



(Michael Sloan for

the Boston Globe)

## The culture of corruption

### Once rule-breaking becomes ingrained, there are some surprising ways to stop it

By Drake Bennett | July 27, 2008

OVER THE PAST two weeks, allegations of disability fraud at the Boston Fire Department have found a gleaming, sculpted poster boy in Albert Arroyo. Arroyo, a fire inspector, this spring claimed to have fallen down stairs and suffered a back injury that left him permanently disabled, unable to work, and eligible for a full, tax-free disability pension, the Globe recently reported. Six weeks later, he finished eighth at a professional bodybuilding competition.

But while Arroyo's story - and the video clip of his bodybuilding performance - have given the issue an undeniable immediacy, it's the sheer number of questionable claims that has triggered more serious concerns. In recent years, the Globe has reported, Boston's Fire Department has had twice the disability retirement rate as those in comparable cities. And the sort of disability pensions that have been awarded has raised suspicions, as well: Between 2001 and 2006, 102 Boston firefighters were granted inflated disability pensions because they reported suffering a career-ending injury while filling in for a superior - sometimes for a single day. Last year, such "above-grade" pensions made up more than half of the department's disability retirements.

With these revelations, tough measures are now being explored. The FBI is investigating at least a dozen cases, and US attorneys are considering bringing federal fraud charges. It's too soon to say how many of the department's disability claims are legitimate, and accusations of widespread corruption are still unproven. Critics inside and outside government are stepping up their calls for increased, long-term oversight of the department.

All of this may indeed go a long way toward solving whatever problems there are at the department. But a growing body of research on corruption suggests that there may be alternatives. In trying to tease out the factors that allow corruption to arise and persist, experts are increasingly looking not only at laws and punishments, but culture. The image that emerges is of a particular community - a country, an institution, an office, a group of friends - developing a taste for corruption that depends on a set of assumptions not only about what is right and wrong, but about what one's neighbors and colleagues are doing, of what one deserves from and owes to the community. It takes a village, in other words, to breed corruption.

And if this culture is ingrained or widespread enough, it's resistant to even the toughest crackdown. It's a general idea that has taken hold in police departments, some of which have combined tough law enforcement with intensive hearts-and-minds campaigns. The Boston Miracle, the famously successful public-private antigang initiative from the early 1990s, is one of the better-known examples. Now scholars are trying to figure out how to use this sort of cultural warfare to weaken corruption and habits of everyday rule-breaking.

In doing so, they can draw on a body of work suggesting that education can reduce corruption levels, and on studies showing the sort of situations in which people follow rules even when there's no punishment for not doing so. Other work shows that something as symbolic as the personal habits of a leader can shape behavior. And then there's the example of Bogota, Colombia, where, since the mid-1990s, residents have, to a striking degree, stopped breaking traffic laws, thanks to a small army of mimes who mock scofflaws at street corners.

"Culture matters, and culture can be actively manipulated," says Edward Miguel, an economics professor at the University of California, Berkeley, who has studied the roots and ramifications of corruption.

It's possible to be corrupt all alone, but it's hard. For one thing, if no one else is breaking the rules, it feels like more of a transgression. More fundamentally, certain types of corruption require at least two parties: aspiring extortionists, for example, do not become actual extortionists until someone agrees to pay them a bribe. Disability fraud is different in that it doesn't require the knowledge or consent of the bilked taxpayer, but does require doctors willing to sign off on dubious injury claims.

Because of this inherently social quality, corruption displays what economists call multiple equilibria. At a group level, corruption - or the lack of corruption - tends to be a relatively stable state: It's built on a set of expectations, and everyone loses if those expectations aren't aligned.

For example, when a policeman pulls you over on the Massachusetts Turnpike, it is unlikely that he expects, or would accept, a bribe. When a policeman pulls you over in Nairobi, there is a relatively good chance that he pulled you over for the sole purpose of soliciting a bribe. Misunderstanding the policeman's intentions in either situation can get you in a lot of trouble. By the same token, a Massachusetts State Trooper who made a habit of asking for bribes would probably end up in trouble himself, just as a Kenyan police officer who didn't ask for bribes would repeatedly have to explain to outraged drivers that yes, they have to pay the full fine for an actual speeding ticket.

"It's very costly to be the outlier," says Ray Fisman, a professor at the Columbia School of Business and the coauthor, with Miguel, of "Economic Gangsters," a forthcoming book on corruption. "Every time two parties with mutually inconsistent beliefs and expectations run into each other, it's going to be very costly for at least one party."

As a result, Fisman says, when measured against each other, institutions - and countries - tend to fall at one end or the other of the spectrum of corruption. Rarely are they only halfway corrupt. "Imagine the chaos that results when there are equal numbers of bribe-payers and non-bribe-payers, bribe-takers and non-bribe-takers," he says.

The more people who participate, the lower the taboos, and the higher the pressure to join in, at least tacitly. According to Robert Klitgaard, president of Claremont Graduate University and a longtime scholar of corruption, the Hong Kong police used to have a phrase to teach new recruits the unwritten code of departmental malfeasance: "You don't have to get on the bus. You can walk alongside the bus. Just don't get in front of the bus."

Whether an institution tips toward or away from corruption is shaped in part by its members' cost-benefit analyses: How likely is one to get caught, and how severe will the punishment be?

But research by Fisman, Miguel, and others suggests that the decision to cheat or not also incorporates less coldly rational considerations.

Miguel, for example, has done work looking at public attitudes and levels of corruption in Kenya and Tanzania. When the two nations achieved independence in the early 1960s, they were, Miguel argues, culturally and politically indistinguishable. And yet today, according to a raft of international indicators, Kenya is a country with far more public and private corruption than its southern neighbor, along with a more violent political culture and much less public trust in the government.

Part of the difference, Miguel argued in a 2004 paper, is simply the personal example set by each nation's first president. While Jomo Kenyatta of Kenya took advantage of his position to amass considerable wealth for himself, his family, and his friends, Julius Nyerere of Tanzania lived a decidedly Spartan life, took no land, and spoke constantly of equality and service. And while Kenyatta played on ethnic rivalries, Nyerere downplayed them, always emphasizing national cohesion. As much as any particular policy, Miguel argues, it was simply the public images of the two men that shaped their countries. "It's just kind of a revelation," Miguel says of his research on the two leaders and their countries. "Nyerere really gave people a sense of what an honest civic culture could look like."

But where honesty and corruption are concerned, people don't just take their cues from leaders, they also seem perfectly willing to take them from clowns. For more than a decade, social scientists have been fascinated by a law enforcement measure from Bogota, Colombia. In 1994 the mathematician and philosophy professor Antanas Mockus was elected mayor of the violence-plagued city on a platform of radical reform. One of his first measures in office was to deploy costumed mimes at major intersections to battle the city's legendarily chaotic traffic. Their mission was to mimic, mock, or otherwise harass motorists and pedestrians for breaking traffic rules.

They succeeded wildly: traffic compliance shot up, and traffic fatalities dropped just as sharply. The threat of gentle public embarrassment was more than enough to get most people to start obeying rules they had long flouted with abandon.

Some of the strongest evidence of the tenacity of cultural ideas about right and wrong comes from a paper by Fisman and Miguel, published last year, that looked at how often United Nations diplomats paid their New York City parking tickets. Diplomats are exempt from paying parking tickets because of diplomatic immunity, so they're in effect free to park wherever they want and ignore the tickets they receive - an immense luxury in parking-starved Manhattan. Some do exactly that, but others obey the parking laws scrupulously, using only legal spots and promptly paying parking tickets when they get them. Fisman and Miguel found that those who followed the laws tended to come overwhelmingly from countries, like Denmark, Canada and Japan, with little corruption.

In traditional economic terms, it was the diplomats from more corrupt countries who were acting rationally. The fact that Danish diplomats went ahead and paid their parking tickets, Fisman and Miguel wrote, was testament to the strength of cultural norms.

How, then, might the Boston Fire Department turn itself into the Denmark of municipal departments?

The power of Mockus's mimes suggests that some change may already be happening. The recent revelations about the breadth and depth of the department's disability claims cannot help but be deeply embarrassing, especially to the many firefighters who have not filed such claims. Even without any regulatory changes or punishment, that embarrassment itself may start to change the culture.

But more broadly, part of the solution may be, either through structural or personnel changes, to integrate the Fire Department more completely into the rest of the city government. This would not be simply to keep a better eye on it. By all accounts, the Fire Department remains a stubbornly insular place. Firefighters feel, rightly, that they do an extremely dangerous job and as a result they're reluctant to allow outsiders to control the department. But factionalism begets corruption, scholars say. In an "us vs. them" environment, it's easier

to rationalize corruption as benefiting "us" and costing "them."

Indeed, according to Edward Glaeser, a Harvard economics professor who has studied corruption and the development of American cities, the history of Boston's long and largely successful fight to stamp out public corruption is, in part, a story of assimilation. A lot changed over the past century, but one of the things, Glaeser says, was that people started to think of themselves less as partisans of one or another ethnic group or neighborhood and more, simply, as Bostonians. And as they did so, their tolerance for public corruption decreased.

"The more divisions you have within society," Glaeser says, "the easier it is for corruption to stick around."

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