

Effectiveness of the anti-corruption policies: Empirical analysis of United Nations Convention Against Corruption

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Abstract

This study aims to measure and understand the changes in corruption that occurred due to United Nations Convention Against Corruption implementations to answer the effectiveness of the convention. The study explains the importance of corruption and gives a summary of UNCAC implementations. Event study is used to capture the adjustments in the quality of the governance. The study estimates the changes in all 128 countries and separately in continents which gives the idea of in which types of countries UNCAC is effective. The empirical study is made with four different regressions, using four different corruption measures. The dependent variables are corruption from WB, Bayesian Corruption Index (BCI), public sector corrupt exchanges, and judicial corruption. Considering 128 countries, except BCI, dependent variables imply a decrease in the year that policies were implemented. Overall result for all countries, the convention is deemed to be successful. The continent base estimations suggest some statistically significant decline in corruption, Sub-Saharan Africa and North Africa, and the Middle East. If the UN focuses on these continents for future conventions, it might reach better outcomes. The result in Asia indicates an improvement in corruption; the UN might provide assistance instead of including the Asian countries in the conventions.

Keywords: Corruption, UNCAC, Event Study

JEL: J18, D73, G13

1. Introduction

Corruption is a criminal offense that most legal systems are familiar with. The World Bank defines corruption as the abuse of public power for the private benefit¹. Corruption harms trust, weakens democracy, disrupts economic development, and increases inequality in society. In the public sector, it takes the form of bribery, embezzlement, illicit enrichment, trading in influence, and abuse of functions. The effect of corruption has been long discussed among economists; Leff (1964) and Huntington (1968) suggest through avoiding the bureaucratic delay and improving the work done by the officials, corruption is expected to raise the growth. However, most economists believe that efficient government institutions enhance economic growth (Mauro, 1995). Acemoglu and Robinson (2010) indicate empirical evidence that promoting the quality of governance and institutions stimulates economic growth. In his paper on corruption's impact on economic growth, Mauro used a sizeable cross-sectional sample, and his results proved the negative impact of corruption. Different empirical studies present a negative relationship with economic development, such as Abed and Davoodi (2000), Gründler and Potrafke (2019), D'Agostino and Dunne (2016). Corruption widens inequality and poverty, and not even a single country has a perfect corruption index score (Brody et al., 2020). Corruption is found in developed, developing, and underdeveloped countries, and to eliminate this global problem, governments and organizations created anti-corruption law implementation. The increase in the awareness of corruption with agencies improves anti-corruption precautions (Brody et al., 2020).

This paper focuses on the impacts of the United Nations Convention Against Corruption (UNCAC) on corruption. One hundred eighty-seven countries ratify this convention. Corruption has been an essential topic in the UN for two decades; meetings, studies, and activities are encouraged to solve the corruption problem. UNCAC was endorsed by UN General Assembly in October 2003 and entered force in December 2005, and it is the first global agreement to curb corruption. However, not all countries endorsed and put the convention in force at the same time. The convention aims to improve the anti-corruption mechanism by promoting policies to detect and eliminate corruption (Rajesh Babu, 2006). The UN defines the common corruption types in four categories: grand corruption, petty corruption, passive, and active corruption (Brunelle-Quraishi, 2011). Grand corruption is called corruption that involves high-ranking officials. Petty corruption is defined as minor abuse of power. Passive corruption describes the situation when an official accepts a bribe. Active corruption describes the case when an official promises a bribe.

Event study is used as the methodology to capture the changes that arise due to policy implementation. This method is a part of the difference-in-difference family; however, the never-treated group is defined

¹ World Bank, "Helping Countries Countries Combat Corruption: The Role of the World Bank," 1997

differently from the diff-in-diff method, which is advantageous in this study. The purpose of this paper to answer whether this type of globally agreed conventions improve governance quality or not. The next question that this paper tries to answer is if conventions are successful in which type of continents there is improvement and which ones have more significant progress. These questions will provide an idea of in which countries the organizations like the UN might keep implying this type of convention and focus on those regions more to improve these conventions instead of focusing on the countries that show no improvement. The study suggests which countries need to promote different strategies to fight against corruption.

The dataset includes quality of governance indicators for 128 countries between 1984 and 2018. The estimation is made with four different corruption data: Corruption Index, Bayesian Corruption Index (BCI), Public Sector Corrupt Exchange, and Judicial Corruption. The outcomes are divided into two parts; the first part of the results analyzes the influence of the convention jointly for 128 countries, and the second part implies results by political continents. The result provides intuitive information on the convention's positive impact when the policy is implemented in the estimation of 128 countries simultaneously, except BCI. The second section of the outcomes represents significant results for Sub-Saharan Africa, North Africa and the Middle East, and Asia. At the same time, alterations in corruption are seemed to be different for each continent.

This study is divided into three sections: the first section explains why corruption is important, the convention and policies, and literature review, the second section includes the data, the methodology, results of the estimations, and robustness check, the third section includes the conclusion.

Section-I

2. Why is corruption important?

Corruption is harmful to the economy and harmful to social and political development (Brody et al., 2020). It changes the effectiveness of government expenditure due to misallocation of the public resources by embezzling and looting for personal benefit (Mauro 1995). The cost of corruption within a year is estimated to be more than 5% of the global GDP, which is \$2.6 trillion (UN, 2009); the UN estimated that \$1 trillion in bribes are paid each year. The European countries are less corrupt compared to the rest of the world²; therefore, the cost of corruption is relatively more minor. The EU estimated that the Union loses 1% of EU-GDP each year, approximately €120 billion (Stefanuc, 2011). Corruption is causing a deceleration in catching up with the power of African countries. If Tanzania had the corruption level of Britain, its GDP

² Transparency International's Corruption Perception Index (CPI)

would be 20% higher than it is (Nikolić, 2011). Lambsdorff (2003) proved that a one-unit increase in corruption reduces GDP by 4% and lowers annual capital inflows by 0,5% of GDP. Dreher and Herzfeld found an improvement in corruption reduces GDP per capita by \$435. In India, the rapid economic growth attracts attention and the corruption problem within the country (Global Integrity Report, 2009). According to a report published by Transparency International (2008), 22,728 households that are living below the poverty line paid \$212million bribe to have basic need public service. The Telecommunication Ministry was involved with a \$14 billion Telecommunication 2G auction scam; the ministry has listed 2nd most abusive power in all times (Time, 2011). Nigerian head of state laundered money in the US banking system, and after 22 years, the country is still trying to recover from this terrible governance decision (Sanni, 2020). The abuse of power harms not only the current economy but also the future economy.

Corrupt actions cause harm to the public sector by decreasing the trust and efficiency in the government. Both India and Nigeria are emerging economies; even though the countries are improving their economy, the citizens of these countries do not trust their government due to their corrupt governance of the public funds (Brody et al., 2020). The ineffective use of tax revenues due to corruption in Nigeria pushes people to illegal business markets by causing a desultory power supply, lousy infrastructure, inadequate medical service, insecurity, poverty, low level of job opportunities, and high level of school dropouts (Awojobi, 2014). In West Africa, the common corruption type in the public sector is seen as ghost names in payrolls (Atuobi, 2007). Ghana's Auditor-General reported in 2002, approximately 2000 ghost names have paid \$20 million for two years, which caused forgone wealth in the public sector. The government in Mexico used the relief funds of small debtors (Friedland, 1998). The misallocation of the source might appear in the private or public sector; either way, it interrupts efficient economic activity and increases inequality. This disruption might be more adverse in the case of emerging countries due to scarce resources.

The revenue of the Middle Eastern governments highly depends on the taxation of the hydrocarbon sector; however, oil isn't unlimited. Therefore, countries that rely on oil or gas are developing alternative ways to increase government revenues to keep sustainability in the future (Imam, 2007). To solve the revenue problem, the government will need to increase the taxes to compensate for the revenue decrease from the oil sector. Therefore, a complex tax system and higher tax rates are expected to be used as a solution that will generate a rise in corruption levels. Eventually, this increase in corruption will cause a further decrease in government revenues (Imam, 2007). The countries that experience relatively lower corruption have an additional income of 4% of GDP in tax revenues³. The decrease in corruption between 2003 and 2008 in

³ IMFBlog. 2019. *Corruption and Your Money*. [online] Available at: <<https://blogs.imf.org/2019/05/28/corruption-and-your-money/>>

Rwanda raised the tax revenues by 6% of GDP; the fight against corruption in Georgia increased the tax revenues by 13% of GDP⁴.

Transparency International (2011) reports that in Latin America, Chile and Uruguay relatively have experienced less corruption, yet this does not mean the existing markets are clean. In 1994, IBM workers in Argentina paid a \$37 million bribe to get a \$250 million computer system from Banco de la Nación (Mills, 1998). The United Nations Economic Commission for Africa states that in 2004, the continent lost more than \$148 billion to corruption, approximately 25% of its Gross Domestic Product (GDP). The report highlights that poor governance, lack of accountability and transparency, low level of democratic culture and tradition, deficiency in citizen participation, lack of clear regulations, low level of institutional control, extreme poverty, and inequality might cause more corruption. To eliminate the forgone money, policymakers try to develop anti-corruption policies, but does this policy implementation work? The impact of anti-corruption activities differs among countries since developing countries are more likely to be politically manipulated (Vadlamannati, 2015). Organizations like the United Nations Development Program, the International Monetary Fund, and the World Bank provide advice and guidance to countries that suffer from corruption. The biggest problem with the advice and guidance is that the cause of corruption and how it affects the system differs among countries, and these organizations provide a general guide for each country. However, the guide can give an initial point to start to fight against corruption. The World Bank's report suggested that to have a successful anti-corruption implementation, and it is complicated to find an appropriate entry point for anti-corruption work (Rothstein, 2011).

3. United Nations Convention Against Corruption

The United Nations Convention against Corruption (UNCAC) is the only legally binding universal anti-corruption instrument⁵. The General Assembly established an ad hoc committee in 2000 to negotiate legal tools against corruption (UNCAC, 2003); in 2003, the General Assembly adopted the treaty, and in 2005, the UNCAC was put into force by the UN. Purpose of the convention: (a) To promote and strengthen measures to prevent and combat corruption more efficiently and effectively; (b) To promote, facilitate and support international cooperation and technical assistance in the prevention of and fight against corruption, including in asset recovery; (c) To promote integrity, accountability and proper management of public affairs and public property (UNCAC, 2003). Not all implementation has the same level of obligation to bring into force. The legislation could be defined as mandatory or optional. Each Member State who signed the treaty has to implement or incorporate the mandatory articles into the existing domestic legal system

⁴ IMFBlog. 2019. *Corruption and Your Money*. [online] Available at: <<https://blogs.imf.org/2019/05/28/corruption-and-your-money/>>

⁵ <https://www.unodc.org/unodc/en/treaties/CAC/>

(Brunelle-Quraishi, 2011). The UN established a UNCAC Coalition⁶ in 2006 as a global civil society network to urge monitoring, implementation, and ratification while providing technical support to member states in the light of UNCAC. Prevention methodologies include both the private and public sectors, and these measures are effective when applied for the long term. Corruption is multifaceted; therefore, it requires extensive preventive measures (Brunelle-Quraishi, 2011). In the absence of these types of measures, the implementation does not hamper criminal activity.

The general provision chapter provides articles that state the purpose of the convention. These first articles display support for the ideology of integrity and accountability within all types of organizations, including the government. The second chapter implies the preventative measurements which improve transparency and accountability in the public sector and generates anti-corruption bodies. Article 5 mandates the Member States to apply effective preventive anti-corruption policies and practices; however, the article does not suggest specific legislation (UNCAC, 2003). The implementation aims to improve the confidence and accountability of the public sector. Accountability relies on fundamental principles of law; organization, functioning, and decision-making processes.

The other aspect of the second chapter is promoting transparency. The transparency level of the country reports the information availability of the decision-making process to the public; any improvement increases the detection of corruption. Many economists suggest that information availability significantly impacts market failures and efficient resource allocation (Stiglitz, 2000). UNCAC implies improvement in transparency in public administration expediently to these fundamental principles. The importance of the information available to the public is related to corrupt public officials, and transparency eliminates the self-gain exchanges (Lindstedt et al., 2010). Governments have a natural monopoly over the provision of many publicly procured goods and services, and a selfless and impartial government official would provide these services efficiently. However, the officials can be self-seeking; they might use their position for personal gain. The self-seeking attitude might harm the government's trustworthiness. UNCAC takes precaution on justice which is expected to improve the accountability and transparency of the public sector.

Corruption also threatens the quality of justice, and it generates opportunities for impartial trials. Justice has a vital role in the fight against corruption; thus, it must be well-functioning. Corruption undermines resolution, law enforcement, and property rights. The independence of the judiciary has a significant influence on corruption; UNCAC's purpose of eradicating prejudice in the legal system.

⁶ <https://uncaccoalition.org/>

Preventative measures cover not only the public sector but also the private sector. The increasing privatization induces expansion in the private sector, and the line between the public and private sectors gets blurred. Due to similarities, anti-corruption implementations for the private sector are akin to the public sector. Corruption in the private sector, in the long run, creates inefficiency in the market, and it is more likely to cause distortions in small businesses (Rajesh Babu, 2006).

The chapter on criminalization and law enforcement defines certain criminal offenses. Such as bribery and embezzlement. There are different ideas about what generates public corruption; therefore, it is complex to identify the crime uniformly. This implies that harmonization will be challenging to achieve; however, almost every definition uses bribery as a form of corruption (Brunelle-Quraishi, 2011). UNCAC criminalizes bribery and other types of bribery-related crimes to capture a wide range of causes of corruption, such as embezzlement, illicit enrichment, trading in influence, and abuse of functions. The ideology behind the convention is to eliminate the opportunity of bribery, which will eliminate corruption⁷.

The ideology behind the convention is to eliminate the opportunity of bribery, which will eliminate. The fourth chapter obligates the Member States to assist each other in the fight against corruption. Globalization allows offenders to move around the Member States; therefore, UNCAC implies having cooperation among countries to eliminate cross-border corruption. International cooperation is necessary to achieve prevention investigation, prosecution, punishment, recovery, and return of illicit gains⁸. The fifth chapter is about asset recovery, and this chapter carries significantly different importance for the developing countries since these countries are the ones that lost a more considerable amount of wealth on corruption. Resource allocation is the major problem that the convention gave an entire chapter to recover the stolen assets and prevent this inefficiency from rising again. This chapter specifies a framework generated with civil law and criminal law to trace, freeze, forfeiting, and return assets⁹. The sixth chapter is devoted to technical assistance to developing countries and countries in transition. This assistance includes training, materials, human resources, research, and information sharing.

4. Literature Review

Corruption has been present throughout history in both the public sector and the private sector. Corruption distorts the development level that prevents countries from improving, and richer countries tend to corrupt less (Herzfeld and Weiss, 2003). Even most successful countries have suffered from corruption due to

⁷ Gantz, *supra* note 98, at 480.

⁸ Legislative Guide for Implementation Of the UNCAC (2006)

⁹ United Nations Convention Against Corruption Wikipedia (2012)

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

governance failures in their early development stages (Khan, 2006). However, the governance capacity that they have achieved improved the transparency and accountability systems, which lead to better law enforcement and an increase in development. Researchers are developing anti-corruption policies to eliminate corruption in all different levels of developed countries. The developing and emerging countries have a hard time reducing the corruption level since it is challenging to implement the law against corruption because of a lack of incentives and resources (Khan et al., 2018). However, in some cases, these countries have to implement anti-corruption policies, i.e., to get reelected or, in this case, pressure from the UN.

The impact of anti-corruption policies inconclusive in the African continent since the outcome of the policies differs among the countries. The Inter-American Convention Against Corruption is a legal framework that aims to combat corruption of government officials by criminalizing domestic and transnational bribery. The policy was implemented on March 29, 1996. This convention had a slight negative impact on the corruption level of Jamaica, Honduras, Trinidad & Tobago, and Guatemala, and the impact of the convention disappeared after 2002 (Altamirano, 2007). Jamaica had the best CPI value amount the countries; however, it is one of the countries affected the least by the convention. After 2002 Jamaica experienced an increase in corruption and extensive media exposure of corrupt practices connected to the ruling People's National Party (Altamirano, 2007). Some countries that developed broad national anti-corruption policies or strategies, such as Georgia, Indonesia, Nicaragua, Pakistan, Tanzania, and Zambia, were unsuccessful. (Hussmann, K. 2007).

Developed countries, compared to African countries, are more likely to be part of organizations like OECD and EU, which have constant ongoing fight against corruption; the results of the battles depend on the governance style of the country. Like all the EU candidates and members, Romania and Bulgaria had corruption control, and the EU has a significant impact on the domestic changes in the candidate countries. These changes come with a cost, but generally, the benefits outweigh the costs (Grabbe, 2006). Romania and Bulgaria had the most negligible improvement among the post-communist countries; Romania's institution-building generated a solid base to fight against corruption (Lacatus et al., 2020). Another example from Central-Eastern Europe can be Hungary. Hungary's controls to eliminate corruption with penalties do not show any improvement; the result of other CEE countries not expected to be better than Hungary (Batory,2012). However, more empirical research is needed to prove this expectation. In general, the EU implies effective anti-corruption policies. The effect of the anti-corruption law enforcement impact diverse among the countries. The involvement of international organizations such as UN agencies and the Council of Europe creates legal obligations more lasting; therefore, anti-corruption policies do not disappear (Batory, 2010).

EU not only assists members of the Union; the organization tries to improve the transparency and accountability of the European continent. When it comes to a candidate and other countries in Europe, the organization has restricted power. The EU had an essential role in the structure of the anti-corruption laws in Turkey; the IMF supported these law implementations since it was overlapping their ideology on corruption. With a new government in 2002, several reforms were implemented to improve the public sector in Turkey. In 2010, the new strategies were implemented to fight against corruption, and these strategies changed the intuitionist structures whose purpose of this change was to preserve the power of the incumbent party (Soyaltin, 2017). The new institutions changed the public sector and supported corruption rather than eliminating it. International organizations, in this case, the EU, cannot prevent corruption; these kinds of domestic action might prevent the implementation of an external organization. The external organizations' impact can fall back since they cannot intervene with the domestic issues; therefore, the effectiveness of the implementations on corruption decreases.

Countries from the different political continents have disparate outcomes from law enforcement; some of the differences can be explained by how policies are implemented, which affects the outcome of the policy implementation. A good example can be given from Sri Lanka. The implementation was a web-based transparency approach to the publication of financial statements and included long-term consultants for departmental staff (Chandrasena 2008). The implementation had a positive impact and more support from staff (Heeks et al., 2012). In Indonesia, after the 1998 crisis, there were five waves of reforms to improve politics, economics, and bureaucracy (Primanto et al., 2014). These reforms during the last two decades created a successful political foundation with a clean government. Davis (2004) works with empirical analysis of the policy implementation on corruption, increase in the cost of corruption, and improvement in accountability and transparency effective decrease in corruption in India and Pakistan. Besides how the law is enforced, who implements the law is another important question. Vyas (2020), in his paper, analysis different styles of anti-corruption strategies and collected evidence on the effectiveness of two approaches from India and China with expert interviews. In one of the interviews, it is reported that the local governments are more likely to take action when the initiatives come from high authority through loose implantation (Vyas et al. 2020).

Using only the law implementations might not be practical; therefore, the next step of enforcement, which includes monitoring, is essential as taking action. The programs that combine community monitoring and incentives are the most successful implementations, and these programs eliminate corruption by increasing the probability of being caught and increasing punishments (Hanna et al., 2011). Separately, the implementations might not decrease the corruption; without monitoring, the policies do not imply any

incentives with punishment, instead imply getting caught without penalty. Exclusively implying the incentives also isn't efficient, without monitoring having punishment does not decrease the corruption. Uganda has taken several anti-corruption measures to eliminate corruption, including agencies. However, these implementations were not successful due to ineffective punishments to deter corruption, causing significant loss to the public (Gumisiriza et al., 2019). Media has a substantial impact on the effectiveness of policy implementation (Hanna et al., 2011); when people are aware of how corruption damages the economy, they will act against the incumbent in the elections. Therefore, the known programs are expected to decrease corruption effectively, and the officials will have an incentive to follow the law enforcement due to the threat of losing the seat (Brollo, 2009). In the elections, the media distributes detailed information about the campaign and is expected to have less corruption involved in elections. A monitoring program that implies more media interference in elections decreased the corruption in Brazil, the transfers made to corrupt officials declined (Brollo, 2009, Ferraz and Finan, 2008). This decline in corruption was found to be short-term.

The institutions play a significant role in the law implementation process where the institutions provide the right economic policy, monitoring, and enforcement of the law. In Hong Kong, the highly powered institutions are responsible for implementing and evaluating anti-corruption policies (Gong et al., 2015). These institutions successfully decreased corruption (Cheung, 2008); their detection ability improves corruption prevention. However, the impact of the public institutions is not the same in each country; in African countries, the institutions do not have any significant impact (Aldcroft, 2015). In general, non-governmental organizations significantly impact the implementation when altering the policies or monitoring them (Hanna et al., 2011).

Section-II

5. Data

Corruption data is taken from the World Bank, and the data assess the political system where the highest value is one which means the county does not suffer from corruption and the lowest is zero. The data is available between 1984-2018. This corruption data includes special payments and bribes related to export and import licenses, exchange controls, tax assessment, police protection, and loans. However, the data's measurement focuses on actual or potential corruption such as patronage, nepotism, job reservations, favor-for-favors, secret party funding, and suspiciously close ties between politics and business. Bayesian Corruption Indicator (BIC)¹⁰ is the second corruption index that is computed by Samuel Standaert. This data

¹⁰ Samuel Standaert (2015) "Divining the Level of Corruption: a Bayesian State Space Approach", *Journal of Comparative Economics*, 43 (3) 782-803. DOI: 10.1016/j.jce.2014.05.007

is calculated with information from 17 different surveys and 110 different questions for each country globally, and it is available between 1984 -2017. The data gets the value between 0-100, where 100 means completely corrupt, and 0 means no corruption; this is the main difference of BIC compared to World Bank's corruption data. Judicial Corruption Decision is data from World Bank. It is calculated with an expert survey question and country-specific information; the question is trying to analyze bribery to obtain a favorable judicial decision for personal gain. The variable can get values between 0 and 1, where one means the country does not experience any corruption. The data is available from 1974 to 2019. Public sector corrupt exchange is calculated with an expert survey question that asks to what extent officials grant favors in exchanging a bribe. The variable gets the same values as Judicial Corruption Decision, and the data is available between 1975 and 2019. Corruption, public sector corrupt exchange, and judicial corruption are reversed for the convenience of the study. Therefore, 0 means the country does not experience any corruption.

Clean Election data estimates to which extent the elections (national, representative political office) are free from the interaction of rules. The indicator used in the process of estimation of the data shows the quality of the elections. The data is taken from the World Bank database, and it gets a value between 0 and 1. Liberal Democracy Index¹¹ identifies the importance of minority rights against the state's authoritarianism and majority. The variable answers the question to what extent liberal democracy is achieved with civil liberties, a strong rule of law, an independent judiciary, and adequate checks and balances that, together, limit the exercise of executive power. The data gets 0 when there is no liberal democracy, and it gets the value of 1 when democracy is entirely liberal. The unpredictability of the government might lead to loopholes for corruption in the public sector. Predictable Enforcement defines to which extent executive and public officials enforce laws predictably, and it is taken from the World Bank database. It is calculated with three expert coded V-Dem indicators: respect to the constitutional provision, the presence of transparent law, rule-abidingness in the public sector. A separate data Transparency Index¹² is estimated with the combined index of information transparency index and accountability transparency index. The data gets a value between 0-100, where 100 implies complete transparency. Direct Democracy Index¹³ calculated by David Altman (2016), is used to capture citizen opinion effectiveness on corruption. Election Free and Fair¹⁴ variable is calculated with a survey question, and the question asks if the respondent thinks national elections are free. However, the free election might be achieved even if the law precludes a part of the society, and other democracy variables are expected to capture this inequality's impact on governance.

¹¹ Coppedge et al. (2015, V-Dem Working Paper Series 2015:6)

¹² University of Gothenburg: The Quality of Government Institute, <http://www.qog.pol.gu.se> doi:10.18157/qogbasjan21

¹³ World Bank

¹⁴ World Bank

Central Bank Independence¹⁵ is the weighted average of four different components. The independence index shows the level of government involvement with the central bank decision. High Court Independence is calculated with a survey question by World Bank, and the question focused on the judicial system where it is salient to the government. The survey asks how often the court grants the wishes of the government, disregarding the legal responsibility. The variable defines the autonomy level in the decision-making process; it shows if the outcome of the court is following the government's opinion regardless of sincere view. The lowest value that the variable gets is 0, and the highest is 1. Judicial independence takes the value between 0 and 1, and the data is taken from the World Bank database. The variable identifies if the court is affected by the other branches of the government. Independent Judiciary¹⁶ is a dummy variable that gets one if there is an independent judiciary.

A survey question estimates Legislature Investigation in Practice¹⁷, and the question identifies if an investigation results contrarily to an executive who engaged with corruptive activities. The data gets the value between 0 and 1. Economic Globalization¹⁸ is defined as both trade flows and financial flows. The indicator's scale is from 0 to 100. Corruption Commission Present in the Constitution¹⁹ is a dummy variable where gets the value 1 when a country has provisions for an anti-corruption commission in the constitution, otherwise zero.

State Fragility Index²⁰ identifies to which extent a country can manage the conflict within the country; make and implement public policy; and deliver essential services and its systemic resilience in maintaining system coherence, cohesion, and quality of life; responding effectively to challenges and crises and sustaining progressive development (Marshall, 2017). President Change is a dummy variable that takes the value 1 if there is a presidential change during the year that the country signed and applied the convention and zero otherwise. The change in the president might affect the attitude of the government towards anti-corruption policies. The type of regime that countries might impact the legislation, which is applied, and on the corruption level: monarchy, military, civil war, and occupation are dummy variables that represent the regime type.²¹ The regime's stability is another crucial variable to build up good governance, and constant change might create an environment that is difficult to act against corruption. Regime durability shows the number of years passed since the recent regime change.

¹⁵ University of Gothenburg: The Quality of Government Institute, <http://www.qog.pol.gu.se> doi:10.18157/qogbasjan21

¹⁶ University of Gothenburg: The Quality of Government Institute, <http://www.qog.pol.gu.se> doi:10.18157/qogbasjan21

¹⁷ World Bank

¹⁸ University of Gothenburg: The Quality of Government Institute, <http://www.qog.pol.gu.se> doi:10.18157/qogbasjan21

¹⁹ University of Gothenburg: The Quality of Government Institute, <http://www.qog.pol.gu.se> doi:10.18157/qogbasjan21

²⁰ University of Gothenburg: The Quality of Government Institute, <http://www.qog.pol.gu.se> doi:10.18157/qogbasjan21

²¹ University of Gothenburg: The Quality of Government Institute, <http://www.qog.pol.gu.se> doi:10.18157/qogbasjan21

In many regions globally, when there are more women in the government or the parliament, the countries experience less corruption (Jha and Sarangi, 2018). World Bank made a study in 2000 with 150 countries from different regions, and women increase the trustworthiness of the government. The proportion of seats held by women in national parliaments²² might explain the current corruption level. Gender inequality is correlated with corruption, and inequality undermines good governance (TI, 2014). The corruption level seems to lower when there is gender equality and countries pursue empowerment of women. Gender Equality²³ identifies gender equality power distribution that is calculated gender and female participation in civil society organizations with; the ratio between female and male mean years of schooling, the proportion of lower chamber female legislators, and the proportion of women in ministerial-level positions.

Media has a preventative impact on corruption, increases the probability of detection (Becker, 1974). The incumbent is less likely to abuse their power, in the case media might expose. The fear of exposure decreases the criminal exchanges in the public sector. Media Freedom²⁴ is a dummy variable that gets 1 when there is free media, not controlled by the government, otherwise zero. Print/broadcast Censorship Effort²⁵ is estimated by a survey question, and the question asks if the government directly or indirectly attempts to censor the print or broadcast media. The data gets the value between 0 and 1, and it gets values of 0 when government applies a censor. Media corruption data is from World Bank. The variable is another data that uses a survey for estimation; the equation is about if a publisher accepts payment to alter the news.

Educated individuals are expected to have more information about the political institutions and are more willing to monitor the government's movements. Apart from the increase in information about institutions, education also affects the participation of individuals. Citizens are more likely to get involved with politics and to act against corrupt officials when they are educated (Glaeser, 2006). The school enrollment rate¹⁰ for primary school is expected to capture the mentioned impact of education. Empirical studies have proved that dependence on official aid is associated with an increase in corruption, and aids increase the rent-seeking activities in the recipient country (Alesina and Weder, 2002). The effect of the aids might depend on the quality of governance (Kangoye, 2011), in developing countries, the aids do not improve development since it is consumed with misallocation. The ODA²⁶ variable is expected to capture the impact of aids on corruption.

²² World Bank

²³ World Bank

²⁴ World Bank

²⁵ World Bank

²⁶ World Bank

6. Methodology

Even though the empirical method is part of the Difference and Difference family, and empirical estimates can be plotted, graphs show the post-treatment effect without the assumption of pretreatment trend; the econometric interpretation is straightforward (Schmidheiny et al., 2020). Event study originated from finance; this method has been used to predict future stock market prices. Nowadays, the method is used in applied economics, in public and labor economics, where the effect of the policy is analyzed (Schmidheiny et al., 2020). This quasi-experimental method examines the impact of the significant event in specific time periods and specific units by comparing the changes that occur around the event's application to a baseline reference point (Clarke et al., 2020). Typically, the reference point is the first lag, and the lag is normalized to zero. Both event lags and leads are used to estimate to have a visual result of the event's impact (Clarke et al., 2020). In this paper, the event study will provide information on whether the convention met the assumption of a decrease in corruption. The first step is to define the event window, and it expresses the period that is examined. The interval of the event window is represented with leads and lags; lags capture what happened in the past, and leads capture the effect that will happen in the future. The leads and lags are dummy variables that capture the short-term and medium-term abnormal returns. The event window has the trade-off between having a short or long estimation period; more significant length provides more precision; however, the estimation could be out of data (Basdas, 2014). In this study, the data includes 34 years from 1984 to 2018. Units are $i = 1, \dots, 128$, where each unit represents a country; not all countries get the treatment simultaneously, but each country gets the treatment only one time. This study is influenced by the event study method of Clarke (2020), which provides intuitive information about the subject. The analysis is made both using whole data and the balanced version of the data. While estimating with all data available, I also used the specification of the untreated periods. The specification is accumulated at the endpoints; in this case, the endpoints are represented by grey color in the figures. The balanced data keeps only balanced information from the dataset into regression, and the endpoints use the same color as other time periods.

7. Results

The empirical analysis is made with four different dependent variables to capture changes in corruption. I proceed following tests before estimating event study; linearity, multicollinearity, autocorrelation, Breusch-Pagan, Hausman test (see appendix). The first results imply unilinear regression; however, the outcome changes when I run event study regressions. None of the variables indicates multicollinearity subject to the VIF test. Autocorrelation show presence in some of the regression, to see which regressions have autocorrelation problem see appendix. Breusch-Pagan test indicates the necessity of the panel models, and the Hausman test implies fix effects is a consistent estimation. The changes in corruption are examined for

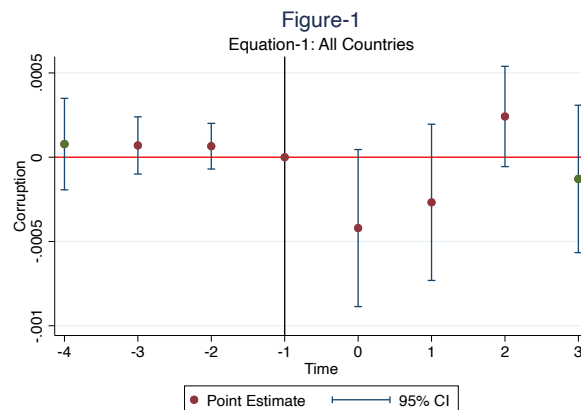
all countries together and by their political continents. The continents are Eastern Europe and the post-Soviet Union, Latin America, North Africa, and the Middle East, Sub-Saharan Africa, Western Europe, and North America, and Asia. However, Eastern Europe and post-Soviet Union countries do not have enough observations to have enough statistical power. The expected outcome is to capture an improvement in the quality of governance with a decline in corruption. The expected result in continent base changes in the case of Western Europe and North America, the countries are more likely to a part of an organization. Therefore, the convention might not imply any new policy that might create a significant change in corruption. The influence of the UNCAC is unclear at $t=2,3$ since the convention's success for following time periods depends on the countries' policy on monitoring which is not considered in the convention policies. The effectiveness of UNCAC Coalition's impact on monitoring depends on the willingness of the member states.

7.1 All Countries

All regressions include a set of quality of governance variables and economic conditions with dummy variables to control the changes within the country. In addition, X is a vector of covariates; to see which variables are included, see Table-1 in Appendix.

$$Corruption_{it} = X_{it}\beta + \varepsilon \quad (1)$$

Results of regression (1) are shown in Table -1 in Appendix and Figure-1. We can see a statistically significant outcome for government expenditure, coup, and past corruption levels (see appendix Table-1). In the case of the lagged value of corruption, the sign of the coefficient is positive, which means an improvement in corruptive activities in the past indicates an increase in corruption by 1.001 units. The positive signed coefficient on the government expenditure implies that an increase in government spending will enhance corruption. Coup is a dummy variable that takes the value of 1 if the country experience coup within a year. In the presence of a coup, corruption activities seem to increase, which causes an improvement

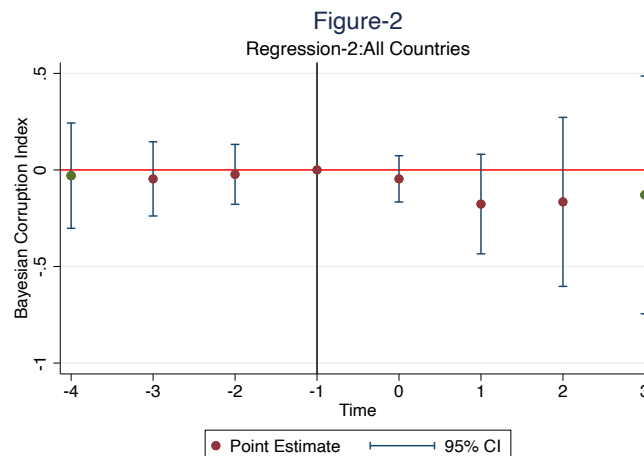


in the corruption index by 0.0002 units. Change in government by force means that the new incumbent is not concerned with following the constitutional and democratic process (Marinov and Goeman, 2014). Subject to results, when the countries do not perform the democratic procedure to change the government, corruption rises. Figure-1 gives the visualized results of the UNCAC implementations on corruption for all countries in the dataset. At the time of implementation, corruption shows a fall, and this fall's impact begins to fade away after $t=0$. However, the sign at $t=1$ still implies a decline in corruption. Among the lead and lags, the only statistically significant result is at $t=0$, considering 90% CI. Therefore, we can say that there is a decline in corruption in the year that the policy was implemented.

The second dependent variable is BCI; the regression structure is the same as the previous regression since dependent variables are expected to be similar. X is a vector of covariates; to see which variables are included, see Table-2 in Appendix.

$$BCI_{it} = X_{it}\beta + \varepsilon \quad (2)$$

Results of regression (2) show the significant result for media corruption index, population, and government expenditure (see appendix Table-2). Media corruption and population have a positive sign; an improvement in the corruption activities in media enhances the corruption by 2.71 units. The literature presents ambiguous results on the effect of population rise. Economic theory suggests that economies of scale governance of larger countries have better law implementation and the effective rule of law. The negative effect of the population appears when the administrative cost increases with size, which reverts the effect of economies of scale governance (Chong, 2020). Regression (2) follows economic theory, and a rise in population reduces corruption. Government spending has a negative sign; therefore, a rise in government expenditure decreases corruption. Figure-2 implies a decrease after the policy implementation, similar to the previous

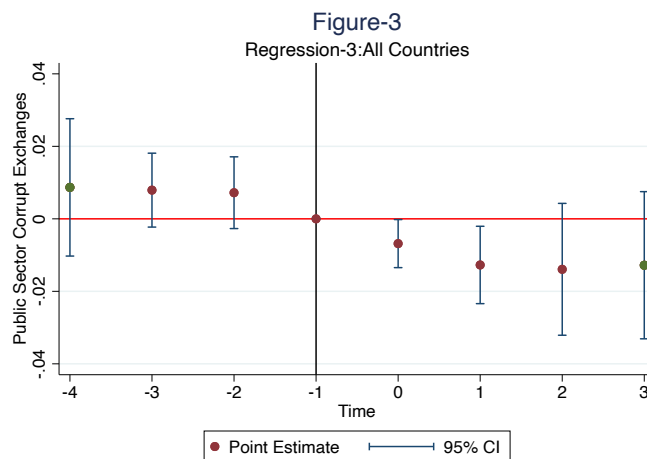


regression that included all countries. Regression-2 indicates that the leads and lags that are not statistically significant. The balanced data does not change the outcome in the joint estimation of the countries.

The third regression uses the public sector corrupt exchanges as a dependent variable. X is a vector of covariates; to see which variables are included, see Table-3 in Appendix.

$$Public\ Sector\ Corrupt\ Exchanges_{it} = X_{it}\beta + \varepsilon \quad (3)$$

The results of regression (3) for All Countries provide information about the influence of economic conditions through GDP per capita and inflation (see appendix Table-3). Subject to regression (3), an increase in inflation enhances public sector corruption by 0.00009 units. When inflation generates a decline in income, individuals might tend to find alternative ways to increase their income, such as bribery (Akca et al., 2012). Even though the increase in corruption is not high, the results follow the literature on inflation's impact on corruption. An improvement in the transparency index composes a decrease in corruption by 0.0021 units. Transparency lowers the information barriers and allows detection of corruption²⁷, therefore as the outcome implies, corruption will decrease. The expected result for the proportion of women in the parliament was to capture a decrease in public sector corruption with a rise in the proportion; however, the result shows the opposite. In the case of gender equality, improvement in gender improves the quality of governance by 0.188 units. Figure-3 represents a fall at t=0, which means a decline in corruption the year the policies started to be implemented. In the following years, the impact does not fade away; however, the following time periods do not imply statistically significant results.

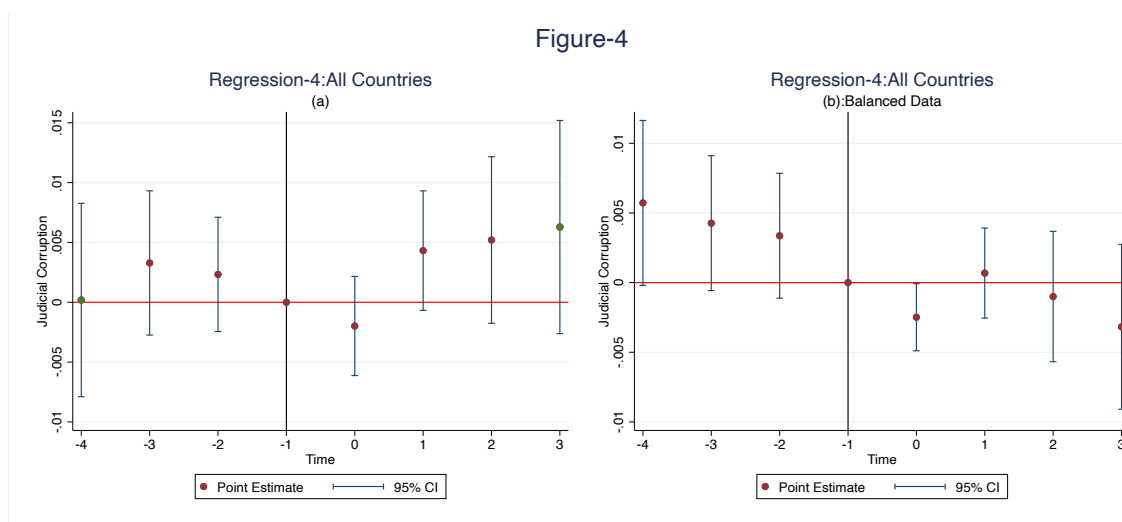


²⁷ <https://www.unodc.org/e4j/en/anti-corruption/module-6/key-issues/transparency-as-a-precondition.html>

The dependent variable of the fourth regression is the judicial corruption decision, the structure of the regression similar to the previous regression. X is a vector of covariates; to see which variables are included, see Table-4 in Appendix.

$$\text{Judicial Corruption Decision}_{it} = X_{it}\beta + \varepsilon \quad (4)$$

The fourth regression for All Countries implies that an improvement in both predictable enforcement and judicial independence decreases judicial corruption. In the case of predictable enforcement, the decrease is by 0.2272 units. An increase in judicial independence eliminates the limits on the court system (Gloppen, 2013); therefore, independence reduces judicial corruption by 0.4028 units (see appendix Table-4). Additionally, an improvement in school enrollment also causes a decrease in judicial corruption. The FDI-in shows a positive sign which means an increase in FDI that enters to country creates higher corruption. (Larraín and Tavares, 2004). Figure-4 (a) the fall at $t=0$ fades away in the following time period, and corruption increases. The graph with balanced data (b) indicates some changes, the increase in corruption $t=1$ is less, and this increase is not constant in the rest of the time periods. Nonetheless, the drop in $t=0$ subject to the reference point has similar values in both graphs.



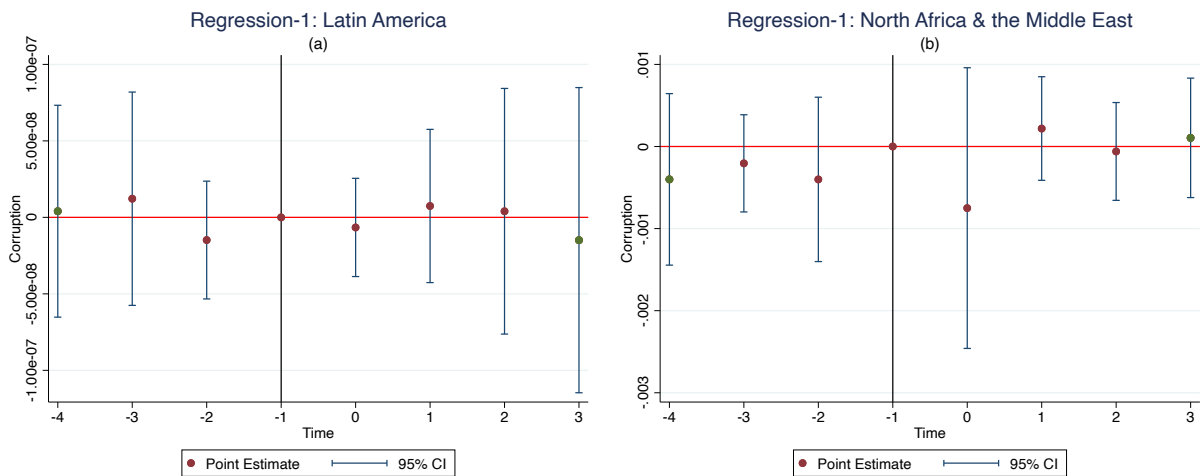
The results imply that corruption declines the year convention is implemented, except for BCI. The impact of the policies in the following time periods does not indicate a significant result. The insignificant leads generate limitations on interpreting the impact of convention in the following years. Based on the literature, the expected result for the future is a decline in the positive impact of the convention in the absence of monitoring policies. The following segment is looking at the influence of the convention by political continents to get specific information on which continent the convention is efficient.

7.2. Continents

Regression (1): Corruption

The regression for Latin America yields a statistically significant result in past corruption, an increase in corruptive activities in the past raises the corruption by 0.99 units (see appendix Table-1). Hence, we can say that in Latin American, past corruption is correlated with future corruption. Legislature investigation indicates that questioning the activities of legislatures will recover the corruptive activities and make them take responsibility for their actions. An increase in the investigation of legislature decreases corruption. In Latin American countries, one unit improvement in past inflation reduces corruption. Figure-5 (a) presents a decline in corruption, and the impact of the policy implementation does not fade away swiftly. However, none of the lags and leads have statistically significant results. There is no statistically significant result for North Africa and the Middle East, except lagged corruption, which implies an increase in corruption. Graph (b) in Figure-5 shows a fall at $t=0$, and the impact does not fade away; nevertheless, all leads and lags are not statistically significant.

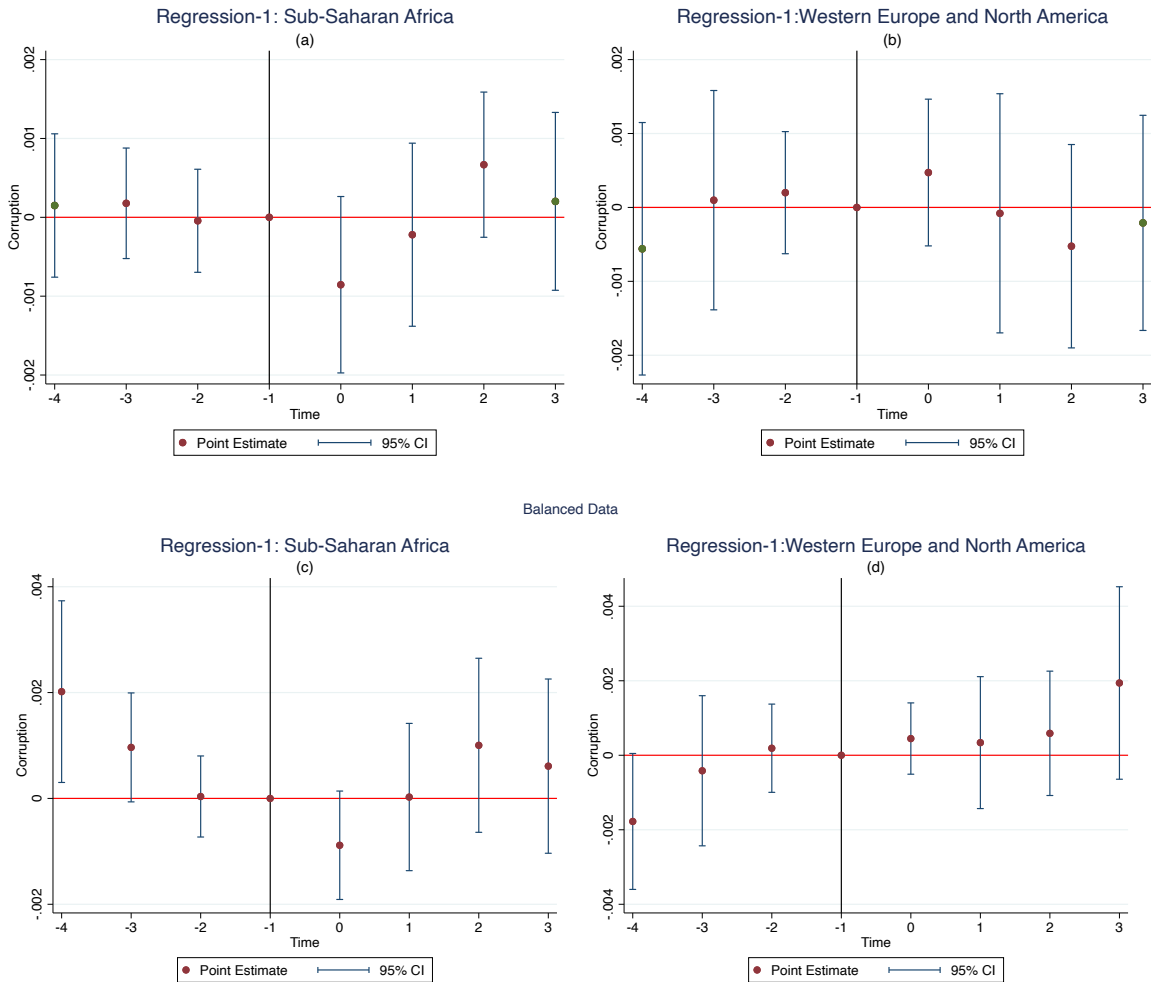
Figure-5



In Sub-Saharan countries, lagged corruption yields result similar to previous ones: a decline in past corruption is associated with a reduction in present corruption. Judicial corruption has a negative coefficient which means a decrease in judicial corruption reduces corruption by 0.0109 units (see appendix Table-1). An improvement in the quality of the election seems to improve the quality of governance (IoFC International, 2021), decreases crime, therefore indicates a decrease in corruption by 0.0081 units (see appendix Table-1). At $t=0$, policy changes imply a fall, but the impact fades away in the following periods. However, none of the lags and leads are significant. In Western Europe and North America, the statistically

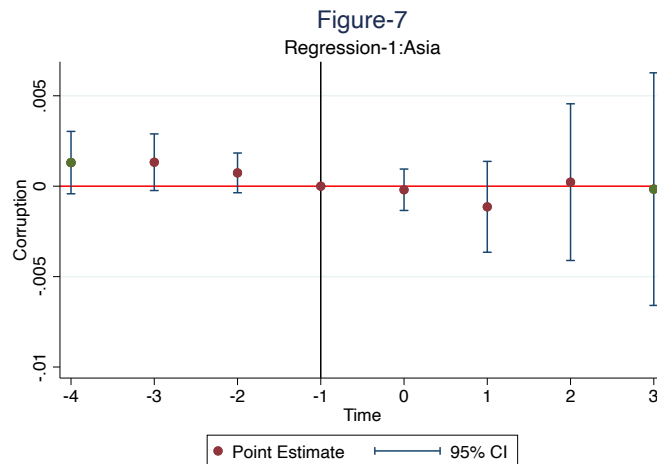
significant results are direct democracy and judicial corruption (see appendix. Tabl-1). When judicial corruption declines, corruption decreases. An improvement in direct democracy reduces corruption since

Figure-6



direct democracy implies government effectiveness and lowers corruption when citizens can express their opinions (Voigt, 2019). The results in Figure-6 (a) and (b) imply statistically insignificant leads and lags, however, when I run the regressions while using the balanced data, the results change. In Sub-Saharan countries, underbalanced data (c) shows a fall at $t=0$, which can be defined as a decrease in corruption considering 90% CI; in the following periods, the effect fades away. At $t=2,3$, the values are statistically significant, proving the impact of policy implementations fades away. In Western Europe, the balanced data graph in Figure-6 (d) shows only one statistically significant value at $t=3$ which does not provide any critical information. The unbalanced data in Figure-6 (b) does not provide significant results.

Results for Asian countries show that inflation and lagged corruption value are significant (see appendix Table-1). The lagged corruption value has a positive coefficient, a rise in corruptive activities in the past indicates an improvement in corruption by 1.0005 units. An enhancement in inflation decreases corruption by 0.00007. Looking at Figure-7, there is not a significant change, and the only statistically significant result belongs to lead-3, which does not provide any important information. The estimation does not give significant results even in the case of balanced data.



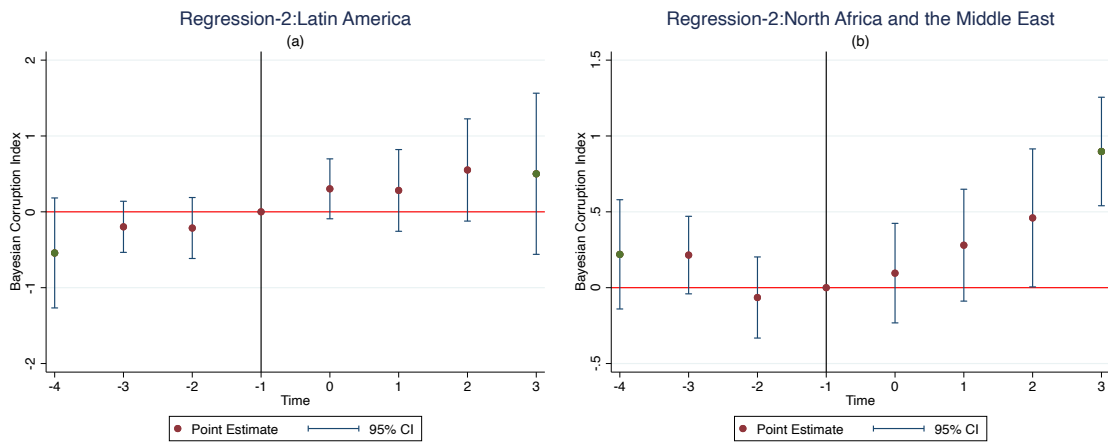
The continent-specific results indicate a decline in corruption for the Sub-Saharan continent with balanced data, and the convention has a positive impact on the quality of governance. The following time periods give essential information on what happens to convention's impact in the future with statistically significant coefficients, the results indicate a decline in convention's impact at time periods $t=2$ and $t=3$. The significant result in corruption appears only in Sub-Saharan countries. Therefore, we can say that the convention provides short-term solutions, and UNCAC Coalition's impact is inefficient to promote monitoring.

Regression (2): Bayesian Corruption Index

The regression (2) for Latin America gives statistically significant results for election, corruption commission, and GDP per capita (see appendix Table-2). An improvement in GDP per capita reduces corruption by 0.0002 units. When countries in Latin America get richer, the quality of governance improves. The presence of the election is represented by a dummy variable, and when the countries in Latin America face an election, corruption increases by 0.2105 units. The existence of a corruption commission is seemed to have a different impact than the expected one, when a country in Latin America has a corruption commission, the corruption increases by 1.1531 units. The expected result was to capture a decrease since control of commission is assumed to prevent corruptive activities. The graph of Latin America in Figure-8 (a) presents a constant increase after the political implementations. However, none of the lags and leads are

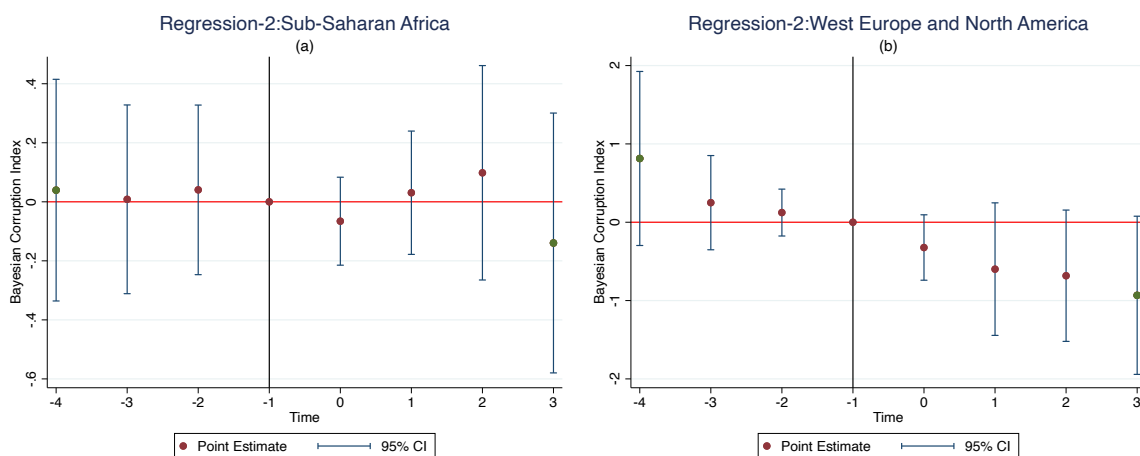
statistically significant. In the case of North Africa and the Middle East, the dummy variable for coup shows that the existence of the coup increases the corruption by 1.2427 units (see appendix Table-2). The impact of increasing international trade is represented with economic globalization; an improvement in globalization reduces corruption by 0.0439 units. The reason behind this decline is explained by the requirement of international norms and rules (Koyuncu and Unver, 2017). Figure-8 for North Africa and the Middle East implies (b) a constant rise in corruption, and $t=2$ is statistically significant. This result implies that corruption increases after the political implementation.

Figure-8



Results for Sub-Saharan countries suggest that the increase in predictability of enforcement is associated with a decline in corruption by 7.3457 units (see appendix Table-2). The impact of economic activities is represented by inflation, and a rise in inflation causes an improvement in corruption by 0.0141 units. The graph for Sub-Saharan countries in Figure-9 (a) implies a decrease in corruption, in the following time

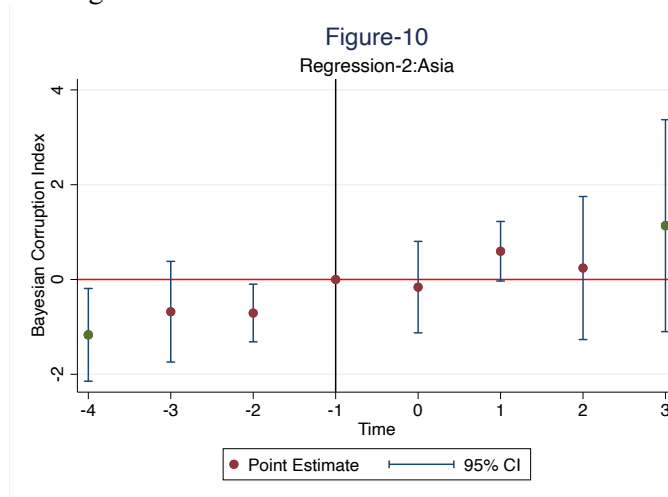
Figure-9



period, corruption increases. Yet, the leads and lags are statistically insignificant, and the outcome does not

change with balanced data. In Western Europe and North America, the regression implies an enhancement in juridical independence induces a reduction in corruption by 16.0756 units (see appendix Table-2). Transparency of the public and private sector has a preventative measure; an increase in the transparency index lowers corruption. The graph of Western Europe in Figure-9 (b) implies a constant decrease in corruption after the policy implementations.

In the regression of Asia (see appendix Table-2), the past corruption level is the only statistically significant parameter, and the coefficient has a positive sign which means an increase in past corruption level seems to generate an improvement in corruption, therefore, contagion matters. A reduction in judicial corruption indicates a decrease in corruption by 13.4038 units. An increase in both government expenditure and transparency has a negative sign which means a decline in corruption. Additionally, an increase in inflation causes a rise in corruption. Looking at Figure-10 in the year that policy was implemented, the corruption declines, however, this decrease wears off at $t=1$ and implies a statistically significant increase in corruption. Even though there is a decrease at $t=2$ compared to the previous time period, it is statistically insignificant. The last time period follows the path of $t=1$ and implies a higher increase in corruption, and also it is statistically significant considering 90% CI.

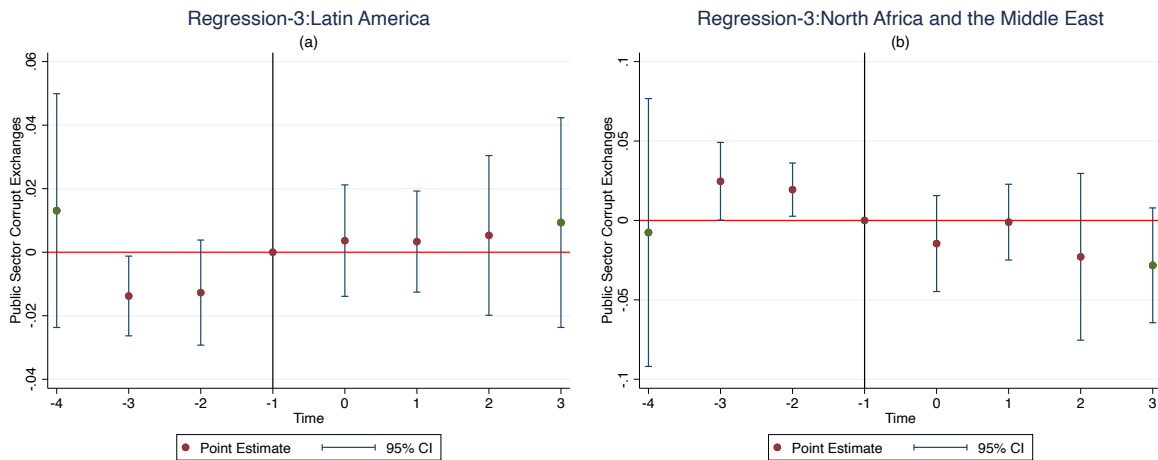


The BCI indicates significant results for the Asian continent, the sign of the coefficient at $t=1$, which is the only statistically significant outcome, contradicts expected results. The convention is seemed to simulate improvement in corruption. We can say that Asian countries might be better off when they are not part of the convention.

Regression (3): Public Sector Corrupt Exchange

In Latin America, any increase in population causes a decline in corruption (see appendix Table-3). At $t=0$, the graph in Figure-11 (a) represents a rise which means the corruption increases. At $t=0$, the graph in Figure-11 (a) represents a rise which means the corruption increases, and this enhancement in corruption

Figure-11

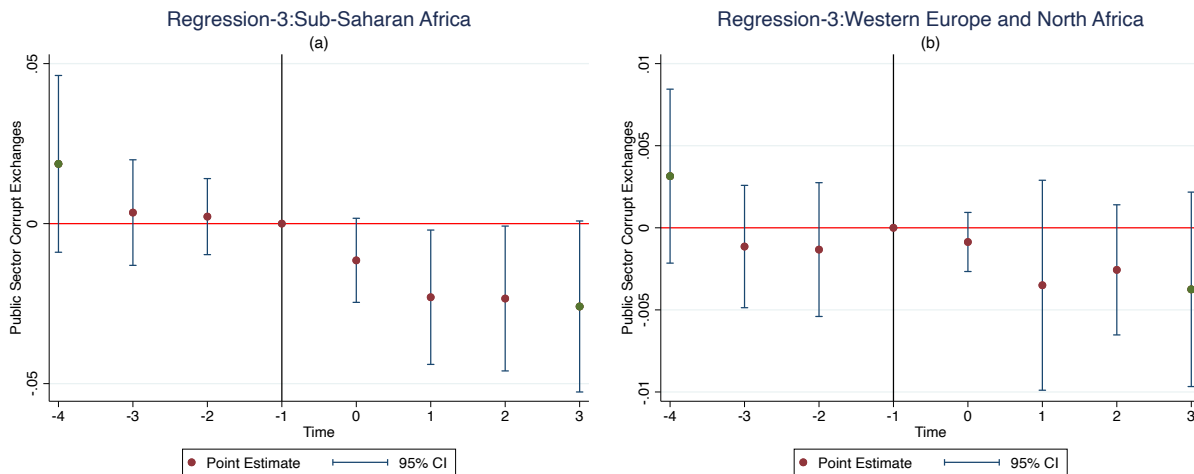


remains in the following time periods. In North Africa and the Middle East, an increase in inflation enhances corruptive activities (see appendix Table-3). Additionally, the transparency improvements imply a rise in the quality of governance. Looking at the graph for North Africa in Figure-11 (b), the results show a fall when policies were implemented, which is defined as a decline in corruption considering 90% CI. This reduction in corruption fades away at $t=1$, and it implies policies implement no change in corruption. The following time periods do not have statistically significant results. In the case of balanced data, the outcome does not have any significant results either.

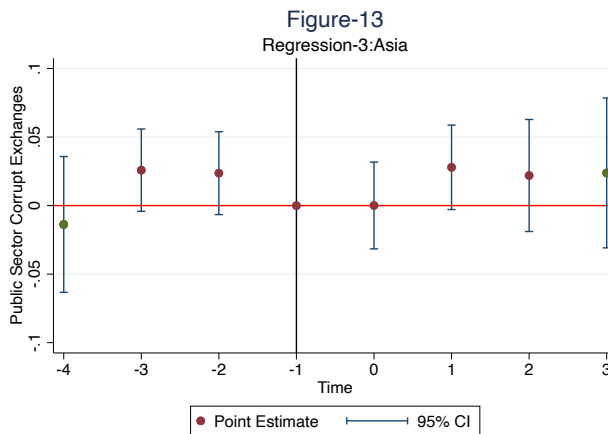
The result of regression-3 for Sub-Saharan indicates a statistically significant outcome in the case of predictable enforcement (see appendix Table-3). An improvement in the predictability of law enforcement decreases public sector corruption by 0.6494 units. The provision of the information without hiding any information is assumed to decrease the corruptive activities, which is the case for Sub-Saharan countries. An increase in transparency reduces corruption by 0.0030 units. An improvement in globalization enhances international trade and relations as well as the corruption in the public sector. The graph of Sub-Saharan in Figure-12 (a) countries implies a downwards movement in the year that policies were implemented considering 90% CI. The decrease in the corruptions remains in the following years. The regression of Western Europe implies statistically significant results only for media corruption, a reduction in media corruption seems to generate a decrease in the public sector's corruptive activities (see appendix Table-3).

The graph of Western Europe in Figure-12 (b) implies a constant decline after the political implementations.

Figure-12



The existence of the corruption commission in Asian countries decreases corruption by 0.0686 units (see appendix Table-2). Also, an increase in predictability of the enforcements implies a decline in corruption by 1.20446 units. Figure-13 implies no improvement at t=0 and the other periods imply an increase in public sector corruption.

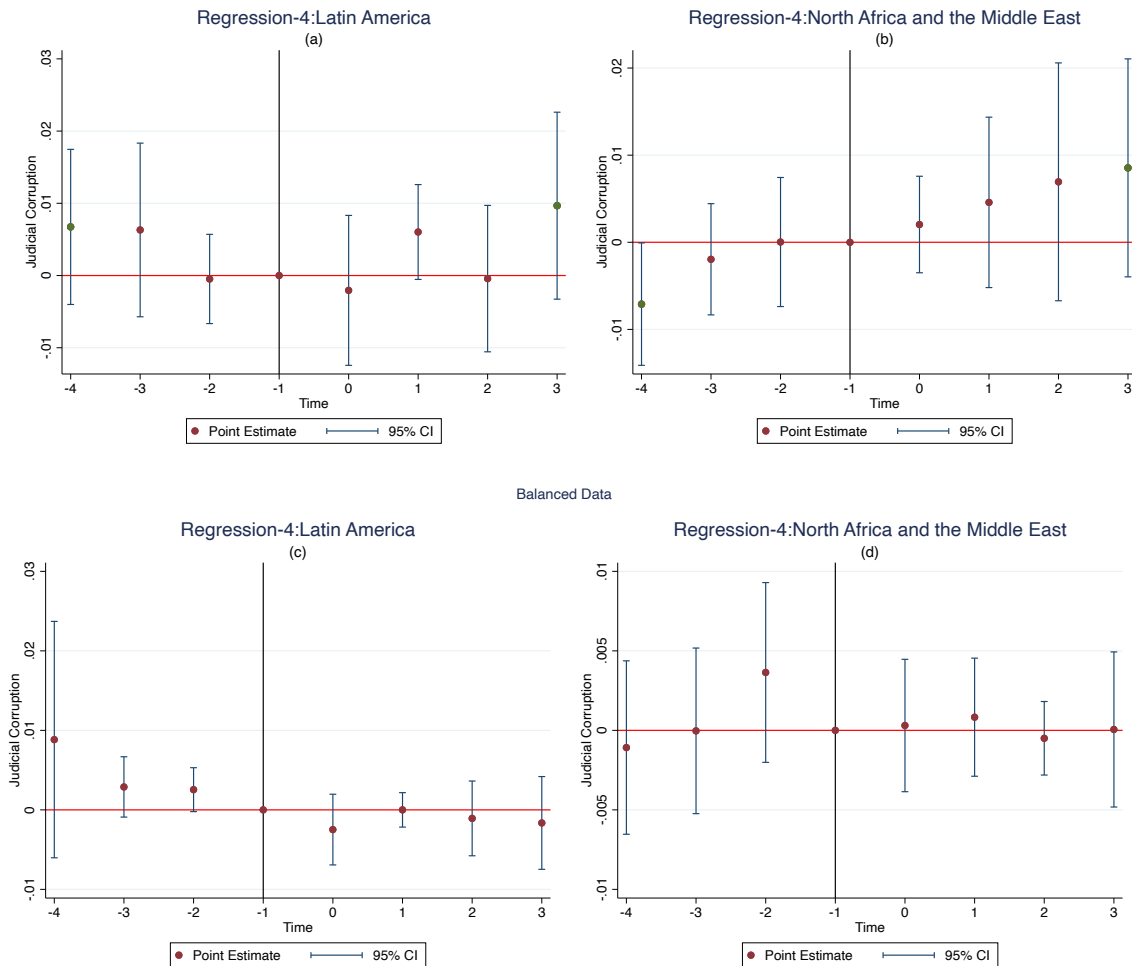


The public sector corrupt exchange has a statistically significant outcome in both North Africa and the Middle East and Sub-Saharan continents. The convention indicates an improvement in the quality of governance by decreasing corruption. This is another dependent variable that the UNCAC seems to imply a decline in corruption for Sub-Saharan countries. The significant time period differs for the continents; the Sub-Saharan continent implies significant results in the year that policies were implemented (t=0). In the North African continent, the outcome is significant for the following year (t=1). The following time periods are not significant, the information is available is limited. Due to limitations, we can only say that the convention implies successful results for both of these continents in one time period.

Regression (4) Judicial Corruption

An increase in state fragility in Latin America generates an improvement in corruption, this increase in corruption is also supported in the case of central bank independence, the independence increases the corruption by 0.0925 units (see appendix Table-4). The outcome of independence does not follow the expected results, which is improvement in the quality of governance. However, the independence of the judiciary has an opposite impact on corruption, the judicial corruption decreases by 0.4978 units. The result in Figure-14 (a) implies a decrease in corruption, however, the results are not statistically significant. The result in Figure-14 (c) uses balanced data, the result at t=1 indicates no changes after policy implementation. The results of North Africa show, education has a negative impact on corruptive activities, an improvement in school enrollment rate reduces judicial corruption by 0.0004 units (see appendix Table-4). Judicial independence has a similar result to Latin America when independence enhances the judicial corruption

Figure-14



decreases by 0.0413 units. Economic globalization is significant, and an improvement causes a decline in corruption. An improvement in gender equality declines 0.2225. In both graphs (b) and (d) in Figure-14,

North Africa implies an increase in corruption at $t=0$. In Figure-14 (d), $t=3$ is the only significant time period that implies an increase in corruption.

In Sub-Saharan countries, judicial independence again has a statistically significant impact on judicial corruption, an increase in independence generates a decline in corruption by 0.3917 units (see appendix

Figure-15

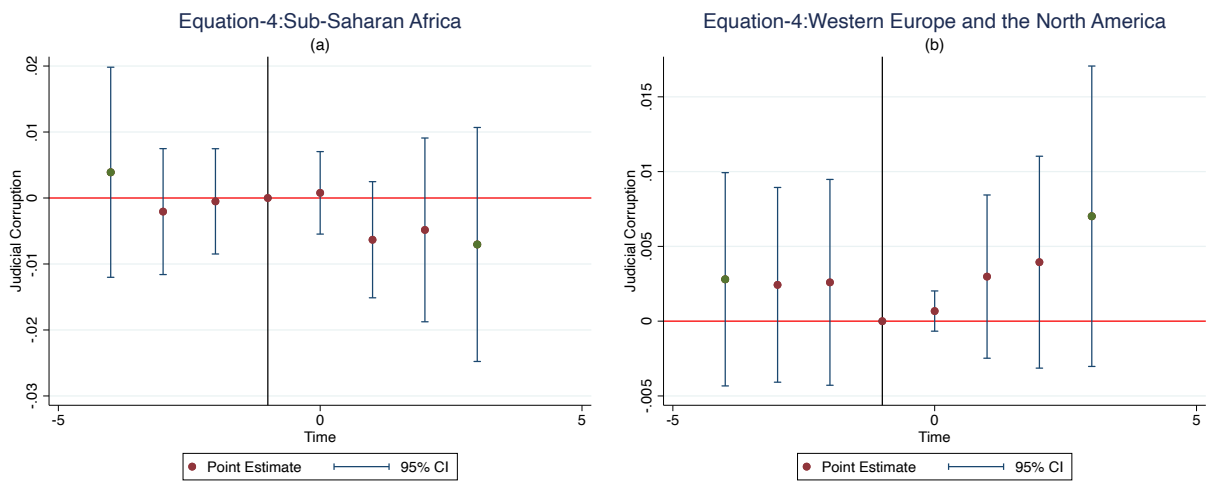
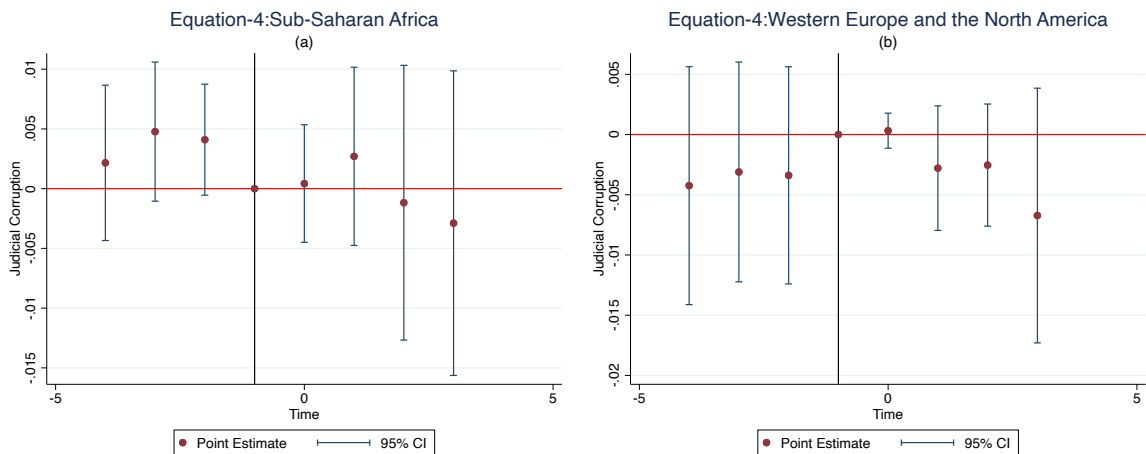


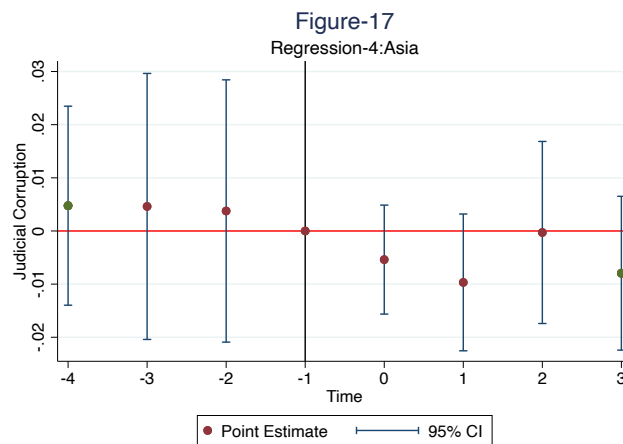
Table-4). Moreover, predictable enforcement has a negative influence on criminal activities; an improvement in predictability of enforced law decreases judicial corruption by 0.2708 units. When state fragility enhances, corruption increases by 0.0038units. Figure-15 (a) for Sub-Sahara countries does not significantly change in $t=0$, and the leads coefficient indicates an improvement in judicial corruption. Nonetheless, the results are not statistically significant. The result of balanced data (Figure-16 (a)) regression indicates that $t=1$ is statistically significant considering 90% CI, implying an increase in corruption after the political implications. The result of Western Europe shows only one statistically significant coefficient, which is the free and fair election index; however, the result is different than the

Figure-16



assumed outcome (see appendix Table-4). An improvement in free election increases judiciary corruption by .0446988 units. The graph in Figure-15 (b) suggests a decrease in corruption after the policy implantations, but the results are not statistically significant. This outcome does not change in the case of balance data (Figure-16 (b)), even though the graph's shape changes.

The regression of Asia implies statistically significant results for judicial independence and direct democracy (see appendix Table-4). The sign of independence is negative; any improvement in the independence of the judiciary is associated with a decrease in corruption by 0. 4132 units. Direct democracy has the opposite sign, and any improvement causes more judicial corruption. Figure-17 represents a fall at $t=0$, the decrease in corruption does not fade away at $t=1$. Nonetheless, these results are not statistically significant.



The last dependent variable, judicial corruption, presents significant results in the Sub-Saharan continent while using balanced data. The only significant time period is the following year to the implementation; the coefficient sign implies an increase in corruption. The result contradicts the previous results of Sub-Saharan countries. The UNCAC seems inefficient in judicial corruption, while in public sector corruption, the convention is successful.

8. Robustness Check

The robustness check of the method is made with the same method but with a different code; this code is taken from Schmidheiny (2020). The outcomes are represented in Appendix. The result of the methods implies a similar outcome with minor differences in coefficients. There are two main differences in the methods, and the first one is in Regression-2: North Africa and the Middle East; the first method suggests there is an increase in corruption after political implementations; however, this isn't the case in the robustness check. The second method indicates a decline in corruption at $t=0,1$. In Regression-2: Asia, the

result indicates an increase in corruption in both methods, yet in the first method, the only statistically significant result is at $t=1$, the second method has statistically significant results for both at $t=1$ and $t=2$. The additional significant time period provides information about the next period, and corruption increases in the following years.

Section-III

9. Conclusion

The study aims to see the impact the policies imply on corruption. To do so, I examine how UNCAC affected the behavior of 128 countries in terms of corruption. The regressions which use all countries show significant changes, except BCI; these results adhere to the expected results of capturing progress in the quality of governance. Regression-1-3-4 shows the statistically significant result at the year that policies were implemented. The year that policies implemented should not show any changes since it takes time to apply the policies and get results. Nonetheless, in UNCAC's case, the countries signed an agreement couple of years before the implementation. Hence it might be normal to see an impact in the year that has been implemented. The result implies that the convention was effective when I proceed with the estimation, including 128 countries.

The impact of the UNCAC is changing in each continent; not all continents have a significant result. In Sub-Saharan countries, political implementation decreases the corruption in the year the policies are implemented; however, policies lose their impact in the following time period. This decline in Sub-Saharan countries is also seen in public sector corrupt exchanges at $t=0$. Yet, in this case, the next period does not significantly identify what happens to implement policies' impact. Since the early 21st century, Sub-Saharan African countries have been implementing anti-corruption policies to attract FDI, aids, and debt forgiveness (Omoteso and Ishola Mobolaji, 2014). This might have an impact on the effectiveness of The UNCAC in public sector corruption and corruption. In judicial corruption, Sub-Saharan countries imply an increase in corruption at $t=1$. So, the results of the Sub-Saharan countries show that the UNCAC is ineffective in judicial corruption. In North Africa and the Middle East, quality of governance impacts the investment that countries receive; this might provide incentives to take action against corruption (Aysan et al., 2007). The results in North Africa and the Middle East show that the UNCAC affects public sector corruption at $t=1$ by reducing corruptive exchanges. The policy implementations indicate successful outcomes in public sector corruption. This improvement in quality of governance in Sub-Saharan countries and North Africa, and the Middle East seems to be due to the international relations' willingness to enchantment. Lastly, the impact is also seen in Asian countries in BCI; however, implementation raises the corruption at $t=1$. Khan (2006) states that Asian countries use anti-corruption policies during elections to attack the opponent instead of taking actual actions

against corruption. Moreover, political fragmentation in Asian countries is one of the main preventative measures to eliminate corruption (Khan, 2006). The fragmentation might be the reason why the UNCAC provides an inefficient outcome. The statistically insignificant lead ($t=2,3$) makes it complicated to comment on how much these policies' implementation was helpful. Only one of the results provides statistically significant results for the following periods. Another problem might be endogeneity, a third variable that causes lower corruption while affecting the independent variable simultaneously.

According to the database, Asia, North Africa and the Middle East, and Sub-Saharan countries have a high level of corruption. This indicates that countries in these regions need to work on quality of governance; therefore, policy implementations are necessary for improvement. In the context of the outcome, the convention seems useful for Sub-Saharan Africa, North Africa, and the Middle East. Therefore, the UN in the future convention can focus on these regions and specific governance problems of the countries to adjust the conventions to acquire better outcomes. In Asian countries, the convention makes the quality of governance worse; therefore, the convention seems unnecessary. Hence, for the Asian countries, if the UN provides technical assistance to Asian political implementation instead of including the countries into global treaties might improve the results. If the Asian countries together or separately take action subjected to the continent or country-specific quality of governance might reach a preferable outcome. I acknowledge that corruption is not a simple subject to work on; this study focuses on general corruption indicators. The indicators might change for each continent or even each country. These differences might explain why Latin America and Western Europe, and North America do not provide significant results on changes that occurred due to the UNCAC. For future study, this problem can be solved by focusing on the continent's specific quality of governance indicators with a similar approach that this study used.

Appendix

1.First Results

Table1-Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Year	4480	2001	10.101	1984	2018
Clean Election	4445	.535	.28	0	1
Corruption	4028	.49	.221	0	1
Media Corruption	4480	.537	.222	.03	1
High Court Independence	4445	.532	.286	0	1
Predictability of Enforcement	4480	.492	.205	0	1
Judicial Corruption	4445	.495	.225	.05	1
Judicial Independence	4480	.483	.195	0	1
Legislature Investigation	4480	.532	.293	0	1
GDP per capita	4321	9303.626	14737.359	94.565	102913.45
Population	4471	46840370	1.487e+08	331552	1.393e+09
Government Expenditure	3943	6.215e+10	2.180e+11	0	2.891e+12
Inflation	3967	31.397	462.542	-17.64	23773.132
School Enrollment	3748	98.138	19.529	20.883	177.582
Official Development Assistance	3429	5.873e+08	9.549e+08	-9.899e+08	2.206e+10
Bayesian Corruption Index	4006	48.278	16.12	6.45	74.963
Islam	4375	.288	.453	0	1
Christianity	4480	.558	.497	0	1
Judaism	4480	.008	.088	0	1
Buddhism	4480	.059	.236	0	1
Colonized by British	4480	.227	.419	0	1
Colonized by French	4480	.203	.402	0	1
Colonized by Spanish	4480	.172	.377	0	1
Colonized by Portugal	4480	.016	.124	0	1
Coup	4480	.021	.145	0	1
Election	4480	.182	.386	0	1
President	4480	.018	.134	0	1
Central Bank Independence	3205	.501	.191	.104	.904
Corruption Commission	3954	.065	.248	0	2
Democracy	3092	.501	.5	0	1
State Fragility Index	2982	9.408	6.778	0	25
Transparency Index	3319	49.694	16.712	8	83
Economic Globalization	4294	51.325	17.103	12.962	94.629
Monarchy	3833	.067	.25	0	1
Military	3833	.128	.338	0	4
Civil War	3837	.01	.102	0	1
Occupation	3841	.005	.072	0	1
English Law	4216	.307	.461	0	1
French Law	4216	.542	.498	0	1
Communist Law	4216	.083	.276	0	1
Regime Durability	4335	26.851	32.445	0	209
Liberal Democracy Index	4307	.389	.278	.013	.891
Media Corrupt (alternative)	4335	2.349	1.111	.063	3.926
FDI-in	4196	3.45	10.389	-40.414	280.132
FDI-out	3899	1.721	10.648	-42.687	301.25
EEPS	4445	.063	.243	0	1
Latin America	4445	.173	.378	0	1
NA_ME	4445	.165	.372	0	1
Sub-Saharan Africa	4445	.291	.454	0	1
WE-NA	4445	.157	.364	0	1
Asia	4445	.149	.356	0	1
Proportion in Women Parliament	2638	17.506	11.621	0	63.75
Liberal Democracy	4347	.387	.281	.012	.892
Gender Equality	4480	.513	.18	0	1
Direct Democracy	4479	.093	.143	0	.878
Election free and fair	4480	.52	.288	0	1
Print/Broadcasting Censorship	4480	.535	.243	.026	1
Public Sector Corrupt Exchanges	4480	.496	.303	0	1
Countries	4480	64.5	36.953	1	128

Regression-1

In the first step of the estimation of Regression-1, I test the linearity and multicollinearity of the variables. The linearity is tested with STATA's command "*linktest*", the test's result will show no explanatory power when it is specified correctly. The outcome of the test implies the estimation is specified correctly and the squared values do not have any explanatory power.

Variance inflation factor

	VIF	1/VIF
Clean Election	5.756	.174
Predictable Enforcement	5.479	.183
Print/Broadcasting Censorship	5.465	.183
Judicial Independence	5.106	.196
Transparency Index	5.028	.199
Public Sector	4.755	.21
Corrup. Exc. State Fragility Index	4.248	.235
Judicial Corruption	3.913	.256
Media Corrupt	3.246	.308
Population	3.037	.329
Colonized by Spanish	2.945	.34
Democracy	2.81	.356
Government Expenditure	2.575	.388
Legislature	2.446	.409
Investigation	2.407	.415
GDP per capita	2.256	.443
Economic Globalization	2.084	.48
Communist Law	2.013	.497
Colonized by French	1.838	.544
Regime Durability	1.827	.547
Colonized British	1.69	.592
Central Bank	1.575	.635
Independence Official	1.49	.671
Dependence Asst. School	1.474	.678
Enrollment Rate	1.421	.704
Corruption Commission	1.384	.723
Civil War	1.374	.728
Direct	1.314	.761
Democracy	1.09	.917
Proportion of Seat Held by Women	1.062	.941
FDI-out	1.054	.949
Coup Election	2.715	.
Inflation		
Mean VIF		

Source	SS	df	MS	Number of obs =	674
Model	3.24142208	2	1.62071104	F(2, 671)	= 123.80
Residual	8.78399137	671	.013090896	Prob > F	= 0.0000
Total	12.0254134	673	.017868371	R-squared	= 0.2695
				Adj R-squared	= 0.2674
				Root MSE	= .11442

corrup	Coefficient	Std. err.	t	P> t	[95% conf. interval]
_hat	.6099524	.4395041	1.39	0.166	-.2530164 1.472921
_hatsq	.4820124	.5374032	0.90	0.370	-.5731819 1.537207
_cons	.0764652	.0888685	0.86	0.390	-.0980286 .2509589

I used *vif* command to check if multicollinearity is present. The rule of thumb suggests that if the VIF value is higher than 10, there might be multicollinearity (Curto and Pinto, 2011). Results do not show any multicollinearity all VIF values are lower than 10. In the next step I used Breusch-Pagan (1980) Lagrange multiplier test for random effects. I find the p-value to be lower than 0.05. Therefore, there isn't homoskedasticity in the variance. The panel model is necessary.

In the process of deciding to use the fix effect or random effect, I used the Hausman test in Regression-1. According to the test below, I reject the null hypothesis, the result indicates that the fix effect seems to be consistent estimation.

Hausman (1978) specification test	
	Coef.
Chi-square test value	110.181
P-value	0

Wooldridge test for autocorrelation in panel data

H0: no first-order autocorrelation

$$F(1, 66) = 43.381$$

$$\text{Prob} > F = 0.0000$$

Before passing the fix effect estimation I tested for the autocorrelation which the results prove that the past value of corruption has an impact on corruption, the p-value is lower than 0.05.

Regression-2

The linearity test outcome implies the estimation is specified wrong and needs additional squared values.

Breusch and Pagan Lagrangian multiplier test for random effects

$$\text{corrup}[\text{country},t] = Xb + u[\text{country}] + e[\text{country},t]$$

Estimated results:

	Var	SD = sqrt(Var)
corrup	.0178684	.1336726
e	.006574	.0810804
u	.0090855	.0953177

Test: Var(u) = 0

$$\text{chibar2}(01) = 302.21$$

$$\text{Prob} > \text{chibar2} = 0.0000$$

These additional squared values do not have any explanatory power in the panel model; therefore, I didn't include these additional variables in the regression.

Variance inflation factor

	VIF	1/VIF
Transparency Index	4.951	.202
Print/Broadcasting Censorship	4.684	.213
Predictable Enforcement	4.666	.214
Judicial Independence	4.623	.216
State Fragility Index	4.315	.232
Clean Election	4.092	.244
Judicial Corruption	3.756	.266
Public Sector Corrupt Exc.	3.466	.288
Population	2.976	.336
Media Corrupt	2.751	.364
Democracy	2.706	.37
Colonized by Spanish	2.658	.376
Legislature Investigation	2.57	.389
Government Expenditure	2.557	.391
GDP per capita	2.403	.416
Economic Globalization	2.308	.433
Colonized by French	2.082	.48
Communist Law	1.867	.536
Colonized by British	1.797	.557
Regime Durability	1.766	.566
Central Bank Independence	1.673	.598
Official Dependence Asst.	1.497	.668
School Enrollment	1.464	.683
Civil War	1.359	.736
Direct Democracy	1.342	.745
Proportion of Seat Held by Women	1.341	.746
FDI-out	1.307	.765
Corruption Commission	1.3	.769
Coup	1.084	.923
Election	1.054	.949
Inflation	1.043	.959
Mean VIF	2.499	.

Source	SS	df	MS	Number of obs =	734
Model	57622.4301	2	28811.215	F(2, 731)	= 1015.23
Residual	20744.9902	731	28.3789195	Prob > F	= 0.0000
				R-squared	= 0.7353
				Adj R-squared	= 0.7346
Total	78367.4203	733	106.913261	Root MSE	= 5.3272

bci	Coefficient	Std. err.	t	P> t	[95% conf. interval]
_hat	2.399791	.243555	9.85	0.000	1.92164 2.877941
_hatsq	-.0136059	.0023573	-5.77	0.000	-.0182339 -.008978
_cons	-34.81052	6.157155	-5.65	0.000	-46.89834 -22.72271

The multicollinearity test indicates no collinearity, applying the rule of thumb, the values of VIF above are less than 10. The Breusch and Pagan test clarifies the necessity of the panel model, the p-value is lower than 0.05.

Breusch and Pagan Lagrangian multiplier test for random effects

bci[country,t] = Xb + u[country] + e[country,t]

Estimated results:

	Var	SD = sqrt(Var)
bci	106.9133	10.33989
e	.4314939	.656882
u	45.6555	6.756885

Test: Var(u) = 0

chibar2(01) = 1995.79
Prob > chibar2 = 0.0000

Test of H0: Difference in coefficients not systematic

chi2(23) = (b-B)'[(V_b-V_B)^(-1)](b-B)
= -86.48

Warning: chi2 < 0 ==> model fitted on these data fails to meet the asymptotic assumptions of the Hausman test; see [suest](#) for a generalized test.

In the process of deciding between FE and RE, the Hausman test gives negative chi-square results as an alternative I proceed with Mundlak. The result of the Mundlak indicates some statistically significant mean values, which implies the necessity of a panel model. The Mundlak coefficients do not show the same values as FE, hence the Mundlak isn't a consistent estimation. The autocorrelation test implies the existence of the impact of the past value on BCI.

Wooldridge test for autocorrelation in panel data

H0: no first-order autocorrelation

$$F(1, 73) = 215.212$$

$$\text{Prob} > F = 0.0000$$

The p-value is lower than 0.05, so I reject the null hypothesis. Table-3 (see appendix) providing information about corruption and its indicators both for all countries together and separately in political continents.

Regression-3

The linearity test implies that the regression is specified correctly at 5%. The outcome of the multicollinearity test gives VIF values lower than 10.

Variance inflation factor

	VIF	1/VIF
Transparency Index	8.28	.121
Predictable Enforcement	7.645	.131
State Fragility Index	6.497	.154
Gender Equality	6.084	.164
Print/Broadcasting Censorship	5.953	.168
Media Corrupt	5.266	.19
Clean Election	4.574	.219
Economic Globalization	4.418	.226
High Court Independence	3.967	.252
GDP per capita	3.231	.31
Proportion of Seat Held by Women	2.745	.364
Monarchy	1.618	.618
Colonized by French	1.594	.627
Colonized by Spanish	1.593	.628
Government Expenditure	1.516	.66
Central Bank Independence	1.459	.686
School Enrollment	1.392	.719
Colonized by British	1.39	.72
Population	1.274	.785
Colonized by Portuguese	1.21	.826
Direct Democracy	1.205	.83
Corruption Commission	1.173	.852
Coup	1.065	.939
Inflation	1.025	.976
Mean VIF	3.174	.

Source	SS	df	MS	Number of obs	=	1,149
Model	87.3187384	2	43.6593692	F(2, 1146)	=	2547.02
Residual	19.6439679	1,146	.017141333	Prob > F	=	0.0000
				R-squared	=	0.8163
				Adj R-squared	=	0.8160
				Root MSE	=	.13092
Total	106.962706	1,148	.093173089			

ps_corr_ex	Coefficient	Std. err.	t	P> t	[95% conf. interval]
_hat	1.105041	.0557159	19.83	0.000	.9957242 1.214357
_hatsq	-.0942532	.0483861	-1.95	0.052	-.1891886 .0006821
_cons	-.022007	.0140209	-1.57	0.117	-.0495165 .0055025

Breusch and Pagan Lagrangian multiplier test for random effects

$$ps_corr_ex[country,t] = Xb + u[country] + e[country,t]$$

Estimated results:

	Var	SD = sqrt(Var)
ps_corr~x	.0931731	.3052427
e	.0023859	.0488459
u	.0187729	.1370144

Test: Var(u) = 0

chibar2(01) = 3064.93
 Prob > chibar2 = 0.0000

The Breusch-Pagan test's result indicates that the panel models are necessary, the p-value is smaller than 0.05. I reject the null hypothesis, there isn't homoskedasticity in variance.

Hausman (1978) specification test

	Coef.
Chi-square test value	90.908
P-value	0

I proceed with the Hausman test which implies that FE is the only consistent estimation, the p-value is lower than 0.05. The autocorrelation test indicates that lagged parameter has explanatory power.

Wooldridge test for autocorrelation in panel data

H0: no first-order autocorrelation

$$F(1, 101) = 690.043$$

$$\text{Prob} > F = 0.0000$$

Regression-4

The linearity test reports that the specification is wrong, the regression is not linear. However, in multicollinearity result implies high correlation, the VIF values are around 100. Furthermore, the squared values are insignificant under the panel models, I proceed with my estimations without the squared variables.

Variance inflation factor

	VIF	1/VIF
Transparency Index	8.28	.121
Predictable Enforcement	7.645	.131
State Fragility	6.497	.154
Gender Equality	6.084	.164
Print/Broadcasting Censorship	5.953	.168
Media Corrupt	5.266	.19
Clean Election	4.574	.219
Economic Globalization	4.418	.226
High Court Independence	3.967	.252
GDP per capita	3.231	.31
Proportion Seat Held by Women	2.745	.364
Monarchy	1.618	.618
Colonized by French	1.594	.627
Colonized by Spanish	1.593	.628
Government Expenditure	1.516	.66
Central Bank Independence	1.459	.686
School Enrollment Rate	1.392	.719
Colonized by British	1.39	.72
Population	1.274	.785
Colonized by Portuguese	1.21	.826

Source	SS	df	MS	Number of obs	=	1,061
Model	19.6977277	2	9.84886385	F(2, 1058)	=	1537.95
Residual	6.77530513	1,058	.00640388	Prob > F	=	0.0000
				R-squared	=	0.7441
				Adj R-squared	=	0.7436
Total	26.4730328	1,060	.024974559	Root MSE	=	.08002

jcorr	Coefficient	Std. err.	t	P> t	[95% conf. interval]
_hat	-.145731	.1020497	-1.43	0.154	-.3459739 .0545119
_hatsq	1.314524	.1151599	11.41	0.000	1.088557 1.540492
_cons	.2254439	.0212914	10.59	0.000	.1836657 .2672221

Direct Democracy	1.205	.83
Corruption Commission	1.173	.852
Coup	1.065	.939
Inflation	1.025	.976
Mean VIF	3.174	.

The results of the Breusch-Pagan test prove that the panel model is necessary, there isn't homoscedasticity in variance. The p-value is lower than 0.05.

```

Breusch and Pagan Lagrangian multiplier test for random effects

jcorr[country,t] = Xb + u[country] + e[country,t]

Estimated results:
-----
                Var      SD = sqrt(Var)
-----
jcorr          .0249746   .1580334
e              .0004424   .0210323
u              .0080037   .0894632

Test: Var(u) = 0
                chibar2(01) = 4282.48
                Prob > chibar2 = 0.0000

```

Hausman (1978) specification test	
	Coef.
Chi-square test value	150.482
P-value	0

The Hausman test proves the only consistent estimation is FE, the p-value is lower than 0.05. The autocorrelation proving the necessity of the lagged dependent variable.

Wooldridge test for autocorrelation in panel data

H0: no first-order autocorrelation

$$F(1, 87) = 135.654$$

$$\text{Prob} > F = 0.0000$$

2. Regression Results

Table-1: Corruption

Variable	All Countries	Latin America	NA ME.	Sub-Saharan Africa	WE NA	Asia
Lagged Corruption	***1.0016204	***.99999994	***1.0015051	***1.0059809	***1.0004567	***1.000555
	.00104296	1.84E-04	.00168965	***.00252085	.00172012	.00307402
Clean Election	-.00030811	-4.41E-04	-.00083471	-.00812469	.00093982	.00168511
	.00148439	3.13E-04	.0013922	.00262301	.00685697	.00458702
Media Corruption	-.00046718	-1.87E-04	-.00068264	-.00672688	.002549	-.00226206
	.00086374	1.45E-04	.00138789	.00406884	.00571439	.00286208
Judicial Independence	.00451546	-3.30E-05	.00058841	-.00302981	-.01776384	.00630532
	.00325157	4.48E-04	.00234564	.00474909	.01540515	.01168683
Predictability of Enforcement	.00107437	2.28E-04	-.00093787	-.00172161	-.00876561	-.00648504
	.00212013	4.75E-04	.00265767	.00615928	.01511873	.0161401
Judicial Corruption	-.00121496	3.80E-04	-.00188848	*.01092762	*.02041209	.00568183
	.00237219	3.98E-04	.00366002	.00607104	.00980017	.0123787
Legislature Investigation	-.00071818	***2.73E-04	.00052976	*.00510599	.00355093	-.00426078
	.00079532	8.70E-05	.00098683	.00273406	.01091838	.00312455
GDP per capita	1.44E-05	8.88E-09	3.53E-06	-2.52E-04	1.36E-05	1.10E-04
	3.06E-05	1.56E-08	2.70E-05	3.87E-04	2.70E-05	2.45E-04
Population	-1.33E-09	-1.89E-12	1.44E-08	-4.77E-08	1.35E-07	-9.85E-09
	3.68E-09	4.55E-12	3.98E-08	3.95E-08	1.22E-07	1.23E-08
Government Expenditure	**2.80E-12	-1.17E-16	-2.27E-11	*7.35E-11	-3.92E-12	4.62E-12
	1.06E-12	4.27E-16	2.58E-11	3.81E-11	2.99E-12	4.34E-12
Inflation	2.87E-04	-3.61E-07	-.00004844	***.00010133	-.00005215	***.00007633
	3.42E-04	1.11E-06	.00005306	.00003408	.00008842	.00002567
Lagged Inflation		*-2.83E-07				
		1.24E-07				
School Enrollment	-1.15E-03	-1.64E-06	.00003903	**0.0002869	-.00007552	.00004533
	8.12E-03	1.13E-06	.00004255	.00001102	.00005324	.00006838
Official Development Assistance	7.91E-11	1.78E-14	1.34E-10	*2.29E-10		5.60E-10
	6.30E-11	6.92E-14	2.89E-10	1.25E-10		5.97E-10
Coup	.00028908	-6.46E-05	.00114148	.00010341		-.00019878
	*.0001719	*3.61E-05	.00124378	.00044883		.00051131
Election	.00007937	7.97E-06	.00010925	.00018121		-.00040075
	.00008774	7.21E-06	.00015592	.00023764		.00061184
Central Bank Independence	.000582	-3.17E-04	-.00060437	.00298328		-.00208742
	.00068819	1.84E-04	.00065573	.00245367		.00942529
Corruption Commission	-.00040568	5.85E-05	(omitted)	(omitted)	(omitted)	.00309956
	.00048879	4.12E-05				.0017487
Democracy	.00014431	-4.16E-05	-.00126703	*.00118951		.00044753
	.00017784	3.65E-05	.00159828	.00064724		.00077755
State Fragility Index	-.00001314	3.46E-06	.00009229	.00002121	.0003365	-.00014632
	.00005572	8.03E-06	.00009772	.00011733		.0002016
Transparency Index	.00002063	-1.82E-06	-7.53E-03	.00003729	-.00001364	.00007898
	.00002515	2.65E-06	.00001324	.00004681	.0000559	.00008167
Economic Globalization	-.00001467	2.51E-06	-8.87E-03	-4.76E-03	.00006603	-.00004718
	.00001693	2.99E-06	.00002433	.00002773	.00011579	.00006631
Regime Durability	6.32E-03	*2.15E-05	3.22E-03	-.00005875	.00038701	.00002076
	7.73E-03	1.22E-05	6.28E-03	.00004196	.00028071	.00001968
Civil War	-.00017158	(omitted)	(omitted)	-.00192241	(omitted)	(omitted)
	.00061102			.00142432		
FDI-out	-.00001304	**1.87E-05	.00002548	-.00002684	-7.95E-03	.00029039
	.00001282	7.37E-06	.00003985	.00002305	.0000106	.00045815
Proportion in Women Parliament	-.00001056	2.13E-06	.00001446	-.00001079	-.00008704	-.00007833
	.00001698	2.68E-06	.0000212	.00004899	.00005408	.00007249
Direct Democracy	.00014849	-2.99E-05	.00063871	-.00068829	*.00609541	-.00112461
	.00082668	1.47E-04	.00111197	.00383457	.00329462	.00799275
Print/Broadcasting Censorship	-.00105747	5.06E-05	.00033422	*.0076241	.00043792	-.00163041
	.00139566	2.07E-04	.00162732	.0037389	.00365131	.00509212
Public Sector Corrupt Exchanges	.00063962	-2.91E-04	.00004515	.00326071	-.00549994	.00025829
	.00073405	1.68E-04	.00074337	.0028323	.00683899	.00393304
Constant	-.00384985	3.79E-04	-.00459315	-.00828054	.00979466	-.0037565
Lead4	.00007801	4.02E-06	-.00040051	.00014965	-.00055944	.00130529
	.00013626	3.27E-05	.00048357	.00044137	.00081598	.00078371
Lead3	.00007	1.22E-05	-.00020524	.00017784	.00009807	*.00132501
	.00008527	3.29E-05	.00027406	.00034023	.00070883	.00071117
Lead2	.00006542	-1.48E-05	-.00040077	-.00004395	.00019983	.00073568
	.00006802	1.82E-05	.00046342	.00031724	.00039476	.00049925
Lag0	*.00042033	-6.59E-06	-.00075017	-.00085488	.00047212	-.0001981
	.00023389	1.52E-05	.00079149	.00054303	.00047426	.00052015
Lag1	-.00026779	7.44E-06	.00021889	-.00022066	-.00007951	-.00114111
	.00023265	2.36E-05	.00029203	.00056364	.00072288	.00114137
Lag2	.00024176	4.00E-06	-.00006018	.00066735	-.00052455	.00022402
	.00014936	3.79E-05	.00027576	.00044705	.00065724	.00196867
Lag3	-.0001288	-1.49E-05	.00010499	-.00020228	-.000209	-.00016206
	.00021952	4.71E-05	.00033675	.00054765	.00069537	.00292192
Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Clustered	Yes	Yes	Yes	Yes	Yes	Yes
i.Year	Yes	Yes	Yes	Yes	Yes	Yes

Legend: * p<.1; ** p<.05; *** p<.01

Table-2: Bayesian Corruption Index

Variable	All Countries	Latin America	NA ME.	Sub-Saharan Africa	WE NA	Asia
Lagged BCI		-.0015086	-.00408356	.00075472		***.01501971
		.00498162	.0053625	.00295115		.00485864
Clean Election	-.11922904	-3.7523613	.5744586	.9382603	2.7557336	2.0525506
	.66692451	2.6166013	.78540122	.74116744	5.9072759	3.622909
Media Corruption	**2.7102617	2.3467815	-1.4218165	***4.4117942	1.1708066	**6.2163147
	1.0902288	2.1135469	1.0079894	1.4329252	11.274582	2.1612518
Judicial Independence	-1.0308755	-4.8598949	-5.2047432	-1.2977442	*-16.075666	5.3242109
	2.0956596	4.2730375	6.1267232	4.4227001	8.491929	4.7262904
Predictability of Enforcement	-1.4898221	5.4789481	-2.0217763	**-.7.345.799	-2.6835388	**15.275126
	2.7336079	6.8880826	3.7944229	3.1412626	11.770556	6.5565304
Judicial Corruption	.90318443	2.5348881	*9.8020361	*3.0915365	33.975872	**-.13.403825
	2.1081119	4.6702862	4.8225934	1.8167856	24.478949	5.0565277
Legislature Investigation	.53159731	1.3946296	-2.24903206	.41546506	-1.1092897	-1.8109682
	.57552152	.97365618	.58491328	.89965257	4.7790001	1.5035971
GDP per capita	-.00003395	***-.00024757	-.00004893	-.00008811	.00001261	.00009831
	.00004244	.00008022	.00003546	.00025089	.00002254	.00016327
Population	**7.97E-06	1.38E-06	4.82E-05	8.42E-06	2.27E-05	2.96E-06
	3.98E-06	5.05E-05	3.17E-05	2.30E-05	1.06E-04	8.21E-06
Government Expenditure	***-4.01E-09	2.92E-09	-6.35E-09	3.14E-08	3.31E-09	***-7.91E-09
	1.27E-09	5.06E-09	1.68E-08	2.65E-08	2.95E-09	1.78E-09
Inflation	-.00032067	.0029344	***-.02761072	*.01414677	-.04240023	**-.03560197
	.00026543	.00816977	.00898486	.0070188	.07704669	.01332099
School Enrollment	.00714031	-.014861	-.01263362	*.00850452	.0084465	-.02605645
	.00588923	.01045558	.01801217	.00467914	.02975414	.02473025
Official Development Assistance	7.50E-08	9.11E-07	4.26E-07	6.47E-08		1.13E-07
	6.92E-08	6.49E-07	2.46E-07	6.47E-08		2.69E-07
Coup	.0171573	-.06826385	***1.2427351	.08346544		-.0358066
	.1222428	.26274566	.38782225	.10616045		.45714566
Election	-.00299243	.21053668	.0263209	.06981609		-.29751151
	.04368853	.10440968	.06460663	.05157705		.2751505
Central Bank Independence	.45870907	-.18200201	*-.88427349	23.912.437		.64546263
	.78696745	1.5527372	.47576457	1.8086662		2.4308628
Corruption Commission	.34637945	**1.1531665	(omitted)	(omitted)	(omitted)	-1.050.425
	.6421609	.52463186				.98659244
Democracy	-.19976708	.05485874	-.42928456	-.14322624		-.82155945
	.17871334	.25391478	.91553408	.24523017		.67537233
State Fragility Index	-.01857541	-.10858638	-.1028934	-.04858635	-.26405043	.25918466
	.05796521	.1578294	.06264194	.05057242	.30448558	.14850361
Transparency Index	-.00104042	.01479477	.02174619	.0197029	*-.11756631	*-.07486352
	.01337221	.02765942	.01428537	.01840974	.06660891	.03877388
Economic Globalization	-.00863201	-.01934136	*-.0439686	-.02413369	-.06488592	.03063445
	.01648458	.03887102	.02253596	.01523426	.05117868	.03469308
Regime Durability	-.01706467	.02781898	-.00789146	*-.0251662	-.09340978	.00583333
	.01542777	.08475466	.00620381	.01480609	.10324831	.02798114
Civil War	-.32450008	(omitted)	(omitted)	-1.2728925	(omitted)	(omitted)
	.43876111			.7571746		
FDI-out	.01993561	.0212051	.01029893	-.00340804	-.00930876	.14763569
	.01234188	.02896025	.00999914	.01004346	.00682574	.24238945
Proportion in Women Parliament	-.00662674	-.02479423	-.01301008	.02587228	1.1924395	-.06486899
	.01589089	.03097626	.01751727	.02557429	.0724091	.05373682
Direct Democracy	.81484738	-.63862036	***-2.7930218	-.11175436	.7751611	.5208714
	.7250219	1.7401956	.864757	1.3807219	2.5273677	3.7303363
Print/Broadcasting Censorship	-.99373547	-1.4686591	.08342924	-1.3249152	-8.2257389	-4.501254
	1.0632153	2.0556982	1.9588282	1.3227511	6.044.805	3.8709207
Public Sector Corrupt Exchanges	.40399976	-.35767133	**1.4201543	-.01367411	4.7473342	-3.1993486
	.85315581	1.8700075	.55154114	.41346789	3.8116418	2.1468302
Constant	***53.547561	***60.395777	***48.050253	***56.9236	24.546818	***50.757.975
Lead4	-.02957038	-.54216925	.21963281	.03948291	.81403134	**-.1.1678566
	.13704323	.34191493	.16787277	.18385258	.53080489	.45286376
Lead3	-.0462715	-.19757074	*.21495726	.00842996	.24987841	-.67953728
	.09662168	.15883371	.11920991	.15656364	.28741342	.49154679
Lead2	-.02283709	-.21342725	-.06473532	.04045246	.12358731	**-.70748253
	.07798658	.18951687	.1246627	.14069595	.1429585	.28150431
Lag0	-.04617207	.30331792	.09590849	-.06570299	-.32268094	-.16092307
	.06028106	.18640242	.15290948	.19954127	.44657671	.4657671
Lag1	-.17666738	.28219667	.28021204	.03073239	-.59868522	*.59570124
	.12967267	.25405244	.17192351	.1022913	.40418679	.29119673
Lag2	-.16532243	.55163584	**4.5999041	.09829139	-.68288404	.24181998
	.22006427	.31782057	.21206384	.17786305	.40048214	.69831147
Lag3	-.12920926	.50158127	***.89774788	-.13956182	*-.9329385	1.1359244
	.30947911	.50100854	.16675832	.21553839	.48238113	1.0349334
Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Clustered	Yes	Yes	Yes	Yes	Yes	Yes
i.Year	Yes	No	No	No	No	No

Legend: * p<.1; ** p<.05; *** p<.01

Table -3: Public Sector Corrupt Exchanges

Legend: * p<.1; ** p<.05; *** p<.01

Variable	All Countries	Latin America	NA ME.	Sub-Saharan Africa	WE NA	Asia
Lagged Public S. Corrupt	-.01081133	-.01751036	.02603597	*-.0233148	-.00082656	-.00501715
	.00749415	.01045576	.02112716	.01270181	.00370374	.0258132
Clean Election	.04884245	.02283899	-.01061327	-.04324294	.06324061	-.11934876
	.11817057	.21450371	.04633815	.14016068	.00779818	-.0795473
Media Corruption	-.1769793	.06839622	-.1666685	-.19492898	***-.11688777	-.02339342
	.11375402	.06055626	.11150801	.24231016	.0343588	.10726058
High Court Independence	.05427072	.10692679	.20621362	-.16251872	.06247461	.15569842
	.08570073	.0863642	.19774753	.13388888	.06594096	.1232382
Predictability of Enforcement	-.36288288	.18203582	-.25557774	**-.64942254	-.03965312	***-1.2044653
	.22583022	.16305796	.29666638	.27801695	.0764177	.24771364
GDP per capita	**1.18E-03	-3.20E-03	-2.92E-03	**0.0001329	1.22E-04	-1.35E-03
	4.99E-04	3.08E-03	1.82E-03	5.80E-03	9.28E-05	2.67E-03
Population	1.77E-07	*-3.79E-06	1.24E-06	-6.12E-07	8.42E-09	-2.51E-07
	2.72E-07	1.83E-06	2.88E-06	1.97E-06	6.47E-07	2.20E-07
School Enrollment	**0.0125447	.00074409	**-.00416194	***.00145992	.00011655	.00170321
	.00057634	.00136367	.00161652	.00033074	.00018421	.00122873
Inflation	**0.0009436	-.00010619	*.00107072	-.0004735	-.0001726	-.00005351
	.00003962	.00033943	.0005576	.00035461	.0005697	.00107594
Government Expenditure	-2.54E-11	2.45E-10	**2.10E-09	5.48E-10	-8.19E-12	6.66E-12
	2.72E-11	1.61E-10	7.23E-10	8.00E-10	1.37E-11	7.48E-11
Coup	.00503702	-.0033947	-.01975204	.00643985	(omitted)	.02737168
	.00858852	.01903656	.03350508	.01807268		.01779837
Central Bank Independence	-.05832553	-.01644237	-.05400336	.01763924	.00545787	-.08293067
	.03517174	.08110624	.04027803	.05725081	.00564602	.13456254
Corruption Commission	.03248745	.00841692	(omitted)	(omitted)	(omitted)	***-.06866634
	.0315549	.03134034				.02420814
State Fragility Index	-.00165336	.00717473	-.00332696	.00259539	.00002242	.00229797
	.00343387	.00620893	.00483387	.00402057	.00072829	.01080413
Transparency Index	**-.0021001	.00168195	.0006231	**-.00308873	-.00001294	-6.83E-03
	.00100943	.00294527	.00186256	.00137237	.0002643	.00200752
Economic Globalization	.0010204	.00226966	***.00316193	***.0033082	-.00010444	-.00116823
	.00097961	.00171556	.00105328	.00096792	.00056005	.00168448
Proportion in Women Parliament	*.00224865	-.00020643	*.00543293	**0.00506884	-.00019693	.00029351
	.00126665	.00071876	.00264722	.00230893	.00037004	.00187073
Gender Equality	*.18803206	-.19989808	**6.7938276	-.26834331	.01784956	-.34857246
	.10008868	.25978417	.31373718	.18943449	.01142908	.36800454
Direct Democracy	**1.6147011	**2.4746256	-.19176718	**3.8845681	-.00100491	.20468251
	.07645386	.08956762	.12240004	.16419851	.01257467	.17020302
Print/Broadcasting Censorship	-.07198695	**-.14582758	-.40833348	**-.36579391	-.06580806	*.28175566
	.10579241	.06617175	.2753648	.14491879	.0649324	.15222113
Monarchy	-.00673594	(omitted)	(omitted)	(omitted)	(omitted)	.00264964
	.04775475					.04593873
Constant	***1.7971064	***1.2119146	***1.911527	***2.2450794	***1.1582018	***2.1136299
Lead4	.00867543	.01309619	-.00758892	.01867847	.00314546	-.01376004
	.0095564	.01743751	.03955611	.01354312	.00253129	.02309889
Lead3	.00791981	**-.01378661	**0.02466887	.00345318	-.00114205	*.0258543
	.00514292	.00594782	.01147535	.00808942	.00178013	.01399979
Lead2	.00721304	-.01271424	**0.1938048	.00219286	-.00132667	.02367889
	.00499282	.00783975	.00785413	.00582505	.00194663	.01409609
Lag0	**-.00682863	.00364051	-.0145519	*.01146858	-.00086404	.00009253
	.00334568	.00831473	.01417131	.00644062	.00085946	.01475957
Lag1	**-.01272379	.00334727	-.00106603	**-.02300075	-.0034982	.02791563
	.00538283	.00754045	.01118634	.01029208	.0030549	.01435328
Lag2	-.01392515	.00529157	-.02289997	**-.0234005	-.00256209	.02196557
	.00917429	.01191607	.02463163	.01109645	.00189314	.01905837
Lag3	-.01279808	.00933814	-.02825698	*.02589181	-.00374914	.02382417
	.01024092	.01564926	.01695672	.01309884	.00282904	.02548724
Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Clustered	Yes	Yes	Yes	Yes	Yes	Yes
i.Year	No	No	No	No	No	No

Legend: * p<.1; ** p<.05; *** p<.01

Table-4: Judicial Corruption

Variable	All Countries	Latin America	NA ME.	Sub-Saharan Africa	WE NA	Asia
Lagged Judicial Corruption	*-.00626086	-.00099841	-5.47E-03	-.00697546	.00007027	-.00055184
	.00342696	.00681338	.00491726	.00750289	.00118899	.00784223
Judicial Independence	***-.40282711	***-.49780956	-.04137517	***-.39172851	-.01247089	***-.41329848
	.05337842	.10720503	.14175991	.10211192	.02144641	.07024322
Predictability of Enforcement	***-.22722511	-.16713712	-.17499034	*-.27085879	.00798412	-.01264485
	.08370479	.103412	.19505329	.14363951	.01797704	.13126808
Inflation	-.00007504	-.00018302	-.00025893	***-.00026276	-.00005327	-.00039443
	.00005363	.00015966	.00020801	.00005051	.00020488	.00024648
School Enrollment	***-.00050253	.00037354	-.00045238	**-.00047278	-.00008162	.000227
	.00018294	.00040152	.00048423	.0001931	.0000791	.00052706
Official Development Assistance	2.20E-09	-3.49E-09	-1.77E-10	2.05E-09		5.09E-09
	1.98E-09	2.52E-08	3.88E-09	2.88E-09		3.71E-09
Central Bank Independence	.02780442	**-.09254057	**-.0418877	-.00477832	-.0034341	-.01278701
	.01699045	.03314424	.0177181	.03520932	.00257445	.04398294
Corruption Commission	.00256557	-.00591223	(omitted)	(omitted)	(omitted)	.00295003
	.00724061	.00909231				.01333063
State Fragility Index	*.00221851	**-.00482056	-.00061535	*.00387769	-.00025004	-.00266378
	.00116266	.00227707	.00159241	.0020512	.00080086	.00264657
Transparency Index	-.00008371	-.00054772	*.00074124	-.00053752	-.00022155	.00009636
	.0003633	.00068063	.00038268	.00058087	.00017808	.00069096
Economic Globalization	.00046834	-.00013011	*.00140531	.0004327	.00001223	.00071861
	.00034802	.00052171	.00072649	.00043996	.00015836	.00072476
Media Corrupt	-.00538669	.01110356	-.00111042	***-.03738892	-.01119722	-.0006349
	.00835363	.01566282	.00719832	.01831213	.01119014	.00789383
FDI-in	**-.00053605	**-.00125171	.00005872	*.0004202	-.00004564	.00138203
	.00024882	.00055712	.00038374	.00022152	.0000331	.00083938
Gender Equality	*-.0835752	*.06855178	*-.22252405	-.03860479	-.00393949	-.07082365
	.04339258	.03944281	.11292328	.08522255	.00685504	.14580081
Direct Democracy	*-.03734319	*-.0512697	-.03423772	*.06999575	-.01743397	***.16496844
	.019724	.03104805	.05233759	.0379374	.01301301	.03726904
Election Free and Fair	.0146352	**-.05918473	.0093493	.0067894	**-.04469878	.00816283
	.01881548	.02798192	.00703818	.02371817	.02073815	.01715729
Print/Broadcasting Censorship	.05242091	-.00051506	-.0874818	**-.16050884	-.01353783	-.02208513
	.0407144	.0534242	.04995854	.06518512	.01544313	.04322454
Public Sector Corrupt Exchange	-.01426895	.01388869	.01417885	-.00216903	.00388715	-.06090571
	.02855429	.02556412	.02466363	.04014289	.02062355	.04677658
Constant	***1.9032331	***1.6602004	***1.8340803	***1.9618274	***1.2249389	***1.823902
Lead4	.00018687	.00673179	**-.00709802	-.00389818	-.00279962	.00475662
	.0040674	.00511133	.00329634	.00781596	.00340661	.00878451
Lead3	.00328466	.00631175	-.00195063	.00205946	-.00242943	.00461418
	.00303395	.00572251	.00299464	.0046846	.00311004	.0117418
Lead2	.0023293	-.00047669	.00003231	.00050634	-.00259611	.00376215
	.00240441	.00294021	.0034755	.00391619	.00328798	.01157577
Lag0	-.00198345	-.00205578	.00203869	-.00077893	-.00067537	-.00538649
	.00208537	.00494032	.00259922	.00306895	.00064297	.00480927
Lag1	*.00431562	*.0060255	.00458036	.00632555	-.00298034	-.00967852
	.0025147	.0031246	.00458907	.00431942	.00260732	.00603799
Lag2	.00520428	-.00042784	.00693811	.00483513	-.00394423	-.00028337
	.00350493	.00482565	.00640532	.00683727	.0033844	.00803591
Lag3	.00628646	.00967185	.00854317	.00704266	-.00701543	-.00794838
	.00448419	.00616186	.00586997	.00870589	.00479861	.00678872
Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Clustered	Yes	Yes	Yes	Yes	Yes	Yes
i.Year	No	No	No	No	No	No

Legend: * p<.1; ** p<.05; *** p<.01

3. Robustness Check

Table-5: Corruption

Variable	All Countries	Latin America	NA ME.	Sub-Saharan Africa	WE NA	Asia
Lagged Corruption	***1.0015643	***.99999998	***1.0007615	***1.0058079	***.99935753	***1.002193
	.00107524	1.01E-04	.00103447	.00283179	.0018284	.00249616
Clean Election	.00049605	7.81E-07	.0002723	***.00834526	.00219465	-.00382456
	.00139285	4.80E-04	.00112484	.00230154	.00658437	.00382159
Media Corruption	.00067715	2.04E-05	.00135526	*.00832281	-.00445044	.0057022
	.00093363	1.85E-04	.00173718	.004349	.00569283	.00519767
Judicial Independence	-.00467567	-2.94E-06	-.00144585	.00104196	.01454925	-.00221124
	.0031767	1.65E-04	.00331175	.00434006	.01079715	.00913349
Predictability of Enforcement	-.00094528	-1.97E-05	.00314075	.00004065	.00635197	-.00497697
	.00217634	2.55E-04	.00414332	.00567915	.01598022	.02177597
Judicial Corruption	.00169155	-3.69E-05	.0024651	.01135617	*.03045155	-.00216496
	.0023066	1.13E-03	.00357547	.00689087	.01756118	.0113422
Legislature Investigation	.00076797	*-2.62E-05	.00015371	*-.00450728	-.00073822	.0055738
	.00079209	1.36E-05	.00079981	.00233765	.01272542	.00398809
GDP per capita	-1.34E-05	4.79E-10	-2.87E-05	3.70E-04	9.08E-07	-6.36E-05
	3.08E-05	9.07E-10	4.05E-05	4.19E-04	2.68E-05	2.02E-04
Population	2.34E-09	-3.96E-13	-2.46E-08	*6.75E-08	-1.15E-07	5.43E-09
	3.87E-09	6.90E-12	4.73E-08	3.34E-08	1.11E-07	1.40E-08
Government Expenditure	**-.3.13E-12	2.83E-17	3.15E-11	**-.7.74E-11	3.62E-12	-7.15E-12
	1.24E-12	7.51E-16	3.59E-11	3.64E-11	3.15E-12	5.15E-12
Inflation	-1.56E-04	5.96E-08	.0000373	***-.00008686	.00009839	***.00009087
	3.45E-04	4.25E-07	.00004409	.00003009	.00009403	.00002625
Lagged Inflation		***3.46E-08				
		1.14E-08				
School Enrollment	-1.84E-03	2.86E-07	-.00004131	**-.00003167	.00005923	-.00006452
	7.48E-03	3.46E-06	.00004511	.00001179	.00005456	.00007462
Official Development Assistance	-8.50E-11	3.93E-16	-1.49E-10	*-2.44E-10		-5.91E-10
	7.75E-11	4.57E-14	2.68E-10	1.33E-10		4.22E-10
Coup	**-.0003662	5.80E-06	-.00083408	-.00024354		-.00072006
	.0001724	4.42E-05	.00098114	.00050198		.00069245
Election	-.00007204	3.91E-07	-.00009355	-.00020905		.0005378
	.00007341	7.56E-06	.00013278	.00020249		.00047146
Central Bank Independence	-.0008378	3.59E-05	.0008373	-.00267687		.00168029
	.00066776	1.38E-04	.00099082	.00238713		.00666503
Corruption Commission	.00049636	-3.43E-06	(omitted)	(omitted)	(omitted)	-.00100227
	.00041657	2.80E-05				.0010946
Democracy	-.00016268	4.88E-06	.00025387	*.00112344		.00036995
	.00016262	9.25E-06	.00090734	.00061384		.00125859
State Fragility Index	9.12E-03	-1.55E-06	-.00006338	-2.63E-06	-.00025849	.00024492
	.00005357	1.29E-05	.00007013	.00011073	-.00003838	.00026909
Transparency Index	-.00002233	1.26E-07	8.40E-03	-.00004279	.00001566	-.00006939
	.00002567	1.07E-06	.00001583	.00004867	.00005854	.00007886
Economic Globalization	.00001253	-3.31E-07	.00001113	-3.78E-03	-.00003483	.00010103
	.00001666	1.85E-06	.00001983	.00002905	.00010708	.00006099
Regime Durability	-6.68E-03	-1.43E-06	-3.28E-03	.00005105	-.00004903	-.00002066
	7.86E-03	3.99E-05	4.62E-03	.00003938	.00026927	.00002854
Civil War	.00018073	(omitted)	(omitted)	.00170495	(omitted)	(omitted)
	.00052774			.00134351		
FDI-out	8.01E-03	-1.47E-06	-.00002981	.00001213	3.82E-03	-.0001287
	.00001099	2.58E-06	.00004261	.00001953	8.82E-03	.00027717
Proportion in Women Parliament	.00001083	-1.71E-07	-.00002497	.00001885	.00008611	.00001981
	.00001565	4.10E-06	.00003076	.0000431	.00005854	.00008291
Direct Democracy	-.00011906	-1.91E-06	-.00105407	-.00005113	*.0061012	-.00148058
	.00082355	1.97E-05	.00150192	.00363825	.00342618	.00608244
Print/Broadcasting Censorship	.0006949	3.76E-06	-.00031946	**-.00795266	-.00176325	.00050437
	.0013979	8.86E-05	.00242093	.0034609	.00368556	.0048438
Public Sector Corrupt Exchanges	-.00049745	2.99E-06	.00030065	-.00338589	.00226805	-.00047248
	.00073642	2.02E-04	.00103049	.00288802	.00671762	.00290389
Constant	.00085625	1.63E-05	.0011446	-.0035746	-.0101013	.00003377
Lag3_tre	.00025239	4.63E-06	.00018339	.00020271	-.00028113	.00184403
	.00019258	1.16E-05	.00031704	.0003971	.00034041	.00107758
Lag2_tre	.00005982	-1.93E-06	.00014133	.00014227	-.000243	-.00046297
	.00008073	3.67E-05	.00023596	.00035322	.0003752	.00051632
Lag_tre	.00020094	-2.63E-06	-.00009738	.00042901	-.00070146	-1.28E-03
	.00017081	3.66E-05	.00024394	.00050063	.00048209	.00095781
tre	*.00044031	-1.85E-06	.00034482	.00029245	-.00070632	.00016347
	.0002536	2.21E-05	.00045004	.0005105	.00083234	.00118041
Lead_tre	.00019693	-3.05E-06	-.00036158	.00065856	-.00015039	.00013538
	.0002219	1.24E-05	.00043325	.000558	.00106521	.00109715
Lead2_tre	.00043369	-3.60E-06	-.00003157	*.00095174	.00013858	.00066736
	.00032177	4.16E-06	.00025904	.00054641	.00048923	.00149447
Lead3_tre	.00008222	-5.39E-06	-.00012465	.00038606	-.00076625	-.00053556
	.00027398	5.15E-06	.0002575	.00055069	.0009496	.0010445
Lead4_tre	.00010614	-4.00E-06	-.00021537	.0002634	-.00078834	.00159127
	.00018598	4.19E-06	.00033886	.0004735	.00129693	.00243689
Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Clustered	Yes	Yes	Yes	Yes	Yes	Yes
i.Year	Yes	Yes	Yes	Yes	Yes	Yes

Equation-1

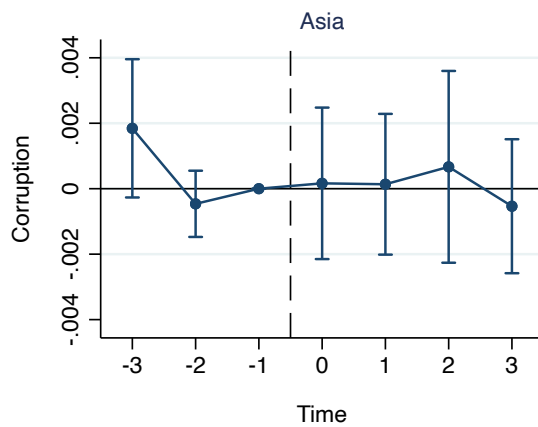
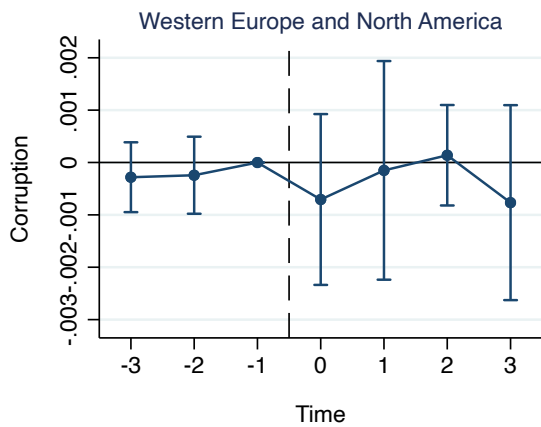
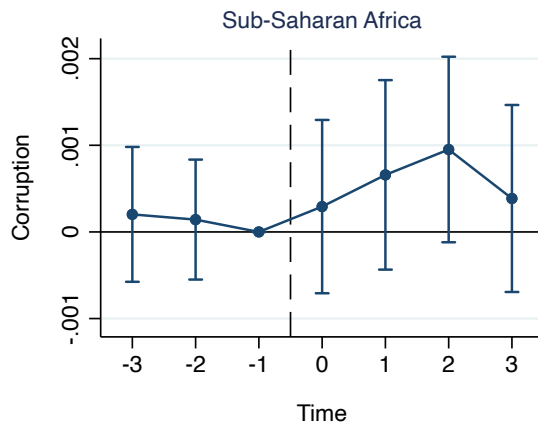
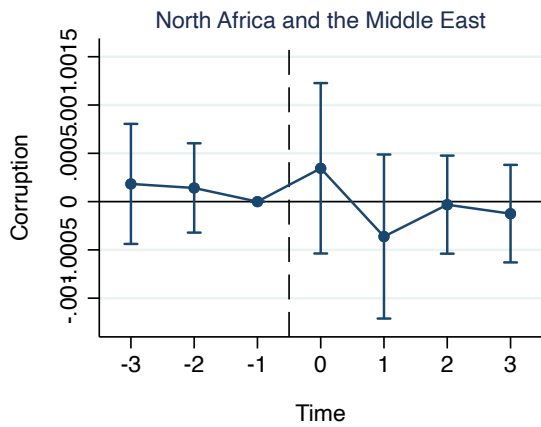
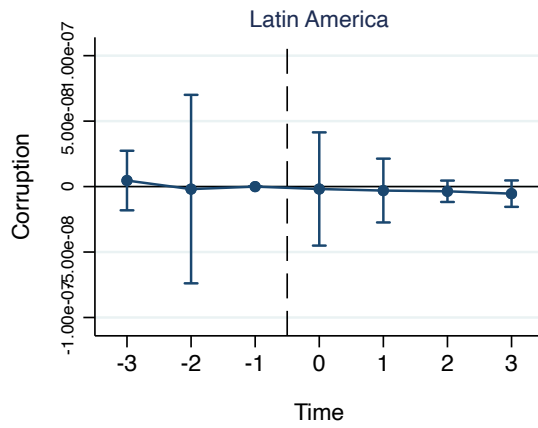
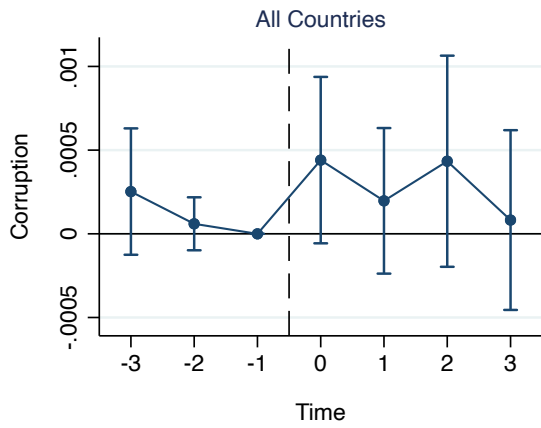


Table-6: Bayesian Corruption Index

Variable	All Countries	Latin America	NA ME.	Sub-Saharan Africa	WE NA	Asia
Lagged BCI		-.00162908	-.00383063	.00100145	.01279688	.03009229
Clean Election	-.0401427	.00486916	.00417203	.00278099	.00654356	.01009383
Media Corruption	.66926498	2.1922711	1.0439018	.59312738	7.4897641	2.262436
Judicial Independence	**2.7711617	2.8711888	-1.0790033	***4.5707713	-5.6817931	*4.1135096
Predictability of Enforcement	1.0980987	1.859.858	.93750478	1.5093999	1.0508707	2.2107235
Judicial Corruption	-1.1683151	-3.7588072	-1.7746052	-7.7290393	-1.2767381	2.1016963
Legislature Investigation	2.1580418	4.5472843	6.1848799	3.8487718	1.2487599	6.0508188
GDP per capita	-1.5549629	.1633706	-6.6407036	**7.1470589	6.3816899	6.8315673
Population	2.8327291	6.2447743	3.8444781	2.7606124	1.3152685	6.3524856
Government Expenditure	1.2549704	2.055481	7.0778625	2.860439	3.6321854	**11.015526
Inflation	2.1836385	4.761627	4.4130945	1.864876	2.2643539	5.0868311
School Enrollment	.46092088	**1.8877598	-.42402624	.52213748	-3.2816877	-1.0170537
Official Development Assistance	.59101878	.85899214	.79517268	8.4259906	4.8642833	1.1237804
Coup	-.00003479	**-.00030001	-.00003535	-.00014009	-.00001984	.00023579
Election	.00004228	.00010863	.00003409	.00023518	.00002929	.00011457
Central Bank Independence	*7.89E-06	2.16E-05	5.38E-05	3.61E-06	-5.09E-05	1.27E-05
Corruption Commission	4.32E-06	5.21E-05	3.49E-05	1.79E-05	1.11E-04	6.07E-06
Democracy	***-4.02E-09	-9.37E-10	-1.57E-09	3.65E-08	4.25E-09	***-6.77E-09
State Fragility Index	1.43E-09	5.87E-09	1.79E-08	2.57E-08	2.54E-09	1.36E-09
Transparency Index	-.00030913	-.00356582	-.00551164	**0.1487668	-.01919617	.01379039
Regime Durability	.00028124	.00735131	.00816461	.00653775	.07753506	.02073787
Civil War	.00676518	*-.01993102	-.01642717	.00744282	.02856317	-.0109773
FDI-out	.00617931	.01039623	.01769526	.00473773	.04018369	.01719169
Proportion in Women Parliament	7.55E-08	8.06E-07	***5.26E-07	6.54E-08	(omitted)	2.16E-07
Direct Democracy	7.31E-08	7.27E-07	1.75E-07	6.25E-08	(omitted)	2.27E-07
Print/Broadcasting Censorship	.02842535	-.19668835	1.0806879	.0763649	(omitted)	-.0370894
Public Sector Corrupt Exchanges	.11905717	.24743619	.63041962	.11573265	(omitted)	.44288461
Constant	-.01074331	.16657064	.03225697	.07058669	(omitted)	-.04806309
Lag3_tre	.04770957	.09651557	.07734858	.04699676	(omitted)	.19578596
Lag2_tre	.41531361	1.0291858	-.28655355	2.4057377	(omitted)	1.6683033
Lag_tre	.78188723	1.320.165	.39590668	1.7993399	(omitted)	1.9757086
tre	.32611311	*.82963593	(omitted)	(omitted)	(omitted)	-.83024751
Lead_tre	.63023613	.42018595	.51158022	-.07658493	(omitted)	.71814685
Lead2_tre	-.2136929	.10780367	.95992093	.17196398	(omitted)	**1.2009332
Lead3_tre	.18118923	.2364014	.95992093	.17196398	(omitted)	.48589619
Lead4_tre	-.02362095	-.15808522	-.0990756	-.04605006	-.10823764	.15345247
Fixed Effects	.05550475	.15023461	.07204076	.05132745	.31627754	.08793543
Clustered	-.00177154	.01223819	.0331541	.01511685	*-.12763741	**-.09495904
i.Year	.01364303	.0275894	.01909603	.01782608	.06720644	.04334582
	-.00846852	-.01292065	-.02826508	-.02182558	-.06178322	-.00732321
	.01629911	.04117064	.02174177	.01385535	.05182241	.01962166
	-.01646952	.05734142	*.01537513	**-.02447832	**-.2095969	.00526088
	.01503964	.10299335	.00822596	.00982973	.07517084	.02817346
	-.28304344	(omitted)	(omitted)	*-1.1410865	(omitted)	(omitted)
	.42568762	(omitted)	(omitted)	.65372481	(omitted)	(omitted)
	.01726053	.03334044	**0.1621384	-.00256966	-.00054951	.04494132
	.01126958	.03371521	.00740225	.01075597	.00581235	.13265653
	-.00862731	-.01906618	.00614943	.02056651	.10114176	-.02405352
	.01509555	.02268687	.01628294	.02740407	.06086592	.03996747
	.88246611	-.33671203	**3.0859476	-.88728568	-.54585539	-.1295729
	.73118179	1.717454	1.1132765	142.131	2.391.825	3.0237784
	-1.0079316	-.41549795	1.1567547	-1.3377265	-7.1351335	-.30814459
	1.0963633	2.1036762	2.0857072	1.247.949	6.3358466	2.1905699
	.43413934	.06667144	1.4403368	-.08977409	.00439588	-.20314258
	.84347727	1.7183746	.99891717	.53835062	4.4386006	2.0195742
	***53.586184	***59.56697	47.916472	56.869835	44.912045	5.020136
	.03846107	-.24492944	-.23692668	.03203832	.37818621	.30425164
	.1213221	.1484074	.18804712	.12020173	.23652141	.36635015
	.07627481	-.263543	-.30423026	.05926508	.49675729	**1.0918875
	.15162588	.22599194	.21620426	.13656966	.36724571	.384457
	.13458498	-.03601701	***-.4524875	.13175297	.68848446	***1.1017832
	.18654102	.25446129	.13044175	.15455808	.52710367	.35740019
	.11630409	-.03957097	***-.73591482	.13701475	.92586824	***1.5528157
	.23930792	.31752746	.10926229	.1867633	.64040283	.33657123
	.15276039	.15809192	***-.64771554	.09560228	.86728036	***2.0632284
	.3010214	.36081651	.13296851	.24791261	.5961286	.52725609
	.19716133	.38465281	-.4004729	.03146951	1.2697969	***2.0207548
	.3222069	.36873306	.26974599	.28632605	.85929098	.60916844
	.1133149	.60652172	***-.58885705	.17904243	1.1835005	**1.7801836
	.31404976	.4284894	.25197154	.36180056	.67191879	.65684127
	-.05079335	.5535355	-.00812557	-.06803222	1.3244717	.02075549
	.3028407	.39377624	.21522007	.42138587	.79182971	1.1214871
	Yes	Yes	Yes	Yes	Yes	Yes
	Yes	Yes	Yes	Yes	Yes	Yes
	Yes	No	No	No	No	No

Legend: * p<.1; ** p<.05; *** p<.01

Equation-2

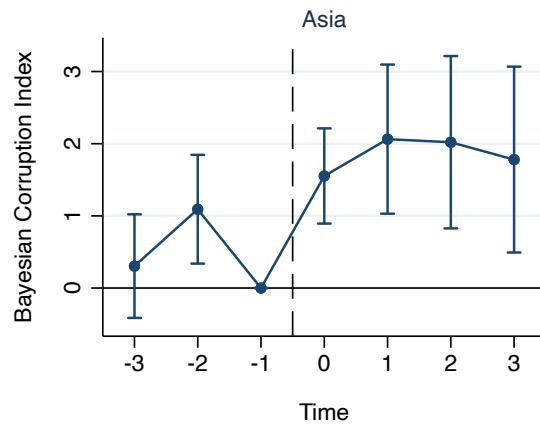
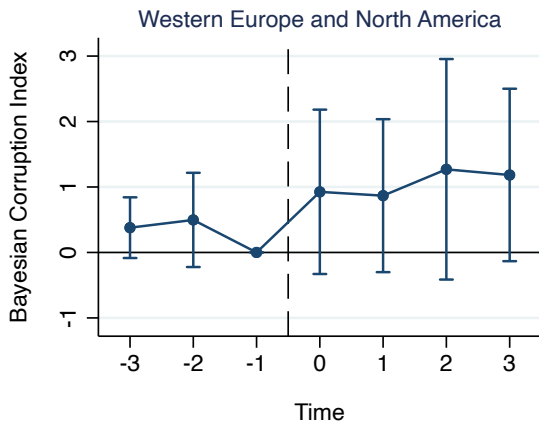
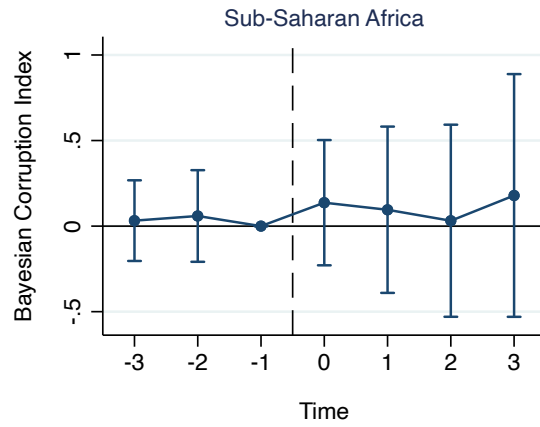
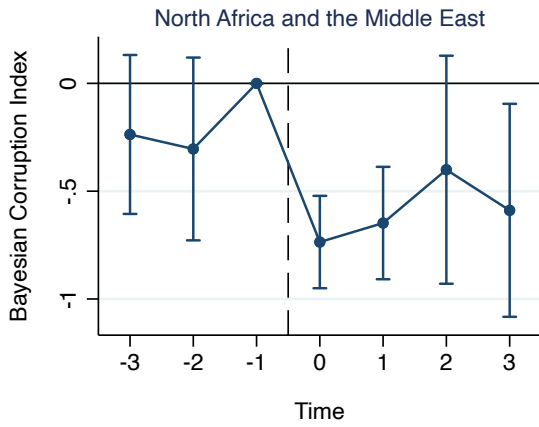
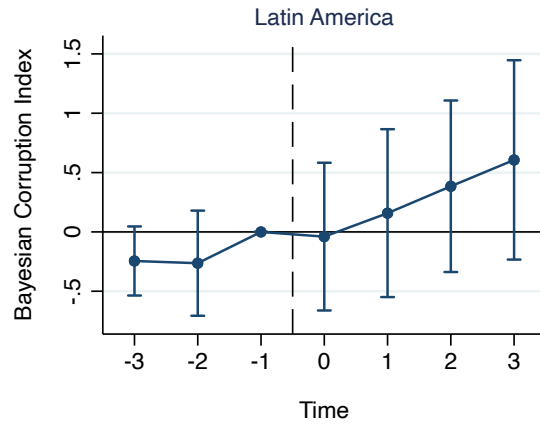
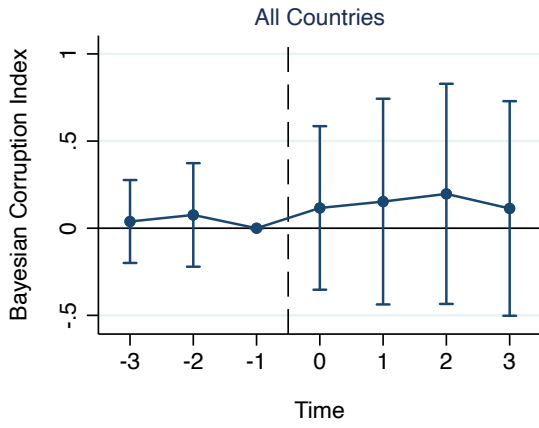


Table-7: Public Sector Corrupt Exchange

Variable	All Countries	Latin America	NA ME.	Sub-Saharan Africa	WE NA	Asia
Lagged Public S. Corrupt	-.01026676	-.01482309	*.03132483	**-.02935957	-.00018996	-.00222043
Clean Election	.00750199	.0101984	.01542869	.0123996	.00400601	.02192247
Media Corruption	-.05799123	-.0321857	.01622653	.04737036	-.05025504	**1847227
High Court Independence	.12351637	.21363293	.03851419	.15068839	.04880785	.0698422
Predictability of Enforcement	.16369287	-.09604785	.15134403	.2331789	***.1303303	.06169642
GDP per capita	.11665251	.08004747	.09434048	.23416986	.03495404	.12492467
Population	-.04654577	-.11839152	-.24233688	.18414258	-.05758716	-.18460727
School Enrollment	.08796806	.09317762	.2227705	.12619899	.06689692	.11823828
Inflation	*.37423524	-.12517941	.3540474	**67122768	.03841512	***1.2503214
Government Expenditure	.22438824	.13675122	.30124933	.31586191	.0769251	.28012077
Coup	-7.37E-04	5.92E-03	*2.85E-03	*-7.37E-03	-7.90E-05	2.95E-03
Central Bank Independence	4.59E-04	4.05E-03	1.45E-03	4.26E-03	6.31E-05	4.74E-03
Corruption Commission	-7.14E-08	2.84E-06	-4.62E-07	2.33E-06	-2.02E-07	1.57E-07
State Fragility Index	2.44E-07	1.65E-06	1.14E-06	2.35E-06	5.89E-07	2.39E-07
Transparency Index	**-.00126481	-.00060564	**0.0044027	***.00124895	-.00010615	-.00149995
Economic Globalization	.00061301	.00134249	.00161487	.00037407	.00019313	.00127039
Proportion in Women Parliament	**-.00009368	.00043677	*.0013538	.00051214	.0002444	.00053808
Gender Equality	.00004162	.00038453	.00072838	.00035103	.00053038	.00102797
Direct Democracy	3.88E-11	-6.60E-11	**2.07E-09	-6.86E-10	1.39E-11	-6.21E-12
Print/Broadcasting Censorship	2.66E-11	1.50E-10	8.03E-10	8.66E-10	1.32E-11	7.67E-11
Monarchy	-.00281549	-.00440182	.03599212	-.00916538	(omitted)	-.02040839
Constant	.00884482	.02107204	.02417742	.0154341	.01661861	.01661861
Lagged Public S. Corrupt	*.06007165	.00554983	.00448658	-.00135855	-.00656616	.10379108
State Fragility Index	.03469168	.08768804	.05341654	.06142156	.00606017	.12825101
Corruption Commission	-.0358237	-.00292518	(omitted)	(omitted)	(omitted)	.03288198
State Fragility Index	.03249206	.02844796				.02682027
Transparency Index	-.0001533	-.00808011	.00381012	-.00412939	-.00017507	-.00444376
Economic Globalization	.0035576	.00692891	.00589261	.00409547	.00086334	.01141941
Proportion in Women Parliament	**0.00218696	-.00184254	.00066096	*.0029531	.00008206	.0010168
Gender Equality	.0010236	.00304421	.00181188	.00148626	.000291	.00175782
Direct Democracy	-.00103866	-.00294763	**0.00268671	***.00360829	.00009125	.00074077
Print/Broadcasting Censorship	.00104396	.00214098	.00117547	.00107037	.00056199	.00178804
Monarchy	-.00174214	.00004257	**0.00641206	**-.00494588	.00020353	-.00131129
Gender Equality	.0012406	.00070767	.00219234	.00239088	.00036636	.00181467
Direct Democracy	*.21128146	.18233302	**-.68900085	0.41191448	-.00895544	.23882326
Print/Broadcasting Censorship	.1075318	.25301458	.27329301	.20985747	.00836225	.36518409
Monarchy	**-.16414327	***-.23828973	.1454345	**-.3872214	-.00452607	-.18638251
Constant	.07624489	.08158654	.11302529	.17430208	.00958084	.18406628
Lagged Public S. Corrupt	.06162227	.14888497	.26490439	**30453642	.05760282	*.35534983
State Fragility Index	.10485691	.08748688	.23200354	.11541717	.07067297	.19205942
Monarchy	.00008813	(omitted)	(omitted)	(omitted)	(omitted)	-.02066581
Constant	.04877841					.05137481
Lagged Public S. Corrupt	.21241789	***.86733484	-.02651548	-.31051358	***.81533402	-.06770798
Lag3_tre	-.00262098	.01960121	-.04299857	.00940607	.00300864	-.02564697
Lag2_tre	.00732408	.0171092	.02629414	.01181348	.00232164	.01507608
Lag_tre	-.00243175	.02414991	-.03858578	.01603764	.00343981	-.0260637
tre	.00860973	.01703767	.022974	.01306899	.00242705	.01930541
Lag2_tre	-.00067612	.02656238	-.00985808	.00098805	.00166736	-.03075505
Lag_tre	.00890171	.01831311	.02697866	.01428704	.00168705	.02078196
tre	.0022408	.02730159	.00214102	-.00849752	.00196673	-.02462421
Lag2_tre	.00974682	.02146459	.02495746	.01474341	.00194019	.02129907
Lag_tre	.00619517	.01746884	-.00949512	-.00228786	.0052658	-.0433749
tre	.01101274	.02059534	.02188208	.01374307	.00382912	.02812818
Lag2_tre	.00215817	.014475	-.00823063	.0133299	.00283258	*.05031121
Lag_tre	.00973016	.01643832	.02451635	.01327469	.00235633	.02677848
tre	-.00200338	.00875465	.00733357	.00134394	.00374039	-.03708731
Lag2_tre	.00983328	.01553439	.01751005	.01516114	.00267182	.02129729
Lag_tre	.0029444	.01032052	.00784165	.0020763	.00413798	*.04316085
tre	.00989962	.01547288	.019492	.01396858	.00343181	.02188959
Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Clustered	Yes	Yes	Yes	Yes	Yes	Yes
i.Year	No	No	No	No	No	No

Legend: * p<.1; ** p<.05; *** p<.01

Equation-3

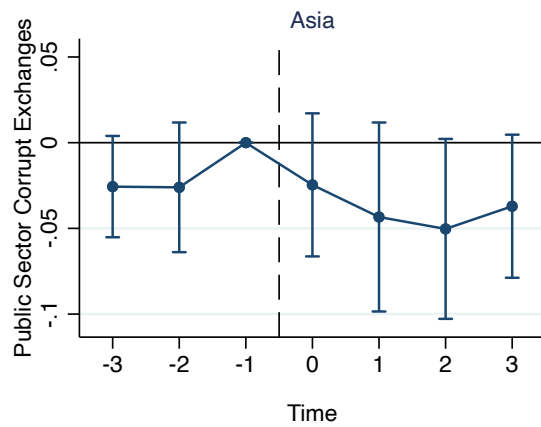
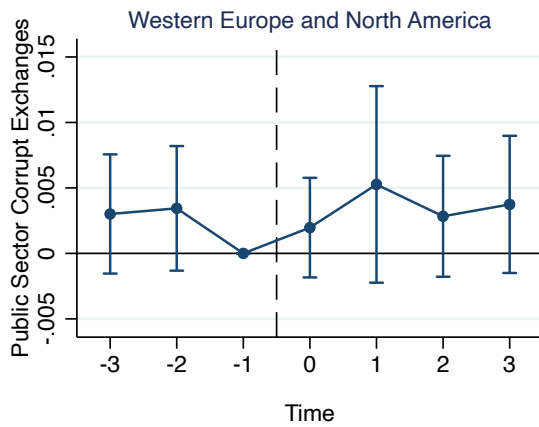
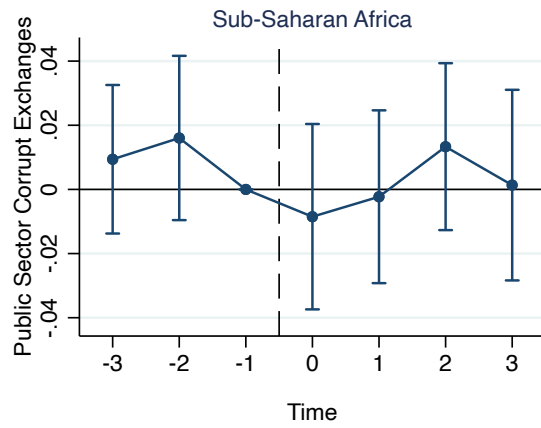
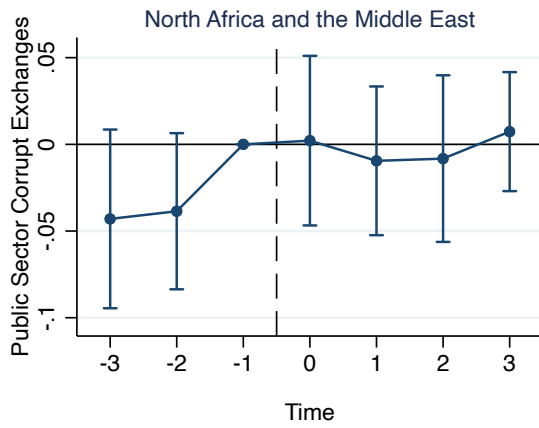
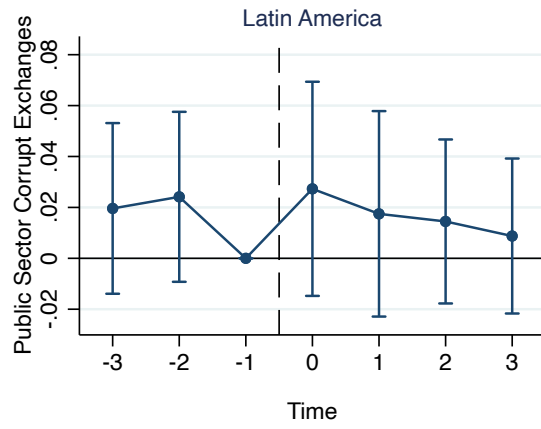
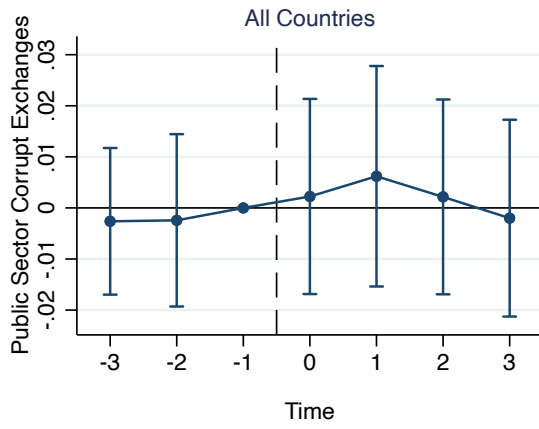
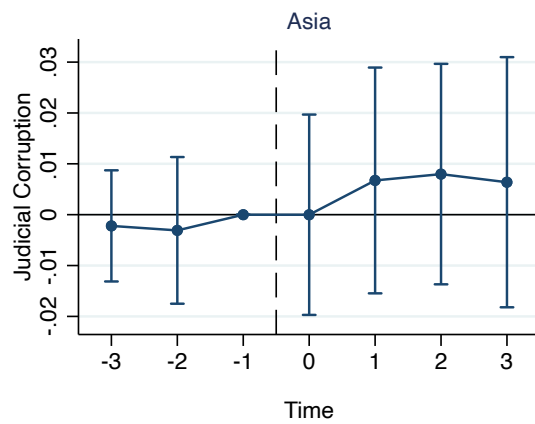
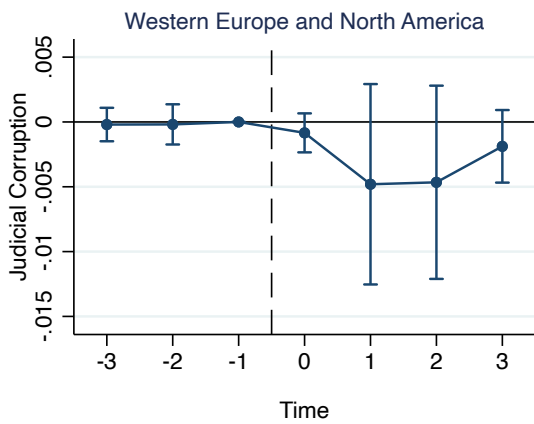
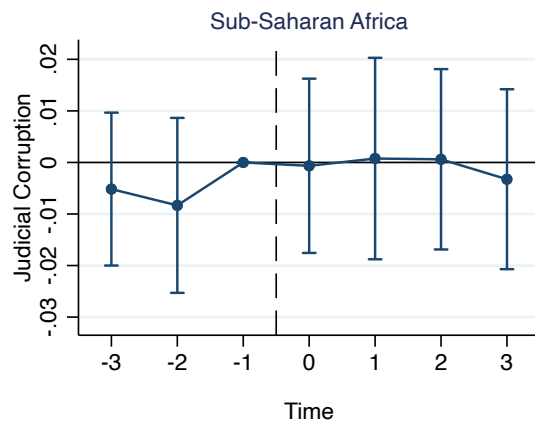
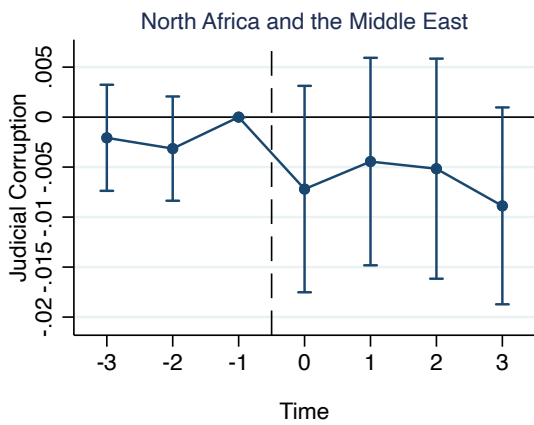
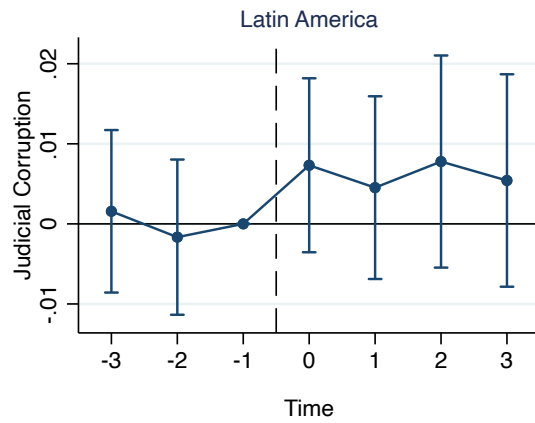
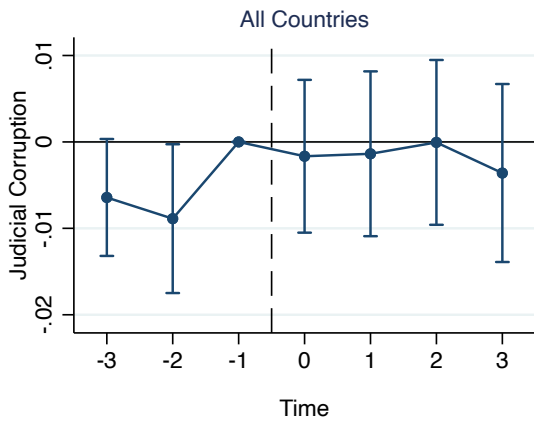


Table-8: Judicial Corruption

Variable	All Countries	Latin America	NA ME.	Sub-Saharan Africa	WE NA	Asia
Lagged Judicial Corruption	*-.00704924 .00369637	-.00156215 .00594963	-.00324384 .00412452	-.00643803 .00819607	.00020254 .00139402	.00021527 .00638097
Judicial Independence	***.4013156 .05473787	***.50314846 .11001445	.03349701 .1495298	***.39096542 .10996088	.02381351 .02215973	***.3995321 .07941251
Predictability of Enforcement	***.22872648 .08414634	.14814789 .1163265	.16998669 .21083579	*.26903603 .14285116	.00053311 .01763653	-.04648318 .14117044
Inflation	.00007099 .00005362	.00019924 .00014095	.00026436 .00020916	***.00026915 .00004534	.00018213 .00030638	.00033962 .00019546
School Enrollment	***.00051832 .00018244	-.00031535 .00036048	.00046748 .00047375	**-.00046313 .00018669	.000049 .00011705	-.00019687 .00053827
Official Development Assistance	-2.69E-09 1.97E-09	1.26E-09 2.31E-08	1.61E-09 3.40E-09	-2.99E-09 2.72E-09		-6.25E-09 3.71E-09
Central Bank Independence	-.02748905 .0168201	***-.08731537 .02924771	*-.04077595 .01954511	-.0036338 .03614593	.00240579 .0204414	.02727152 .04276396
Corruption Commission	-.00215212 .0063755	.00720732 .0079682	(omitted)	(omitted)	(omitted)	.00395626 .01062626
State Fragility Index	-.00159143 .00096999	-.00422077 .00219819	.00133913 .00170754	*-.00301135 .00177058	.00097882 .00076834	.00256248 .00260034
Transparency Index	.00019179 .00039652	.00081389 .00070636	***-.00110552 .00035951	.00061633 .00063998	.00028812 .00017249	.00018519 .00055307
Economic Globalization	-.00040643 .00035784	.00005146 .00049301	*.00126511 .00071015	-.00031176 .00042341	.00007671 .00017524	-.00062743 .0007448
Media Corrupt	.00598465 .00841224	-.01012308 .01569696	.00036126 .00767073	.03370697 .01994357	.01100437 .0189693	.00102907 .00894694
FDI-in	**-.00054627 .00026568	*-.00116187 .00055926	-.00021327 .0003766	-.00040019 .00024764	.00003811 .00002678	*-.00169468 .00083717
Gender Equality	.07404842 .04524135	*-.08568649 .04370158	**-.23709528 .10949967	-.00020773 .0819388	.00840272 .0123841	.09385338 .17016299
Direct Democracy	.03115336 .01902807	*.0562546 .02764628	.02412226 .04787734	.06555178 .04168788	.01447675 .01309753	***-.15815505 .05009455
Election Free and Fair	-.01355496 .01885221	**-.05846416 .0249184	-.00847739 .0084968	-.00659485 .02289386	-.0130621 .01248386	-.01876054 .01828203
Print/Broadcasting Censorship	-.04990798 .04036132	.00328994 .05134647	.093306 .05360702	**-.13991746 .06407741	.00817919 .0128599	.04636972 .05059598
Public Sector Corrupt Exchange	.01345413 .0287986	-.00433472 .0245068	-.01272859 .03109335	.00023867 .0420654	.00040455 .01766685	.06581375 .04031625
Constant	**-.09475593	***.31427451	.1844777	.05574017	***.7260436	*.15744812
Lag3_tre	*-.00642861 .0034515	.00156763 .00517734	-.00206969 .0027066	-.00517012 .00756512	-.00020069 .00065899	-.00220265 .00557435
Lag2_tre	**-.00887763 .004391	-.00165729 .004946	-.00314869 .00265931	-.00833008 .00865935	-.00018959 .0007919	-.00308573 .00735746
Lag_tre	-.00492504 .00461599	-.00061847 .00518645	-.00308857 .00344593	-.00243375 .01039232	-.00077094 .00069806	.00396193 .00685463
tre	-.00166041 .00451114	.00732052 .00554283	-.00719684 .00526645	-.00065164 .00862328	-.00084176 .00076717	-.00001283 .01004999
Lead_tre	-.00137468 .00486475	.00452774 .00582107	-.00444355 .00529344	.00075633 .00997009	-.00480648 .00394278	.00673032 .01132608
Lead2_tre	-.00005508 .00486452	.00778489 .00675791	-.00515911 .00561512	.00061314 .00892611	-.00465588 .00380253	.00797892 .0110582
Lead3_tre	-.00359911 .00525337	.0054188 .00676844	*-.00887537 .0050234	-.00325169 .00890368	.00188273 .00142828	.00638316 .01254899
Lead4_tre	.00196296 .00555723	.00867035 .00657679	-.01101508 .00706586	.00092743 .00914883	-.00007309 .00135275	.02338027 .01466921
Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Clustered	Yes	Yes	Yes	Yes	Yes	Yes
i.Year	No	No	No	No	No	No

Legend: * p<.1; ** p<.05; *** p<.01

Equation-4



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