Determinants of Political Corruption: A Conceptual Framework

PEDRO B. BERNALDEZ
ORCID No.: 0000-0002-0562-6550
pedro_bernaldez@yahoo.com
Dongguk University, Gyeongju City
South Korea

ABSTRACT

Corruption has continuously challenged social scientists as a phenomenon that seems invincible although it has been proven to plague societies since government, as a social institution, was invented. The task is daunting but also very challenging, indeed, to resist; thus, this study was conducted to confirm what the determinants of political corruption are. Given that myriad studies have been conducted around the world on the issue area, this meta-analysis of at least twenty cross-country and country-specific studies was done. The analysis yielded the following factors as related to political corruption either positively or negatively. The (1) economic determinants were: level of development, economic growth, income, economic freedom, globalization, resources, trade openness and foreign direct investment; (2) political development were: federal form, democracy, press freedom, legal system, political participation, political competition and political stability; (3) social determinants: history, education, ethnicity and religion; and, (4) organizational determinants: democratic institutions, decentralization and government expenditure.

Keywords - Political corruption, determinants, meta-analysis

INTRODUCTION

Corruption is as old as government; it has plagued political systems for time immemorial. Thus, it has to be contained if good governance is to sustain. As time passes by, corruption is expected to remain a main feature of society; hence, it needs to be more understood and analyzed. This is the daunting challenge to researchers, who aspire to exist as being relevant to the social sciences.

Corruption, taken to mean as "the use of public power for individual purposes," is a complex concept. Since corruption's roots are grounded in a country's economic, political, legal, social and cultural structure, "it threatens security, damages trust and public confidence in systems which affect people's daily lives" (A.Yılmaz Ata and M. Akif Arvas, 2011).

Corruption is also considered as a world-wide phenomenon and it is multi-faceted. Corruption primarily involves government officials although private entities may also be involved in it. It is now considered as endemic in all governments. According to the World Bank corruption is "the single greatest obstacle to economic and social development; it undermines development by distorting the rule of law and weakening the institutional foundation on which economic growth depends" (Worldbank.org., 2013). The Transparency International takes it as, "... one of the greatest challenges of the contemporary world. It undermines good government, fundamentally distorts public policy, leads to the misallocation of resources, harms the private sector and private sector development and particularly hurts the poor" (Transparency. Org., 2013). Like a cancer, as argued by Amundsen (1999: 1), "corruption eats into the cultural, political and economic fabric of society, and destroys the functioning of vital organs" (Inge Amundsen, 1999).

All nations suffer to some degree from the debilitating effects of corruption. Corruption tends to mitigate economic development by resulting in inefficiencies that significantly reduce the public good. Manifestations of corruption include briberies, patronage, nepotism, cronyism, fraud and embezzlement. The consequences of corruption have social, environmental, political, and economic implications. (David L. Ortega, Raymond J.G.M. Florax, and Benoît A. Delbecq, 2010).

Corruption can take many forms. "Public office can be misused by bribery, embezzlement, extortion, fraud, nepotism, patronage, theft of state assets and insider trading." This phenomenon has been seen either as a structural problem of politics or economics, or as a cultural and individual moral problem. Corruption is an extremely complex social behavior; thus, it is analyzed through means

that combine the various social sciences. Perspectives from political science, psychology, sociology, economic, law and anthropology all provide important insights for analysis (Tanzi, V., 1998).

FRAMEWORK

Corruption is a phenomenon which involves interactions among people in government and those in the market economy. It is commonly perceived as having economic consideration. The common forms of corruption are as follows: bribery, embezzlement, fraud, extortion, cronyism, nepotism, patronage and graft, but there is no international consensus on the meaning of corruption (Rohwer, 2009):

- Bribery is understood as the payment (in money or kind) that is given or taken in a corrupt relationship. Equivalent terms to bribery include, for example, kickbacks, commercial arrangements or pay-offs. These are all notions of corruption in terms of the money or favors paid to employees in private enterprises, public officials and politicians. They are payments or returns needed or demanded to make things pass more swiftly, smoothly or more favorably through state or government bureaucracies.
- Embezzlement is theft of resources by people who are responsible for administering them, e.g., when disloyal employees steal from their employers. It is not considered corruption from a strictly legal point of view, but is included in a broader definition.
- Fraud is an economic crime that involves some kind of trickery, swindle or deceit. It involves manipulation or distortion of information, facts and expertise by public officials for their own profit.
- Extortion is money and other resources extracted by the use of coercion, violence or threats to use force.
- Cronyism is a form of corruption in which political officials and businessmen show preference to friends when appointing people to positions of power, awarding contacts, and delegating tasks related to their office.
- Nepotism or favoritism is the natural human proclivity to favor friends, family (wife, brothers and sisters, children, nephews, cousins, in-laws etc.) and anybody close and trusted. Favoritism is closely related to corruption insofar as it implies a corrupted (undemocratic, "privatized") distribution of resources.

- Patronage as corruption phenomenon is the illegal conduct which gives an individual or group some private advantage which is contrary to the public interest. Corruption may become part of patronage, for example, if it is legally required that government contracts go to the lowest bidder, yet a client uses influence to win a contract even though his or her bid is higher than others.
- Graft is defined as a use of public stature to gain illegal benefit. Technically, corruption covers an entire host of abuses, of which graft is one. Graft and corruption are charges that are typically leveled at highly-placed government officials, who are able to use public funds to improve their own fortunes due to increased access, influence, knowledge or power that comes with an elevated position.

The fundamental question when studying corruption may be as: "*What are the factors leading to corruption?*" Addressing that question, studies generally underline the economic, political, social and institutional aspects of a country. "Thus, corruption should be considered as a social deviation instead of considering it as an individualistic action. The assumption explaining that the human behavior is caused by the sophisticated relations among social, political, economic and cultural structures comes into fore." Because of this assumption, it is convenient to say that corruptive behavior of individuals depends on some circumstances that do not only include only economic factors but also cover political, judiciary, social and cultural elements. In the literature, empirical research on the causes of corruption focuses on political institutions, government regulations, legal systems, GDP-levels, public sector wages, trade openness, gender, education, religion, ethno-linguistic diversity and other cultural dimension, poverty, as well as the role of colonialism (Morgan, A. L., 1998).

OBJECTIVES OF THE STUDY

This paper aims to delve on the factors that cause corruption. The determinants of corruption are sought by doing a meta-analysis of different researches that have dealt with the issue area.

METHODOLOGY

Meta-analysis considers varied studies conducted in the past across the globe, compares the general findings and synthesizes to form validated conclusion.

The choice of these works was accidental since they were the articles found on the Internet for the period December 1 to 15, 2013. There were hundreds of articles delving on the issue but these were chosen since they tend to represent countries along the cross-section of the continents of the world and the quantitative nature of the research method used. They were, therefore, used as secondary sources of data for this meta-analytical research. Nonetheless, other articles were also useful in giving support to the analytical discussions in this paper.

RESULTS AND DISCUSSION

Determinants of Corruption

Corruption is a social phenomenon that is based on interactive relations between persons within institutions; thus, its causes or determinants may be sought within social milieu, which can be broadly classified into: (a) economic, (b) political, (c) social and (d) organizational factors.

I Economic Determinants

A.   Economic Development

There is a mixture of findings as far as the relationship between economic development and corruption level is concerned. On the one hand, it is claimed that economic development is significantly related to corruption as shown by several studies. The positive relation obtained could be interpreted by considering that in more affluent countries there could be more transactions between government and private business, hence, more chance of corrupt transactions. In effect, "the pool for corrupt transactions depends both on the extent of government expenditure and the extent of the other side of transactions made by private business" (Alfredo Del Monte and Erasmo Papagni, 2004).

On the other hand are those studies which showed that economic development is indeed associated with lower corruption. The higher a country's GNP per capita, the lower is its corruption rating (Daniel Treisman, 1987). Also claimed was that, as GDP per capita increases, the corruption index decreases, which means countries become less and less corrupt. Corruption is higher in less developed and developing countries. It becomes less and less when they go through grand transition to become high-income countries (Hafeez Ur Rehman and Amjad

Naveed, 2003). GDP per capita was always significant in predicting a country's corruption. In fact, for most of the years GDP per capita was significant at the .01 significance level. This came as no surprise as you would expect that a more prosperous country would have less corruption. The associated wealth usually leads to higher expectations of government and bureaucratic officials. As such, the richer the people the less likely they are to put up with corruption and the more likely they are to have the means to fight corruption (Ronald MacDonald and Muhammad Tariq Majeed, 2011).

Thus, it seems more plausible to say that economic development is, as predicted by all previous studies, robustly associated with less corruption. It could be argued that economic development exerts a major control on corruption, by increasing the chance of identifying and punishing illicit rents appropriations and, thus, lowering the governors' incentives to behave dishonestly. However, not only may economic development reduce corruption but also corruption may slow down the economic development. The latter argument has been widely documented and is undeniable (Danila Serra (2009).

The level of economic development plays an important role in reducing corruption in rich economies. This suggests that a high level of economic development is also important for high-income countries just like low-income countries (Ronald MacDonald and Muhammad Tariq Majeed, 2011).

"Economic development is seen to affect corruption in a number of ways. A high level of economic development reduces the discount rates of both bribe-givers and bribe-takers, thereby making them less eager to jump the queue via illegal means." The opportunity cost of punishment for a wealthy individual is much higher and also acts as a deterrent. Citizens of rich societies do not tolerate corruption due to the awareness of their rights and they react forcefully to corruption-prone activities. On the other hand, countries where incomes are relatively low, the average citizen receives minimal wealth. Such low levels of income create structural incentives for corrupt ways of increasing income. In these economies, the marginal utility of money is higher than in wealthier nations. The high utility of money even for a marginal supplement to income affects both the bribe-giver and bribe-taker. Larger governments can spend more resources on law enforcement and can also spend more resources on checks and balances, implying larger governments might effectively control corruption (Igor Pleskov, 2009).

Therefore, the meta-analysis revealed that the levels of development are inversely related to the level of corruption. The level of development has significant impact on the level of corruption. The countries at low level of development take

little or no care for the vast majority of poor citizens. This situation has further been aggravated by the trickle-down paradigm of economic development. This scenario shows that in such economies, an additional income has a significant impact on the living conditions of the people. This means that the marginal value of money in poor economies is greater as compared to rich economies (Ghulam Shabbir and Mumtaz Anwar, 2011).

B.   Economic Growth

First, it must be noted that economic growth is part of economic development; thus, it can be said that it is the economic progress attending development in economic terms. The analysis showed that… "Economic growth in one period should be negatively correlated with corruption in the future, which also means lower growth rates leading to higher levels of corruption".   The contra-postive then is that higher growth rates lead to lower rates of corruption. This, in effect, runs parallel to the previous finding on economic development (Abdiweli M. Ali and Hodan Said Isse, 2003).

As a caveat, it could be mentioned here for clarificatory purposes that… "Economic growth is a consequence rather than a cause of corruption ." Inequality affected the level of corruption , which in turn determined economic growth. Thus, corruption is likely to be an important channel through which inequality adversely affects economic growth (You, Jong-Sung, 2010).

C.   Income

Specific study showed that income significantly decreases corruption in China especially in the provinces. Income is negatively related with corruption; wherein an increase in the level of income of the citizens drives a lowering of corruption level (Bin Dong, 2011). On a more consequential effect of income, "The level of corruption is positively correlated with higher income inequality." Income inequality (distribution of income) is also considered to be one of the determinants of corruption (Nadia Fiorino and Emma Galli, 2010). The theoretical relation between corruption and income inequality is derived from rent theory. "It means lower income inequality is attached to high as well as low level of corruption and it is high when the level of corruption is transitional" (Ghulam Shabbir and Mumtaz Anwar, 2011).

D. Economic Freedom

Economic freedom is used as an indicator of political stability. The coefficient on economic freedom turns out to be significant with a negative sign, as expected, because a higher level of economic freedom reduces rent seeking opportunities, thereby reducing corruption (Ronald MacDonald andMuhammad Tariq Majeed, 2011).

The higher level of personal economic freedom (less political control over nation's economic resources and opportunities) will lessen the perceived level of corruption. Economic freedom reduces the involvement of public offices/officials with the masses. This limited connection minimizes the chances of indulging into corruption by politicians and public office bearers to grab a part of profit attached to the concessions allowed there-under (**Ghulam Shabbir and Mumtaz Anwar**, 2011).

E. Degree of Globalization

The degree of globalization is inversely related to the corrupt norms. International integration affects the political-economic framework of opportunities and cultural values of the society. A pretty free trade would remove the control of public officials over the administrative commodities like quota licenses and permits, etc. Therefore, the process of globalization would reduce the chances of exchanges of these products for private benefits (Ghulam Shabbir and Mumtaz Anwar, 2011).

F. Resources

In China, abundance of natural resources positively affects corruption in the provinces (Bin Dong, 2011). This finding implies that countries where fuel, metals, and minerals constituted a larger share of exports did tend to have higher corruption. A plausible interpretation is that dependence on raw materials exports is characteristic of poorer countries and that poverty increases corruption. Dependence on raw materials exports, by centralizing economic power, may also reduce democratic stability, increasing corruption by this pathway (Daniel Treisman, 1987).

G. International Trade

Trade openness significantly lowers corruption in the provinces in China (Bin Dong, 2011). This can be explained by a more encompassing study which revealed that "Trade openness, however, is not a significant variable in the model. As pointed out, openness to trade is clearly endogenous, exposure to imports may reduce corruption, but corrupt officials are also likely to create rent-generating barriers to trade." One reason could be that it is very easy to transfer the illegal money from outside the country when there are fewer barriers to trade. Foreign competition (measured by openness to trade) has a positive influence on corruption in European countries. The sign for openness to trade is stable and always negative, although the level of significance changes (Ronald MacDonald and Muhammad Tariq Majeed, 2011).

H. Foreign Aid

Foreign aid is also positive and highly significant. Foreign aid strengthens the predatory power of the government and thus undermines the emergence of the private sector. Since foreign aid is fungible, it tends to increase government consumption. It creates opportunities for the government to proliferate, which in turn increases the level of corruption. "The interaction term between foreign aid and government expenditure shows that the marginal effect of government expenditure on corruption increases with the level of foreign aid" (Abdiweli M. Ali and Hodan Said Isse, 2003).

I. Foreign Direct Investment

Another variable which has significant coefficient is foreign direct investment (FDI); it has positive relationship to corruption. The corruption level goes up as foreign direct investment increases (Hafeez Ur Rehman and Amjad Naveed, 2003). This can be interpreted as being driven by more opportunities for connivance between public officials and businessmen due to increase in business activities.

II Political Determinants

A.   Federal Structure

Controlling for economic development, states that are federal are perceived to be more corrupt. Depending on the model, a "state that was federal tended to rank from about half a point to more than one point higher on the corruption scale than a similar state that was unitary." The division of power between different levels of government that federal structure entails does appear to lead to a greater burden of venality for firms doing business. The association between federal structure and corruption is easy to miss because federal structure is correlated both with economic development and uninterrupted democracy — both of which *reduce* corruption (Daniel Treisman, 1987).

B.   Democracy

Regarding the democracy effect, the Korean case illustrates both a corrupting effect due to political financing needs and an anti-corruption effect to due to enhanced monitoring and accountability mechanisms. Increasing income inequality and economic concentration by the *chaebol* are continuing concerns, while the positive effect of democratic reforms is a promising sign for Korea (You, Jong-Sung , 2010).

The effect of democracy on corruption is always negative and significant (Ronald MacDonald and Muhammad Tariq Majeed, 2011). Democratization generally, and eventually, decreases corruption (as evidenced by the valid linear model). But it should be recognized that "temporary upsurges in government corruption are to be expected during the early stages of the process of political liberalization." Yet, most importantly, "it is the initial conditions and the final achievements of each society, rather than the democratization process itself, that determine the shape and magnitude of the impact of democratic reforms on political institutions" (Hung-En Sung (2004).

C.   Media/Press Freedom

An independent press can be an important instrument to control corruption (Cristina Casanova, 2007). "Transparency relies strongly on the freedom of the press (which allows the good or bad conducts of the government to be publicized), which tends to decrease the informational problem between principals (citizens)

and agents (the government), improving governance and, in this way, leading to a reduction of corruption." Active and investigative journalism can be a useful instrument to fight disguise in state bureaucracies and to produce transparency in government decision-making (Igor Pleskov, 2009). The freedom of the press allows journalists to unashamedly express their opinion in front of the authorities and to reveal government misdoings, without the possibility of official censure or retaliation. In order to ensure its function as a vigilant monitoring body of the conduct of public officers, it is extremely important for the media not to be influenced by political interests (Bin Dong, 2011).

Freedom of the press is very strongly related to corruption. Thus, the freedom of press is negatively related to the level of corruption. The freedom of speech and press in democratic societies enable the public to have access to information (directly or through their representatives), ask questions, demand inquiries and broadcast their discoveries; and in some countries, record their grievances directly to the accountability authorities ((Daniel Lederman (2001). Freedom of press may be actually capturing the effect of economic development on corruption (Norman Loayza and Rodrigo Reis Soares (2001). Meanwhile, the mass media in China significantly depress corruption. Even government-controlled media can effectively depress corruption (Bin Dong, 2011).

However, comparing studies, Ghulam Shabbir and Mumtaz Anwar (2011) found that "Media freedom was not significant for any of the years within the OPEC countries. Nonetheless, it was significant at the 0.15 significance level for all but one year within the Euro countries. The hypothesis that media freedom is a check against corruption seems to only apply to the Euro countries." A possible explanation for this is the extent of media freedom within the sets of countries. The Euro countries have a much greater degree of media freedom. In other words, the Euro countries, for the most part, have a free press relative to the OPEC countries. So, a greater degree of media freedom allows the press within the Euro countries to be more active and to essentially make corruption more difficult. The OPEC countries, on the other hand, have a relatively repressed press. So, slightly more press freedom would still not pass a hypothetical threshold where the press would be influential in preventing corruption. It seems that for the media to be effective in the fight against corruption it must have at least a certain degree of freedom (Ghulam Shabbir and Mumtaz Anwar, 2011).

D.   Legal System

The legal system also influences the degree of corruption. Most former British colonies inherited a common law tradition from their previous colonizers (Abdiweli M. Ali and Hodan Said Isse, 2003). In common law systems, law is made by judges on the basis of precedent, rather than on the basis of codes drawn up by scholars and promulgated by central governments (Ronald MacDonald and Muhammad Tariq Majeed, 2011). Colonial heritage might influence countries' degree of corruption not just via the type of legal system — based on judicial precedent or on codes — but also via the traditional ways in which justice had come to be administered. In former British colonies, the colonizers left behind not just a particular accumulation of precedents and case law but also a particular 'legal culture' that emphasized procedural justice over substantive issues far more than in countries colonized by other powers.

Some additional support exists for the view that former British colonies may be distinguished by the prevailing 'legal culture' (Bin Dong, 2011). The Gallup International poll questioned respondents about how widespread corruption was among different categories of official. As results showed, British heritage was highly significant at predicting lower perceived corruption among judges (D. Treisman, 1987).

E.   Size of Government

As to the size of government as a variable, the findings of several researches have been mixed. The size of government is positively and significantly correlated with the level of corruption according to Abdiweli M. Ali and Hodan Said Isse (2003).

Governments which are either very small or very large are associated with more corruption, but those of an intermediate size witness lower levels of corruption. The reason for this pattern is that "governments are very small or very large because they are (respectively) intrinsically highly unstable or highly stable, and both of these extremes are associated with high levels of corruption." Corruption is decreasing in the size of government for countries where the level of these government expenditures is low, but this relationship turns into a positively-sloped one over high ranges of government expenditures (Campante, Davin Chorz, and Quoc-Anh Dox, 2009).

Government intervention does not necessarily increase corruption. Some kinds of government intervention increase inequality and corruption at the same time. Favoring big conglomerates in Korea did create much corruption (You, Jong-Sung, 2010).

Size of government revenue increases corruption. But, distribution of resources from the central government to other levels of national government (transfer) reduces corruption (Daniel Lederman (2007). While the state captures the autonomy to interfere on spheres already being partly legislated by the central government (which might increase inefficiency and corruption), transfer captures the distribution of a given amount of resources between central and local governments (which might increase accountability and reduce corruption) (Norman Loayza, and Rodrigo Reis Soares, 2007).

F.   Political Participation

Studies were very limited on the effects of political participation on level of corruption. So far, only one study in Italy was culled from the Internet. But, the findings so far are encompassing. The percentage of absenteeism and the presence of voluntary organizations in Italian regions are significant determinants of corruption. Accordingly, in regions where the majority usually participates in national elections, there is lower diffusion of illegal behavior in public administration. This effect can be interpreted as the consequence of positive social norms through which the community relates to public administration, even if it may also be considered a sign of an efficient local political system. The strength of social norms could also account for the negative influence of voluntary organizations on corruption (Alfredo Del Monte and Erasmo Papagni, 2004).

G.   Political Competition

Likewise, political competition was limitedly surveyed and the study in Italy covered this research concern. The finding was that, "Law on financing political parties is a possible cause of the increase in corruption in Italy." Political competition and lobbying cause fragmentation and can result to corruption (Alfredo Del Monte and Erasmo Papagni, 2004).

H.   Political Stability

More political instability, as a variable, leads to more corruption (high graft). This result conforms therefore to previous studies, claiming that public officials will decide to behave more opportunistically if there is a high probability of losing their office next period due to political instability." In other words, incumbents will be more corrupt where high instability lowers the probability of future rents appropriation (Danilo Serra, 2009).

More unstable incumbents have a greater incentive to steal resources now instead of leaving them to future periods when they are likely to be out of office. While firms do have some incentive to offer bribes to the incumbent, the expected returns from these licenses are small, so that any bribes offered are insufficient to persuade the incumbent to substitute away from embezzlement. In the range of low stability, firms are unwilling to pay high bribes to unstable incumbents, so that embezzlement becomes the main means for self-enrichment. As a result: Corruption falls as the incumbent's stability improves and the incentive to embezzle decreases. Beyond a certain level of stability, however, licensing becomes the more profitable option, as sufficiently stable incumbents are able to extract larger bribes from firms. Therefore, the demand effect kicks in over the range of high stability: Corruption increases as stability improves, since firms are willing to offer ever larger amounts of bribes (Filipe R. Campante; Davin Chorz, and Quoc-Anh Dox, 2009).

III Social Determinants

A.   Colonial History

"The relationship between history and corruption is complex and theoretically ambiguous;" this was revealed by Ronald MacDonald and Muhammad Tariq Majeed (2011). The history of a country has usually been measured using a dummy variable for old countries which have a long history of independence. In their study, countries which have more than one century of independence history have been considered as 'old' countries. "The relationship between the history of a country and corruption is negative, although insignificant." Nations with a long history may not be able to control corruption because of entrenched norms and practices about business practice that foreigners may consider as corrupt. However, nations which have a long history and also have developed

legal strengths may successfully combat corruption (Ronald MacDonald and Muhammad Tariq Majeed, 2011).

Countries that are former British colonies are perceived as significantly less corrupt than countries that had been colonies of other powers. Former Spanish or Portuguese colonies are perceived as more corrupt (Danilo Serra, 2009). British colonial heritage and the British legal origin suggest that the reason for observing relatively lower levels of corruption in former British colonies go somehow behind the adoption of a common law legal system. Colonial traditions seem therefore to play a consistently significant role in determining the present level of perceived corruption.

Daniel Treisman (1987) stressed that "Countries' colonial histories were very significant in predicting their current levels of perceived corruption." Former British colonies or Britain itself had significantly lower perceived corruption. "Former British colonies were less corrupt because they were more democratic, open to trade, or Protestant."

B. Education

Several studies found that "Education relates positively to corruption" (Bin Dong, 2011; Abdiweli M. Ali and Hodan Said Isse, 2003; Hafeez Ur Rehman and Amjad Naveed, 2003). Such positive impact on corruption can be explained as if education in Italy increases the ability of the private and public actors to bypass and evade regulations (Nadia Fiorino and Emma Galli, 2010). This implies that the more educated such actors are the more they are susceptible to corrupt practices. One would find this study controversial and, thus, needs validating.

C. Ethnicity

Ethnicity, as a variable, was found to be a determinant of corruption. Ethnic fractionalization significantly promotes corruption in the Chinese provinces (Bin Dong, 2011).

On the other hand, it was found that "Ethnolinguistic fractionalization is not correlated to economic growth but is significantly and positively correlated with corruption" (Abdiweli M. Ali and Hodan Said Isse, 2003). This implies that the more ethnically heterogeneous society is, the more the incidences of corruption.

D.   Religion

Religion was found to be a significant variable depending on the kind of religion. Protestant religion is indeed a robust determinant of corruption (Danila Serra, 2009).   Religion was never a significant indicator of corruption for the Euro countries. However, it was significant for the OPEC countries for the years 2005, 2006, and 2007. It is difficult to comment on the trends towards more significance over the last few years, but newer data may be able to shed light on the possible relationship between the Muslim percentage in an OPEC country and corruption. It is also unclear why lack of religious diversity doesn't play a role in Euro countries, yet it was significant for at least three of the years for the OPEC countries. It would be easy to suggest that this arises from the nature of Islam; however, it seems more likely that it stems from the theocratic governments of the OPEC countries. No religion is as significant in government within the Euro countries as Islam is within a subset of the OPEC countries (Igor Pleskov, 2009).

The larger the proportion of Protestants in a country's population as of 1980, the lower was corruption perceived to be. In part, "widespread Protestantism may reduce corruption by stimulating economic growth *au* Max Weber. It may also reduce corruption by helping to sustain stable democracy." One interpretation of this is that a greater tolerance for challenges to authority and for individual dissent, even when threatening to social hierarchies, renders Protestant societies more likely to discover and punish official abuses. An alternative view is that Protestant cultures are less understanding toward lapses from grace and press more urgently to institutionalize virtue and cast out the wicked. "Protestants, particularly sectarians, believe that individuals are personally responsible for avoiding sin, while other Christian denominations, particularly the Catholic church, place more emphasis on the inherent weakness of human beings, their inability to escape sin and error, and the need for the church to be forgiving and protecting". A third possibility is that a focus on the family rather than the individual in many traditions other than Protestantism leads to 'amoral familism' and nepotism. A fourth view is that Protestant traditions — in which the separation of church and state is more pronounced than in, say, Catholicism or Islam — lead to a more vibrant, autonomous civil society that monitors the state more effectively. In this view, the impact of religion is not so much cultural as institutional. Some evidence supports the conjecture that it is the individualism and self-reliance fostered by Protestant culture that reduces corruption. Lipset and Lenz conclude that "Protestantism reduces corruption, in part, because of

its association with individualistic, non-familistic relations" (Daniel Treisman, 1987).

IV Organizational Determinants

A.   Democratic Institutions

The presence of democratic institutions is one of the main factors considered by past studies on corruption's determinants. On a theoretic viewpoint, illicit governors' behavior can be prevented only when basic political rights are effectively guaranteed to citizens. Unfortunately, it is also true that corrupt governors are more likely to limit the citizens' control on their power through the instrument of vote. In other words, it seems that civic participation to political activities is effective in increasing the risk for corrupt incumbents being caught and punished (i.e. less incentives to illicit rent appropriation) only if democratic institutions are so rooted in a country to make political elections really a means of control over governors' activities (Danilo Serra, 2009).

B.   Fiscal Decentralization

Decentralization has negative relationship with corruption. Cultural factors correlated with decentralization are also correlated with less corruption: the simple correlation between corruption and state autonomy is negative, but once these cultural factors are accounted for, the independent effect of decentralization becomes positive (Daniel Lederman, Norman Loayza, and Rodrigo Reis Soares, 2001).

Fiscal decentralization significantly depresses corruption in the Chinese provinces (Bin Dong, 2011). A wider research area supports such finding. By looking at the cross-country relationship between fiscal decentralization and corruption, it is found that fiscal decentralization in government expenditure is consistently associated with lower measured corruption. This result is highly statistically significant, and robust to a wide range of specifications, including all of those that have been used in the recent cross-country literature on corruption. Moreover, it can be seen that legal origin to be an extremely good instrument for the extent of government decentralization, and the research results suggest an even stronger effect of decentralization on corruption when instrumented for in this way (Raymond Fisman and Roberta Gatti 2011).

C. Government Expenditure

Size of public investments in both the economic and politico-institutional dimensions seems to be a crucial factor in the explanation of the phenomenon suggesting that the design of anti-corruption policies should pass through a process of enhancement of the quality of the public expenditures as well as of the political decision making process (Nadia Fiorino and Emma Galli, 2010).

High government spending depresses corruption. The negative relationship between corruption and government spending implies that larger governments might control corruption effectively by spending more resources on law enforcement machinery (Ronald MacDonald and Muhammad Tariq Majeed, 2011).

The coefficient of government expenditure turns out to be insignificant. So if government expenditure is towards productive side then it affects corruption index positively through bureaucratic efficiency. As pointed out, investment or expenditures in education and health strongly reduce the corruption (Hafeez Ur Rehman and Amjad Naveed, 2003).

CONCLUSIONS

Based on the meta-analysis of selected studies on the determinants of political corruption, some tentative conclusions may be formed that could provide a jumping board for more in-depth analysis of the variables.

(1) Economic Determinants. It seems the meta-analysis revealed that the levels of development are inversely related to the level of corruption. The level of development has significant impact on the level of corruption. The higher the level of development, the lesser the level of corruption. Subsequently, higher economic growth rates lead to lower rates of corruption, which runs parallel to the previous finding on economic development. Income is negatively related with corruption; wherein an increase in the level of income of the citizens drives a lowering of corruption level. As an aside, a higher level of economic freedom reduces rent seeking opportunities, thereby reducing corruption. Also, the degree of globalization is inversely related to the corrupt norms. Abundance of natural resources positively affects corruption in the provinces. Trade openness, however, is not a significant variable in the model. And, the corruption level goes up as foreign direct investment increases.

(2) Political Determinants. It seems, controlling for economic development, states that are federal are perceived to be more corrupt. The effect of democracy on corruption is always negative and significant. An independent press can be an important instrument to control corruption since the freedom of press is negatively related to the level of corruption. The legal system also influences the degree of corruption. As to the size of government as a variable, the findings of several researches have been mixed but more dominant is the observation that governments which are either very small or very large are associated with more corruption, but those of an intermediate size witness lower levels of corruption. Political corruption is significantly and negatively related to political corruption since the percentage of absenteeism and the presence of voluntary organizations are important determinants of corruption. Political competition and lobbying, however, cause fragmentation and can result to corruption. More political instability, as a variable, leads to more corruption (high graft).

(3) Social Determinants. It seems the relationship between the history of a country and corruption is negative, although insignificant. Education relates positively to corruption. Ethnicity, as a variable, was found to be a determinant of corruption. Religion was found to be a significant variable depending on the kind of religion.

(4) Organizational Determinants. It seems states that are federal are perceived to be more corrupt. The presence of democratic institutions is one of the main factors considered as one of corruption's determinants since they tend to control corruption. Decentralization has negative relationship with corruption. Fiscal decentralization significantly depresses corruption in the provinces. Size of public investments in both the economic and politico-institutional dimensions seems to be a crucial factor since high government spending depresses corruption but such expenditures should be focused on bureaucratic efficiency.

This study serves as a conceptual framework for future researchers who might wish to delve deeper in a more quantitatively analytical way into some given determinants of corruption to find out the extent to which they apply to specific countries like the Philippines.

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