



Corruption: The Intertwined Problem of Cause and Consequence

Ebrahim Ahmed Assakaf^a, Rose Shamsiah Samsudin^b and Zaleha Othman^c

^aDepartment of Accounting, college of administrative sciences, Taiz University, Yemen.

^bTISSA, Universiti Utara Malaysia, Malaysia.

^cOYAGSB, Universiti Utara Malaysia, Malaysia.

Abstract

Corruption is not a new phenomenon. Scholars associate corruption with the existence of government. As old as it may be, over a period of time, corruption has become more complex, and many academic studies have investigated its complexity. However, most focus on the correlation between corruption and economic growth, including the fundamental cause of corruption. This paper aims to understand the causes and consequences of corruption. It conceptualizes suggestions for the causes and provide a rationale for the consequences, which appear to be intertwined. In addition to generating a deeper understanding of the phenomenon, this paper provides a path for future researchers to identify patterns of causes and consequences among countries at different stages of development.

Keywords: Corruption, Causes, Effects.

Introduction

Scholars assert that corruption is as old as government itself (Klitgaard, 1988). Othman, Shafie and Zakimi (2014) claimed that corruption has been in existence for so many decades that it has become part of the system.

However, over the years this part of the system has become an epidemic with a number of dangerous influences and undesirable consequences for society. Some associate corruption with undermining the rule of law, and democracy distorting markets, consequently eroding the quality of life (United Nations, 2004). Some have pointed out that corruption hinders economic growth, limits the competence of public services and the judicious use of aid, suppresses political institutions, and hampers confidence in governments (Atuobi, 2007; Johnston, 2005; Odemba, 2012; Shah, 2007). The United Nations claimed that corruption causes economic deficits and poses a major barrier to poverty reduction and progress (United Nations, 2004).

The Corruption Perceptions Index (CPI) results on national public sector corruption from 2012 to 2017 imply that corruption is particularly serious in

developing countries¹. Some developing countries even view corruption as a norm that has penetrated many state institutions and administrative levels of government. It is practiced systematically across inter-connected networks which protect its members and constitute a powerful force (Al Mikhlaifi, 2013). Moghram (2007) asserts that growing and widespread corruption has a negative influence on the quality of governance as well as on people. Therefore, this paper aims to delineate the causes of corruption, and its consequences.

Causes of Corruption

Defined as an abuse of public power for personal gain (World Bank, 1997), corruption is frequently considered disruptive and damaging. However, in order to understand it, one should understand its causes, which constitute one of the most debated areas for researchers (Gounev, Dzhekova, & Bezlov, 2012). This is not surprising as reviews of the literature found that the causes of corruptions vary, although the multiple understandings of these causes appear to be based on the national level of development, economic stability and political influence. Mollah and Uddin (2000), for example, highlight the factors causing corruption as related to respective countries' policies, bureaucracy, society, political growth and societal history. In this paper, the causes of corruption are discussed from four perspectives: 1) accountability; 2) legal systems; 3) political factors; and 4) economic factors.

Accountability

Monfardini (2010) pointed out that accountability of organizations or nations ensures good ethical behaviour, transparency and openness. However, the lack of accountability may cause undesirable problems. Zarb (2008), for example, found that the lack of accounting transparency and regulations caused corruption. Emphasizing the issue from the public sector perspective, Mollah and Uddin (2000) suggested that accountability is even more

1

https://en.wikipedia.org/wiki/Corruption_Perceptions_Index



important for government, because being accountable and transparent and upholding good morals are examples of the better character expected of public service officials. Hence, persons administering and executing policies must be made answerable and accountable for their dealings with regards to public money (Myint, 2000). Corruption may also occur if there is abuse of the responsibility of stewardship by government

officials. Abuse of stewardship responsibilities is often connected to the abuse of power among officials in the public sector. For example, Klitgaard, Abaroa and Parris (2000) associated the emergence of corruption with officials' discretionary power. In fact, Klitegaard et al. (2000) developed a model that addressed the occurrence of corruption in the public sector:

$$\text{Corruption (C)} = \text{Monopoly Power (M)} + \text{Discretion by Officials (D)} - \text{Accountability (A)}$$

This model explains that there is a strong tendency for corruption to occur if the officials have a monopoly of power together with discretion and lack of accountability (Klitgaard et al., 2000). There is also empirical evidence that supports the adverse relationship between accountability and national levels of corruption (Atuilik, 2013; Monfardini, 2010), implying that lack of accountability results in corruption. Furthermore, Stephan (2012) found that the degree of corruption depends not only on monopoly and discretion, but is rather due to lack of transparency and morality.

$$\text{Degree of corruption} = \text{Monopoly} + \text{Discretion} - \text{Transparency} - \text{Morality}$$

Stephan (2012) therefore suggested that restriction of officials' monopolistic power and use of discretion, a high level of transparency by autonomous overseeing bodies and the media, in addition to free community access to reliable information, could reduce the level of corruption. Moreover, any circumstances that might reduce morality, for example poverty, insufficient salary, overcomplicated procedures and inappropriate working conditions, should be eliminated (Stephan, 2012).

Legal Systems

In addition to accountability, a number of studies found that weaknesses in the legal system are another possible determinant of corruption (Sööt, 2012). Weakness in this sense means legislation that may favour certain parties. Ironically, scholars relate the inefficacy of the law and its executors by political appointments or by reduction and allocation of resources (Sööt, 2012) as an act that may encourage the spread of corruption further (Jain, 2001). According to Jain (2001), with a poor legal system, political elites increase their income or gains from corruption through exploitation of resource distribution and through appointments to various important positions. Others, such as López and Santos (2014), assert that weaknesses in the law allow corruption to spread even more, signifying that a weak legal and judicial system becomes a cause as well as a consequence of corruption (Delavallade, 2012; Jain, 2001).

A number of studies also predicted that corruption due to weakness of the legal system would result in the abuse of power by the authorities. Rose-Ackerman (1999) confirmed this, adding that a corrupt judiciary is costly to democracy. This is true when the judiciary is part of a corrupt system; corrupt individuals or groups of people gain confidence in their impunity, subsequently resulting in damage to the nation. For example, with impunity, one has the opportunity or liberty to avoid trials and convictions, thus creating biased and inefficient judicial services (Salifu, 2008). There is also empirical support that that bribes influence courts' decisions. Salifu (2008) cautioned that bribes given to litigants or lawyers as an inducement are in common among legal practices.

Failure of the legal system to execute or implement the official laws paves the way for it to be replaced by informal rules. For example, it may be a crime to bribe a public official, but the law is not seriously imposed or enforced in practice, or it is implemented in a partisan manner, resulting in the informal set of laws rather than formal rules being adhered to (World Bank, 1997).

Political Factors

Political parties are often associated with corruption practices, in both developing and developed countries (Salifu, 2008). There are studies that point out politicians as being the prime actors, who in many cases misuse the opportunities of political positions to extract bribes, provide their



followers with profitable positions in the government body and associated companies, form economic and political organizations for the benefit of allied interest groups, or place the control of public wealth in the hands of party members, supporters, or mafia (Blechinger, 2005). There is also empirical evidence associating political factors with low income and the tendency of public officials to perform corrupt acts. According to Salifu (2008), for example, low income is linked with the likelihood that public officials will surrender to corruption. Jetter, Agudelo and Hassan (2015) investigated the relationship between corruption and democracy, their results indicating that democracy increases corruption in poorer nations where relative poverty prevails. Democracy only reduces corruption if a society's per capita income is above \$2,000; below that level, democracy has no effect on corruption. Blechinger (2005) suggests that poorly paid civil servants, for example, may generally be induced to take bribes.

Economic Factors

According to Ades and Tella (1999), countries that are open to foreign trade tend to be less corrupt. However, there are also claims that government intervention in a controlled economy through provision of subsidies, such as the oil subsidy, can result in corrupt practices and harm the economy (Agbibo, 2014). Some studies suggested that while governments intervene and influence economic conditions, they also create opportunities for officials who have privileges of allocating such aid or appropriation to exploit economic resources (Treisman, 2000). Pellegrini and Gerlagh (2011), in support of this scenario, argue that there is an adverse relationship between the stage of economic development and the level of corruption, as rich nations are more likely to afford stricter organizations that will not condone corruption, reducing tolerance towards fraud. Some studies revealed that income also influences the exposure to corruption, where a good salary implies higher costs especially when the job of that individual is lost, and a cost benefit analysis implies that better salaries thus give a motivation to avoid corruption (Treisman, 2000). Moreover, low wages and the chance of corruption may in turn be a reason or impetus for corruption. It may therefore be necessary for governments to consider reasonable payment of civil servants so as to reduce the level of corruption (Lambsdorff, 1998). Jetter et al. (2015) similarly indicated that in low-income countries, employees are more likely to engage in corrupt activities to enhance their limited income.

Corruption and its consequences

Corruption has damaging effects on the country at large as well as on its people, as discussed by many economists. In general, these effects can be divided into four areas: 1) economics; 2) administrative and financial bodies; 3) political; and 4) social effects.

Economic Effects

Corruption affects the economy through national reduction in growth and development, reduction in numbers and volume of investments in the country, spread of poverty in society, and the possibility of giving rise to underground economics and black markets.

Effects on Development and Growth

There is much empirical data indicating that corruption damages economic development because it is harmful either direct or indirectly to international investors and foreign donors, planning, taxation, local private investment, entrepreneurship, etc. (Amundsen, 1999). Ata and Arvas (2011) found negative relationships between levels of corruption and aspects of economic development. Thus, it is apparent that countries with poor economic performance have a higher level of corruption (Ksenia, 2008; Transparency International, 2011, 2012, 2013, 2014, 2015). Moreover, Othman et al. (2014) argue that there is a correlation between the level of corruption and economic growth, as evidence has shown that developing countries often experience higher levels of corruption and developed countries lower levels.

Corruption also has a negative influence on the economic growth and development of any nation, according to Nwabuzor (2005). One obstacle that Nwabuzor highlights is the reduction in investment, since investors regard corruption as an unnecessary cost, bearing negatively on the business bottom line (Barro, 2000; Lipset & Lenz, 2000). In addition, much empirical evidence links economic growth and corruption, indicating the relationship between slower economic growth and higher levels of corruption (Ahmadi & Homauni, 2011; Atuilik, 2013; Othman et al., 2014). In addition, Tanzi (1998) maintained that corruption causes distortion and hampers efficiency in allocating resources through free market forces, thereby, resulting in poor economic growth and development. Mauro (1998) also explained that corruption reduces growth in the economy by discouraging the impetus for investment in the country and by distorting the composition of government expenditure, and reducing the quality of public services, infrastructure and tax revenue.



Effects on Domestic and Foreign Investment

Corruption has a negative influence on private investment, both foreign and domestic, and is considered to damage economic growth and development (Ahmadi & Homauni, 2011; Amundsen, 1999; Atuilik, 2013; Lambsdorff, 2005; Mauro, 1998; Myint, 2000; Tanzi, 1998). According to Lambsdorff (2005), corruption increases the risks connected with investment, as economic theory predicts that corruption has a negative influence on the ratio of investment to GDP. In addition to being a challenge to domestic investment, corruption also makes a country unattractive to foreign investors.

Mauro (1998) and Tanzi (1998) argued that bribery negatively influences investment, as it seems like an extra tax and reduces incentives for investment. This argument is based on the premise that corruption is a kind of tax, increasing the cost of production and subsequently affecting the living standards of citizens (Atuilik, 2013). Bribes may have to be offered prior to any investment and in negotiating the establishment of an enterprise, while large payment is often made in the course of setting up a business (Myint, 2000). Mauro (1998) explained that investors are often asked to pay bribes before commencing the business. Given these discreditable acts, corrupt officials constitute a problem instead of bringing a solution (Myint, 2000). Moreover, when a business has been established and is finally running, corrupt officials may still demand cuts from the company's profits (Myint, 2000; Mauro, 1998). In addition to the negative effects of corruption on investment, some of the resources siphoned through corruption are invested in sectors that are not productive (Amundsen, 1999).

However, some researchers have suggested that corruption can be good as it may help to get things done, helping to smooth out rigid bureaucratic systems (Amundsen, 1999). Tanzi (1998) similarly argues that corruption could smooth the wheel of progress of public organizations, helping to remove bottlenecks that might stampede or inhibit investment. It also helps in saving the time that businessmen use up in queuing, since they can buy their way out and the time gained in other productive sectors instead of following unnecessary protocols. Amundsen (1999) argued that extreme red tape and improper extraction of resources can prevent business organizations from making a profit. He stresses that corruption may lessen the burden of bureaucracy, open doors to investment, and encourage the promotion of private entrepreneurship. Most importantly, he even

concluded that if organizations are able to estimate the level of corruption and take it into consideration while calculating their expenses, corruption may not necessarily be an impediment to their business activities. However, Amundsen also argued that if corruption is excessive and highly disorganized and inconsistent, it could constitute an impediment.

As optimistic as one would like to be, there is a utilitarian effect that must be considered. The greatest good for the greatest number should be taken into account: if one nation is better off without corruption this may be the answer to the many commercial- and ethics-related problems it faces. In other words, corruption is seen as evil regardless of its benefits. The literature also shows limited empirical evidence to support the notion that corruption has a positive impact on a nation. It is also more practical to reach the conclusion that corruption damages the national economy and well-being of any society. Mitigating the effects of corruption is therefore essential (Atuilik, 2013). Mauro (1998) and Atuilik (2013) agree that corruption has no benefit for any business, even in the face of a slow bureaucracy. Their remarks are based on the fact that corruption lowers economic growth by reducing private investment, accounting for at least one third of corruption's overall negative influences.

The Rise of an Underground Economy

Corruption linked with an underground economy may arise when business owners have the opportunity to avoid taxation or excessive regulations imposed by government (Choi & Thum, 2005). Dreher and Schneider (2010) also found that corruption and the size of the shadow economy complement each other in developing countries. Consequently, a higher level of corruption significantly encourages individuals to participate in underground economic activities.

Underground economic activities are common in many worldwide, but are pervasive where corruption is widespread (Myint, 2000). According to Myint (2000), there are two types of underground economic activities. The first category involves engaging in illegal activities such as drug trafficking and smuggling. The second is legal activities which are not recognized officially but which could lead to tax evasion. Essentially, corruption helps in breeding these activities and contributes directly to an increase in the underground economy (Myint, 2000).

Administrative and Financial Effects



Corruption has a negative influence on administrative and financial performance and efficiency, causing poor government performance and negatively affecting the quality and performance of public services (Mollah & Uddin, 2000). Moreover, corruption leads to weak accountability in government entities which gradually cause weaknesses in the controlling bodies of government (Klitgaard et al., 2000; Monfardini, 2010). Corruption also affects the running of administrative bodies by reducing the quality of the services offered to the people in a given economy (Mauro, 1998). This significantly poses a burden on companies that are hampered by, for example, under-the-table payments, since these companies may then attempt to reduce their costs through cutting corners and subsequent increase in the price of their goods and services (Nwabuzor, 2005). Corruption may also bring about poor quality as well as bureaucratic processes, giving room to nepotism which encourages employment of public servants without regard to their efficiency or qualifications (Gounev et al., 2012). Unfortunately, this kind of practice may lead to misuse of the nation's skills and manpower with many qualified and skilled employees remaining unemployed (Nwabuzor, 2005). Furthermore, government officials in this case will tend to simulate bureaucratic bottlenecks, with the intention of extorting bribes from members of the public (Transparency International, 2004).

Corruption also has clear financial effects, reflected through both sides of government budgets, revenue and expenditure. It decreases budgeted revenue, for example through the payment of bribes in return for reducing taxes, customs duties, dues and other public service charges like water and electricity, common in many countries (Myint, 2000). Previous studies have shown that countries with higher levels of corruption may equally have a lower income generated from taxes (Friedman, Johnson, Kaufmann, & Zoido-Lobaton, 2000; Johnson, Kaufmann, & Zoido-Lobaton, 1998; Lambsdorff, 2005; Tanzi & Davoodi, 1998). Furthermore, the harmful effects may also come from the bribes taken by corrupt officials from foreign companies, effects which remain for several years on the revenue side and, consequently, damage the national economy. Misappropriation, embezzlement and fraud of public funds add to the losses and damage the national economy (Myint, 2000).

The consequences for the expenditure side of government budgets, are even more serious, where corrupt officials try to allocate huge funds in various illegal deals (Myint, 2000). This is because

the individuals engaged in these corrupt practices stand to gain personal benefit by securing considerable expenses, especially from projects with a high national priority, executed in a discreet and secretive manner (Myint, 2000).

According to Lambsdorff (2005), corruption leads to higher spending on certain items; for example, purchase of weapons for the Ministry of Defence is very costly, but such weapons cannot be bought in a supermarket with a fixed price. Since weapons are needed for national security, such expenditure is to some extent considered a necessity, and their acquisition is sensitive politically and requires careful handling (Myint, 2000). Another example is the contracts for electricity where services from foreign companies are involved. The costs of large projects with a heavy capital investment are hard to determine, especially when they are fraught with kickbacks and economic rents (Myint, 2000). Therefore, those individuals who are given the power to allocate such resources may equally have the chance of making an illegal income from the huge investment contracts, although in small projects, public investments is equally susceptible to this type of misallocation (Lambsdorff, 2005).

In essence, extreme expense on defence and other corrupt deals may distort a government's spending plans, as less finance will be available for social programmes (Atuilik, 2013) with insufficient money being spent on education and health (Lambsdorff, 2005; Myint, 2000). For instance, spending on textbooks, teachers' salaries, development projects in rural areas, training and development and preventive health care should have been prioritized (Myint, 2000).

According to Ahmadi and Homauni (2011), the main causes of financial corruption include: 1) weak management of administrative system; 2) restricted access to information; 3) complex rules; 4) changing political atmosphere; 5) lack of credibility and authority in the judiciary; 6) limited economic interaction; and 7) lack of growth of global trade.

Corruption is mainly widespread where there are other types of institutional ineffectiveness, such as political insecurity, bureaucratic red tape, and fragile lawmaking and legal systems (Mauro, 1998). Previous evidence suggests that if there are strong institutions with low levels of corruption, the rate of economic growth and inflow of foreign direct investment (FDI) will be high (Al-Sadig, 2009; Maiyaki, 2010). Therefore, establishing and strengthening controlling bodies will lead to greater accountability in government entities and, as a result, reduce corruption in the public sector.



Political Effects

Corruption may also form a major hindrance to the political development of any nation (Nwabuzor, 2005). According to Amundsen (1999), two types of corruption affect political systems: that relating to the extent of state power in the application of laws; and the strength of its institutions. For example, in a democratic nation, or more exactly in a nation governed by laws and where civil liberties are secure and the division of power between organizations and groups is appreciated and efficient, the incidence of political corruption can be revealed by auditing and controlling bodies, a free press and other media, the police or by the opposition. Thus corruption may be weeded out through legal action or in the next election. Ideally, political corruption in democratic institutions is seen as very limited (Amundsen, 1999).

On the other hand, in weak states where the ruling elites exercise dominant control with respect to who will gain from corruption, legitimacy will definitely decrease especially through the lack of good-quality services (Amundsen, 1999). In this circumstance, unrestricted corruption will generally undermine political legitimacy and the activities of state institutions, tending to destroy government structures and capabilities (Nwabuzor, 2005).

A number of studies also suggest that corruption has a negative influence on trust in government (Kumlin & Esaiasson, 2012; Solé-ollé & Sorribas-Navarro, 2014). Extensive political corruption is often seen as a serious threat to the political institutions themselves and to the erosion of public trust (Solé-ollé & Sorribas-Navarro, 2014). It can also restrict the validity of elections through buying votes or other means, damaging political and economic systems (Blechinger, 2005). An underlying principle of democratic and political structures is the assumption that governments' acts must be accountable to the citizens (Przeworski, Stokes, & Manin, 1999). Hence, the misuse of entrusted public authority funds by government officials for private benefit breaks trust. The officials should be made accountable to the citizens, to obliterate this process (Bardhan, 1997). Otherwise, corruption wears away democratic values and erodes citizens' faith in the political process. Consequently, disaffected citizens might attempt to resolve the issue by withdrawing from the electoral process (Chong, De La, Ana, Karlan, & Wantchekon, 2012). This might also lead to the use of other less legitimate means of protesting, demanding radical change in the political system (Kostadinova, 2009; Solé-ollé & Sorribas-Navarro, 2014). The most obvious example is the protests

that occurred in some countries in the Arab world under the name of Arab Spring Revolutions, and the damaging effects on the political and economic systems of those countries.

Social Costs

In every society, there are rules to guide the attainment of societal objectives and to defend general interests, such as prudential banking rules, environmental controls, building codes and traffic laws. Deviating from these laws for economic profit through dishonest means can badly damage the society (Myint, 2000).

Corruption affects the level of poverty through reducing economic growth and through inability to control corruption (Gounev et al., 2012). Wherever corruption becomes the order of the day, growth is undermined and people in general will continue to live in abject poverty. Social services such as health and education become unavailable to the poor, because corruption encourage diversion of public funds to investments that may not profit the largest segment of society (Ahmadi & Homauni, 2011; Shleifer & Vishny, 1993).

According to Myint (2000), corruption concentrates wealth in the hands of only a few people, encouraging the unequal distribution of wealth. Most importantly, Myint (2000) found that the poor and less privileged bear the consequences of corruption most, since they do not have the resources to pay bribes or other means to secure proper health care, decent schooling for their children, or to have sufficient access to essential services like electricity, sanitation and waste disposal, and water supply. Moreover, corruption discourages foreign donors who require the judicious use of any donations (Nwabuzor, 2005).

In particular, corruption causes widespread social injustice, because it makes the poor pay bribes to obtain education, jobs, property, housing, food and the right to join in the cultural life of a community (Transparency International, 2004). On the other hand, the rich people in a corrupt environment pay bribes instead of tax, or violate laws and regulations for economic gain (Gounev et al., 2012). Therefore, corruption leads to increased poverty by raising social costs, while increasing the wealth of those guilty of corruption.

Conclusion

This paper outlines the possible causes and consequences of corruption. It highlights scholars' views in respect to why corruption happens, contributing to a deeper understanding of the basic knowledge in corruption studies. It also suggests



that future researchers need to address the corrupt practices prevailing in developing countries and consider investigating the types of corruption, as well as the mitigating measures taken by

developing countries. Future research may also compare the correlation between corruption and economic growth in developing and developed countries.

References

- Ades, A., & Tella, R. Di. (1999). Rents, competition, and corruption. *American Economic Association*, 89(4), 982–993.
- Agbiboa, D. (2014). Under-development in practice: Nigeria and the enduring problem of corruption. *Development in Practice*, 24(3), 390–404. Retrieved from <http://www.tandfonline.com/doi/abs/10.1080/09614524.2014.899559>
- Ahmadi, F., & Homauni, G. (2011). The role of good governance in fighting against corruption and financial crimes. *Interdisciplinary Journal of Contemporary Research in Business*, 3(1), 115.
- Al-Sadig, A. (2009). The effects of corruption on FDI inflows. *Cato Journal*, 29(2), 267–294.
- Al Mikhlafi, N. T. (2013). *The role of the yemeni central organization for control and auditing in detection of the financial and administrative corruption. An applied study*. Damascus University.
- Amundsen, I. (1999). *Political corruption: An introduction to the issues by CMI*. Norway: CMI Development Studies and Human Rights, 1-29 . Retrieved from <http://issuu.com/cmi-norway/docs/1040-political-corruption?e=1246952/5716419#search>
- Ata, A. Y., & Arvas, M. A. (2011). Determinants of economic corruption: a cross-country data analysis. *International Journal of Business and Social Science*, 2(13), 161–169.
- Atuilik, W. A. (2013). *The relationship between the adoption of International Public Sector Accounting Standards (IPSAS) by governments and perceived levels of corruption*. CAPELLA UNIVERSITY.
- Atuobi, S. M. (2007). Corruption and State Instability in West Africa : An Examination of Policy Options. *KAIPTC Occasional Paper*, (21), 1–24.
- Bardhan, P. (1997). A Review Development : of Issues. *Journal of Economic Literature*, 35(3), 1320–1346.
- Bleching, V. (2005). Political parties. In B. I. Spector (Ed.), *Fighting corruption in developing countries: Strategies and analysis* (pp. 27–41). Bloomfield, CT: Kumarian Press Inc.
- Choi, J. P., & Thum, M. (2005). Corruption and the shadow economy. *International Economic Review*, 46(3), 817–836.
- Chong, A., De La, O., Ana, L., Karlan, D., & Wantchekon, L. (2012). *Looking beyond the incumbent: The effects of exposing corruption on electoral outcomes* (No. 1005). National Bureau of Economic Research, Working Paper.
- Dreher, A., & Schneider, F. (2010). Corruption and the shadow economy: An empirical analysis. *Public Choice*, 144(1), 215–238.
- Friedman, E., Johnson, S., Kaufmann, D., & Zoido-Lobaton, P. (2000). Dodging the grabbing hand: the determinants of unofficial activity in 69 countries. *Journal of Public Economics*, 76(3), 459–493.
- Gounev, P., Dzhekova, R., & Bezlov, T. (2012). *Study on anti- corruption measures in EU border control*. Retrieved from http://frontex.europa.eu/assets/Publications/Research/Study_on_anticorruption_measures_in_EU_border_control.pdf
- Jain, A. K. (2001). Corruption: A review. *Journal of Economic Surveys*, 15(1), 71–121.
- Jetter, M., Agudelo, A. M., & Hassan, A. R. (2015). The Effect of Democracy on Corruption: Income is Key. *World Development*, 74, 286–304.
- Johnson, S., Kaufmann, D., & Zoido-Lobaton, P. (1998). Regulatory discretion and the unofficial economy. *The American Economic Review*, 88(2), 387–393.



- Johnston, M. (2005). *Syndromes of corruption: wealth, power, and democracy*. Cambridge University Press.
- Klitgaard, R. (1988). *Controlling corruption*. Univ of California Press.
- Klitgaard, R., Abaroa, R. M., & Parris, H. L. (2000). *Corrupt Cities: A Practical Guide to Cure and Prevention*. Washington, DC: World Bank Institute.
- Kostadinova, T. (2009). Abstain or rebel: Corruption perceptions and voting in East European elections. *Politics and Policy*, 37(4), 691–714.
- Ksenia, G. (2008). Can corruption and economic crime be controlled in developing countries and if so, is it cost-effective? *Journal of Financial Crime*, 15(2), 223–233.
- Kumlin, S., & Esaiasson, P. (2012). Scandal fatigue? Scandal elections and satisfaction with democracy in Western Europe, 1977–2007. *British Journal of Political Science*, 42(2), 263–282.
- Lambsdorff, J. G. (2005). *Consequences and causes of corruption: What do we know from a cross-section of countries?* Passau.
- Lipset, S., & Lenz, G. (2000). Corruption, culture and markets. In L. Hanson & S. Huntington (Eds.), *Cultural Matters* (p. 112). New York, NY: Basic Books.
- Maiyaki, A. A. (2010). The effects of corruption on the Nigerian economy. *IBA Business Review*, 5(2), 111–127.
- Mauro, P. (1998). Corruption: Causes, consequences, and agenda for further research. *Finance and Development*, 35(1), 11–14.
- Moghran, M. A. (2007). *legal and institutional structure for fighting corruption in the Republic of Yemen*. Retrieved from <http://info.worldbank.org/etools/docs/library/242904/yemen-final-draft-on-hadeel-comments.doc>
- Mollah, A. H., & Uddin, N. (2000). *Combating corruption in Bangladesh: Some strategies*. Bangladesh: University of Rajshahi.
- Monfardini, P. (2010). Accountability in the new public sector: A Comparative case study. *International Journal of Public Sector Management*, 23(7), 632–646.
- Myint, U. (2000). Corruption: causes, consequences and cures. *Asia Pacific Development Journal*, 7(2), 33–58.
- Nwabuzor, A. (2005). Corruption and development: New initiatives in economic openness and strengthened rule of law. *Journal of Business Ethics*, 59(1), 121–138.
- Odemba, A. S. (2012). Corruption in sub-Saharan Africa: A phenomenological study. *Journal of Psychological Issues in Organizational Culture*, 3(1), 21–40.
- Othman, Z., Shafie, R., & Zakimi, F. A. H. (2014). Corruption – Why do they do it? In *Procedia - Social and Behavioral Sciences* (Vol. 164, pp. 248–257). Elsevier B.V.
- Pellegrini, L., & Gerlagh, R. (2011). Causes of corruption a survey of cross-country analyses and extended results. In *Corruption, Development and the Environment* (pp. 29–51). Springer Netherlands.
- Przeworski, A., Stokes, S. C., & Manin, B. (1999). *Democracy, accountability, and representation*. System. Cambridge University Press.
- Rose-Ackerman, S. (1999). *Corruption and government: Causes, consequences, and reform*. Cambridge, UK: Cambridge University Press.
- Salifu, A. (2008). Can corruption and economic crime be controlled in developing economies – and if so, is the cost worth it? *Journal of Money Laundering Control*, 11(3), 273–283.
- Shah, A. (2007). *Tailoring the fight against corruption to country circumstances. Performance accountability and combating corruption*. Washington, DC: World Bank.
- Shleifer, A., & Vishny, R. W. . (1993). Corruption. *The Quarterly Journal of Economics*, 108(3), 599–617.
- Solé-ollé, A., & Sorribas-navarro, P. (2014). Do corruption scandals erode trust in government? Evidence from a matched sample of local governments. In *public sector economic* (Vol. 2426). Germany: CESifo Area.



- Sööt, M.-L. (2012). The role of management in tackling corruption. *Baltic Journal of Management*, 7(3), 287–301.
- Tanzi, V. (1998). Corruption around the world: Causes, consequences, scope, and cures. *Staff Papers-International Monetary Fund*, 45(4), 559–594.
- Tanzi, V., & Davoodi, H. (1998). Corruption, Public Investment, and Growth. In H. Shibata & T. Ithori (Eds.), *The Welfare State, Public Investment and Growth* (pp. 41–60). Springer Japan.
- Transparency International. (2004). *Global Corruption Report 2004*. Berlin.
- Treisman, D. (2000). The causes of corruption : a cross-national study. *Journal of Public Economics*, 76(3), 399–457.
- United Nations. (2004). *United nations convention against corruption*. New York, USA.
- World Bank. (1997). *Helping countries combat corruption: The role of the World Bank*. Washington, DC.
- Zarb, B. (2008). Do accounting regulation, transparency and the propensity to bribe affect the perception of corruption in developed countries? *Journal of International Finance and Economics*, 8(4), 164–179.