Definitions of Corruption

There are many criminal and unethical acts that can constitute corruption. Canadian enforcement focuses on public and conventional corruption in the domestic environment.

The objective of this study was to outline how the concept of corruption is defined in Canada and to give an overview of enforcement responses, the results of which may serve to assist policy development regarding corruption and corruption-related crime. With this in mind, various types of corruption, definitions and related offences have been reviewed, including domestic, foreign and multilateral legislation, as well as civil society and international financial institution definitions.

Corruption can be defined and categorized in different ways. The most common types or categories of corruption are supply versus demand corruption, grand versus petty corruption, conventional versus unconventional corruption and public versus private corruption. There are other categories or ways of describing corruption, such as “systemic” versus “individual” or “isolated,” corruption by “commission” versus by “omission,” by the degree of coercion used to perform the illegal act, and the type of benefit provided.

“Supply-side corruption” is used to describe the act of offering an illicit payment or undue advantage, whereas “demand-side corruption” relates to the acceptance or solicitation of such a payment or advantage. “Active” and “passive” corruption are terms that have been used synonymously with supply and demand corruption.

“Conventional corruption” occurs when government officials, whether higher or lower ranking, illegitimately receive or accumulate an undue advantage for their own personal use, disregarding public interest. There is an element of reciprocity within conventional corruption: both the solicitation and the acceptance of bribes (supply and demand bribery) are therefore considered forms of conventional corruption. “Unconventional corruption” exists where a public or government official acts without consideration for the public’s interest, the goal being to attain a specific and personal gain. However, a key element is that no relationship of reciprocity exists, as there is no clear-cut transaction between two parties. This type of corruption includes acts, such as misappropriation, theft, embezzlement, and breach of trust.

“Grand” and “petty” corruption are both sub-categories of conventional corruption. Petty corruption is sometimes equated with “bureaucratic corruption,” which implies involvement of public administration officials and non-elected officials. Some examples of the use of petty corruption include bribes paid to enforcement officials, customs personnel, health service providers, and other government officials. Facilitation payments, also known as “grease” payments, fall under this category. Grand corruption involves higher ranking government officials and elected officials who exploit opportunities that are presented through government work. It is more often the result of bribes offered or paid in connection with larger scale government projects, such as infrastructure and construction projects.

“Political corruption” is considered a type of grand corruption due to its seriousness and the high-ranking level of public officials involved. It exists where politicians and government agents who are entrusted with enforcing laws are themselves corrupt: it occurs at the top levels of government. Another type of grand corruption is “State capture,” which is defined as a company or organization that shapes and influences legislation or government policies in an entire sector (e.g., the extractive and...
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Some examples of corrupt acts in the private sector include bribing, swindling, and mafia-methods. As the public and private sectors are more and more intertwined as a result of outsourcing, privatization, rapid growth in the private sector in some countries, and the growing influence of multinational corporations and State-owned enterprises, lines are blurred between public and private funds; and, hence, these types of corruption.

"Systemic corruption" exists where corruption is pervasive or entrenched in a society. In other words, it exists where it is routine in dealings between the
government and private individuals or businesses. In
such cases, tension exists between formal and informal
rules, as there are strong incentives for public
officials, businesses, and individuals to comply with
this illegitimate system. In contrast, isolated or
individual corruption exists when corruption is rare
or consists of a few individual acts.

Acts of corruption can be carried out by
"commission," but also by "omission." A public
official can either refrain to act or act in the
performance of his or her duties, in exchange for a
benefit from an individual or business. These factors
as well as the "degree of coercion" applied by the
public official and the type of benefit allotted
(monetary, physical good, or creation of a social
obligation) are of importance as they may affect
decision-making and rationalization by corrupt
actors. The same can be said in cases where the
"form of benefit" received is not immediate but
instead the result of the creation of a social
obligation. Individuals might be less inclined to
engage in corrupt behaviour in cases where the
counterpart or offering is a financial benefit,
compared to less obvious benefits such as future
favors or services.

In Canada, as is the case in the United States, the
United Kingdom, Australia, and other OECD
member states, both domestic and foreign
corruption are criminalized. In Canada, the
Corruption of Foreign Public Officials Act (CFPOA)
creates an offense for foreign corruption and also
contains books and records provisions. The
CFPOA’s bribery offense only criminalizes the
supply-side of the corrupt behaviors. Domestic
corruption offenses, provided for in the Criminal
Code, are broader in nature: both the supply and
demand sides of bribery transactions are
criminalized as well as acts of “unconventional"
corruption, such as breach of trust by a public officer
and misconduct of officers executing process.

The Criminal Code also contains a private
corruption offense. This type of corruption (between
private sector organizations) has received weaker
responses and focus from the media in Canada in
recent years. The media and enforcement
authorities have instead placed most focus on public
corruption. Furthermore, although foreign bribery
has been the source of much discussion with the
recent amendments to the CFPOA in 2013, there
has been much more activity surrounding domestic
corruption by criminal enforcement bodies and in the media in the last few years, often in relation with organized crime charges and investigations.

The media has been active in reporting grand or political corruption involving elected or high ranking government officials, as well as systemic corruption, involving the infiltration of organized crime into the public sector. Canadian enforcement bodies however seem to equally investigate instances of grand and petty corruption.

Most prosecuted cases in Canada have included acts of conventional corruption, as opposed to unconventional corruption. The few cases of unconventional corruption were brought alongside other charges which included conventional corruption, as opposed to stand alone charges. This might be due to evidentiary issues, such as the lack of third parties or physical evidence in cases of unconventional corruption.

Further research might be necessary to address additional weaknesses and best practices, such as areas surrounding information sharing between enforcement authorities and admissibility before Canadian criminal courts, the domestic and international asset recovery and mutual legal assistance framework under the Canadian Criminal Code (under sections 354 and Part XII.2 relating to proceeds of crime), federal laws (such as the Freezing Assets of Corrupt Foreign Officials Act), the World Bank/UNODC joint Stolen Asset Recovery Initiative and other revenue transparency initiatives, as well as the impact on prosecutions following the use of proactive investigation tools in other jurisdictions.


For more information on research at the Community Safety and Countering Crime Branch, Public Safety Canada, or to get a copy of the full research report, please contact the Research Unit at ocr-co@ps-sp.gc.ca.

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