

Research Idea

Corruption and Organized Crime: Relation to a Shared Policy Approach

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Abstract: Corruption and organized crime are two of the main problems at the international level. However, even as both problems are related in the literature, in terms of policy, they do not have the same approach, and the solutions do not include strategies for the other problem. This lack of connection could be troublesome as the cases of Mexico, Colombia, or Italy could draw. Thus, these three countries serve as examples. Therefore, the concept of corruption and organized crime is discussed to bring them together. In that manner, corruption includes practices that affect democratic governance, and organized crime is illegal enterprises that generate exclusion, patronage, and patrimonialism.

Introduction

Corruption and organized crime arguably are two of the most urgent public problems at the international level. However, even as in the literature, these problems are commonly related (Slutzky & Zeume, 2019; Rose-Ackerman & Palifka, 2018; Rincón, 2017;

Reed, 2009; Buscaglia & van Dijk, 2003; Levitt & Rubio, 2000; van Duyne, 1997; Beare, 1997). Both are solved by particular policy approaches, with their tools and following specific rationales. Thus, anti-corruption and organized crime policies are not connected; each problem is solved by policies designed, implemented, and studied only limiting to that problem without contemplating the other part in the mix. Still, the relationship between them is crucial: organized crime uses corrupt systems for they mean by bribing public officials and establishing close connections with politicians; but also, in the presence of organized crime, it is easier for corruption to appear as rules change and even public servants are forced to act corruptly (Reed, 2009; Buscaglia & van Dijk, 2003).

Therefore, this research idea proposes a framework in which both problems are considered when a public policy is designed. Thus, to improve policies related to these problems, it is required to include both policy approaches: one from an anti-corruption perspective and the other from an anti-organized crime. Nevertheless, this is more complex since both problems are vast and include different practices and actions and, thus, solutions.

Hence, it is essential to clarify what corruption and organized crime are. In broad terms, when we think about corruption, we assume it is bribery, but it is far more complex. The same happens with organized crime, associated with drug trafficking cartels or mafia organizations, yet it should include other organizations (Reed, 2009; United Nations, 2003). The reason for selecting these countries is the relationship between corruption and organized crime within them. Furthermore, they have patrimonial bureaucracies and shared corruption syndromes according to the classification of Johnston (2005). Nevertheless,

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as this text is a research idea, a detailed analysis is not considered, as it is planned for further investigations with a more in-depth examination.

Corruption and organized crime: Definitions and relations

Currently, corruption and organized crime are two of the most critical problems at the international level. Since the 1980s, the importance and urgency of both problems have increased. The main reason is their negative effect on economic development and democratic governance.

Nonetheless, the concepts of corruption and organized crime are broad, so in that manner, they tend to be ambiguous. Thus, it is essential to establish some definitions that will be useful for the policy approach. In that manner, the relationship between them is going to be precise.

The most common definition of corruption is using public resources for private means. Even as practical as this definition is, it tends to be limited. It simplifies a complex phenomenon by creating an umbrella concept in which all corrupt practices are treated similarly (Arellano-Gault, 2020).

Therefore, corruption is usually linked to bribery, but it also is related to influence peddling, favoritism, collusive mechanisms, clientelism, and pork barrel, among others. Furthermore, this definition neglects another aspect of corruption: its negative impact on democratic institutions and governance.

In this line, Andersson and Anechiarico (2019) define corruption as "the violation of democratic governance, as well as private gain from public office" (p. 36). Hence, corruption is something that affects democratic values; even Andersson & Anechiarico (2019) argue that there is a type of corruption known as

governance corruption that is defined as "bad and abusive official behavior... [,] but only when it is intentionally used to exclude individuals or groups from taking part in decisions that critically affect them" (p.2).

Thus, governance corruption implies different actions from governments, and it can be coupled with state capture, patrimonialism, and impunity. These circumstances generate exclusion, favor elitism and benefit influential political actors, in which organized crime can be included. It is well proven the links between politicians with cartels, mafia groups, and criminal organizations (Galeano, 2018; Ruggiero, 2012; Morris, 2012; Allum, 2006; Paoli, 2004; van Duyne, 1997).

However, organized crime is not only an organization with structures like mafia groups but could also be studied as an illicit enterprise (Reed, 2009; Wright, 2006; Gambetta & Reuter, 1995). Consequently, Reed (2009) states that understanding organized crime as an illicit enterprise helps to avoid stereotypical depictions and underlines its integration into the world of legitimate business (p. 10). Thus, organized crime engages in various activities classified as primary and enabling (Reed, 2009). Moreover, there are groups categorized as stationary bandits, which commonly incentive investments and create and innovate in firms; in contrast, roving bandits steal everything and discourage investment (Slutzky & Zeume, 2019; Olson, 1993).

In both categorizations, organized crime is an organization that seeks revenue through illegal activities but does not necessarily use violence or intimidation; henceforth, it requires corruption to act (weak regulations, authorities, and vigilance) and to maintain themselves (bribes and influence peddling).

Thus, in organized crime, organizations can be integrated with companies that seek to influence politicians and build complex corrupt networks, such as Odebrecht (Costa, 2021). This company was engaged in influence peddling and bribing schemes to get public contracts in different countries in Latin America. Thus, adding these types of organizations open the scope of the link between organized crime and corruption. Furthermore, it can be argued that Mexican narco cartels had consolidated by diversifying their enabling activities, as Reed (2009) names them. They even compete with the state authorities, using clientelist relations with the population, utilizing the institutional shortcuts and tricks of political parties in elections, and creating attachment and providing public services (Palifka, 2020; Alesina, Piccolo & Pinotto, 2018; De Feo & De Luca, 2017), as discussed later.

Uniting both concepts: in contexts of governance corruption, it is more accessible to organized crime members to capture the state by influencing public servants, substituting the former political elites, or working with them. In this circumstance, both Odebrecht and narco cartels could fit in. Organized crime fosters corruption, but they also take the opportunities corrupt systems generate. Hence, this relationship is symbiotic, where both problems reproduce and feed each other.

Policy approach: Why does it matter?

In terms of public policy, the approaches to solve both problems are to aisle them and design solutions focused on one broad problem. In that manner, anti-corruption strategies are separated from anti-organized crime corruption. However, the first section explains the interrelation of both public issues.

In the case of Mexico, Colombia, and Italy, this has been the norm, with strategies focused on organized crime first and corruption later. The rationale behind this progression in policy networks may be that organized crime is perceived as a more urgent problem or has reached unacceptable levels of violence. However, in the process of prosecution, it is likely that corruption now appears as an obstacle in tackling organized crime groups. Moreover, as the policies are oriented toward criminal law and enforcement (Reed, 2009), this proves to be innocuous or ineffective as, in many cases, organized crime has connections with judges, high-level politicians, and other members of the judicial systems (Piedrahita & Ponce, 2020; Rincón, 2018; Morris, 2012). On the one hand, anti-organized crime policies need an anti-corruption component and open the approach from criminal law to a more integral one in which other factors are considered, for example, in the Italian case (Mosca, 2020).

In that manner, Buscaglia and van Dijk (2003), Levitt and Rubio (2000), and Llorente and McDermott (2014) argue that a factor in promoting anti-organized crime policies is to strengthen judicial systems, generating capacities in prosecution and reducing corruption in police agencies. These recommendations are lessons from Colombia that need to be implemented in the Mexican case (Levitt & McDermott, 2000).

Hence, anti-organized crime could benefit from including anti-corruption strategies, especially when criminal groups have infiltrated the state or colluded with prominent actors that can influence prosecution and investigations. Stories about politicians, civil servants, and the military with connections to narco cartels, mafia groups, or corrupt networks exist in the three countries. On the other hand, anti-corruption should also address the presence of organized crime since it can also impact the effectiveness of the strategies. Pérez-Chiqués and Meza (2021) relate the case of a Mexican municipal government in which public servants are coerced to serve and give money to groups in

power, sometimes associated with criminal groups. In situations like that, bureaucrats are not deciding to be corrupt, as much of the anti-corruption literature claims (Rose-Ackerman, 1975; Shleifer & Vishny, 1993), but they do not have any choice. Mechanisms related to monitorization, performance evaluations, code of ethics, compliance, or other rational programs to reduce corruption traditionally used in anti-corruption reforms are pointless. The corrupt acts are based on power, control, and intimidation. Hence, adding an anti-organized crime component into the anti-corruption policy could be worth it in the condition described in that municipal government.

Furthermore, Klitgaard (2011) asserts that in contexts of systemic corruption, "it resembles organized crime, with a parallel system of recruitment and hierarchy, of rewards and punishments, of contracts and enforcement" (p. 34). In order to intertwine these informal structures, the know-how from criminal organizations is a valuable resource.

Corruption and organized crime in patrimonial bureaucracies

As the second section outlines, organized crime sometimes shares similar logic with public bureaucracies in countries with systemic corruption. As odd as this sounds, this occurs where bureaucracy has patrimonial values that replicate and generate space for patronage, clientelism, and favoritism. Mexico is a perfect example of a country whose bureaucracy follows a patrimonial pattern rather than a formal Weberian bureaucracy (Arellano-Gault, 1999). However, we can find similar forms of patrimonialism in Colombia and Italy (Breda, 2018; Orjuela, 2018).

In these patrimonial bureaucracies, it is frequent to find out cases of abuse of power, and informal relationships, such as logics of reciprocity like the Mexican *palanca* (Arellano-Gault, Hernández, Álvarez & Zamudio 2019)

or the Italian *raccomandazione* (Zinn, 2019), and symbols that create memberships and affiliations.

These forms of interaction are characterized as corrupt behaviors and can be founded in similar rationalities in organized crime groups. Gambetta (2018; 2009), Rose-Ackerman and Palifka (2018), and Lomnitz (2019) offer examples of the codes, symbols, and informal rules in the mafia and narco cartel groups. Thus, organized crime and public bureaucracies share some aspects as a flexible structure, politically-social based interactions, informal rules, chaos, and exchanges to get specific resources. It is not implied that they are the same since bureaucracies still are legal-rational organizations but equally share a patrimonial value-oriented perspective. Hence, capturing, negotiating, or even trying to substitute the state is not complex for organized crime, as some county governments in Mexico in which narco cartels virtually rule.

To support this relation, Johnston (2005) proposes corrupt syndromes to study corruption. In this classification, he proposes four types, yet the most relevant for this text are two of them:

1. Oligarchs and clans: This syndrome is present in states with weak institutions within a risky setting of rapidly expanding economic and political opportunities. Corruption is pervasive, and it comes with violence, organized crime, and protection rackets being essential parts of this syndrome (Johnston, 2014, p. 24; Andersson & Anechiarico, 2019, p. 50).
2. Elite cartel corruption: The syndrome is when politics and markets become more competitive, but critical institutions are not robust. Power and

wealth are changing, which creates risks. The various networks of power and privilege stay in control by sharing corrupt returns through collusion between top figures in those networks. (Johnston, 2014, pp. 22–23; Andersson & Anechiarico, 2019).

These syndromes are relevant for this proposal, given that Johnston (2005) mentions that the oligarchs and clans can be found in Mexico, whereas elite cartel syndrome seems to be in Italy. Nevertheless, the syndromes are ideal types, theoretical constructions, and abstractions that are not factually parallel. For this reason, more than one syndrome can be identified in a country.

Further, the two syndromes are present in Mexico, Colombia, and Italy, as political-economical elites have significant power in policy-making, and the political parties are close communities based on social-familiar relations. Additionally, organized crime is a relevant actor in the form of narco cartels and mafia associations and the corrupt networks between politicians and businesspeople, such as *la Estafa Maestra* in Mexico or the case of *mani pulite* in Italy (Animal Político, n.d; Najar, 2018; De Michele, 2017; Della Porta & Vannucci, 2007). Moreover, bureaucracies are engaged in a spoil system, in which they are political tools to execute clientelist programs to maintain power. Additionally, the three are transit countries for drug and even human trafficking. They are drug-producing countries, their economy is deeply rooted in these criminal activities, and they depend on a corrupt system to keep reproducing these practices.

This behavior and corrupt networks are well documented by Pérez-Chiqués and Meza (2021), whose study illustrates how two

municipal governments in Mexico act corruptly in two completely different manners. This analysis reflects patrimonialism and the establishment of privileged groups within governments, shaped as dynasties or patronage relations in which government belongs to the party that won the elections.

Besides, other actors are critical in the corruption formulas, for example, familiar enterprises close to the political elites and organized crime as providers of services and enforcers (waste management and protection) (Slutzky & Zeume, 2019; Reed, 2009; Buscaglia & van Dijk, 2003).

Limits: the capture of state or being the state?

This last section discusses the traditional assumption that organized crime captures the state. Nevertheless, some criminal organizations gain so much power that they compete with or substitute the state. In these conditions, how can governments deal with organized crime? There is no clear solution, and it might be far from the range of this brief analysis. Migdal's (2011) analysis of weak states offers a setting to understand the state's and criminal organizations' disputes.

However, recognizing that criminal organizations do not only capture the state. In other words, they do not use the public institutions and resources to accomplish their goals but can go further, to even have enough power to replace the state. In Mexico and Colombia, this phenomenon has arisen. During the COVID-19 pandemic, Cartel de Sinaloa controlled municipal territories, providing goods for citizens. In this process, the cartel commercialized illicit products. Still, they also possess legal companies that seek to take advantage of the leader's name to position

legal products with the brand of the criminal organization, with what seems to be intended to blur the line between legal and illegal products (Ley & Vázquez, 2020).

The power of organized crime produces a sort of criminal governance, as Ley and Vázquez (2020), in which decisions are based on patronage interactions, intimidation, and domination relationships. Thus, this criminal governance could be linked to governance corruption since it completely neglected democratic governance and its institutions (Thoumi, Benitez, Sain & Jácome, 2010; Allum & Siebert, 2004).

Final reflections

This research idea proposes the importance of including anti-corruption and anti-organized crime in a policy approach for solving two related problems. The analysis also debates the different concepts of corruption and organized crime, linking them through specific definitions, such as corrupt governance, and opening the perspective of organized crime as an illegal enterprise.

The interrelation between corruption and organized crime demonstrates the importance of adding both problems to a policy approach. As discussed, the strategies in anti-organized crime require an anti-corruption component. At the same time, anti-corruption strategies need to consider the influence of organized crime as a factor that impacts those strategies. However, patrimonialism is a contextual element that should be addressed. Likewise, syndromes of corruption explain the relations between governments and organized crime. Finally, organized crime has created criminal governance that questions the idea of criminal organizations capturing governments; instead, organized crime competes with the state. The implications of these cases should be studied.

In conclusion, the relationship between corruption and organized crime is well known, yet, in policymaking, it is neither near nor related. Nevertheless, the separation has failed in the cases of Mexico, Colombia, and Italy. A concise answer is that they failed to combine anti-corruption mechanisms with criminal law strategies.

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