Research Article

Comparative Analysis of Inequality, Corruption, and Trust Studies in Modern Societies

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Abstract

The article is concerned with the specific relationship of corruption and inequality in modern societies. This linkage is expanded with the category of trust, which is certainly an important concept in modern societies. There are different points of view on the relationship between corruption and social inequality. The paper proposes to make comparative analysis of this relationship and to interpret it based on the current social situation. First, it should be noted that there is a direct link between the levels of corruption and inequality. The high level of corruption is usually associated with high levels of inequality. But the hypothesis of a strong direct relationship between these concepts is controversial. The path from inequality to corruption may be indirect through trust, but this relationship is a key to understanding why some societies are more corrupt than others. But it is not so simple: the correlation between inequality and corruption is weak. Inequality and corruption are not directly related, there are deviations from this relationship.

Keywords: inequality, corruption, trust, comparative analysis, modern sociology

1. Introduction

Social inequality and corruption are the main economic and social problems of modern societies. Inequality is still quite high in several countries. It does not matter whether the country developed or transitive — social inequality and corruption are inherent to any mode and state formation in varying degrees.

It is not paid enough attention in current sociological research on studying of such social phenomenon as trust, especially in the context of a strong stratification situation (Delhey and Dragolov, 2014; Wilkinson and Pickett, 2009). The phenomenon of trust in the social aspect is undervalued and not seen as an indicator, which identify the number of fundamental changes in social systems. In comparative study of the correlation between trust and inequality usually the focus of attention shifted to inverse relationship between inequality and trust. The higher the level of inequality, the lower the level of trust (Bjornskov, 2003; Barone and Mocetti, 2015). The studies of the correlation between corruption and trust are in the same situation and they are stated as inverse relationship (Rimskiy, 2011; Graeff and Svendsen 2012). In some studies the strong linkage between trust and corruption is stated (Uslaner, 2008; Putnam, 1993; Anderson & Tverdova, 2003).

In this paper we consider the problem of ambiguity of the relationship of these indicators.

There are different points of view of researchers on the relationship between corruption and social inequality and the extent of this relationship. The linkage between inequality and corruption, following at least in part the argument of clear arguments (Glaeser et al., 2000; You 2005).

We propose to examine this relationship using comparative analysis and to interpret it on the basis of modern social conditions.

2. Research Methods

The purpose of the analysis is to identify the relationship between inequality, corruption and trust studies. The study used secondary data analysis published in the modern sociological literature. The criteria used to select these materials were: the theoretical and empirical basis of the research, validity of conclusions.

The primary research methods are comparative analysis and synthesis.

Technics to analyze data used in this work was the comparative analysis as a method of studying of the relationship between inequality, corruption and trust. This method was based on methodological research principles, according to which research study of the inequality, corruption and trust level were compared and main correlation were revealed.

Theoretical framework used to interpretation of the results is descriptive and analytical research methodology.

3. Corruption and Inequality

Undoubtedly, corruption leads to lower level of human development. Economic growth rate slows down in this case (You and Sankeev, 2005). Government spending on education and health also reduces. Corruption aggravates social inequality, impedes citizens to have access to free public services (education, health, etc.), which are important indicators of the level of human life.

There is the approach that corruption increases income inequality (Gupta, et al., 1998). Such correlation is due to the unequal distribution of property and access to education. Corruption leads to tax evasion. Participants of social programs do not receive its services. As a result social policy leads to increasing of inequality. This process occurs through the reduction of economic growth. According to the approach mentioned above, if the reduction of corruption is achieved, the level of inequality will be automatically reduced.

This approach is developed into discussion that income inequality increases the level of corruption through tangible and intangible mechanisms. But at the same time, corruption leads to the inequality of society, and thus, these variables fall into a vicious circle.

Why inequality leads to increasing of corruption? With rising of inequality, the wealthy man can lose a lot in the implementation of fair policies. They also want to have more resources that can be used to buy influence, using legal and illegal methods. And they begin to use bribery. Also on the global level irregular distribution of wealth increases and the scale of poverty grows (N. Osipova, N. Polyakova, D. Dobrinskaya et al., 2017).

Thus, the hypothesis about the increase in the degree of acceptability of corruption for the population in unequal societies confirmed. As for the inverse correlation, the high level of corruption is usually associated with high level of inequality, but the hypothesis of a strong direct correlation — is controversial. This will be discussed below.

From the above we can conclude that corruption needs to be explained not only through economic development. Inequality in its explanation should be no less important.

4. The Trust Phenomenon

One important link named *trust* is missed in corruption — inequality chain. Trust is one of the socio-psychological foundations of social harmony and largely determines the dynamics of the development of basic social processes, the integrity of society (Kozyreva, 2011). According to a widely shared definition, trust is 'a bet about the future contingent actions of others' (Sztompka, 1999).

A common distinction is made between particular trust—trust in people we know personally—and general trust—trust in people we are unfamiliar with. It is this latter type that is seen as crucial in large-scale modern societies (Delhey and Newton, 2005).
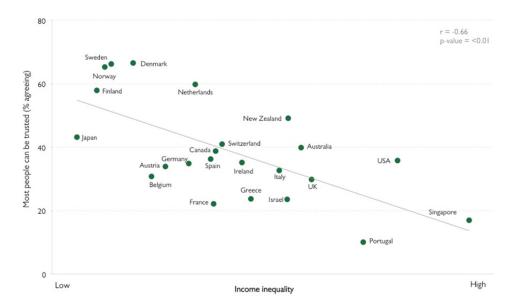
In this regard, the approach used by A. Seligman is of particular interest (Seligman, 1997). Trust considers, first as a sense of responsibility, duty, necessity, debt (trust) and, secondly, as a significant degree of confidence (confidence). In the first case trust always personified, and associated with the trust to concrete person. In second, it is associated with certain social institutions and systems. People pin their hopes and expectations for the future with these institutions. Also according to this approach it is impossible to trust in hierarchical societies in general. Therefore it is necessary to distinguish trust within and between groups. Inequality leads to decline of confidence between the groups, but within groups it grows. Trust is closely linked with the concept of corruption and social inequality.

5. Relationship between Trust and Inequality Level

As you can see, the level of trust and inequality is an important indicator of the status and development of the country and its stability. These indicators are interrelated (Wilkinson and Pickett, 2009). A number of studies prove its direct relationship. "Trust cannot develop in a society with a high level of inequality. People with higher status have no reason to trust lower class. Rich and poor are unlikely to think that they share the same values" (Uslaner, 2002).

Inequality thrives when there is low trust level in society. Figure 1 demonstrates the correlation between level of income inequality and trust level (Wilkinson and Pickett, 2009).

Figure 1. Correlation between level of income inequality and trust level (Wilkinson & Pickett, The spirit level (2009)).

According to the Figure 1 there is an evident correlation between the level of trust and inequality. First of all this correlation can be explained through the level of inequality because this index is objective and doesn't reflect people's attitudes. In the case of high inequality level people mostly

don't trust each other because of unfair distribution of resources. Different segments of the population are very polarized, poor feel themselves strangulated and disadvantaged. Thus the level of trust is low – they have no reason to trust people. Richer group of population sees danger in the poor segments of the population, social communications have been disrupted. And the level of trust is also low.

Path from inequality to corruption may be indirect through generalized trust, but this relationship is a key to understanding why some societies are more corrupt than others. It will be discussed below.

6. Trust, Corruption, and Inequality

High level of corruption is a key factor leading to a decrease in trust between people different from each other according to social position (generalized trust).

But it is not so simple. According to cross-country studies, the correlation between inequality and corruption is weak (Uslaner, 2009). But it is correct to say that inequality leads to an increasing of corruption through a trust. That is clearly seen from the diagram below:

Inequality → low level of generalized trust + high level of trust within the group → corruption → strengthening of inequality

Inequality leads to low level of generalized trust, but in combination with high level of trust within the group it leads to corruption and strengthening of inequality. We can name this chain a vicious circle.

So, corruption is not directly dependent on inequality. Inequality and low trust only exacerbate the corruption. The poor can't afford bribes. They receive bad government services that force them to corruption. And bad government service leads to lower level of institutional trust. Inequality leads to the fact that the trust is reduced through moral norms. People see the unequal distribution and have the attitude that you can achieve wealth by dishonest means. Plus, because of their position of dependence people have to live in bribes to survive.

Corruption can lead to increase of inequality and reduction of trust. These concepts are closely related and very difficult to break this vicious circle, consisting of inequality, corruption and trust.

The results of researches confirm the hypothesis that corruption leads to decline of the trust level among citizens. When people lose faith in each other and believe that their government is corrupt, and inequality thrives, then they will not trust each other (Uslaner, 2009).

7. Conclusion

There are different points of view on the correlation between corruption and inequality level. Some approach demonstrates that inequality and corruption are directly related and some that there are deviations from this relationship. So it is very important to examine the concept and level of trust. These deviations can be explained through the comparative analysis of inequality, corruption and trust level. Inequality is closely associated with the trust, the higher the inequality, the lower the trust (as discussed above). At the same time, corruption is associated with trust (the lower the trust, the greater the corruption). Hence, we have derived the dependence inequality-corruption.

Also we established the following chain of links: inequality-trust-corruption. It was named the vicious circle.

But this relationship is not as obvious as it seems at first glance. For example, Singapore was able to break this circle, defeated corruption. Singapore has high inequality, which leads to a low level of trust. In turn it should lead to a high level of corruption, but actual level of corruption is low. Modern Singapore is a leading country in the world, successfully implementing anti-corruption programs and having a low level of corruption. But at the same time, the country has a high level of social inequality. This can be explained only by social and cultural characteristics of the country. Therefore, this example demonstrates the ambiguity of correlation corruption-inequality.

Corruption may lead to increasing inequality and decreasing trust, in turn, high level of inequality leads to lower trust. These concepts are closely interrelated and it is very difficult to break

this vicious circle of inequality, corruption and trust.

But it is important to remember that this vicious circle can be broken. In order to achieve social cohesion of society should actively fight corruption in its institutional manifestations. First of all, it will lead to increasing of trust level in society, which is also a key factor in the problem of inequality.

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