Law, Economics and Society; Vol. 1, No. 1; 2025
ISSN 3066-9340 E-ISSN 3066-9359
https://doi.org/10.30560/les.v1n1p14

A Popular Participation Model to Avoid a New Governance Crisis in Venezuela and Peru: A Study of the Oil and Mining Industries

Cristiano De Angelis[1]

[1] Skema Business School, Lille, France

Correspondence: Cristiano De Angelis, Skema Business School, Lille, France. Tel: 35-192-630-5136. E-mail: cristiano.deangelis@skema.edu

Received: January 20, 2025 Accepted: January 29, 2025 Online Published: January 29, 2025

Abstract

Shared governance through popular participation and social oversight represents a significant challenge and opportunity in combating corruption and enhancing public policy effectiveness. This study, which involved a survey of 101 refugees in Brazil and employed Structural Equation Modeling, proposes a theoretical model titled *Popular Participation and Cultural Change to Reduce Corruption (PMRC).*

Given Venezuela's status as the largest oil producer in the world, the research focused on the following central question: *What is the impact of Venezuelans' social participation in public policies related to gasoline supply?*

Despite receiving financial aid from China and Russia to support both the public and private sectors, the Venezuelan government charges $1.36 per liter of gasoline—the highest price in Latin America—despite a production cost of only $0.035 per liter.

The study's key conclusion is that the governments of Venezuela and Peru are exploiting societal ignorance by closing educational institutions and restricting access to comprehensive knowledge, limiting citizens to only basic information.

The research model suggests that promoting knowledge-sharing within society and with other nations holds transformative potential for national cultural change, ultimately contributing to the reduction of corruption. The study emphasizes that combating corruption requires shifting from a purely legalistic approach to fostering an ethical cultural transformation, beginning with exemplary governance practices.

Keywords: corruption, national culture, shared governance, cultural change, popular participation

1. Introduction

1.1 Research Objectives

The primary objectives of this research are as follows:

1. Promote Social Participation: Highlight the importance of citizen involvement in reducing corruption while simultaneously improving government effectiveness.

2. Knowledge Management Practices: Emphasize the role of collective knowledge and organizational intelligence in achieving better policy outcomes through effective knowledge management practices.

3. Address Governance Issues in Venezuela and Peru: Analyze how the governments of these countries suppress social participation, maintain corruption, and employ strategies such as closing educational institutions to control the dissemination of knowledge.

1.2 Key Theoretical Contributions

Guevara (2024) explores the dynamics of mobilization and political representation by Peru’s social movements, particularly indigenous communities impacted by extractive industries. These movements have increasingly sought political representation at local, regional, and national levels.

Paganelli (2014) underscores the importance of mechanisms for citizen participation beyond elections, although there is limited understanding of Latin Americans’ propensity to engage in public affairs.

Gubbins and Dooley (2021) stress that relational social capital fosters tacit knowledge sharing, which influences organizational innovation. Lee and Han (2024) argue that a learning-oriented organizational culture fosters social capital, which enhances collaboration and trust.

1.3 Social Capital, Knowledge Sharing, and Governance Implications

The argument is made that direct dialogue between society and the political system leads to more effective decision-making (Paganelli, 2014). Ortega, Blancoc, and Cangahuala (2016) link social capital and adaptive planning to business innovation, concluding that collaborative and participatory approaches strengthen social capital and improve production practices.

At the governmental level, knowledge management practices can enhance governance by improving public project effectiveness and fostering societal engagement. However, the challenge lies in sensitizing public servants to collect and apply relevant knowledge effectively.

1.4 Case Studies on Oil and Mining Sectors

The privatization of Venezuela's oil industry has led to operational inefficiencies, with Chevron's joint ventures producing below capacity due to management challenges (Hernandez, 2023).

In Peru, mining extraction has historically been a major economic driver, but its expansion has caused significant social and cultural disruptions. Effective corporate social responsibility is essential to balance industrial growth with respect for indigenous communities and social development.

1.5 Study Structure and Key Insights

The study is structured into five sections:

1. Cultural Change as a Strategy to Combat Corruption: Proposes shifting focus from legal measures to cultural transformations.
2. Transformation of Tacit Knowledge into Explicit Knowledge: Demonstrates the importance of knowledge-sharing processes.
3. Process of Cultural Change: Explores how culture evolves through participation and education.
4. The Culture-Knowledge-Intelligence Model: Presents an integrative framework linking cultural transformation, knowledge management, and intelligence practices.
5. Popular Participation Model for Public Policy Effectiveness: Proposes a comprehensive model for increasing public policy efficiency in Brazil by integrating social participation and cultural change.

This research underscores that fostering knowledge sharing, promoting social participation, and prioritizing ethical cultural transformation are crucial steps in combating corruption and improving governance effectiveness.

2. Comparison Clarity: Tables or Infographics about Peru and Venezuela

The Argentine media, especially the newspaper Infobae, attempts to portray the diplomatic relations between Brazil and Venezuela, as well as between Argentina and Venezuela, as less than "cordial," claiming "the first time tensions have risen between both countries." However, all three nations maintain strong ties with Russia and China, and the media's framing seems to be aimed at shifting the public's mindset.

The Peruvian media has been actively working to damage the reputation of Venezuelans and undermine the character of Peruvians, seemingly to prevent unified opposition against the government. This effort aligns with the nation's deep-seated corruption, heavily influenced by the Brazilian metallurgical giant, Oderbrecht. This company’s far-reaching scandal led to the arrest of four Peruvian presidents, one of whom allegedly committed suicide following severe accusations.

In Venezuela, the military backing from China and Russia has allowed the dictatorship, with tacit support from segments of the American Republican Party, to persist. The Venezuelan media primarily broadcasts statements from President Maduro's allies.

The Maduro regime possesses approximately 5,000 Russian Terra-AR-Ar missiles, which have reportedly been supplied to irregular groups, including the National Liberation Army (ELN) and dissidents from the Colombian Revolutionary Armed Forces (FARC). These weapons are part of a broader geopolitical context involving support for armed groups in the region.

In a bid to secure his control, Maduro recently appointed a new military leadership to maintain his grip on power.

Academic and scientific research in both Venezuela and Peru faces severe obstacles. Fragile educational systems, combined with governmental coercion and the complacency of university professors, have led to a stagnant intellectual climate. Many academics, either out of fear or in pursuit of a comfortable lifestyle, spend most of their time idle at home rather than engaging in meaningful research.

Despite a surface-level appearance of stability in Venezuela, China and Russia's financial injections and administrative oversight keep the economy artificially afloat. Venezuelan researchers face limited opportunities, as the government tightly controls information and academic output.

Both Peruvian and Venezuelan societies reveal vulnerabilities that have fostered their current political and social chaos. Peru’s small business elite has managed to stabilize its currency, the sol, making it one of the strongest in South America. This has served as a psychological buffer for those with political influence.

In stark contrast, Venezuela lacks bookstores entirely, while Peru offers only a limited selection focused on self-help, medical topics, and children's literature, often characterized by weak content. Illiteracy rates remain concerning in both countries, further impeding societal progress.

Many people in these nations struggle to grasp the extent of political and economic changes, though they sense a shift from capitalism toward a controlled system resembling communism. This transition is evident in their declining freedoms, overwork, and increasing exposure to propaganda. The parallels to China's and Russia's hybrid systems, where capitalist economies operate under authoritarian communist governments that control access to knowledge and resources, are becoming more apparent.

Literacy rate in Venezuela: The latest value from 2022 is 97.6 percent, an increase from 97 percent in 2016. In comparison, the world average is 80.97 percent, based on data from 54 countries. Historically, the average for Venezuela from 1981 to 2022 is 93.96 percent (Unesco, 2022)

The statistic depicts the literacy rate in Peru from 2007 to 2020. The literacy rate measures the percentage of people aged 15 and above who can read and write. In 2020, Peru's literacy rate was around 94.5 percent (Unesco, 2002).

3. The Oil Industry and The Lack of Social Participation in Venezuela Since Hugo

For nearly a century, Venezuela has been a major petroleum-producing nation. With a territorial area of 916,445 km², approximately three-fifths of its regions are rich in proven crude oil reserves, amounting to 270,703 MMBLS. These reserves are categorized as follows:

- 2 MMBLS of wet gas
- 76 MMBLS of condensate crude
- 1,609 MMBLS of light crude
- 1,202 MMBLS of medium crude
- 8,299 MMBLS of heavy crude
- 259,515 MMBLS of extra-heavy crude

The state-owned oil company, PDVSA, employs various refining techniques both domestically and internationally through its subsidiaries. These techniques include desalination, distillation, extraction, sieving, filtration, and coking, among others. The conversion process, commonly known as molecular cracking, is supplemented by advanced methods such as isomerization and polymerization. The resulting products range from highly volatile gases and liquids like gasoline to thick fluids such as asphalt and solids like paraffin and waxes. The primary petroleum derivatives include gases, motor gasoline, aviation gasoline (Jet Fuel), kerosene, diesel, solvents, lubricant bases, paraffin, heavy fuel oil, and asphalt. Residual by-products like coke and sulfur are also obtained based on the API grade of the crude.

The oil activities in Venezuela—exploration, extraction, transportation, refining, and marketing—have been heavily influenced by political and economic shifts. The development of the oil industry can be divided into two distinct phases:

(1) Pre-Nationalization (1914–1970)

During this period, operations were conducted by transnational companies in partnership with the Venezuelan state under a "fifty-fifty" profit-sharing scheme.

(2) Nationalization Era (1974 Onward)

In 1975, PDVSA (Petróleos de Venezuela, S.A.) was established and officially began operations in 1976. It assumed control of exploration, production, refining, marketing, and transportation of Venezuelan oil and gas. PDVSA also expanded into petrochemicals and carbon-related industries.

The nationalization period saw PDVSA function as a commercial holding company with a mandate to generate crude oil revenue and internationalize its operations. This expansion included acquiring and installing refineries

abroad as part of the so-called "Oil Opening." However, the company operated largely as a commercially driven entity, disconnected from social and economic development programs within Venezuela.

Evolution and Expansion of the Venezuelan Oil Industry

The third model currently under development originated in 2002, following the petroleum industry shutdown, which the government sector referred to as "Petroleum Sabotage." In response, a new organizational structure was established for the oil sector, adopting a transformative vision and mission. This restructuring led to the development of policies that redefined the Executive Power's operational role in exploration, extraction, production, refining, marketing, and transformation activities through a New Knowledge Management (GC) approach, which this work will further address.

Overview of the Venezuelan Oil Industry

The Venezuelan oil industry holds the largest proven oil reserves globally. As of 2013, certified reserves totaled 298.3 billion barrels, accounting for 20% of the world's reserves. Once the project to quantify reserves in the Orinoco Belt is completed, proven reserves are expected to reach approximately 316 billion barrels, predominantly extra-heavy crude.

Among the industry's notable facilities is the Paraguaná Refining Complex in Falcón state, the second-largest refinery in the world, with a processing capacity of 940,000 barrels per day (bpd). Additional refineries include Puerto La Cruz (200,000 bpd) and El Palito (130,000 bpd).

PDVSA's Internationalization and Asset Expansion

In 1982, PDVSA, the state oil company, launched its Internationalization Program aimed at acquiring overseas assets and forming strategic partnerships with transnational companies under Article 5 of the Organic Hydrocarbon Law. This initiative continued until 1998.

In Europe, PDVSA's internationalization began in 1983 with the purchase of a 50% stake in a refinery and petrochemical complex from Germany's Veba Öl AG. By June 1986, PDVSA acquired a 50% stake in Nynäs Petroleum, enhancing its refinery network across Europe.

In April 1983, PDVSA and Veba Öl AG formed Ruhr Oel GmbH to co-manage four German refineries, processing heavy and extra-heavy crude from Venezuela. The agreement involved a significant investment of over 3 billion German marks. PDVSA retained a 50% stake in Gelsenkirchen, 19% in Schwedt, 13% in Neustadt, and 12% in Karlsruhe, enabling the company to process approximately 240,000 bpd and meet 20% of Germany's petrochemical demand. In 2010, the Venezuelan government sold its shares to Rosneft for over $1.6 billion.

In Sweden and the UK, PDVSA acquired 50% of Nynäs AB Petroleum in 1986, becoming a leading asphalt and lubricant supplier in Europe. The partnership involved four refineries and an extensive storage and distribution system. PDVSA held equal shares with Sweden's Neste Oil until 2012. However, by May 2020, PDVSA had reduced its stake to 15%, with 35% transferred to a private Swedish foundation. This move raised concerns about unauthorized asset losses, as highlighted by the National Assembly in December 2019.

Expansion in North America

In February 1986, PDVSA acquired a 50% stake in Citgo Petroleum, based in Dallas, Texas, later completing full acquisition in September of the same year. By 1988, PDVSA also owned Champlin Petroleum's Corpus Christi refinery and held a 50% stake in a refinery near Chicago. These acquisitions ensured PDVSA's refining capacity abroad exceeded its domestic capacity, securing market placement for Venezuelan crude exports.

PDVSA and CITGO: Expansion, Challenges, and Geopolitical Shifts

Many 7-Eleven locations in the United States feature gasoline service stations distributed by Citgo Petroleum. In 1983, Southland Corporation purchased Citgo. Three years later, in 1986, PDVSA (Petróleos de Venezuela S.A.) acquired a 50% stake in Citgo, completing the purchase of the remaining shares in 1990.

CITGO's Refineries in the U.S.

Citgo operates several major refineries in the U.S., including:

- **Corpus Christi Refinery (Texas)**: Capacity of 157,500 barrels per day (bpd)
- **Lake Charles Refinery (Louisiana)**: Capacity of 427,800 bpd
- **Lemont Refinery (Illinois)**: Capacity of 175,940 bpd
- **Merey Sweeney Refinery (Texas)**: Joint venture with ConocoPhillips, processing 214,000 bpd

In 1990, PDVSA and ConocoPhillips formed a partnership to manage the Merey Sweeney Refinery. However, in May 2007, President Hugo Chávez nationalized the oil industry, increasing state control to 78%. When negotiations with ConocoPhillips failed, the company initiated arbitration. By 2016, Venezuela lost its shares in the Merey Sweeney Refinery due to arbitration rulings. ConocoPhillips claimed $195 million in compensation, and Venezuela faced further financial penalties.

Legal and Financial Disputes

In March 2019, the World Bank ruled that Venezuela owed over $8.14 billion to ConocoPhillips, plus an additional $2 billion awarded in a previous arbitration. The CIADI tribunal had ruled in 2013 that Venezuela's 2007 expropriation of oil and gas assets was illegal, with interest set at 5.5% per annum.

Key Acquisitions and Sales

In 1993, CITGO formed a joint venture with Lyondell Chemical to create the Lyondell-CITGO Refinery Company in Houston. PDVSA supplied 240,000 bpd of heavy crude for refining. In 2006, PDVSA sold its 41.25% stake in the refinery for $2.165 billion but only received $1.313 billion after settling liabilities.

In 2007, the Venezuelan government sold the Paulsboro (New Jersey) and Savannah (Georgia) asphalt refineries to NuStar Asphalt Refining LLC for $450 million, along with a $100 million operations fund.

In 1997, PDVSA acquired a stake in Chalmette Refining LLC in Louisiana to secure crude product placement from its Cerro Negro project in the Orinoco Belt. However, litigation with ExxonMobil over expropriation led to the sale of Chalmette Refining to PBF Energy Inc. in 2015 for $322 million, which was divided equally between PDVSA and ExxonMobil.

Petrocaribe and Geopolitical Shifts

From 2005 onward, President Hugo Chávez shifted Venezuelan oil policy toward geopolitics by founding Petrocaribe, a regional alliance that included Aruba, Jamaica, Cuba, and the Dominican Republic. The initiative aimed to secure influence in the Americas but faced poor outcomes due to financial mismanagement, sanctions, and confiscations of PDVSA assets in some member countries.

This geopolitical realignment sought to challenge U.S. influence and build alliances with countries like Iran, Syria, Belarus, and Russia. Economic and technological cooperation with China, India, and Vietnam was also pursued, along with trade partnerships with Turkey and Uganda.

Social Spending and FONDEN

In 2005, Venezuela created the National Development Fund (FONDEN) to allocate oil revenues for social programs. Between 2005 and 2016, FONDEN managed approximately $82 billion, with PDVSA contributing $15.572 billion in 2012 alone. However, the fund faced criticism from the NGO Transferencia.org to lack of transparency and accountability.

This strategic shift and resource allocation ultimately contributed to a decline in national refinery capacity, financial deficits, and economic instability.

In conclusion, the NGO Transferencia (2020) highlighted the significant revenues generated by the Venezuelan oil industry. Following the establishment of the National Development Fund (FONDEN) under the Ministry of Finance, President Hugo Chávez mandated PDVSA to divert a substantial portion of its foreign currency earnings from oil exports to FONDEN, which functioned without oversight. Between 2005 and 2016, PDVSA contributed $82.21 billion, according to reports from the Ministries of Petroleum and Finance.

In terms of knowledge management within PDVSA and its influence on workforce development, PDVSA President Eulogio Del Pino (2015) emphasized efforts to transform the company under a socialist framework. This transformative approach was formalized through the Socialist Strategic Plan (PES) 2016-2026, which aimed to redefine corporate strategies and integrate worker-driven proposals. With the active participation of over 96,000 workers (70% of the workforce), the PES generated 466 proposals and 1,846 actionable initiatives categorized across operational, technological, and strategic dimensions.

The PES framework is built around six strategic themes:

1) Positioning PDVSA as a leader in heavy crude production and processing.
2) Driving national and territorial economic development.
3) Diversifying markets and fostering regional energy integration.
4) Enhancing operational efficiency.

5) Reinforcing socialist values in daily operations.
6) Protecting the environment in all PDVSA activities.

Central to the PES is the "Direct and Democratic Management of the Working Class," supported by Venezuela's Constitution and labor laws. This model emphasizes self-management and co-management through Socialist Workers' Councils (CSTT) to promote social accountability and decision-making in company operations.

The PES philosophy is rooted in three core concepts: Recover, Sustain, and Grow:

1) **Recover:** Focused on restoring operational capacity and infrastructure over the first three years by enhancing worker morale, optimizing processes, and identifying bottlenecks that impede efficiency. Cost reductions and increased production reliability are key objectives during this phase.
2) **Sustain:** As recovery stabilizes operations, the next phase involves strengthening human, operational, and administrative frameworks to maintain efficiency and lay the foundation for growth.
3) **Grow:** The final phase emphasizes sustainable growth, driven by solid operational reliability, a streamlined bureaucracy, increased worker engagement, and a commitment to socialist values.

Throughout these phases, active worker participation is essential. The implementation of Socialist Injectors is a key strategy to reduce bureaucracy, foster commitment, and ensure effective decision-making. These injectors, along with ongoing training initiatives, aim to enhance the effectiveness of Socialist Workers' Councils (CSTT) and ensure PDVSA meets its domestic and international obligations.

By fostering a culture of participatory governance, continuous training, and infrastructure improvement, the PES seeks to transform PDVSA into a more efficient, sustainable, and socially accountable enterprise, contributing to Venezuela's broader socio-economic development

4. The Mining Industry in Peru: A Frustrated Attempt at Social Participation

Peru's mining industry has seen remarkable growth, with metal production transfers amounting to 7,665 million soles. This success underscores the country's increasing investment in mining, cementing Peru's role as a global leader in metal production.

Following the 105th meeting of the World Mining Congress held in Santiago, Chile, the Canada-Peru Chamber of Commerce highlighted the importance of fostering strong relationships between mining companies and local communities. This involves early-stage consultation, community participation throughout project development, and the implementation of programs to enhance the quality of life and promote social inclusion.

Canadian companies, which operate several mines in Peru, Chile, and Brazil, have made efforts to contribute to local development. Beyond creating jobs, they have invested in critical community initiatives, such as building schools and hospitals.

However, despite these efforts, corruption scandals have marred the sector, particularly involving the largest metallurgy company in Latin America, Brazil's Odebrecht. Several Peruvian administrations were implicated in projects tainted by bribery:

1) **Alejandro Toledo's Administration:** Projects included the San Bartolo South Oxidation Lagoon, Callao water and sewage system rehabilitation, Chimbote potable water system, Tingo María-Aguaytía Highway, and the Northern Interceptor.
2) **Alan García's Administration:** Projects included the Cuñumbuque-Zapatero-San José de Sisa Highway, Iquitos potable water system improvement, Callejón de Huaylas-Chacas-San Luis Highway, and Lima Metro Line 1 (Tramos I and II).
3) **Ollanta Humala's Administration:** Projects included the Hualapampa-Vado Grande Corridor, Negromayo-Occoruro-Pallpata-Yauri Highway, Cusco city bypass, Callao Costa Verde segment, and El Arenal-Punta de Bombón Highway.

Between 2005 and 2014, Odebrecht paid around $29 million in bribes in Peru, primarily to secure construction bids. These illicit activities resulted in the company earning $143 million from projects in the country.

Keiko Fujimori, daughter of former dictator Alberto Fujimori and a powerful figure in Peru's parliamentary regime, was twice placed in pre-trial detention for a total of 16 months. She was accused of accepting $1.2 million in illegal

campaign contributions from Odebrecht for the 2011 and 2016 elections. However, Peru's higher authorities eventually annulled the proceedings against her.

Greater social participation could enhance the effectiveness of public policies and help combat corruption. Creating formal spaces for collective knowledge and social oversight is essential. Such efforts should begin with public education campaigns led by NGOs to empower citizens to engage meaningfully in decision-making processes.

5. Communities of Practice: A Valuable Tool for Collective Knowledge Gathering

Communities of Practice (CoPs) serve as a powerful Knowledge Management tool, facilitating organized discussions by topic and providing a structured alternative to the overwhelming flow of information found on social media. CoPs are particularly effective for fostering Organizational Intelligence when paired with "expert analysis" practices.

One key advantage of CoPs is the role of the community leader, who not only moderates discussions but also synthesizes suggestions and critiques, guiding decision-makers with informed insights. For instance, consider a discussion on poverty: within the group, there might be both a homeless individual and a scholar specializing in poverty. The former offers tacit, experiential knowledge, while the latter provides explicit, theoretical insights. This dynamic integration of perspectives enriches decision-making and learning.

Sindermann (2024) analyzed the "Fridays for Future" (FFF) movement and discovered a positive correlation between group affiliation and political participation. The study examined how individuals perceive their connection to FFF, treating social identity as a multidimensional concept. However, Sindermann noted that identification within the group was relatively weak, possibly due to the superficial and often impersonal connections typical of social media-based movements.

Trust, a crucial element for meaningful collaboration, tends to be limited in such environments. Trust is more likely to develop through joint projects that promote mutual growth among participants. These collaborative relationships improve the sharing of knowledge and experiences, fostering stronger communication and engagement in government initiatives.

The Social Identity Model for Pro-Environmental Action (SIMPEA), as demonstrated by Fritsche et al. (2013), highlights how social identity influences behavior in response to environmental crises. Sindermann's (2024) findings further suggest that the relationship between group identification and political participation on social media varies based on the participant's level of engagement—whether they merely belong to the group, follow discussions, or actively contribute to conversations and projects.

Based on these insights, it is recommended that the Brazilian government engage with civil society groups at the neighborhood level when implementing public projects for several reasons:

1) **Direct Beneficiaries:** These community members are the primary stakeholders and can provide valuable, practical input on project development and execution.
2) **Pre-Established Networks:** These groups are already self-organized and connected through established communication channels, enabling efficient collaboration.
3) **Project Monitoring:** As residents, they are well-positioned to oversee the project's progress and suggest ongoing improvements.

By fostering partnerships with organized communities, the government can enhance public project outcomes and encourage meaningful citizen participation.

6. The Transformation of Tacit Knowledge into Explicit

The importance of sharing tacit knowledge and transforming it into explicit knowledge for Social Participation.

It is important to understand how socialization facilitates the search for tacit knowledge, from a perspective based on Knowledge Management - KM activities (Schatzi et al., 2001).

Specifically, Gubbins & Dooley (2021) consider social capital (the relational aspect rather than the cognitive and structural one) as an important precursor to tacit knowledge sharing, which in turn influences an organization's innovation capacity.

However, current research lacks empirical evidence supporting the relationship between interpersonal trust and knowledge acquisition (Kucharska & Erickson, 2023).

Although tacit knowledge is individually owned, difficult to articulate, imitate or replace (Barney and Clarck, 2023), it can be shared by social relationships, but depends on the following points:

(1) Ways in which types of relationships condition the flow of information and learning in networks (Borgatti & Cross, 2003).

(2) Knowledge transfer depends critically on trust (Kucharska & Erickson, 2023) and therefore it is necessary to understand what types of trust are associated with the effectiveness of interpersonal knowledge transfer (Arnett & Wittmann, 2014), however research produces on this topic produce inconclusive results (Gubbins & Dooley, 2021).

(3) There are phases prior to sharing, which are the basis for initiating sharing (Lee & Han, 2024), including the knowledge search phase (Gubbins & Dooley, 2021).

Gubbins and Dooley (2021) found that social identity is more likely than trust to confer a greater sense of psychological safety for seeking tacit knowledge in groups. Therefore, it is essential to develop environments where individuals feel safe to ask and share.

The great difficulty in understanding tacit knowledge and transforming it into explicit knowledge is that people are very afraid to share what they know, either out of fear, even more so in times of pandemics and wars, or out of fear of losing their position.

Duan et al. (2021) state that a lot of knowledge is needed to learn about the reasons and consequences why people hide knowledge, Singh (2019) and Shrivastava et al. (2021) recommended that future research examine how different dimensions of knowledge hiding, such as explicit and tacit knowledge hiding, influence organizational performance.

Overall, studies on the effect of hiding explicit and tacit knowledge on a company's innovation have been largely unexplored and this is very important for innovation, particularly in education, a topic full of challenges.

Shahzad, Chilba and Arslan (2024) show that explicit knowledge transfer has a great impact on innovation. A more codified and formal presentation of knowledge has proven to be an effective way of transferring knowledge and supports the argument for using resources such as manuals and written guides in the knowledge transfer process. However, tacit knowledge transfer has not been found to have a significant direct effect on innovation.

The need to transform the tacit knowledge of participants in government social participation initiatives is therefore clear. And also from public administrators and managers themselves. This study aims to examine the underlying process through which the culture of the learning organization positively influences knowledge sharing to improve collective knowledge collection and use with a focus on improving the effectiveness of Brazilian public policies. To this end, it is essential to facilitate the sharing of knowledge through well-structured networks. Encouraging collaborative approaches and creating platforms for exchanging information can improve network-based learning. Therefore, this study suggests the integration of Knowledge Management and Organizational Intelligence practices.

Generating innovation based on tacit knowledge is a challenge (Chesbrough and Teece, 1996) due to the lower accessibility and lack of codification of this branch of knowledge.

The issue of culture is a key point in this process of transforming experience (tacit) into something written (explicit).

Lee and Han (2024) highlight that learning organizational culture is crucial for developing social capital within an organization. By promoting an environment that prioritizes continuous learning and development, organizations can promote adaptation, innovation and resilience (Coleman, 1994).

7. A Model of Social Participation: Comparative Between Venezuela and Peru

This research empirically tests three hypotheses (Table II):

Table 2. Hypotheses in CKI model

Hypotheses	Sources	Results and gaps to be filled
H1. Culture influences Knowledge	De Vita (2001), Kennedy (2002) and Tweed and Ledman (2002) suggested that by influencing the way individuals perceive, organize and process information, the way they communicate with others and the way they understand, organize and generate knowledge and solve problems, culture is inextricably linked to learning approaches and preferences.	SUPPORTED
H2. Culture influences Intelligence	The relationships between different aspects of intelligence can vary across cultures, with correlations that are positive in one setting proving to be negative in another. Can research provide an understanding of intelligence that is not so culturally constrained? (Sternberg & Grigorenko, 2004)	SUPPORTED
H1. Knowledge influences Knowledge	Intelligence is knowledge in action and its three pillars are prediction, strategy, and action (Rothenberg & Erikson, 2004)	SUPPORTED

8. Data Collection

After a wide range review of theoretical and empirical research and survey methods, this research adopted a web survey - available in the Appendix 1 - to obtain input from targeted respondents and achieve the objectives of this research project. The use of key informants from organizations for data collection has been a popular method in many research contexts (Huber and Power, 1985).

This research relies on a study performed on two countries, Venezuela and Peru, conducting semi-structured interviews, 30 questions across 3 dimensions (Emotional Intelligence, Cultural Intelligence, and Spiritual Intelligence). In total 35 interviews with students were conducted in Perú and Venezuela (Universidad Mayor de San Marcos - Peru y la Universidad de Carabobo en Valencia-Venezuela).

Interviews are particularly useful for getting the story behind a participant's experiences. The interviewer can pursue in-depth information around the topic (McNamara,1999).

We conducted interviews on one-on-one basis and compared and contrasted the results ourselves, avoiding focus groups due to their elevated potential for acquiescence bias (Schaffer and Riordan 2003).

However, to avoid the Commom method bias or common method variance (CMB), a spurious correlation between the constructs, it would be interesting apply the research model in a wider context and in a different way.

For example, researchers can use different formats (semantic differntial, face scales, open-ended questions),

media (computer based vs. paper and pencil vs. face-to-face interviews), and-or locations (e.g., different rroms or sites)

for the measurement of the predictor and criteria variables (Podsakoff et al., 2003).

The demographic information of the 35 respondents is summarized in table 3.

Information regarding respondent´s education level was identified based on three education-level cohorts, as described in table 3.

Table 3. Respondent´s level in Peru and Venezuela (own elaboration)

Student level	Peru	Percent	Venezuela	Percent
até o terceiro semestre	7	20%	12	34%

entre o terceiro e o quinto semestre	4	11%	6	17%
entre o quinto e último semestre	4	11%	2	5%

9. Data Analysis

The evaluation of the reflective measurement model has the following elements:

• Internal consistency reliability: Composite reliability should be higher than 0.701 (in exploratory research, 0.60 to 0.70 is considered acceptable).

• Convergent validity: The average variance extracted (AVE) should be higher than 0.50 (Chin, 1998; Hair et al., 2005).

• Discriminant validity: Indicators with high loads (less than 0.7) in their latent variables (LV) and low loads in other LV (cross-load) indicate discriminant validity (Chin, 1998); Correlations between the latent variables are smaller than the square root of AVE (Fornell and Larcker, 1981).

Table 4 shows the composite reliability and alpha values for the three dimensions of CKI model.

Internal consistency is a method of reliability in which we judge how well items on a test that are designed to measure the same construct produce similar results (Struwig, M., Struwig, F.W., & Stead, G.B., 2001)

John and Benet-Martinez (2000) explain that Convergent validity and discriminant validity are commonly regarded as ways to assess the construct validity of a measurement procedure and Discriminant validity helps to establish construct validity by demonstrating that the construct you are interested in (e.g., anger) is different from other constructs that might be present in your study (e.g., depression).

Cronbach's alpha is a way of assessing reliability by comparing the amount of shared variance, or covariance, among the items making up an instrument to the amount of overall variance. The idea is that if the instrument is reliable, there should be a great deal of covariance among the items relative to the variance (Collins, 2007).

Table 4. Composite reliability and alpha in the CKI model

	CI	KM	OI
Composite reliability	0,88	0,84	0,81
Cronbach’s alpha	0,72	0,87	0,69

All VLs (first and second orders) showed AVE greater than 50 per cent, which meets the criteria of Chin (1998) and Hair et al. (2005) for the indication of convergent validity.

The second criteria states that an indicator’s loading with its associated latent construct should be higher than its loadings with all the remaining constructs (i.e. the cross-loadings). Indicators with high loads (less than 0.7) in their LV and low loads in other LV (cross-load) indicate discriminant validity (Chin, 1998). The cross-loading are presented in Table 5.

Table 5. Cross Loadings

	CI	KM	OI
CI1	**0,876**	0,319	0,280
CI2	**0,739**	0,332	0,360
CI3	**0,798**	0,409	0,530
CI4	**0,753**	0,278	0,460
KM1	0,473	**0,798**	0,521
KM2	0,504	**0,786**	0,642
KM3	0,319	**0,663**	0,440
KM4	0,435	**0,715**	0,470
KM5	0,433	**0,766**	0,511
KM6	0,543	**0,804**	0,233

KM7	0,474	**0,720**	0,448
KM8	0,339	**0,841**	0,581
OI1	0,493	0,354	**0,889**
OI2	0,553	0,459	**0,681**
OI3	0,385	0,266	**0,797**
OI4	0,443	0,384	**0,780**
OI5	0,421	0,398	**0,717**
OI6	0,295	0,479	**0,786**
OI7	0,372	0,565	**0,932**
OI8	0,531	0,507	**0,791**

The discriminant validity analysis revealed that most indicators show adequate discriminant validity, indicating that the concepts are evaluated by respondents as representing different aspects of the phenomenon.

The social participation-reduction of corruption model (SPRC) is presented in Figure 2.

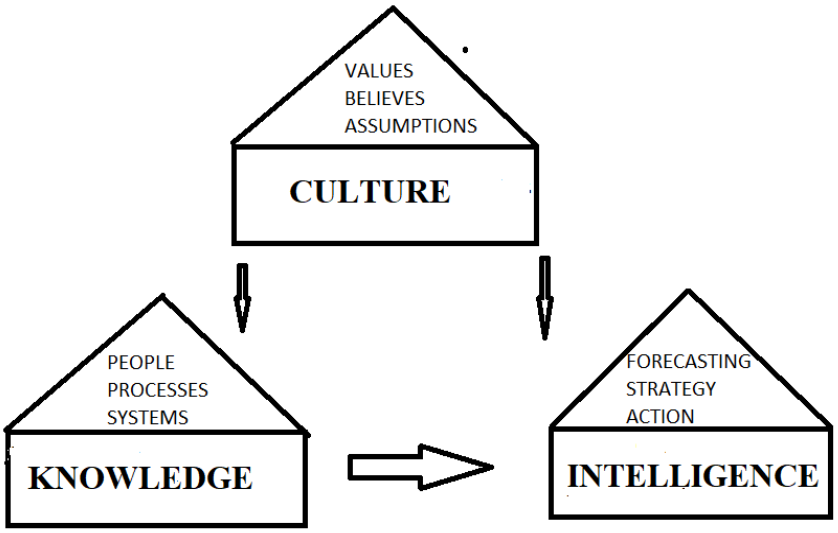


Figure 2. The SPRC model (own elaboration)

The SPRC model shows that social participation has a strong and positive impact on the reduction of corruption.

Figures 3 and 4 present the relationships among the model's constructs (path coefficients) of the structural model for Venezuela and Peru, respectively.

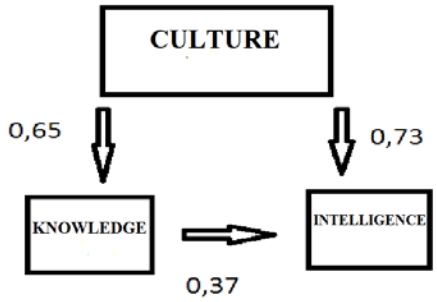


Figure 3. Path Coefficients for Venezuela

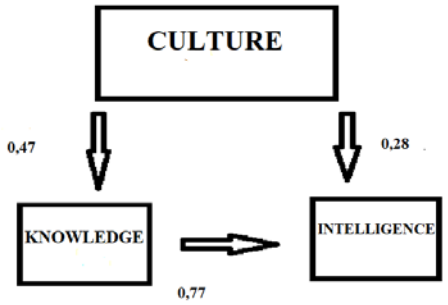


Figure 4. Path coefficients for Peru

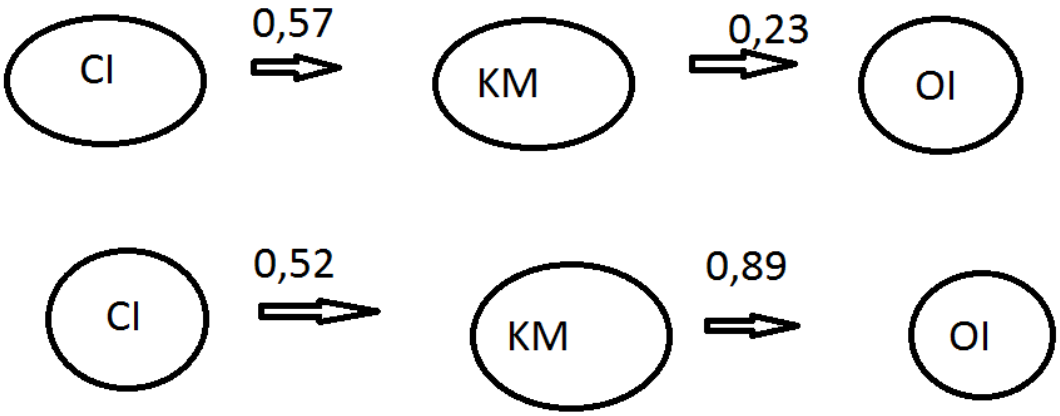
By analyzing Figures 3 (Venezuela - V) and 4 (Peru- P), it is possible to conclude that: In Venezuela and Peru, Culture - C has a positive influence on Knowledge - K (B=0,65 and G=0,47) and Intelligence - I (V=0,43 and P=0,28), while K has a positive influence on I (B=0,47 and G=0,77).

Cultural Intelligence are fundamental to explain changes in practices of K (R2 Venezuela: 0.34 and R2 Peru: 0.45) and in I (R2 Venezuela: 0.65 and R2 Peru: 0.68).

If the influence of C on I is removed, then it is possible to conclude, analyzing Figures 7 (Venezuela) and 8 (Peru), that:

• In Venezuela, C is responsible for 36 per cent of changes in K, and K is responsible for 49 per cent of changes in I.

• In Peru, C is responsible for 46 per cent of changes in K, and K is responsible for 63 per cent of changes in I.



Figures 5 and 6. Path coefficients without the influence of C on I (Venezuela and Peru respectively).

10. Results and Discussion

The impact of culture on intelligence is much higher in Venezuela (0,73) than in Peru (0,28). This is related to the fact that Peruvian people has more access to knowledge than Venezuelan people due to the situation of "Civil war". This is the reason why Venezuelan needs a particular leader to move the protest against the dictatorship and that is the reason that they believe in anyone who appears to take this position.

Besides that, the high level of uncertainty avoidance of Venezuelan people impact their intelligence, without considering the interference of the intermediate variable (Knowledge), because Venezuelans do no have access to knowledge and also to social participation since the administration of Hugo Chavez according to the interviewees.

Analyzing the figures 3 and 4, although the relationship between culture and knowledge has presented the direct effect with the higher structural load in both countries (Venezuela:0.65 and Peru: 0.47), the relationship between C and I was much higher in Venezuela (0.73) than in P (0.28), revealing that C has less impact on I in Peru than in Venezuela. This means that in opposition to Peru, in Venezuela, the I is more influenced by C (0,73) than by K (0,37), since Venezuelans have several difficulties to apply knowledge based on the block of the Maduro´s administration and lack of habit of reading easily implemented as a National Culture model by the governments since Chavez´s administration.

This is even clearer when the direct influence of culture on intelligence is eliminated of the analysis (figures 5 and 6).

Analyzing the figures 5 and 6, in Venezuela K is responsible for 23% of changes in I, while in Peru, K is responsible for 89 per cent of changes in I.

These results become clear with the interpretation of the interviews carried out.

In question 1, for example, Venezuelans respond that due to the country's political situation, it is very difficult for them to have the confidence to share what they know, highlighting that education in Venezuela is extremely weak.

In Peru, the greatest human interaction is still a certain amount of sharing, mainly information, via WhatsApp and Facebook. However, the political situation is not stable either and a fourth president, Pedro Castillos, was arrested in 07.12.2022, also due to the population's lack of knowledge.

Regarding question three, both countries are Latin and so there is no reading habit, but rather the exchange of favors and gifts to deal with the strong corruption and political instability generated by society's lack of knowledge and social participation, which also leads to the difficulty of understanding the political scenario in the region.

In relation to questions four and five, there is very little interaction with other cultures, whether knowledge-based or intelligence-based. Those who arrive in these countries try to forget Peru and Venezuela. Due to ease of language and financial issues, they end up choosing to visit and live in other countries in South America. There are even many Venezuelans in Peru, but the Peruvian media is against Venezuelans and even Peruvians in order to provoke the crisis of trust among the population and prevent the arrival of more Venezuelans.

Regarding the Knowledge questionnaire, both Venezuelans and Peruvians spend the day watching and sharing photos, videos and messages through WhatsApp and Facebook. It is very rare to find a book in both countries, particularly in Venezuela. There are no books in English.

Question 6 about Knowledge shows that Peruvians are able, even if in a very incipient way, to transform tacit knowledge into explicit, through messages. Venezuelans, on the other hand, have much more difficulty because of the security issue and so they simply focus on flourishing the Latin culture of distraction by sharing fun videos and photos.

As observed in the results of the Structural Equations methodology, in Venezuela, culture has a more direct impact on Intelligence (action), since Venezuelans do not have access to any type of knowledge, except those with experience in more developed countries (cultural intelligence). Even in these countries it is very difficult to develop the habit of reading as they are already of a certain age and they think they need a good amount of time to relax their minds from the news they see every day via social media (avalanche of information).

Even in relation to question 2, both Venezuelans and Peruvians admit the strong impact of the culture where they live on their way of acting, and they think that it is really necessary to change culture to develop the habit of reading (having an example) and then understand things and be able to better participate in changing your own country.

The results obtained by SEM and interviews are corroborated in academic literature.

Roland et al. (2020) In recent years, a vibrant new literature has developed on the economics of culture. A large part of that literature examines the effects of cultural values and beliefs on economic outcomes (growth, institutions, fertility choices, female labor force participation, etc.).

De Vita (2001), Kennedy (2002) and Tweed and Ledman (2002) suggested that by influencing the way individuals perceive, organize and process information, the way they communicate with others and the way they understand, organize and generate knowledge and solve problems, culture is inextricably limited to learning approaches and preferences.

Akgun et al. (2007) argue that OI is an everyday activity that is cognitively distributed and demonstrated by people's behavior, their culture and their organizational routines.

Caloghirou et al. (2004) support this conclusion when affirming that the availability of knowledge will increase the ability of people to search, recognize and present a problem as well as assimilate and use new knowledge for problem-solving.

Cultural differences should be recognized and addressed in creativity training where participants from different cultures have an equal chance to share their perspectives and experiences on creativity and innovation (Tang and Werner, 2017).

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11. A model of Popular Participation and Cultural Change to Reduce Corruption

Participation and social control are the main elements of shared governance between the State and society in order to improve the effectiveness of public policies and at the same time reduce corruption. Shared governance

generates relevant knowledge and intelligence if the State is interested in organizing, transferring and using this contribution. Popular knowledge has the potential to change the values, beliefs and assumptions of public actors, especially when combined with learning from other countries and cultures. Cultural change via collaborative learning and comparison reduces corruption because it encourages people to work collectively with the meaning and purpose of the common good.

Figure 7 presents the model of Popular Participation and Cultural Change to Reduce Corruption - PMRC:

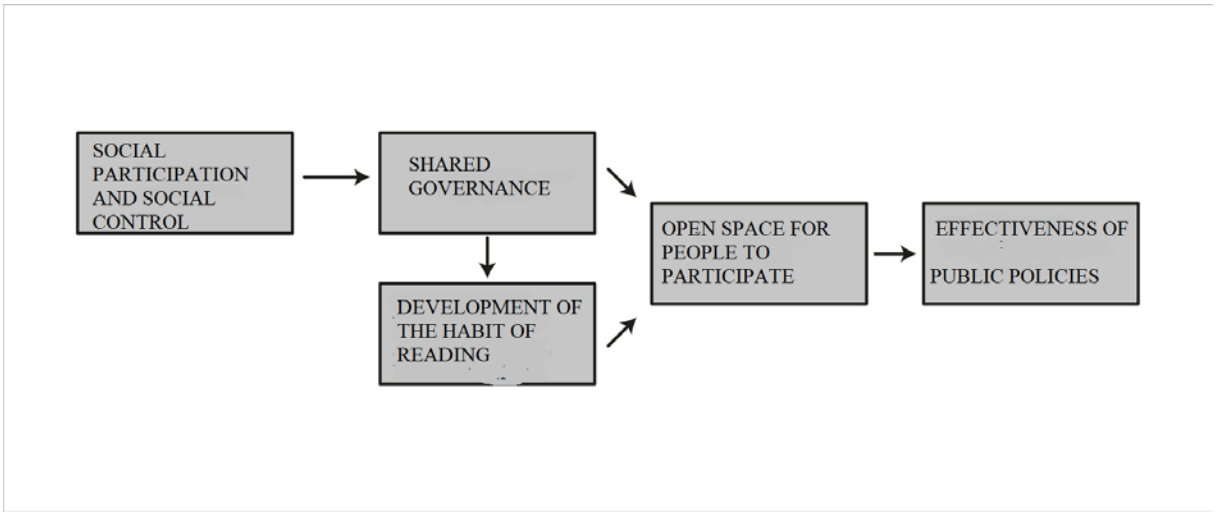

Figure 7. The PMRC model

Source: PMRC model (own elaboration).

The PMRC model illustrates that a more comprehensive governmental perspective, one rooted in internal and external collaboration, fosters a new understanding of the primacy of the public interest. This model promotes change through corporate social responsibility and the exchange of knowledge and experiences, which ultimately contribute to the development of intelligence.

Kroeber (1949), while acknowledging the role of genetics, argues that what distinguishes humans from animals is culture. He asserts that culture is a cumulative process, a learning journey where humans accumulate experiences over time. This view aligns with Hart et al. (2012), who explore education as a form of freedom, emphasizing that cultural elements—such as beliefs, values, assumptions, and traditions—are deeply connected to education and, by extension, to freedom itself. These elements empower individuals to participate, collaborate, and engage in initiatives like the development of cooperative agriculture. Essentially, it is about creating a culture that encourages cooperative learning and collaboration to address challenges such as bureaucratic inefficiencies, climate change, water scarcity, and soil degradation.

Umuteme et al. (2023) define culture as the system of beliefs and learned values that shape personal and collective behavior, influencing individuals, groups, societies, and nations. According to Schein (1985), culture encompasses beliefs, values, assumptions, and traditions, and it thrives within the presence of these underlying assumptions. Changing culture is challenging because beliefs and values are deeply embedded in organizational culture, prompting many organizations and governments to focus on influencing the more accessible aspects of culture, such as assumptions.

The influence of national culture on the intelligence of individuals and governments is both a fascinating and crucial topic for understanding state and societal decisions. National culture is shaped by the values, beliefs, and assumptions learned during childhood, which distinguish one group of people from another (Newman & Nollen, 1996). This aligns with Hofstede's (1991) concept of national culture as the "software of the mind" and Jaeger's (1986) definition of national culture as shared mental programs or behaviors.

Fink, Yolles, and Dauber (2013) define intelligence as a person's ability to understand and leverage their own knowledge, as well as information from their environment, to create new knowledge derived from their experiences and effectively pursue their goals. Rothberg and Erickson (2004) further argue that intelligence is knowledge in action, aimed at solving problems, with key dimensions being prediction, strategy, and action.

Peter Drucker's (1993) famous quote, "culture eats strategy for breakfast," highlights the foundational role that culture plays in shaping the formulation and implementation of strategies (Farjoun, 2002; Ireland & Hitt, 1999). In his theory of cultural relativism, Berry (1974) asserts that intelligence is influenced by one's cultural, social, and ecological background, suggesting that intelligence is culturally embedded.

Despite its significance in a globalized world, the impact of culture on intelligence remains underexplored by researchers. Some studies have demonstrated cultural variations in the understanding of intelligence (e.g., Azuma & Kashiwagi, 1987; Yang & Sternberg, 1997). Hofstede (2001) and House et al. (2004) examine the relationships between national cultures without making value judgments, although implicit comparisons often arise when linking cultural traits to the political, economic, and social outcomes of various countries.

Gardner (1993) argues that intelligence is shaped not only by genetic factors (biological) but also by behavioral influences (psychological), including the sociocultural environment in which an individual lives. Similarly, Abrantes, Filho, and Almeida (2009) conclude that the environment and upbringing significantly affect an individual's level of intelligence.

Research by the Public Religion Research Institute (Cooper, Cox, Lienesch, & Jones, 2016) shows that 50% of Americans view immigration as a strengthening force for American society, while 34% see it as a threat to traditional American customs and values. Further, Cooper et al. (2016) found that 26% of Americans with limited contact with immigrants who speak little or no English believe that these immigrants do not speak English adequately. In a related finding, the Pew Research Center (Stokes, 2017) reported that 70% of U.S. adults consider the ability to speak English an essential aspect of a "true American" identity.

According to the Pew Hispanic Center, Latinos are the largest and fastest-growing ethnic minority group in the United States, making up 18% of the overall population (Krogstad, 2020). Given the intertwined nature of language and culture, language use serves as a key channel for acculturation among immigrant groups. Adopting and incorporating English into daily life can significantly enhance the social and psychological well-being of ethnolinguistic minorities, provided that interactions with native English speakers are characterized by equitable participation.

In the context of the political climate in Miami, Cuban-origin adolescents experienced a rise in negative sentiment following the election. Notably, in January 2017, just before leaving office, President Barack Obama ended the "wet foot, dry foot" policy, which had allowed Cubans to remain in the U.S. if they reached U.S. soil before being apprehended by authorities. Cuban-American youth may have felt concerned that the inauguration of a new Democratic president could harm the interests of their community (Pablo Montero-Zamora, 2023).

Despite the limited educational opportunities in Cuba and the Cuban community's strong desire for knowledge, the predominance of Republican voters (approximately 61%) in high-density Latino areas of Miami-Dade County (which is over 80% Latino) in 2020 (Dominguez-Villegas et al., 2021), and the fact that over half of Miami-Dade's Latino population consists of Cuban Americans who traditionally support the Republican Party (Dominguez-Villegas et al., 2021), our findings appear to align with previous research. Specifically, (1) caregivers' political party affiliations may influence their children's party identification and political anxieties (Caporino et al., 2020), and (2) conservatism may be linked to higher levels of intolerance for uncertainty and greater fearfulness (Jost et al., 2003; Lilienfeld & Latzman, 2014).

12. Final Considerations

In response to the crisis faced by the State, public spaces are increasingly aligning with society rather than the State. We are transitioning from Hobbes' notion of State Sovereignty to the ideas of Locke and Rousseau, which emphasize Popular Sovereignty, even without utilizing the mechanisms of the 1988 Federal Constitution, such as plebiscites, referendums, and popular initiatives.

Governing alongside society, rather than over it, means that the beneficiaries themselves can play an active role in shaping strategies, planning, and managing various programs and projects. This approach enhances the quality of public spending and action. Citizen participation and the establishment of partnerships are instrumental in transforming a culture of distrust and short-term thinking into one of collaboration and long-term vision.

The State must acknowledge that participation and social control inherently involve power dynamics and differing interests in any public project. With this understanding, the State should remain open to the knowledge of society and international experiences to overcome the twin crises of trust and economic stagnation, both stemming from isolationist policies and the preservation of the status quo.

The State lacks the knowledge and resources to solve modern challenges independently, making it crucial to draw on the intelligence of industrialized countries.

As explored in this article, crises offer opportunities to reassess beliefs, values, assumptions, and behaviors to achieve better outcomes. The destructive aspects of functionalism have led to economic, social, and moral crises, all of which stem from the deeper crisis of perception. The PMRC model demonstrates that knowledge exchange between the State and society, combined with lessons from other countries, can shift the focus of government action to prioritize the public interest and enhance the effectiveness of public policies, thus helping to reduce corruption.

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Appendix 1. Survey About Social Participation and Corruption

Survey about Culture, Knowledge and Intelligence (Appendix 1)

In each question the participant must choose one of the following options:

() Disagree () Disagree () Neither agree nor disagree () Agree () Agree

D1. Culture (9 questions)

1• There is a positive, proactive and fast attitude to sharing knowledge and solutions with other people

2• There is a heightened sense of trust where I live.

3• I am motivated and enthusiastic about the Peruvian- Venezuelan culture (Latin Culture).

4• The orientation of my life is more focused on the long term, represented by values such as perseverance, ordering of relationships by status, observation of order and moderation, than on the short term, represented by values such as personal stability, the importance of appearances, the respect for tradition, reciprocity of greetings, favours and gifts.

5. I am curious and interested in learning about other cultures in order to develop a new awareness of myself and others.

6. I have an ability to adapt my behavior to make it appropriate for different cultures.

7. Globalization and interdependence increase intercultural interactions and also increase the likelihood of cultural misunderstandings and conflicts.

8. Today's society (network society), which produces an avalanche of information without meaning, context and credibility, leads people to lose focus and have difficulty finding the truth of the situation.

9. I am aware of my values and those of others, and the relationships between people's values, behaviors and cultural backgrounds.

D2. Knowledge (9 questions)

1.I am familiar with fake news, particular during elections.

2.I know how to transform information into knowledge.

3.I love reading at least 10 books per year.

4.I have evidence of a high level of Knowledge creation.

5.I have evidence of a high level of Knowledge sharing.

6.I know how to transform my tacit knowledge into explicit knowledge.

7. I know the importance of cultural knowledge in the creation of relevant knowledge.

8.I collect best practices in my life and I remember it as relevant knowledge in different situations

9. I am aware that the process of meaning construction manifests itself in and is mediated by cultural contexts.

D3. Intelligence (9 questions)

1. I am able to analyze the environment and collect relevant and accurate information, contextualize it (knowledge) to make better decisions and take calculated risks (intelligence).

2. The culture and environment where I live has a strong impact on the way I think and act.

3. Intelligent adaptive behaviors are culturally linked to the values and beliefs of a given society and culture.

4• I have success in using the knowledge to make predictions and make decisions.

5• Information on good working and social practices, errors and/or defects, and lessons learned is used when making decisions.

6. I have evidence of a high level of Knowledge application.

7• I have evidence of a high level of adaptability.

8• I have evidence of a high level of communication.

9• I have evidence of a high level of capacity to change when necessary.