the sheer size of its economy could be pointed to as attributes that allowed it to overcome the impact of corruption. Rose-Ackerman puts it very simply, "Asian economies are not an exception – those with high corruption levels would have attracted more FDI if corruption had been lower (Rose-Ackerman 1999, 3)." This may be true but, if so, discounts the arguments that tie corruption to poverty and development since it would be, at best, one factor among many others in what is an inherently complex process.

If we understand corruption as it is treated in the current literature, as a tax or added cost on investments and economic activity, saying that corruption brings poverty is like saying that taxes create unemployment. Perhaps true for some economic models, but a trite point to make in regards to actually existing societies. A similar argument would be that high wages or safety regulations are fetters on economic growth; the same could be true of labor unions or any other factor that increases costs for capital. However, to reduce the question of economic growth or the incidence of poverty to corruption levels does nothing to explain the relative fortunes of economies around the world since growth of GDP, a very coarse measure for sure but one that is very much in line the literature being discussed, seems to in no way correspond to 'corruption' as it is measured and perceived today. In fact, some much older ideas would seem to do a better job of explaining the relationship between poverty and rates of growth and profit. For Adam Smith, it is useful to recall, high rates of profit were to be found alongside poverty, not prosperity:

... the rate of profit does not, like rent and wages, rise with the prosperity, and fall with the declension of the society. On the contrary, it is naturally low in rich, and high in poor countries, and it is always highest in the countries which are going fastest to ruin<sup>5</sup>.

As Smith would expect, we see high rates of economic growth in countries with abundant poverty (China, India, Brazil) and very low economic growth in countries with relative prosperity and high wages (Finland, Austria, Canada, etc.). Should we now argue that social prosperity limits economic growth? It would seem to explain much more than levels of 'corruption' do. To go further, consider the folly of the answer that Susan Rose-Ackerman gives

to the question of why it is that we have so much poverty in the world and how can it be that “Even some countries that are well endowed with natural resources have poor growth records and low per capita incomes.” For her, corruption and poor governance are the key explanatory variables. That anyone today would attempt to answer such questions without taking into account the history of colonial wars and imperial power (to use Rosa Luxemburg’s phrase, ‘accumulation by dispossession’) or to take into account current patterns of ownership of these natural resources and the global flows of trade and capital is a clear sign of being blinded by the capitalist ideology of economics. As if poverty in resource rich countries had nothing to do with the force, fraud, and oppression wielded by those states of the capitalist heartland. Again, the blame is directed at presumed defects within the cultures and institutions of those impoverished societies themselves.

We can go even further. The emphasis on corruption, the fight against it being the newest version of the ‘white man’s burden’, is not simply totally useless as an explanatory standpoint but it inhibits and taints efforts to understand current political and economic developments. Let us take as an illustrative example the ongoing crisis within the eurozone, the case of Greece in particular. Within the financial and journalistic worlds, the emergence of the debt crisis within Europe has been branded as a problem of the PIGS. Why PIGS? The crisis touches not only Portugal, Italy (and Ireland, as is often included), Greece and Spain, it touches on almost the whole of the periphery of Europe. The current economic situation of the Baltic states (Estonia, Latvia, and Lithuania), for example, is in many ways worse than that of southern Europe. The UK and, within the eurozone, Belgium and France have also been impacted by public debt in significant ways. The attribution of the problem to the ‘PIGS’ is keenly tied to the question of the propensity to corruption and cultural attitudes to work and gratification. As the debt crisis in Greece hit critical proportions in early 2010, media reports were filled with tales of widespread corruption within Greece as well as extremely generous pensions and wages and other tales of excessive public spending. The key point being that the crisis was caused by the culture of corruption, clientelism, and easy living endemic to Greeks and the other peoples who constitute the PIGS. Piggish behavior would appear to be the cause of the crisis; PIGS became the acronym of choice because of this instant explanation of the crisis as a product of lazy discipline-lacking southerners wallowing in corruption and self-interested sloth.

This spontaneous understanding takes a crisis which exists in a wide range of countries (some considered to have a high rate of corruption and some to have extremely low rates of corruption) and emerges in all of them at, more or less, the same time and presents it as being a matter of national defects. The constant mantra in praise of transparency and the frequent media reports on corruption in Greece helped to establish this form of understanding as the dominant one. The problems that this type of understanding presents are twofold. Firstly, and most obviously, it does not explain the crisis. It ignores the structural and systemic causes that lead to such a deep and widespread upheaval. Secondly, it legitimizes and justifies the intervention by external actors since, after all, it was national internal defects that caused the problem to begin with. Even many Greeks now perceive themselves as incapable of properly organizing and managing their economy. Germans, after all, are much more diligent, organized, and self controlled. Such is the line many took when it came to understanding the 2004 Greek victory in the Euro Cup. It seems that Greece always had some talented players but it took a German manager to provide the necessary discipline and organization for success. So it is today with the crisis, the Germans *qua* EU on the one hand and the IMF on the other take on the white man’s burden, to finally impose some discipline and rout out the tax cheats, corrupt officials, and

clientelist arrangements that led Greece to its present crisis. The fact that even Greeks today accept the necessity of external control and organization and that they, in part at least, blame themselves for the crisis is a very clear and unmistakable sign of how well the anti-corruption discourse has worked to establish a new version of the 'white man's burden'. Even the brown and the beige buy into this new ideology, as is necessary for any colonial discourse to be successful.

## CONCLUSIONS

The economic and political forces of capitalism are not only armed with lawyers, guns, and money, they also have ideas. Of the various notions that function as sutures in the conceptual edifice of bourgeois societies, political corruption is one of the most fundamental. Yet, the idea of corruption has gone relatively unexamined and unchallenged by the left. Moreover, the recent recasting of political corruption as a lack of transparency has yet to emerge as an object of analysis for Marxism.

This essay has attempted to demonstrate the significance of this new notion of corruption for understanding recent developments within the capitalist State as well as for understanding the spontaneous ideology that emerges as a reaction to global inequalities. As a key tactic in the various ways that agents and representatives of transnational capitalism have attempted to increase the autonomy of national states from their domestic populations and to maximize the mobility of capital, the recent anti-corruption efforts by the international community are to be understood as being on par with ways that international efforts on behalf of security and human rights have been used to pave the way for imperial expansion. In both cases, a set of normative judgments and ideas attempt to present the particular political agenda of powerful international interests as a universal good, something being done for the benefit of the oppressed and weak rather than as a part of imperial or neo-colonial domination. The anti-corruption mantra is obviously not exclusive to international agencies and institutions; it is ubiquitous today among both the powerful and the powerless, from the streets of Cairo to the boardrooms of Zurich. The notion, however, that a more 'transparent' or 'ethical' government can spur both greater economic development as well as political freedom and liberty is a fantasy that fails to recognize the most basic truths regarding the capitalist State. Clashes of private interests are the lifeblood of bourgeois politics, insisting on procedural and administrative 'transparency' does not result in a government that is more open to the interests and demands of the weak and marginal, it simply adds one more veil to the process. In this sense, the emphasis on transparency leads not to greater clarity but is akin to a more effective hiding. The increase in the degree and the change in the form of relative-autonomy that anti-corruption movements attempt to create may be functional for transnational capitalism but will more likely result in domestic interests and movements having less, not greater, influence over policies and laws.

The rebirth of the 'white man's burden' in the form of anti-corruption movements is also a development that has greatly shifted the ways we understand and address the question of corruption. Today, everything from debt to poverty and hunger in capitalist societies are presented as a product of corruption. Whether focused on the moral and cultural shortfalls of its residents or the legal and institutional dysfunctionality of its political system, popular views today mimic those of the heyday of colonial rule. Again, the arguments that equate levels of perceived corruption to a lack of growth and development have such a loyal following inside and outside the academy and are so ingrained within the bourgeois imaginary that no amount of contradictory evidence seems to sway opinion. That China can be presented as extremely corrupt

and as the fastest growing economy of the world seems to do little to sway the opinion of economists regarding the necessity of liberating markets fully in order to maximize growth and development. If poverty still exists in the world, blame the habits and cultures of local peoples and politicians, not the capitalism and world-system that they are a part of. The reductive thinking that ties so many political and economic shortcomings to a matter of moral failure and corrupt practices has taken root so quickly and deeply that even the work of Samuel Huntington appears as anti-capitalist rationalizations and apologies for rent-seeking and market distorting behavior by public functionaries.

The arguments as they have been presented here are in condensed form, requiring much more conceptual explication as well as empirical research and demonstration to be fully fleshed out. Nonetheless, these core ideas are intended to challenge the technocratic and moralistic approaches of the mainstream contemporary academic literature on political corruption as well as to show the necessity and utility of a historical materialist approach to the question of political corruption today. Rather than being conscious or unconscious servants of market values and transnational capitalism, we need to approach this new internationalization of corruption with all the suspicion and critical doubt that we can muster.

#### NOTES

<sup>1</sup> Poulantzas, Nicos: *State, Power and Socialism*, New Left Books, P. 106

<sup>2</sup> Robinson, William I: *A Theory of Global Capitalism: Production, Class and State in a Transnational World*, Baltimore; Johns Hopkins University Press, 2004, P.92

<sup>3</sup> Eigen, Peter "Removing a Roadblock to Development: Transparency International Mobilises Coalitions Against Corruption; *Innovations*, 3.2: 19-33, 2008, p.19

<sup>4</sup> Wei, Shang-Jin, *Corruption In Economic Development: Beneficial Grease, Minor Annoyance, or Major Obstacle?* The World Bank Policy Research Paper No. 2048, 1999, P.25

<sup>5</sup> Smith, Adam: *The Wealth of Nations*, Holloywood, FL, Simon and Brown Publishers, 2010 p. 154