



Corruptive economics - Theory of corrupt phenomena

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4 **Great corruption - Theory of corrupt phenomena**
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9 **Abstract**
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13 **Purpose:** The purpose of this document is to formulate a new theory of corruption based on the discretionary
14 decisions of the government and the distribution of income in the economy, where corruption pays taxes and is
15 in the legal channels of the economy
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17 **Design/methodology / approach:** The methodology is the practical exploration, based on events in the current
18 Argentine economy, where this theory of corrupt phenomena is fulfilled, changing the approach to corruption,
19 transforming corruption into legal.
20

21 **Findings:** The document concludes that the model is applicable to any country in the world, given the conditions
22 of the theory formulated.
23

24 **Research limitations /implications:** There are no limitations in the model, the consequences are a paradigm
25 shift about corruption, transforming it into legal.
26

27 **Practical implications:** The practical consequences of this theory, it is very difficult to combat this new model
28 of government corruption, since it is produced based on a structure of legal, regulatory and ethical norms.
29

30 **Social implications:** The social implications are through discretionary decisions of governments, large
31 inequitable income redistributions, in favour of interest groups, pressure groups, private companies and the
32 same state, with negative social consequences for the population.
33

34 **Originality/ value:** This theory is original, it has NOT been formulated in the study of the types of corruption
35 in the world.
36

37 **KEY WORDS:** Corruption, great corruption, rent seeking, government decisions
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40 **Paper type:** Research paper.
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46 **JEL Classification: A13 D73 P16**
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I-Introduction

Since Zeus punished Prometheus for stealing fire from heaven by giving it to men, Zeus then imposed a punishment on humanity, uncovering the "Pandora's Box", wounding them with pernicious defects: vices, diseases, desire No limit and love wealth.ⁱ

Change is fundamental in our lives, everything changes, mutates, transforms, crime transforms over time, today with a great technological element, the types of crimes and their renewal are lived daily. Drug trafficking, theft of technology, human trafficking, have permanent metamorphosis.

Corruption as a crime also mutates, changes and diversifies, but the most serious is when it is managed, and becomes legal, through discretionary decisions of the state.

It has been analysed in many works how systemic corruption is very perverse as a process in any society, and in any culture, and when it incorporates the effects of globalization, corruption is globalized.

But I have detected a new economic dynamic, economic decisions taken by governments, with respect to the private sector, or the public sector itself , where acts of corruption themselves, bribes, surcharges, public works , etc. are not generated . , but phenomena of income distributions or obligations not to do, where I call it "Theory of corrupt phenomena", bringing situations of economic inequality, where in situations of economic balance and political ethics, they should not happen.

Many readers will identify with these events, in my analysis are not "acts of corruption" in themselves, but "corruptive phenomena" because they are based on the "legality" of them, in a state of law, but unequal itself same for the population, are we here before a new generation of corrupt phenomena, based on legality? .. And the theory that development demonstrates this point.

The present work lists the theory of corrupt phenomena, its elements, its economic base, and with examples of the daily life of Argentina, where government decisions, demonstrate this original theory, in which we will have origins of corrupt phenomena, in the inequitable distributions of income to pressure groups or interest groups (in favour of companies or the state itself), on a legality basis, with an ethical structure and values of society, the theory demonstrated in this paper.

II -Corruption acts, its analysis and elements

To begin we must analyse the act of corruption and its elements to differentiate it from the theory of the corrupt phenomena that I develop in this work.

-Its elements:

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4 a) Corruptor: It is who corrupts, who has the interest that the act occurs, who benefits from the act or
5 omission of the act.
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7 b) Accomplices: If the corrupter does not act alone, the accomplice (s) appears, they have different roles
8 as contacts in the network of corruption or in small worlds of corruption.
9
10 c) Corrupt: That is left or has been bribed, perverted or vitiated. Who performs the act of corruption,
11 whether or not to do.
12
13 d) Benefit of the act of corruption: The money or privilege, which receives the corrupt and / or corrupt
14 group.
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16 e) The matter of the act of corruption: The fact, act of action or omission of existing norms and / or laws or
17 privileges before the rest of the citizens.
18
19 f) The social impact: The psychological, sociological and cultural impact of the phenomenon are
20 identified in society as "patterns of corruption"ⁱⁱ ; "Arts of corruption" ⁱⁱⁱ or "culture of corruption"^{iv}

21
22 The act of corruption exists, outside of the delivery of money or not, the question is the materialization of the
23 act itself, today in this dynamic we do not speak of isolated events, but of activities of networks, truly of illicit
24 associations, of "small worlds of corruption", these figures have a sophisticated operation, in addition to the
25 characteristic of crossing legal activities with illegal ones, adding the actions of interest groups as true mafias.
26 Where some members of power are part of these networks, making it difficult to identify the protagonists of
27 these pockets of corruption.

28
29 Corruption requires the interaction between two actors, one of which plays a role within the political, public
30 and / or private system, generating political, public or private corruption.
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33 Every time an official employee, official, legislator, member of the judiciary, has discretionary power over
34 distributive actions that affect the private sector, risks, vulnerabilities and opportunities for bribery are being
35 created "^v"
36

37 The definitions of corruption involve cases of violation of some laws, for example when public employees
38 receive bribes or charge "commissions" for executing any action.
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41 The five types of basic corruption are:
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- 44 • In public procurement,
- 45 • In budget management.
- 46 • In personnel management.
- 47 • In the regulations and legality
- 48 • In administrative corruption.

49 They completely cover the basic causes of corruption.
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The remedies to basic corruption, to prevent and control it, it is convenient to analyse the risks, vulnerabilities, and corruption topics.

However, in other cases there may be corruption without breaking laws. For example, actions whose effect gives benefits to some people and to the detriment of others, through affecting social welfare, for example: when a public employee assigns a contract to a *friend, co-party or relative*, without charging a “commission” or receive a bribe, and complying with the formal requirements stipulated by law. The same happens when an import license is given or a price is set, etc., favouritism actions, in principle without consideration, we know that these decisions imply subsequent “return” behaviours, to which they produced the favour.

We must add to this list private corruption, in itself, given by tax evasion, fraud, or behaviours that generate corruption among private parties.

The key in the types of corruption and globalization, is that national areas are already insufficient to cover the risks of corruption, since the global phenomenon impacts the areas or sectors where the activities are carried out, the useful thing is to investigate the phenomenon in the areas of management, national and international, highlight the examination by activity or sector, these exams are one of the tools of prevention and transparency.

III -Theory corruptive phenomena

In an economy, government decisions with their dynamics generate inequitable distribution of income of the population, at the expense of the majority, in favour of pressure groups or interest groups, represented by companies or groups of companies, by activities or services whether private, public or mixed.

These discretionary decisions are made based on legal structures, and are based on laws and / or legal regulations, but ultimately produce a distribution of income in favour of these groups, to the detriment of the population towards these groups (companies, business groups , for its activities or services), this is called “Corruptive Phenomenon”, its characteristic is its unethical behaviour, and based on legal norms and regulations, its injustice, per se, in my personal opinion, is of a corrupt nature.

IV-Bases of the theory

In a normal economy, there should be a logical and desirable scenario, where opportunities should be balanced and mostly fair. But we know that in economics, there is no justice if the government in certain discretionary decisions generated for stakeholders and / or lobbyists ^{vi}, rents population transfers at any level of income through price perception, these rents based on laws, rules and legal regulations, such income is an public, public-private, or private in themselves .

Therefore the modern theory of Democracy, enunciated by Gerardo Colombo ^{vii}, in this case it would be the most accurate for our theory, - *“The purpose of democracy is to realize a society with equal opportunities, with convergent and non-conflicting freedoms, in which there is agreement with wisdom and everyone can to be, peacefully, the architect of his own destiny”* .

From this base it allows me to state a modern Theory of Democracy^{viii}, own: "*The government with its action balances the interests of legal groups, directs these interests and its own action, towards the common good, achieving equitable satisfaction of the general welfare of society as a whole, and fighting the criminal activity of illegal interest groups*"

What legal and economic bases should have this democracy, which produces corrupt phenomena, I enunciate them and explain their foundations:

1. Rule of law.
2. Set of laws, regulations and norms that regulate activities and / or public, public-private and private services, on prices and services.
3. Dynamic economic balance.
4. Ethical structure and social values.
5. Balanced income distribution.

1. Rule of law.

The rule of law is a model of order for a country whereby all members of a society (including those in government) are considered equally subject to publicly disclosed legal codes and processes; It is a political condition that makes no reference to any specific law. The rule of law implies that each person is subject to the law, including people who are legislators, law enforcement officials and judges. Any measure or action must be subject to a written legal norm and the State authorities are strictly limited by a pre-established legal framework that they accept and to which they are submitted in their forms and contents. Therefore, every decision of its governing bodies must be subject to procedures regulated by law and guided by absolute respect for rights.

2. Dynamic economic balance.

The Balance Dynamic economic consists of opposing forces that remain dynamically stable, where the state with its decisions tries to balance markets, prices, income distribution, in equitable satisfaction, achieving the common good In addition, the balance can occur simultaneously in a single market or several markets.

3. Ethical structure and social values.^{ix}

The word ethics comes from the Greek ethos, which means habit, habit. The custom or ethos, that is, ethics projects the human being towards a purpose, makes him self-determined, giving his life meaning and quality. Therefore, the standards referred to in ethics point to its fundamental value: good and fair.

It is true that ethics is distinguished from morality, in principle, by not following an image of a certain man, accepted as ideal by a particular group; but it is also true that the transition from morality to ethics does not mean moving from a certain morality to an eclecticism, to an amalgam of anthropological models; nor does

he pass on to the morals already expressed in the institutions: ethics is not an institutional moral. On the contrary,

The transition from morality to ethics implies a change of reflexive level, the passage of a reflection that directs the action immediately to a philosophical reflection, which only mediate can guide the work; You can and should do it. The moralist's commitment to a particular man's ideal, ethics, as a philosophical theory of action, has a specific task to fulfil. In principle, ethics has to deal with a peculiar and irreducible fact to others: the fact that our human world is incomprehensible if we eliminate that dimension we call moral. It can be expressed through norms, actions, values, preferences or structures, but the good thing is that suppressing or reducing morality to other phenomena involves mutilating the understanding of human reality.

Ethics, then, unlike morality, has to deal with morality in its specificity, without limiting itself to a certain morality.

That is why in the title I speak of an ethical structure, for three types of corruption, not only public ethics, as a counterweight to them, let's talk about the three dimensions of ethics:

- Political Ethics
- Private Ethics
- Public Ethics

To end the point, the phrase of Sergio Sinay^x is correct and summarizes the desirable ethical structure in a society:

"When violence, selfishness, disqualification, arrogance, lack of respect, lies, advantage and scam become everyday practices and become naturalized, there is much more than a transgression. The millions of years that led us to be moral agents are at risk"-

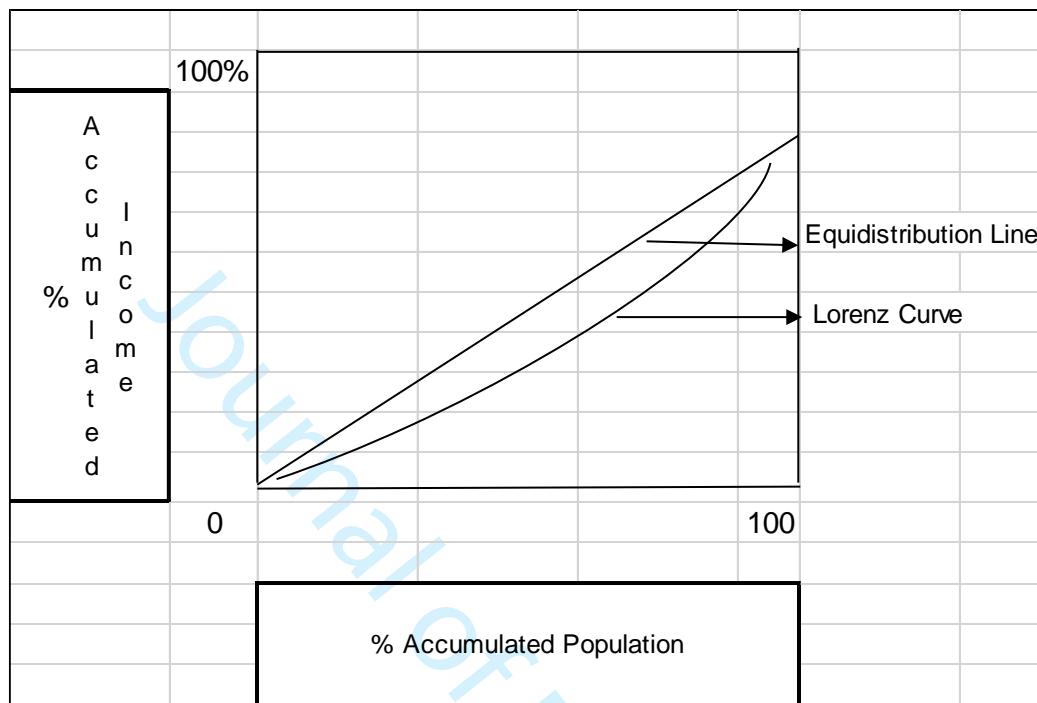
I think the phrase summarizes the desirable ethical structure of a society, especially avoidable behaviours in an organized society.

4. Des balanced distribution of income.

The distribution of income is the way in which material resources are distributed as a result of economic activity in the different socio-economic strata. In general, it is independent of how income is obtained, its distribution is not necessarily the same, because there is an income inequality.

It is based on the Gini Coefficient, demonstrated in the Lorenz Curve.

Graphic Nro. 01- Income distribution



Source: Self-made.

One of the bases of the Theory of corrupt phenomena is when the state's decisions affect the distribution of population income, distributing income unequally , whether public or private, that will be explained in the development of the Theory .

V-MICROECONOMIC THEORY ON WHICH CORRUPTIVE PHENOMENA ARE BASED-

Microeconomic theory of which corruptive phenomena are based.

-Revenue search approach model (rent seeking)

The perspective of self-enrichment is a strong motivation for most people. Self-survival and competition for resources have shaped human nature and, without a doubt, the inclination to ensure benefits for oneself and his clan is still a basic human trait.

In fact, since natural selection would be expected to favour selfishness, including dishonesty and illegal acts such as theft and corruption, from the perspective of evolutionary psychology, evolution, it is a selfless behaviour that is difficult to explain.

However, most societies seem to have reached a balance in which the mutual benefits obtained by trade favour other members of society, including recognition of property and other rights, are recognized. In general, this balance sometimes implies recognition within the structures of the State as a way of facilitating the framework conditions for the survival, production and reproduction of acts of corruption.

This evolutionary perspective on individual motivations is consistent with theories that explain corruption as the result of rational choice. The theory of the individual maximizing utility simply postulates that an individual will be involved in corruption if the benefits associated with the act are expected to be greater than the costs.

The relevant literature describes the relevant factors in the equation; that is, the factors that constitute the costs and benefits in the individual's mind.

The expected benefits obviously include monetary gains, as well as positions and power of oneself, one's family or one's allies.

The list of possible costs consists of the payment of bribes, moral "costs" of rules and rules that violate, efforts to hide crime and money laundering, as well as the perception of risk of detection and the consequences of persecution and punishment. Indirect consequences could be the cost of reputation if corruption is revealed, including a loss of status and future income, for example, as a result of disqualification from working in positions or tenders, or for incorporation into public tenders.

In some cases, these indirect costs exceed the direct consequence of a sentence.

The concept of utility maximization (that is, the balance between benefits and costs) is based on assumptions of rationality in informed players who know their own preferences and are able to predict and classify possible outcomes

Also by their own preferences, they are able to predict and classify the possible results of alternative options. Even if such assumptions may seem naive, since it shows, much more intellectual deficiencies, the concept is much more useful than theories that otherwise assume that more random decision making or decisions directed within the framework of working conditions .

On the other hand, it coincides with the fundamental role of rationality, the assumption in criminal justice systems. The placement of guilt and condemnation does not make sense if people were not assumed to direct their own decisions, and some degree of conscious goal targeting must be assumed.

Although the answer depends on the people, contexts and forms of crime, it can be reasonably assumed that corruption is the result of rational decision-making, and more than many other forms of crime. Most of the literature assumes that corruption is more or less the result of strategic planning by very competent and informed players who are representatives of companies and government institutions and who are able to assess the likelihood of the various results of their crime.

In a society in search of profit (profit seeking), not because people are "submerged in greed", but because people obtain their resources through free trade that allow to maximize relative efficiency and minimize scarcity, producing this is a virtuous circle of greater incentives for savings, investment and subsequent development.

In a "rent-seeking" society, the incentives for profit are different. The way to obtain income is no longer through the market, but through subsidies and / or monopoly privileges by the government.

In a market economy being free and voluntary associations, here they become "pressure groups" Why pressure? Because his way of obtaining income is to "press" on the government on which they depend for their income.

It is a quasi-corporate system, however the government becomes an arbitrator of the mutually opposed interests of the various groups that get used to that game of fighting against each other and the legitimization in the language "I defend my interests"

This approach, which appears to be the one with the greatest track record, has the work of Bhagwati (1982)^{xi} as pioneering contributions., Rose - Ackerman (1978) ^{xii}, among others. In general, it is pointed out that since the true origin of the behaviour of income collection is their availability, corruption occurs when the restrictions and intervention of the State translate into the existence of such abnormal benefits.

The initial literature of the search for income (rent seeking), emphasizes restrictions on international trade: import licenses, administrative controls on imports, high tariffs, etc., as the first example of sources of income induced by the government. In the opposite direction, but which reaffirms the above statement, other authors find that open economies, measured by the sum of imports and exports as part of GDP, are significantly associated with lower corruption rates. They also point out that government subsidies can be a source of income, finding a correlation between corruption rates with the presence of manufacturing subsidies (as a proportion of GDP).

Exchange controls and price controls appear as s source of income to the extent that there is a public authority with discretion to approve or disapprove applications for authorization to adjustment in prices. According to the World Bank, businessmen may be encouraged to bribe government officials, for example, to keep their supply of supplies at prices below their market value while struggling to have their file approved to raise the price of their final products.

Some income may arise in the absence of state intervention; such is the case of natural resources, which is a natural example of a source of income from the moment such resources can be sold at a price that far exceeds their cost of exploitation. Sachs and Warner (1995) ^{xiii} argue that economies rich in natural resources are more likely than those that are not to fall into income-seeking behaviour and, consequently, a source of corruption.

The existence of low salaries among public servants compared to those in the private sector is a potential source of a certain level of corruption (of low intensity). If these servers have low salaries but have a monopoly on certain functions, they use that monopoly to raise their total income through complementary non-legal income. Around this discussion is the issue of efficiency wages, as a policy of setting wages above its equivalent in the market in order to make the punishment more visible - the loss of said salary - if dismissal occurs for incurring non-legal practices

As we see in this point in Argentina, the policy of discretion leaves open a front of decisions of officials, on public revenues, public-private and private, where decisions on contracts, prices, import permits, income calculations, retirement calculations, public works etc.

The Theory of the search for income per se, fails to explain, all the portent of the corrupt phenomena that appear in these relationships:

- Economic relations public-private s
- Relationship is economic s public
- Relationship is economic s private

It would be necessary to take into account an "Extended Rent Se eking Theory of the Revenue Search" that applies to these three scenarios mentioned above.

VI-HYPOTHESIS OF CORRUPTIVE PHENOMENA

A country with a rule of law, in a dynamic economic equilibrium, with an ethical structure and values in addition to having a balanced income distribution, through discretionary decisions causes "corrupt phenomena", are not acts of corruption in themselves, but are transfers income from discretionary sectors, where certain sector or sectors transfer income to others, regardless of their income level or their level of disposable income, resulting in a distribution of wealth unbalanced, in favour of lobbyists or interest groups, or of the same state.

VII - GOVERNMENT DECISIONS THAT GENERATE CORRUPTIVE PHENOMENA

The characteristic of the new trend in corruption matters is not the act of corruption itself , already defined according to the political , private and public^{xiv} spheres , But discretionary decisions that transfer income into society unequally , in a concentrated manner to pressure or interest groups, against the interest of society in general, these decisions are based on legality, are in accordance with structures legal, but they are not ethical, since they distribute income among part of the population or groups of the population, without bargaining power, to other groups of the same state, or companies , these relations manifest several possible scenarios:

Economic decisions that generate "corrupt phenomena"

1. -Privacy decisions
2. -Decisions affecting public contracts.
3. -Decisions of the price of public services or concessions.
4. -Decisions to obtain advantages on the application of fines, terms or obligations not to do.
5. - Price authorization decisions of the private sector.
6. -Decisions for calculating pensions or retirement. ^{xv}

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4 7. Tax transfer decisions from lobbyists and / or consumer interest groups.
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8 1. -Privacy decisions
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11 If the government bids a state concession at an undervalued price^{xvi} , for half of the value set by the same state
12 a few years before, apart from the benefit to the companies, it is a damage since it stops collecting the right
13 thing, within the law ... almost an act of corruption, if it is awarded , within the legal norms, there is a transfer
14 of income, given by the gain of the winning companies, when paying at lower value that concession, corruption
15 phenomenon or act of corruption^{xvii} , as you prefer, there is a transfer of income to the companies that win the
16 bid in its price, and in its future earnings. Corruption often leads to distortions in the allocation of public
17 spending in several ways. One of them due to the approval of public projects based on the ability of the corrupt
18 official to extract benefits from it and not to their social need.
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20 2. -Decisions affecting public contracts. ^{xviii}
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23 If upon receiving a government, I continue a public work ^{xix} , without analysing consequences or better options,
24 only based on the legal scheme of continuation of contracts and legal certainty, I decide discretionally to
25 continue with a pharaonic work , through its higher costs on the one hand, I distribute income from the state
26 side and on the other by choosing the worst option for taxpayers, I am transferring income from taxpayers
27 themselves. through the collection of future taxes, to pay interest and principal that I take for that public work
28 , I transfer present income and future income, in addition to the discretion of choosing another technologically
29 correct solution, and opting for “the pharaonic decision”, based on the legal context of the country , especially
30 if the work is an “icon of corruption” ^{xx}, bad decisions ...
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33 The greater the likelihood of receiving bribes, it is possible that a greater number of public investment projects
34 will be carried out than is reasonable, that these are larger than the optimal one - since this maximizes the
35 probability of obtaining illegal payments in the form of incentives, overbilling, use of poor quality materials,
36 etc. - and that the projects are delayed as a result of public officials who increase their processing to encourage
37 such payments. Additionally, governments must spend larger sums to detect and inhibit corruption.
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40 3. -Decisions of the price of public services or concessions.
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43 If the state discretionary to cover a devaluation of the currency of the country, first compensates the companies
44 for the loss of traffic in that market^{xxi}, a subsidy and then authorizes an increase in its rate, there are two income
45 distributions, one directly from public funds, where it is a matter of allocation of public expenditure and the
46 other search for income from the private sector, that is, direct transfer of consumers, interesting, this corrupting
47 phenomenon, two aspects, the question is: How did consumers defend themselves against devaluation?^{xxii},
48 answer as they could, especially those with low incomes where their consumption portfolio is basic goods, very
49 difficult to defend against devaluation,
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52 4. -Decisions of authorizations for the price of tariffs or public services ^{xxiii}
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4 What happens when the state discretionary authorizes an increase in prices of public services, is logical after a
5 period where prices were artificial, or there was a delay in them, that the state authorizes the increases, now
6 based on what extent.
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9 First, we know the cost of producing those services (energy, transportation, etc.), NOT
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12 Then, secondly, how much does the cost of services represent within the population and how their wages or
13 income are adjusted, if I make discretionary decisions without taking into account the adjustment of the income
14 of the population or of the population strata, I cause a transfer of unbalanced and unfair income, despite the
15 justice of the adjustment Not explained, since the speed of the adjustment of population income is not the
16 adjustment of the nominal exchange rate, which governs as a variable in public services^{xxiv}, example energy ,
17 etc.
18
19

20 Inevitably there is a transfer of income, within a structure of legality, this case is a corrupt phenomenon, per se
21 ... inevitable.
22
23

24 5. -Decisions of authorizations for the price of private sector services.
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28 What happens if the state authorizes private sector price increases, for services provided by the private sector,
29 for example health^{xxv} and private education^{xxvi}, consumers in those markets transfer income for a higher price,
30 obviously the reader will tell me , and that they do not consume those goods, correct, eye that speaks of health
31 and education, not of luxury goods, but they took into account the income and their form of adjustment for the
32 decision of the increase, when this phenomenon is inequitable with respect to the Consumer income, is a corrupt
33 phenomenon from my point of view, transfers income from those who did not adjust their income as the prices
34 of these services, at this point that the choice of not consuming the good, of course ...
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39 6. -Decisions for calculating pensions or retirement. ^{xxvii}
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41 Application of Law 27426, establishing different indices for the calculation of historical salaries and retirement
42 wages, that calculation, application of the Taxation of Stable Workers (Ripte) ^{xxviii}. There is a transfer of income
43 of retirees to the state, for the portion of uncollected retirement, the proportion of income not adjusted correctly,
44 here the flow is the other way around, for the proportion not collected and adjusted for inflation as it should, in
45 addition to the level of subsistence of the retirements.
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48 7. Tax transfer decisions of lobbyists and / or consumer interest groups.
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51 When the state decides to transfer a tax or specific taxes from companies that provide public services ^{xxix} to
52 consumers expressly, there is a double taxation, since the consumer pays the specific tax on his side and also
53 must pay the tax of the companies (represented by pressure groups and / or interest groups), in other words, this
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4 situation of fiscal inequality first and from a legal context, a corrupt phenomenon, since it transfers income
5 from consumers to companies, the saddest thing is that it is based on a law
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8 ^{xxx} Sanctioned by the National Congress, we see the legislative efficiency in defending the interests of its
9 represented... without words.
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11 Relying on the transfer of taxes^{xxxii} as a financial theory^{xxxiii} is logical for the consumer who assumes all transfers
12 within the price of the products and their costs, now specifically transferring a tax.
13
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15 **VIII-CONCLUSIONS** 16

17 I apologize to the reader, since the enumeration of the preceding cases was made from the academic point of
18 view, with the reference to reality by journalistic notes, so that readers deepen and occur in the current Argentine
19 economy.
20
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22 In the first point, we observe that the decision to privatize at a lower amount of the correct one, is a transfer of
23 income from the state to the companies, due to the difference in lower value of the company, at another point
24 there is a conflict of interest, if the who win the privatization are friends of the government, there is a transfer
25 of income for what is not perceived by the state in the difference of undervaluation of the company, within the
26 law, a corrupt phenomenon, almost ... an act of corruption.
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29 In the second point, in the continuation of public works contracts, without analysing alternative solutions, there
30 is a transfer of income in the highest payments to the companies, and for the portion of taxpayers' relief, within
31 the law, a corrupt phenomenon.
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33

34 In the third point, before a devaluation or updating of tariffs, there is a transfer of consumer income, based on
35 an inequality of prices, within the law, a corrupt phenomenon.
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38 In the fourth point, which occurs in the authorizations of prices of public services, inequitable with respect to
39 the income of the population and its cost, within the law, a corrupt phenomenon.
40
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42 In the fifth point, which occurs when the state discretionary authorizes prices to the private sector, for private
43 services, especially in education and health, basic needs, in a context of legality and without taking into account
44 the disposable income of consumers, Here there is an alternative not to consume those products, but they are
45 basic eye health and education, opt for public service, here the corrupt phenomenon occurs within the legality
46 of the markets.
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49 In the sixth point, retirement and pension calculation decisions, where the update of the same affects inflation,
50 there is a transfer of income of the retirees to the state, so uncollected, without comments is an unprotected and
51 weak sector in society, is a corrupt phenomenon based on its legality, what legislators do not remember, is that
52 we will all reach that condition ... very sad.
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In the last point, an academic jewel, the translation of a business tax to consumers, where they would have a double taxation, would pay for their tax and for the business tax, based on a law passed in the National Ethics Congress , this a tax transfer madness ... disastrous corrupt phenomenon, I would add.

Finally, we are facing a phenomenon of transfer of income to pressure groups, interest groups or the same state, of the population, based on legal, ethical structures, with a dynamic economic balance, the corrupt phenomenon occurs, based on legality, injustice and inequality prevail in these cases, will we face new phenomena of corruption in societies?

Acknowledgements: I am grateful to University of Moron, my University. All the remaining errors are the author sole responsibility.

IX- Notes

ⁱ Book "Notes on the history of Corruption" - Juan Roberto Zabala- Science at your fingertips.

ⁱⁱ Behaviours of behaviour and action, of a repetitive nature or guide of actions

ⁱⁱⁱ Reprehensible means or procedures that someone uses to achieve some purpose.

^{iv} Set of the manifestations in which corruption is expressed.

^v Rose-Ackerman, S Corruption and Government: Causes, Consequences and Reform, Cambridge y New York, Cambridge University Press, 1999

^{vi} Book "Economía de la Corrupción"-Capítulo IV-Corrupción política-Teoría Moderna de la Democracia-Dr. Vicente H. Monteverde-Edicon-Abril 2015.

^{vii} Libro "Democracia"- Gerardo Colombo-Adriana Hidalgo Editores- 2012-

^{viii} "Directly unproductive, profit seeking (DUP) activities"- Journal of Political Economy- Vol. 90, No. 5 (Oct., 1982), pp. 988-1002- Jagdish N. Bhagwati.

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^{xvi} Federal Justice opened an investigation and charged President Mauricio Macri and former Energy Ministers Juan José Aranguren and Javier Iguacel, along with several Cambiemos officials, for “fraudulent administration”, for the attempt to privatize “at a cheap price” the plants thermoelectric plants Ensenada de

Barragán and Brigadier López. The complaint presented by a group of national deputies of the Front for La Victoria last November argues that the Government tendered the plants for less than the value that the State put for a part of its construction tendered by Enarsa in 2010, for half of the valuation fiscal that the General Audit of the Nation set in 2012 and for just slightly more than double the profit obtained by each of them in a single year.

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