

IN, OUT OR WHAT? HOW GLOBALIZATION AFFECTS HIGH OR LOW
CORRUPTION: A QUALITATIVE-COMPARATIVE ANALYSIS OF 90
DEVELOPING COUNTRIES

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ABSTRACT

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In this dissertation, I analyze the combinations of globalization and social structural internal conditions linked to corruption at the national level. Using Fuzzy Set Qualitative Comparative Analysis, I address two general questions: First, under what conditions can we consider globalization linked to corruption, both on high and low levels? Second, what are the similarities and differences of research cases in terms of their configurations of casual conditions? I have approached globalization in its political, economic and social dimensions as external condition, as well as nine internal conditions including, wealth, inequality, property rights, judicial independence, efficient legal system, political stability, democracy, elite fractionalization and ethno-linguistic-religious fractionalization. The results reveal that while low elite fractionalization and strong property rights are two necessary but not sufficient conditions for low corruption, there are no necessary conditions for high corruption in developing countries. In addition, I found very high consistency scores between three other conditions, globalization, political stability and wealth with the set of low corruption. With regards to the combinational effects of these conditions, by

applying the analyses of sufficiency for both low and high corruption, I argue that neither globalization nor internal conditions are sufficient for high or low corruption. Rather, these conditions combine in four distinct ways to be sufficient for low corruption and in three other ways to be sufficient for high corruption. From among all of the above-mentioned conditions, while high globalization, high political stability, low elite fractionalization and high wealth are repeated in the most of the pathways to low corruption, it seems that the combinations of low legal efficiency, low judicial independence, low property rights and low political stability are more important in earning high fuzzy membership scores in the set of “high corrupt” countries. Also I have discussed the similarities and differences of cases based on their support for distinct pathways. I conclude that although globalization is seen as an important condition especially for low corruption, this condition needs to combine with strong political, legal and economic structures such as wealth, political stability and low elite fractionalization to be sufficient for low corruption. On the other hand, I found that three legal conditions, low property rights, low judicial independence and low legal efficiency along with low political stability are more conducive to high corruption.

Keywords: Corruption, Globalization, Developing Countries, Qualitative-Comparative Analysis

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CHAPTER I

INTRODUCTION

Why do various forms of corruption plague developing countries? How does globalization in its political, economic and social dimensions affect corruption in these countries? Does globalization impede corruption or exacerbate it? How do internal conditions of countries, in economic, political, legal and social aspects, affect the issue? The current dissertation aims to articulate the combinational effects of globalization and nation-states' internal conditions that are sufficient for the occurrence of high and low corruption.

There is a substantial body of research on the causes of corruption in developed countries. However, the question still remains why some developing countries are more corrupt than others. More specifically, are the differences between countries due to their internal conditions or external factors? The main focus of this dissertation is the effect of globalization on corruption in developing countries. Globalization can be considered an opportunity or a threat for countries exposed to it. Most studies of corruption focus on the net effects of specific independent variables. It is obvious that social problems in society and specifically in developing countries have looped together like a spider web. So, instead of underlining the net effects of certain variables on specific issues such as corruption, it would be more beneficial if we pay attention to the configurational effects. In this study, I will use "Fuzzy Set Qualitative Comparative Analysis (FS/QCA) to address a key question: *Under what*

conditions does globalization impede corruption and under what conditions does globalization exacerbate corruption?

WHY CORRUPTION IS IMPORTANT

Although almost every country in the world deals with different forms of corruption at various levels, this issue is especially problematic in developing countries (Costa Tavares 2007). Some observers see the jargon of medical pathology to describe corruption as a “cancer” that “eats into the cultural, political and economic fabric of society, and destroys the functioning of vital organs” (Amundsen 1999). So, as a “cancer” or “virus,” as Underkuffler (2009: 39) states, corruption threatens the existing order of society. According to Uslaner (2008), the expansion of corruption gradually creates “cultures of corruption” in countries in which “people make payments because there is no way out” (Uslaner 2008: 6). In these countries, citizens may tolerate even high levels of corruption. By contrast, other scholars believe that because corruption can make an ill-adapted system work, it can be functional for society. For instance, as Girling (1997) demonstrates, corruption sometimes overcomes the rigidities of an overregulated economy. In addition, it allows ethnic or other minority business communities to bypass politically imposed obstacles. It can also provide ‘welfare services’ to clients subject to an inadequate or oppressive political regime (Girling 1997: 24).

There is a plethora of studies that emphasize the negative and harmful consequences of corruption. In the political sphere, corruption can significantly

affect the international prestige of the country (Levin and Satarov 2000), the efficiency, fairness, and legitimacy of the state (Rose-Ackerman 1997; Rose-Ackerman 2002; Seligson 2006; Levin and Satarov 2000; Kim 2005), trust in political institutions and political participation (Kim 2005), political stability (Levin and Satarov 2000), and political competition (Levin and Satarov 2000; Rose-Ackerman 2002). Economically, corruption may affect economic efficiency and productivity (Salinas-Jimenez and Salinas-Jimenez 2007; Cole 2007; Lee and Oh 2007; Rose-Ackerman 2002), economic growth (Blackburn, Bose and Haque 2006; Rock and Bonnett 2004; Blackburn and Forgues-Puccio 2010; Nguyen and van Dijk 2012; Rock and Bonnett 2004), foreign direct investment (Cuervo-Cazurra 2008; Rock and Bonnett 2004; Fredriksson, List, and Millimet 2003; Smarzynska and Wei 2000), economic competition (Rose-Ackerman 2002; Emerson 2006), poverty (Levin and Satarov 2000), inequality (Levin and Satarov 2000; Uslaner 2008), inflation (Al-Marhubi 2000), tax revenues (Hillman 2004; Thornton 2008), and state environmental programs (Woods 2008; Cole 2007). In the social and cultural arena, corruption can influence interpersonal trust (Anokhin and Schulze 2009; Seligson 2006; You 2006; Uslaner and Badescu 2004; Uslaner 2005; Chang and Chu 2006), the sense of unfairness and perception of inequality (You 2006; Uslaner 2008; Smith 2010), human development (Akhter 2004; Reiter and Steensma 2010), organized crime (Levin and Satarov 2000; Holmes 2003; Holmes 2009; Rose-Ackerman 2009), social tensions (Levin and Satarov 2000), the effectiveness of the government's

expenditure for achieving social objectives (Mauro 1998; Hillman 2004), innovation and entrepreneurship (Anokhin and Schulze 2009) and humans' subjective well-being (Tavits 2008). Therefore, different types of corruption are linked to other social issues and therefore a society struggling with corruption may encounter a myriad of inter-connected social problems.

Table 1 summarizes some important consequences of corruption in the political, economic and social arenas. As Levin and Satarov (2000) mention, corruption causes political and economic isolation on the international level. Corruption also makes the political system inefficient and increases perception of unfairness and illegitimacy of the state (Rose-Ackerman 1997: 42). Borrowing from Myrdal, Girling (1997) indicates, that corruption counteracts the striving for rational consolidation, decreases respect for and allegiance to the government, and endangers political stability. Moreover, corruption helps preserve the 'soft state' with its low degree of social discipline: where 'corruption is widespread, inertia and inefficiency as well as irrationality impede the process of decision-making (Girling 1997: 25). In addition one of the important consequences of corruption is that in the situation of pervasive corruption, political goals deviate from the tasks of national development and are directed at securing political power for the benefit of selected-oligarchic-private groups. As a consequence, trust of authority declines and ordinary people become more and more alienated from society (Levin and Satarov 2000: 114).

Table 1. Political, Economic and Social Consequences of Corruption

Political Consequences	Source
International Prestige of the Country	Levin and Satarov 2000
Efficiency, Fairness, and Legitimacy of State	Rose-Ackerman 1997; Rose-Ackerman 2002; Seligson 2006; Levin and Satarov 2000; Kim 2005
Political Stability	Levin and Satarov 2000
Political Competition	Levin and Satarov 2000; Rose-Ackerman 2002
Political Participation	Kim 2005
Economic Consequences	Source
Foreign Direct Investment	Cuervo-Cazurra 2008; Rock and Bonnett 2004; Fredriksson, List, and Millimet 200; Smarzynska and Wei 2000
Economic Efficiency and Productivity	Salinas-Jimenez and Salinas-Jimenez 2007; Cole 2007; Lee and Oh 2007; Rose-Ackerman 2002
Economic Growth	Blackburn, Bose and Haque 2006; Rock and Bonnett 2004; Blackburn and Forgues-Puccio 2010; Nguyen and van Dijk 2012; Rock and Bonnett 2004
Economic Competition	Rose-Ackerman 2002; Emerson 2006
Poverty	Levin and Satarov 2000
Inequality	Levin and Satarov 2000; Uslaner 2008
Inflation	Al-Marhubi 2000
Tax Revenues	Thornton 2008; Hillman 2004
State environmental programs	Cole 2007; Woods 2008
Social Consequences	Source
Trust	Anokhin and Schulze 2009; Seligson 2006; You 2006; Uslaner and Badescu 2004; Uslaner 2005; Chang and Chu 2006
Sense of Unfairness and Perception of Inequality	You 2006; Uslaner 2008; Smith 2010
Human Development	Akhter 2004; Reiter and Steensma 2010
Organized Crime	Levin and Satarov 2000; Holmes 2003; Holmes 2009; Rose-Ackerman 2009
Social Tensions	Levin and Satarov 2000
Government's Ineffective Expenditure for Achieving Social Objectives	Mauro 1998; Hillman 2004
Innovation and Entrepreneurship	Anokhin and Schulze 2009
Subjective Well-Being	Tavits 2008

Corruption also lowers interpersonal trust, presumably negatively affecting civil society relations (Seligson 2006: 402). On the other hand, there is evidence that efforts to control corruption increase levels of trust in the ability of the state and market institutions to reliably and impartially enforce law and the rules of trade. Such trust facilitates the development of arms-length trade and the coordination of complex economic activities. Anokhin and Schulze (2009) posit that better control of corruption will also be associated with rising levels of innovation and entrepreneurship. Absent such trust, however, monitoring and other transaction costs should restrict the scale and scope of trade and thus, hamper productivity and investment in innovation and entrepreneurship (Anokhin and Schulze 2009: 1).

Levin and Satarov (2000) emphasize that corruption diverts resources from the goals of public development, reduces the authorities' ability to solve social problems, and exacerbates the wealth disparities and the enduring poverty of the bulk of the population. Some forms of corruption boost the unfair and unlawful redistribution of resources in favor of narrow special interest oligarchic groups, at the expense of the most vulnerable strata of society. Corruption within law enforcement bodies, which interacts with corrupt officials and entrepreneurs gaining access to political power and channels for money laundering, promotes the strengthening of organized crime. Social tensions increase, endangering political stability in the country (Levin and Satarov 2000: 116). Uslaner (2008:1)

believes that inequality as one critical outcome of corruption, not surprisingly, irritates ordinary people more than it troubles elites.

NECESSITY OF A CONFIGURATIONAL APPROACH

As discussed before, in the current dissertation I will address the following questions: under what conditions does globalization impede corruption and under what conditions does it exacerbate corruption? Focusing on this question enables the current study to contribute the field both methodologically and theoretically. Methodologically, as I mentioned, most empirical studies on corruption apply quantitative methods that emphasize the net effects of each independent variable on the dependent variable. Numerous scholars insist on the negative effect of specific aspects of globalization on corruption. For instance, there is evidence that while protectionist trade policies increase corruption within countries, economic freedom, an important indicator of economic globalization, has a negative effect on corruption (Akhter 2004; Graeff and Mehlkop 2003; Dutt 2009). However, some studies argue that although economic freedom leads to lower corruption, the effect is strongest among the least corrupt countries (Billger and Goel 2009). On the other hand, a free economy can also increase the pressure to use illegal methods in order to be a step ahead of competitors. This is more likely if business involves trading with countries that are more prone to use corrupt means of trading (Graeff and Mehlkop 2003: 606). Similarly, there are contradictory arguments on the effect of globalization on corruption. While

many scholars claim that globalization may reduce corruption by increasing the competitiveness of the economic environment (Laffont and N'Guessan 1999), others believe that because "globalization creates incentives and new means for corruption," openness to the global economy and culture leads to greater corruption (Warner 2007: 610). Warner (2007) mentions that globalization may spread the knowledge that bribes or "commissions" are necessary in facilitating international transactions (Warner 2007: 602). According to Fleming and Zyglidopoulos (2009) many transnational companies use agents and intermediates to bribe local officials in host countries in order to secure favorable business relations (Fleming and Zyglidopoulos 2009: 9).

In addition, by taking other variables into account, some studies emphasize that the influence of globalization on corruption should not be reduced to a simple linear correlation. Badinger and Nindl (2012) demonstrate that the negative effect of globalization on corruption is more pronounced in developing countries. Das and DiRienzo (2009) also found an inverted U-shaped relation between globalization and corruption. In this regard, transitional countries are expected to be more corrupt than more globalized nations as well as countries that have not opened their doors to the global economy and culture (Das and DiRienzo 2009; Kaufmann 1997). On the other hand, Lalountas, Manolas and Vavouras (2011) found that globalization is a strong weapon against corruption only for middle and high income countries. They did not find any significant correlation between globalization and corruption for low income countries. Therefore, they emphasize

that increasing globalization as a mean to reduce corruption in developing countries might lead to inappropriate policies (Lalountas, Manolas and Vavouras 2011: 645). Another variable that has been examined in studies of the link between globalization and corruption is the quality of governance within countries. Blackburn and Forgues-Puccio (2010) argue that “financial liberalization may well result in more corruption and lower growth if it is not backed up by appropriate policies designed to improve the quality of governance” (Blackburn and Forgues-Puccio 2010: 1323).

Therefore, although some of the above quantitative studies try to analyze the statistical interaction of some variables, they often ignore the wider context effects in the interconnectedness of the causal conditions. Approaches such as Qualitative Comparative Analysis (Ragin 1987; Ragin 2000; Ragin 2008) that are used in this dissertation promise to fill this gap by paying attention to the combinations of conditions. In configurational research as Ragin (2008) argues, “the key issue is not which variable is the strongest, but how different conditions combine and whether there is only one combination or several different combinations of conditions (causal recipes) capable of generating the same outcome” (Ragin 2008). Using the Qualitative Comparative approach, I can clarify that the effect of one condition such as globalization on corruption may not be the same for all countries. Instead, globalization in combination with other conditions may be sufficient for high or low levels of corruption in different countries. This configurational thinking can also lead to the development of new

theories that do not focus on the general relations between specific variables. Instead, the new theories assert that the effect of one specific condition on the outcome can be different in the presence or absence of other conditions (Ragin 1987).

So, in the current dissertation, I endeavor to answer the following research questions:

1. In the presence of which conditions in economic, political, legal and social spheres, can globalization be sufficient for the occurrence of low and high corruption within the selected countries?
2. What are the similarities and differences between developing countries in terms of conditions that are sufficient for high and low corruption?

PLAN OF WORK

In the following five chapters, I will discuss these issues in greater depth. Chapter two initially focuses on the conceptualization of corruption. In addition, I will review literature concerning the conditions of corruption in economic, political, legal and cultural spheres. The third chapter, discusses methodology, data and research cases. In addition, I will explicate the process of calibrating data and creating fuzzy sets for outcomes and conditions. The fourth chapter reports findings from the analysis of various models of sufficiency for low and high corruption in developing countries. The final chapter summarizes the results and concludes with a discussion of implications and future research.

CHAPTER II

LITERATURE REVIEW

In this chapter, I will discuss the conceptualization of the notion of corruption and its various dimensions. Then, I will review the current literature on the effects of globalization on corruption. Finally, I will consider the relationships between corruption and internal conditions of nation-states in economic, legal, political and social aspects.

WHAT IS CORRUPTION?

The Oxford English Dictionary defines *corruption* as “Perversion or destruction of integrity in the discharge of public duties by bribery or favor” (Granovetter 2007: 152). In the history of ideas, the notion of corruption can be traced back to Aristotle’s distinction between political constitutions which are ‘right’ or ‘just,’ because they are in the common interest, and those that are ‘wrong’ or ‘perversions of the right forms’, because they consider only the personal interest of rulers (Girling 1997: 2). Acham (1981: 29) defines corruption as “an action which deviates from the normative expectations of the whole society and is combined with personal gains to the detriment of the public” (cited in Schweitzer 2005: 16). According to Schweitzer corruption is a manifestation of an unsolved competition between particularistic and universalistic norms, or an unresolved conflict between incompatible universalistic norms (Schweitzer 2005). In the literature, corruption is commonly defined as the abuse of public roles or

resources for private benefits or the use of illegitimate forms of political influence by public or private parties (Gillespie and Okruhlik 1991; Johnston 1997; Girling 1997; Bracking 2007; Lambsdorff 2007; Uslaner 2008). However, the definition of national public official is very broad and should include people who:

- Hold a legislative, executive or administrative office, including positions of heads of state, ministers and their staff.

- Are members of a domestic public assemblies exercising legislative or administrative powers.

- Hold a judicial office, including a prosecutor.

- Perform public functions, including for public agencies.

- Perform public functions for public enterprises.

- Perform any activity in the public interest delegated by a signatory, such as the performance of a task in connection with public procurement.

- Provide public services as defined in according to domestic law, *e.g.* teachers and doctors.

- Meet the definition of a “public official” in the domestic law, including the definitions for “official”, “public officer”, “mayor”, “minister” or “judge”. (OECD 2008: 31)

Public power as defined above may be exercised in a variety of sectors, such as the judiciary, public procurement, business regulations and granting of

permits, privatization, foreign exchange (including customs, trade permits, and international financial transactions), taxes (including the granting of tax exemptions), police, subsidies, public utility (water, electricity, telephone, garbage collection, health care), and government services (health, education) (Lambsdorff 2007: 16).

On the other hand, the term “misuse” can either relate to behaviors that deviate from the formal duties of a public role (elective or appointive), that is in contrast to informal rules (established by public expectations or somewhat standardized as codes of conduct), or, more generally, where narrow interests are followed at the expense of the broader interests of the public at large (Lambsdorff 2007: 16). Also, the term “private benefit” as Lambsdorff (2007) mentions may relate to receiving money or valuable assets, but it also may include increases in power or status. Moreover, receiving promises for future favors or benefits for relatives and friends also may be considered as private benefit (Lambsdorff 2007: 16).

Lalountas, Manolas and Vavouras (2011: 637) argue that corruption refers to preferential access to public goods and services, gratuitous insuring of public procurement and contracts, illegal hiring in the public sector, bribery or graft, misappropriation – embezzlement by public officials, etc. According to Campante, Chor and Do (2009: 43), the term “corruption” encompasses a wide range of related, but nevertheless distinct, ways in which public officials may improperly derive private gain, such as embezzling or misappropriating public

funds, accepting kickbacks for favors or licenses, or engaging in nepotism. Johnson and Sharma (2004 cited in Senior 2006: 25) provide a list of forms that corruption can take such as bribery and graft (extortion and kickbacks); kleptocracy (stealing and privatizing public funds); misappropriation (forgery, embezzlement, misuse of public funds); non-performance of duties (cronyism); influence-peddling (favor-brokering and conflict of interest); acceptance of improper gifts ('speed' money); protecting maladministration (cover-ups, perjury); abuse of power (intimidation and torture); manipulation of regulations (bias and election rigging); electoral malpractice (vote buying and election rigging); rent-seeking (officials who illegally charging for services); clientelism and patronage (politicians giving material favors in exchange for citizen support); and illegal campaign contributions (giving unregulated gifts to influence policies and regulations).

Borrowing from Davydova (2000), Cheloukhine and King specify various faces of corruption such as buying and selling high positions within the government; allocating quotas on crude oil export; releasing or selling shares in publicly held enterprises at a loss profit level by the regional governments; violating property rights; bribing decision-making officials at the arbitration courts; filing deliberate bankruptcies of enterprises, in order to intercept the property; bribing tax police to arrest competitors, with the property often being resold to the briber; using law enforcement as 'roofs' for organized criminal groups; and illegal termination of criminal prosecutions (Cheloukhine and King 2007: 115).

Lambsdorff believes that corruption must be distinguished from certain other forms of criminal conduct that involve only private parties. Tax evasion, contraband, black markets, insider dealings at the stock exchange, production of counterfeit money, and subsidy fraud can be carried out without misusing public power. Actors involved in such activities are private business people, for example, taxpayers, who are not entrusted with public power (Lambsdorff 2007: 19). Kang (2004) uses the term “money politics” in this regard, because he thinks this term is less normative than “corruption” and also because it highlights public-private interaction. Both “corruption” and “rent seeking” are broader terms, describing activities that can occur at the private-private level as well as public-private (Kang 2004: 12).

DIMENSIONS AND LEVELS OF CORRUPTION

Corruption may take a variety of specific forms such as bribery, extortion or solicitation, dubious commissions, gifts and favors, facilitation payments, nepotism and favoritism, illegitimate use or trading of information and use of undue influence to change a valuation or recommendation (Argandona 2003 cited in Ogreaanm, Herciu and Belaşcu 2008: 162). There have long been attempts to classify corruption based on its diverse characteristics to provide some systematic method of approaching this complex phenomenon. In the literature, there have been various typologies of corruption such as Market and Non-market Corruption (Granovetter 2007; Lambsdorff 2007; Kingston 2007),

Black, Grey and White Corruption (He 2000; Senior 2006), Petty, Routine and Aggravated Corruption (Uslaner 2008), Particularistic, Universalistic and Systemic Corruption (Schweitzer 2005), Pervasive versus Arbitrary Corruption (Cuervo-Cazurra 2008; Lee and Oh 2007), Top-down and Bottom-up Corruption (Kang 2004), Clientelist and Patrimonial Corruption (Lambsdorff 2007), Grand, Bureaucratic and Legislative Corruption (Jain 2001; Lambsdorff 2007; Boadway and Shah 2009; Straub 2008), Sector Corruption: Education, Military, Court (Bukkvoll 2008; Bond 2008; Heyneman 2004), Corruption while holding office and Corruption while seeking office (Kunicová 2006), and According to Rule and Against the Rule Corruption (Andersson and Heywood 2008). I will attend to these typologies in what follows.

Market and Non-market (Parochial or Network) Corruption

James Scott (1972 cited in Granovetter 2007: 161-162) distinguishes between market and nonmarket corruption. By market corruption, he means the “selling of routine government goods and services to the highest bidder”. Market corruption is defined as a competitive type of corruption with a high degree of transparency. As far as this type of corruption is concerned, the identity of the partner in a corrupt exchange is irrelevant. Such market relationships can indeed occur, particularly in the case of petty corruption, for example, the issuance of driver’s licenses and permits for village market stalls, or the acquisition of seats or freight space on railway cars (Husted 1994 cited in Lambsdorff 2007: 137). Parochial corruption, on the other hand, is defined as a corrupt transaction with

few potential contractors, and, thus, creating artificially restricted competition. Owing to limited entry and exit, the identity of partners can matter. Crucial to the difference between these two types of corruption are transaction costs. As market opportunities are investigated, typically, the total transaction costs arising as a result of exchanging goods or services increase with the total number of potential contractors sought. This increase results from the efforts required to search for potential contractors and evaluate the quality and adequacy of each of their products, as well as their individual capacity and willingness to comply with corrupt contracts. The number of contractors sought can be assumed to be optimal, once the marginal transaction costs of searching for another partner are equal to the expected gains resulting from a potentially better deal with another competitor. Taking this into account, it becomes evident that the higher the (marginal) transaction costs the fewer potential partners are sought (Lambsdorff 2007: 137). Borrowing from Scott (1972), Kingston (2007) argues that in “market” corruption, rents are allocated competitively to whichever firm or citizen pays the highest bribes, but “parochial” corruption, is “a situation where only ties of kinship, affection, caste, and so forth determine access to the favors of power-holders.”

Black, Gray and White Corruption

Heidenheimer (1989 cited in He 2000: 244-245) distinguishes between three types of corruption:

(1) Class A or “black corruption:” the corrupt practices in this category include graft, bribe, fraud, embezzlement, extortion, smuggling, tax evasion, etc. They constitute an important part of “economic crimes.” Because they are obviously illegal and the main purpose of those involved in these practice is to increase their personal wealth, government officials and the public generally agree that such practices are corrupt.

(2) Class B or “grey corruption”: the key characteristics of this category, which embraces more and more practices includes leaders of public institutions using their institutional power to increase the revenue of their institutions and improve the welfare of their staffs through various legal, semi-legal and illegal ways. Such practices include public institutions making profit by engaging in business activities (such as public banks entering into the stock market, or bureaus of environment protection selling environment protection facilities to their clients), setting up satellite companies, and imposing fines or collecting administrative fees or charging a so-called “service fee” and then putting the income in their own coffers. Class B also includes such “unhealthy practices” as extravagance and waste, spending public money to support luxurious work conditions and/or life style of senior officials. Such extravagance and waste is manifested in such events and areas as expensive entertainment, costly foreign cars for senior officials, opulent and tastefully furnished office buildings, domestic or foreign travel in the name of official business, and so on. Such “unhealthy

tendencies” and the associated corruption, both significantly increasing the cost to the public, may lead to public outcry.

(3) Class C: or “white corruption”: Class C practices constitute a kind of “common practice” of social life. They include the nepotism and favoritism in the personnel recruitment and promotion, bending the law in favor of relatives and friends in law enforcement and preferential treatment in resource-allocations for relatives and friends. They are characterized by preferential treatment by officials of relatives, friends, and fellow-villagers, much of which is, in fact, a way of reciprocating for previously received favors. Creating and maintaining networks of personal ties in order to seek and give favorable treatment is accepted by most people, including government officials, as a “normal” practice. However, such networks are condemned by those excluded from them although they will not hesitate to engage in such practice should they have an opportunity to do so (He 2000: 244-245).

According to Senior (2006: 24) black corruption indicates that a particular action is one that a majority consensus of both elite and mass opinion would condemn and would want to see punished on grounds of principle. Grey corruption indicates that some parties, usually elites, may want to see punished, others not, and the majority may well be ambivalent. Finally, white corruption’ signifies practices that the majority of both elite and mass opinion probably would not vigorously target for punishment.

Petty, Routine and Aggravated Corruption

Heidenheimer (2002, cited in Uslaner 2008: 9-10) also distinguishes among three types of corruption: petty, routine, and aggravated. Petty and routine corruptions are common in less wealthy societies, especially when ordinary people (clients) are beholden to patrons. Petty corruption usually involves small amounts of money. Routine corruption involves granting friends contracts for public services or giving “gifts” to patrons, as we often see in traditional societies (where people are expected to reward their leaders who in turn extend largesse to them) and in more contemporary urban political machines (where ordinary people trade their political support in return for jobs, other material benefits, and special treatment in the courts). Aggravated corruption involves big money, often giving kickbacks to political leaders who award lucrative government contracts or even bribes to their friends (Uslaner 2008: 9-10).

Particularistic, Universalistic and Systemic Corruption

Schweitzer (2005) distinguishes between two kinds of corruption constituted by the kind of conflict of the norms or the competition between the norms which they represent. In particularistic corruption, actions are derived from particularistic norms but must be subject to universalistic norms – for example, when particularistic and universalistic norms are not compatible with each other. In universalistic corruption actions are based on specific universalistic norms but are assessed by a majority, the society or the judiciary system on the basis of

different universalistic norms which are – more or less – incompatible with each other. The ability for this independent definition is based on the fact that no social group is strong enough to give prominence to the validity of a deviating definition (Schweitzer 2005: 22). Systemic corruption exists where structural constellations allow ‘corrupt actions’ to appear as (largely) normal and as being in conformity with the social system (or at least very influential parts of it) over a longer period of time. Such a constellation develops if a society does not succeed in solving the conflict between the normative systems in favor of the universalistic norms (Schweitzer 2005: 22-23).

Pervasive and Arbitrary Corruption

Rodriguez et al. (2005 cited in Lee and Oh 2007: 99) argue that pervasiveness of corruption is defined by the average likelihood of encountering bribery request in the business interactions. In other words, pervasiveness gauges how prevalent and institutionalized the bribery in a society, an individual or a firm is. Therefore, the more pervasive the corruption in a society, the more visible the bribery is. The more visible the bribery, the easier it would be for the firms to decide to be active in bribing. Arbitrariness of corruption on the other hand, is the degree of ambiguity associated with the likelihood of gaining agreed, upon favorable treatments in corrupt transactions.

Private-to-Private Corruption

According to Argandona (2003), private-to-private corruption may take a variety of specific forms such as bribery (when it is the person who pays who takes the initiative); extortion or solicitation (when it is the person who receives the payment who takes the initiative, whether explicitly or otherwise); dubious commissions, gifts and favors; facilitation payments (to speed up completion of an order, delivery of goods or payment of an invoice, for example); nepotism and favoritism (in the hiring and promotion of personnel, for example); illegitimate use or trading of information (trade or industrial secrets, for example); use of undue influence to change a valuation or recommendation; and an endless array of other possibilities born of human ingenuity over the centuries (Ogreaanm Herciu and Belaşcu 2008: 162).

Top-Down and Bottom-Up Corruption

According to Kang (2004) top-down corruption has been best explicated in the notion of a “predatory” state. The predatory state is one in which the state takes advantage of a dispersed and weak business sector. Political elites pursue outright expropriation; they also solicit “donations” from businessmen who in turn are either “shaken down” by the regime or who volunteer bribes in return for favors. In contrast, bottom-up corruption occurs when social actors have the power to overwhelm the state. When the strength of the business sector is

enough to force concessions from the state, rent seeking behavior results (Kang 2004: 16).

Clientilist and Patrimonial Corruption

“Clientilist” corruption takes place if the briber obtains the higher benefit, while “patrimonial” corruption occurs where the bribee obtains the bigger share. One may equally distinguish between petty and grand corruption, where the former involves frequent, small payments to public servants lower in hierarchy, while the latter relates to large, one-shot payments to higher ranks (Lambsdorff 2007: 20).

According to Rule and Against the Rule Corruption

There are also differences between ‘according to rule’ corruption and ‘against the rule’ corruption. Facilitation payments, where a bribe is paid to receive preferential treatment for something that the bribe receiver is required to do by law, constitute the former. The latter, on the other hand, is a bribe paid to obtain services the bribe receiver is prohibited from providing (Andersson and Heywood 2008).

Corruption Without Theft and With Theft

In corruption without theft (from the government), the official does not hide the transaction with a private agent and passes the transaction’s price to the government but charges something extra for himself. This means that the official

imposes additional costs on the private agent. In the case with theft, the official sells the government good for private gain (usually at a price lower than the government price) and hides the transaction. In sharing a rent at the expense of the public, corruption with theft is beneficial for the official and the private individual (Foellmi and Oechslin 2007).

Grand, Bureaucratic and Legislative Corruption

The terms “political” and “administrative” corruption are defined according to the key actors, being either politicians or bureaucrats (Lambsdorff 2007: 20). Grand corruption generally refers to the acts of political elite by which they exploit their power to make economic policies (Jain 2001: 73). Bureaucratic corruption refers to corrupt acts of the appointed bureaucrats in their dealings with their superiors (the political elite) or with the public (Jain 2001: 75). Legislative corruption refers to the manner and the extent to which the voting behavior of legislators can be influenced (Jain 2001: 75). Boadway and Shah (2009: 519-520) also distinguish between four broad forms of corruption as follows:

- Petty, administrative, or bureaucratic corruption. Many corrupt acts are isolated transactions by individual public officials who abuse their office, for example, by demanding bribes and kickbacks, diverting public funds, or awarding favors in return for personal considerations. Such acts are often referred to as petty corruption even though, in the aggregate, a substantial amount of public resources may be involved.

- Grand corruption. The theft or misuse of vast amounts of public resources by state officials – usually members of, or associated with, the political or administrative elite – constitutes grand corruption.

- State or regulatory capture and influence peddling. Collusion by private actors with public officials or politicians for their mutual, private benefit is designated as state capture. That is, the private sector “captures” the state legislative, executive, and judicial apparatus for its own purposes. State capture coexists with the conventional (and opposite) view of corruption, in which public officials extort or otherwise exploit the private sector for private ends.

- Patronage or paternalism and being a “team player.” These corrupt practices involve using official positions to provide assistance to clients with the same geographic, ethnic, or cultural origins so that they receive preferential treatment in their dealings with the public sector, including public-sector employment. The same assistance can also be provided on a quid pro quo basis to colleagues belonging to an informal network of friends and allies (Boadway and Shah 2009: 519-520).

Sectoral Corruption

Corruption also may be seen in various sectors such as military (Bukkvoll 2008), court (Bond 2008), education (Heyneman 2004) and so on. In Table 2, I have summarized various classifications of corruption.

Table 2. Different Types and Levels of Corruption

Types of Corruption	Source
Market and Non-market (Parochial or Network)	Granovetter 2007; Lambsdorff 2007; Kingston 2007
Black, Grey and White	Heidenheimer 1989; He 2000; Senior 2006
Petty, Routine and Aggravated	Uslaner 2008
Particularistic, Universalistic and Systemic	Schweitzer 2005
Pervasive versus Arbitrary	Cuervo-Cazurra 2008; Lee and Oh 2007
Top-down and Bottom-up	Kang 2004
Clientilist and Patrimonial	Lambsdorff 2007
Grand, Bureaucratic and Legislative	Jain 2001; Lambsdorff 2007; Boadway and Shah 2009; Straub 2008
Sector Corruption: Education, Military, Court	Bukkvoll 2008; Bond 2008; Heyneman 2004
Corruption While Holding Office and Corruption While Seeking Office	Kunicová 2006
According to Rule and Against the Rule	Andersson and Heywood 2008
Corruption without Theft and Corruption with Theft	Foellmi and Oechlin 2007
Public Sector versus Private Sector	Azfar, Lee and Swamy 2001

GLOBALIZATION AND CORRUPTION

The International Monetary Fund defines globalization as increase in trade, capital, and information flows as well as by the mobility of people across borders (Lalountas, Manolas and Vavouras 2011: 637). We can also classify globalization according to various perspectives. From a sociological perspective, globalization is defined as “a social process in which the constraints of geography on social and cultural arrangements recede” (Wood, 1997 cited in Akhter 2004: 285). From a political perspective, globalization is viewed as a process that makes a nation-state “increasingly irrelevant” (Wood, 1997 cited in Akhter 2004: 285). From an

economic perspective, globalization is defined as “the increasing internationalization of the production, distribution, and marketing of goods and services” (Harris, 1993 cited in Akhter 2004: 285). Putting these different dimensions together, Holm and Sorenson (1995) view the meta-construct of globalization as “the intensification of economic, social, and political interaction across national boundaries” (cited in Akhter 2004: 285). According to Boatright (2000: 2) the term globalization does not refer merely to the fact that business is now being conducted globally, across national boundaries; this has been true for more than a century. Rather, globalization represents a fundamental transformation in the world economy toward a single, integrated free market.

Because of this multidimensional and multilevel characteristic of globalization Zekos (2004) believes that the effects of corruption cannot be contained within the man-made national boundaries. According to him, internationalizing the regulatory framework may be necessary both to make the prohibitions effective through active coordination of their enforcement and to avoid conflicting regulations where each regulator may otherwise focus on its own narrow needs. Hence, “law harmonization” should lead to efficiency in battling corruption and establishing ethical norms. When strong countries act unilaterally, their economic dominance leaves the weaker countries with no option but accepting the imposed rules with whatever costs result from their socio-political structures, or to seek to revoke them with offsetting rules, and with the certainty that economic costs would follow (Zekos 2004: 643).

In the literature, there are contradictory arguments on the effect of globalization on corruption. While some scholars claim that globalization may reduce corruption with different mechanisms, others believe that globalization leads to greater corruption.

Globalization Increases Corruption

Some researchers have argued that globalization and the growing openness among countries increases corruption by creating relationships that encourage corrupt practices in an attempt to stay competitive in an aggressive world of trade, commerce, ideas, service and information. For example, Williams and Beare (1999; cited in Das and DiRienzo 2009: 34) note that there is much agreement that globalization has provided the impetus and opportunity for corrupt practices and has contributed to the growth and spread of corruption. Blackburn and Forgues-Puccio (2010) argue that corruption is more attractive in open economies, rather than closed ones, and in poor economies, rather than rich ones (Blackburn and Forgues-Puccio 2010: 1326). According to them, financial liberalization may well result in more corruption and lower growth if it is not backed up by appropriate policies designed to improve the quality of governance (Blackburn and Forgues-Puccio 2010: 1323). In addition, although Graeff and Mehlkop (2003) insist on the negative effect of certain aspects of globalization such as the effect of economic freedom on corruption, they believe that a free economy can also increase the pressure to use illegal methods in order to be a step ahead of competitors. This can become more likely if business

involves trading with countries that are more prone to use corrupt means of trading (Graeff and Mehlkop 2003: 606). Warner (2007) demonstrates that because “globalization creates incentives and new means for corruption,” openness to the global economy and culture leads to greater corruption (Warner 2007: 610). He argues that globalization may spread the knowledge that bribes or “commissions” are necessary for facilitating international transactions (Warner 2007: 602). According to Warner (2007) Globalization has not enabled politicians to raise more campaign and party financing legally, it has only increased the extent to which politicians must cater to their nationals (multinationals) in order to retain jobs and tax revenue in their districts, further has not altered the fact that corruption is seldom the key concern of voters when they go to the polls (Warner 2007: 607). Fleming and Zyglidopoulos (2009) argue that many transnational companies use agents and intermediates to bribe local officials in host countries in order to secure favorable business relations.

Globalization Alleviates Corruption

A number of studies emphasize the negative effects of globalization on corruption. Triesman (2000) illustrates that the ability of an official to provide a private partner profitable protection in some domestic market will depend upon how open that market is to external competition from imports. Ades and Di Tella (1996, 1999), argue that countries that are more open to foreign trade tend to be less corrupt (cited in Treisman 2000: 405). Rose-Ackermann, (1999) argues that corruption can develop when obstructions to economic freedom are imposed.

Borrowing from Rose-Ackerman (1996) Laffont and N'Guessan (1999: 271) demonstrate that any reform that increases the competitiveness of the economy helps reduce corrupt incentives. According to them, the globalization of the world economy increases the competitiveness of the economic environment everywhere (Laffont and N'Guessan 1999: 272).

Following Alam (1995) and Farazmand (1999), Akhter (2004) states that corruption occurs because of the monopoly power of the government over resources that the public needs. Furthermore, with greater integration of trade and investments, both domestic and international constituents will begin to exert pressure on the administrative structure to become more accountable and transparent, thus reducing the opportunities for corrupt behavior (Akhter 2004). According to Akhter (2004) the more a country is globalized, especially economically, the less it will experience corruption. He mentions that economic globalization affects economic freedom positively and corruption negatively (Akhter 2004). Akhter asserts that as economic globalization leads to greater transparency and economic freedom, societies seek opportunities to achieve a higher standard of living. This is a promising aspect of globalization. Therefore, as more-globalized economies are shown to fare better than less-globalized economies, public policies in less globalized economies will need to create conditions for increasing economic globalization. However, he argues that the pursuit of globalization needs to be tempered with social concerns. Globalization occurs in a social system and on this road to globalization there will be winners

and losers. Research demonstrates that some segments of the society are not well equipped to deal with the challenges of globalization. Thus, from a policy perspective, the safeguarding of groups most vulnerable to market forces should be an integral part of policy agendas (Akhter 2004: 292).

Warner argues that more international trade decreases corruption because states, now competing globally, have to present clean business environments to attract business. In addition, firms in any particular country, now subject to competitive pressure from foreign firms, cannot sustain the costs which corruption adds to their operating expenses. Thus, the free trade which is part and parcel of globalization is supposed to dampen corruption (Warner 2007: 593). Borrowing from Sandholtz and Gray (2003) he argues that globalization also exposes more states to anti-corruption norms, because an inherent feature of globalization is increased state membership in international organizations and networks. The assumption is that these international networks, being dominated by the wealthy Western states, which have anti-corruption norms of their own, contain and transmit anti-corruption norms (cited in Warner 2007: 594). Indeed, corruption should be receding in international economic transactions because the dominant power in the international system, the United States, has been striving to internationalize its own anti-bribery law: the “Foreign Corrupt Practices Act” (FCPA) (Warner 2007: 594). In addition, petty corruption, such as bribing customs officials, also thrives with globalization. Clearly, as competition gets

keener, access to markets becomes more significant, so customs officials can charge more for access to that market (Warner 2007: 598).

Badinger and Nindl (2012) assert that globalization (in terms of both trade and financial openness) significantly reduces corruption with a more pronounced effect in developing countries. According to them, globalization – besides reducing corruption through enhanced competition – affects corruption also by reducing inequality. They find that both measures of globalization play an independent role in reducing corruption, so that omitting financial (trade) openness leads to an upward bias of the estimated effect of trade (financial) openness. However, the quantitative effects of trade and financial openness on globalization are very similar, which allows focusing on a joint measure of globalization (Badinger and Nindl 2012: 16). Moreover, the effects of both trade and financial openness (and the joint globalization measure) are halved, once the effect of inequality is controlled for. Their results confirm the role of inequality as a transmission channel through which globalization affects corruption (Badinger and Nindl 2012: 16-17). Dutt (2009) finds strong evidence that corruption is significantly higher in countries with protectionist trade policies (Dutt 2009: 155). According to Billger and Goel (2009: 3) economic freedom leads to lower corruption, but the effect is strongest among the least corrupt nations.

The Relationship is Non-Linear

Some studies insist that the impact of globalization on corruption should not be reduced to a simple linear correlation. For instance, Graeff and Mehlkop (2003: 606) assert that some aspects of economic freedom appear to deter corruption while others do not. They identify a stable pattern of aspects of economic freedom influencing corruption that differs depending on whether countries are rich or poor. This implies that there is a strong relation between economic freedom and corruption. This relation depends on a country's level of development. Contrary to expectations, they find that some types of regulation reduce corruption. According to Lalountas, Manolas and Vavouras (2011: 636) globalization is a powerful weapon against corruption only for middle and high income countries, while for low income countries globalization has no significant impact on corruption. So, based on their results, persistence on globalization as an effective means to reduce corruption in developing countries might lead to inappropriate policies. On the contrary, at high levels of per capita income emphasis is placed on the political and social dimensions of globalization and as a result the effects of this phenomenon on corruption control are significant.

Das and DiRienzo (2009) argue that there is a nonlinear or inverted U-shaped relationship between globalization and corruption. Specifically, they suggest that the effect of globalization on corruption is dependent on the level of globalization with the highest corruption levels realized at moderate or transitioning levels of globalization (Das and DiRienzo 2009: 33). Using a cross-

section of 113 countries for the period 2008 and the KOF index as a broader measure of globalization (which includes economic, political and social integration and Transparency International's corruption perception index), they find that the highest corruption levels are realized at moderate or transitioning levels of globalization, even after controlling for other factors known to affect corruption levels. According to them, at lower levels of globalization, there is less opportunity for corrupt practices, but as countries become more globalized, the newly formed trade relationships create new opportunities for corruption. The urge for emerging economies such as China and Russia to catch up and compete in the global arena may encourage illicit and illegal transactions. Nevertheless, as countries continue integrate into the world economy, they face increased regulation by the anti-corruption policies and the act of becoming more globalized exposes the market inefficiencies in transactions and forces corruption levels to fall (Das and DiRienzo 2009: 42). Therefore, leaders and policy makers of countries that are beginning the globalization process need to be aware of the increased opportunities for corrupt practices in newly formed relationships and take action to reduce the incentives for corrupt behaviors. Further, these leaders should also recognize that while the supranational entities have strong anti-corruption policies in place, in the early stages of globalization, these policies are not strong enough to prevent increases in corrupt practices (Das and DiRienzo 2009: 42). Table 3 summarizes the relations between global factors and corruption.

Table 3. Globalization and Corruption

Variable	Relation with Corruption	Source
Globalization	Negative	Akhter 2004; Lalountas, Manolas and Vavouras 2011; Warner 2007; Golden 2002; Badinger and Nindl 2012; Williams and Beare 1999
Economic Liberalization, Freedom	Negative	Dutt 2009; Billger and Goel 2009; Costa Tavares 2007; Graeff and Mehlkop 2003; Saha, Gounder and Su 2009; Warner 2007; Boerner and Hainz 2009
Economic Competition	Negative	Laffont and N'Guessan 1999

ECONOMY AND CORRUPTION

Wealth

GDP per capita is one of the most important economic factors that influence corruption. Many studies posit a negative relationship between economic development and corruption (Treisman 2000; Getz and Volkema 2001; Paldam 2002; Blackburn, Bose and Haque 2006). According to Treisman (2000) economic development reduces corruption by increasing the spread of education, literacy, and more importantly depersonalized relationships (Treisman 2000). Other studies argue that economic growth increases corruption in the short term but decreases it in the long term (Brown and Shackman 2007). In addition, Cuervo-Cazurra (2008) argues that transition economies show not only high levels of corruption but also high levels of “Foreign Direct Investment”. According to him, in transition economies, investors prefer to deal with an unknown evil – arbitrary corruption – rather than a known one – pervasive corruption (Cuervo-Cazurra 2008: 12). Also, Gillespie and Okruhlik (1991) argue

that corruption tends to be most prevalent during the most intense phases of modernization. This occurs because first, the conflict between modern and traditional codes of behavior renders a developing society normless; since no standard is commonly accepted as legitimate, all are suspect. So, the vacuum created by this conflict opens opportunities for individuals to behave in a manner justified by neither the modern nor the traditional norms. Second, modernization gives rise to corruption because it creates new groups with new resources who want to trade money for political power. Third, the expansion of government authority and regulations multiplies the opportunities for corruption. Finally, corruption is prevalent in those modernizing countries which lack effective political parties, as corruption varies inversely with political organization (Gillespie and Okruhlik 1991: 78). However, it seems that emphasizing economic development as an important economic condition cannot be a strong tool in reducing corruption without paying attention to other economic factors such as inequality.

Inequality

Inequality has a positive effect on corruption (You and Khagram 2005; Badinger and Nindl 2012). In situations of unequal distribution of income in society, there are more opportunities for wealthy as well as poor people to engage in different types of corruption. At higher levels of inequality, the rich are likely to believe increasingly that corruption is an acceptable way of preserving and advancing their societal position as this behavior goes unpunished and

social networks of corruption expand. Also, people are more likely to consider political institutions and rules in unequal societies as favoring the rich, as unjust, and as lacking legitimacy. More people are likely to circumvent laws and regulations when they are considered illegitimate. Thus, people will more easily justify their corrupt activities as inequality increases. Moreover, at higher levels of inequality, most non-rich people are likely to believe that the rich and powerful must be corrupt, and that it is impossible to do well honestly. Hence, they are likely to justify their own corrupt behavior, while finding it difficult to hold the rich and powerful accountable. As the rich and the non-rich engage in corruption, corrupt practices spread, and corrupt networks further expand and deepen. Thus, corruption becomes a norm. As corrupt practices spread and become habituated as "how things are done" in highly unequal societies, the norm of corruption is socialized by subsequent generations (You and Khagram 2005: 139-140). Therefore, "inequality adversely affects social norms about corruption and people's beliefs about the legitimacy of rules and institutions, makes it easier to tolerate corruption as acceptable behavior" (You and Khagram 2005: 136).

You and Khagram (2005) also demonstrate that the effect of inequality on corruption is higher in more democratic countries than in less democratic countries. One important reason for this is that the rich and powerful in authoritarian regimes have ample opportunity to engage in corruption and abuse their power for private gains, while in democratic countries the rich must rely on corruption more and more as inequality increases and redistributive pressures

grow (You and Khagram 2005: 139). Another destructive consequence of inequality is its negative impact on social trust (You 2006; Uslaner 2008). You (2006) believes that the positive effect of inequality on corruption affects not only the sense of unfairness but also distrust and untrustworthiness. Uslaner (2008), on the other hand by introducing the “inequality trap” mentions that inequality increases corruption by expanding social distrust in society. He concludes that the spread of corruption, in turn leads to still higher inequality (Uslaner 2008). According to Lambsdorff (2006) in the presence of high inequality, citizens will be more likely to see cheating on taxes and accepting bribes as justifiable types of behavior (Lambsdorff 2006: 24). Needless to say, when people perceive corruption as justifiable behavior, the probability of their engaging in corrupt acts is greater. Therefore, the cycle of inequality, untrustworthiness and corruption may create a “culture of corruption” (Uslaner 2008). Table 4, summarizes the relationships between economic conditions and corruption.

Table 4. Economic Conditions of Corruption

Variable	Relation with Corruption	Source
Economic Development, Economic Growth	Negative, Inverted U-shaped	Getz and Volkema 2001; Del Monte and Papagni 2007; Blackburn, Bose and Haque 2006; Treisman 2000; Lalountas, Manolas and Vavouras 2011; Blackburn and Forgues-Puccio 2010; Badinger and Nindl 2012; Brown and Shackman 2007; Paldam 2002; Gundlach and Paldam 2009
Inequality	Positive	You and Khagram 2005; Glaeser and Saks 2006; Granovetter 2007; Badinger and Nindl 2012; You 2006; Uslaner 2008

POLITICS AND CORRUPTION

Democracy

Democracy is undoubtedly an influential variable that is often linked to low corruption. Lord Acton's well-known aphorism, "Power tends to corrupt, and absolute power corrupts absolutely" (cited in Girling 1997: 2) illustrates the problem. Although, the term "absolutely" is of course alien to science, there is evidence that in more democratic regimes where there are considerable well-organized opposition groups, frequent elections, political competition and civic engagement, public agents do not have much opportunity to abuse their power for private gain (Glynn, Kobrin and Naim 1997; Treisman 2000; Halim 2008; Lederman, Loayza and Soares 2005; Chowdhury 2004; Costa Tavares 2007).

Treisman (2000: 404) argues that greater civic engagement leads to closer monitoring. According to him, in democratic systems, competitors for office have an incentive to discover and publicize the incumbent's misuse of office whenever an election beckons. However, he argues that what is more important in reducing corruption is not their current degree of democracy but their long-term democracy (Treisman 2000). Manow (2005 cited in Lambsdorff 2007: 40) also asserts that corruption in medium-democratic regimes is even (slightly) higher than in totally authoritarian countries. Rose-Ackerman (1996 cited in Quah 2004: 75) points out, "in democracies the desire for re-election will deter corruption so long as the electorate disapproves of the practice and has some way of sorting out valid from

invalid accusations.” Quah (2004: 75) argues that if the likelihood of re-election is low (because of a decline in popularity) or zero (if the law prohibits re-election), politicians will have “an incentive to extract as much wealth as possible from their remaining hold on power” as their retirement becomes imminent.

According to Charap and Harm (1999), different types of political regimes deal with different types of corruption. For instance, while monopolistic corruption is widespread in authoritarian regimes, weak democracies often experience political corruption. Moreover, even within functional democracies, we can expect some kinds of interest-group rent seeking (Charap and Harm 1999: 18). Still, with the institution of a full and functional democracy, countries are expected to reduce the quantity and quality of their corruption. Their discussion on the relationships between political structures and rent seeking patterns is summarized in Table 5.

Table 5. Rent-Seeking Patterns and Political Regimes

Political Regime	Rent-Seeking Pattern
Anarchy	'Each Against All'
Warlordism / Weak Dictatorship	Competitive Corruption
Strong Dictatorship	Monopolistic Corruption
Benevolent Monarchy	'True' Corruption
Weak Democracy	Political Corruption
Functioning Democracy	Interest-Group Rent-seeking

Charap and Harm 1999

Finally, by taking democratization and liberalization into account, Costa Tavares (2007) find that while democratizations reduce corruption, liberalization may potentially increase it. Furthermore, undertaking both reforms in rapid

succession actually may lead to an overall decrease in corruption, possibly because they are mutually reinforcing and hence more credible, while countries that liberalized more than 5 years after the first reform experienced an increase in corruption following the second reform (Costa Tavares 2007: 1072-1073).

Elite Fractionalization

Elite fractionalization as a multidimensional and multi-level phenomenon is another important condition linked to corruption. In the situation of fractionalization among elites of a country the abuse of public power for private interests by individuals, and many agents is likely to increase. According to Rose-Ackerman (2009) “corrupt opportunities that arise in the wake of domestic national conflict mirror those in other high-corruption environments” (Rose-Ackerman 2009: 66). By emphasizing the government business relationship, Kang (2002) demonstrates that the power balance between economic and political elites allows less discretion and less abuse, so it is a key condition linked to low corruption. According to him “too much power in the hands of either political or economic elites invites abuses in the form of rent seeking and corruption” (Kang 2002: 20).

Testa (2012) argues that polarized societies are often plagued with bad governments and poor policies. However, some countries seem to be able to cope well with diversity because they are endowed with a set of rules and institutions that helps them manage preference heterogeneity (Testa 2012:

1114). Testa (2012) and also Brown, Touchton and Whitford (2011) by distinguishing between polarization, which is measured as ideological distance between institutional actors, and fractionalization or divided government, argue that political polarization may reduce corruption especially when it is funneled into political competition. According to Testa (2012) the ideological positioning of candidates is crucial, because the bigger is the ideological distance of opponent parties, the more are their willing to forgo private benefits to enhance their party's electoral prospects. As a consequence, by adopting polarized positions in the ideological spectrum, parties may be able to keep elected politicians accountable (Testa 2012: 1105).

On the other hand, elite fractionalization in countries not only creates opportunities for elites to abuse their powers for private gain, but also facilitates conditions for ordinary citizens to engage in different types of corrupt activities. While elite fractionalization may be linked to ethnic, religious and linguistic heterogeneity within society, it may also result from inefficient and undeveloped political and legislative institutions. For instance, political systems that do not facilitate free competition between well-organized political parties create tensions, fractionalization and fighting. This is especially problematic in transitional countries that are neither authoritarian nor fully democratic. These tensions affect corruption at various levels.

Political Stability

Political stability is another condition that negatively affects corruption. Some scholars also emphasize that “regime durability” is negatively related to corruption (Becker, Egger and Seidel 2009). Levin and Satarov (2000) mention, political instability creates a lack of confidence in public officials, and in these conditions the officials become more susceptible to bribery (Levin and Satarov 2000: 117). They argue that when rapid and radical changes in Russia occurred many of those who retained their former positions were not capable of adjusting to the new market conditions. They were unable to begin a business of their own and could not use their talent, professional skills, or even their connections in business activities. At the same time, there also remained _and also came into the office, those who considered a governmental administrative post the means for their personal enrichment (Levin and Satarov 2000: 117). According to them, the more radical the changes are, the more energy and inventiveness are shown by the bureaucratic structures in the struggle for survival. As a result, when general life rapidly changes, bureaucratic institutions and the system of state management as a whole lag behind (Levin and Satarov 2000: 118-119). Campante, Chor and Do (2009: 45) find a robust U-shaped pattern between country indices of corruption perception and various measures of incumbent stability, including historically observed average tenures of chief executives and governing parties. They argue that regimes that are very stable or very unstable display higher levels of corruption when compared with those in an intermediate

range of stability. Their results suggest that minimizing corruption may require an electoral system that features some re-election incentives, but with an eventual term limit (Campante, Chor and Do 2009: 42). Altogether, the economic and political instabilities not only increase incentives for bribery and other forms of administrative corruption, but also facilitate high level corruption among politicians. Table 6, demonstrates the relationships between political conditions and corruption.

Table 6. Political Conditions of Corruption

Variable	Relation with Corruption	Source
Democracy: Competition/ Participation	Negative	Halim 2008; Lederman, Loayza and Soares 2005; Billger and Goel 2009; Costa Tavares 2007; Chowdhury 2004; Treisman 2000; Lalountas, Manolas and Vavouras 2011; Saha, Gounder and Su 2009; Quah 2004
Civil Rights, Political Rights, Political Polarization	Negative Negative	Badinger and Nindl 2012 Brown, Touchton and Whitford 2011; Testa 2012
Domestic National Conflict Political Stability	Positive Negative	Rose-Ackerman 2009 Lederman, Loayza and Soares 2005; Levin and Satarov 2000; Becker, Egger and Seidel 2009; Campante, Chor and Do 2009

LEGAL SYSTEM AND CORRUPTION

Property Rights

'Property rights define the accepted array of resource uses, determine who has decision-making authority, and describe who will receive the associated

rewards and costs of those decisions' (Libecap 2001 cited in Opper 2005: 200). One of the most important factors that stimulates corruption is the poor regulation of the property rights system. Instead of functional property rights, there exists a very complex system of mutual relationships between governors, law enforcement officials, and the courts (Cheloukhine and King 2007: 111). The ability of the legal system to protect property rights is widely believed to reduce corruption, whereas the failure of the legal system to enforce contracts undermines the free market and reduces incentives for agents to participate in productive activities, leading to increases in corruption (Acemoglu and Verdier 1998; Senior 2006; Opper 2005; Pieroni and d'Agostino 2013). Opper (2005) argues that the clarity, structure and protection of property rights are central determinants for efficiency in all types of interpersonal transactions, whereas incomplete or ill-defined property rights give rise to diverse forms of illicit economic behavior such as looting, rent-seeking activities and corruption. He believes that an efficient system of property rights includes universality (all resources are privately owned), exclusivity (all benefits and costs accrue to the owner), transferability (all property rights are transferable in a voluntary exchange) and enforceability of property rights (security from involuntary seizure or encroachment) (Opper 2005: 200). According to Opper (2005) efficient property rights arrangements not only constrain the scope of corruption but also strengthen incentives for private monitoring and provide instruments of self-regulation. Acemoglu and Verdier (1998) suggest that the presence of corruption,

rents for public sector positions and misallocation of resources induced by the government sector do not necessarily imply that government intervention is counter-productive. In contrast, these features may be part of an optimal allocation in the presence of incomplete contracts and incentive deficit. Acemoglu and Verdier (1998) add that in the absence of a state to enforce agreements, contracts are incomplete, and investments that need contractual guarantees will be curtailed. Therefore, there is a need for agents to uphold property rights and to enforce contracts, and it has to be ensured that such an agency is not corrupt. Since preventing all corruption is costly, an intermediate level of property right enforcement may be optimal for preventing of corruption (Acemoglu and Verdier, 1998). Studies of property rights in China (Oppen 2005), the Soviet Union, and Russia (Levin and Satarov 2000; Cheloukhine and King 2007) reveal that the lack of efficient property rights and ill-defined transitional forms of mixed ownership are important factors in increasing corruption in these countries. According to (Levin and Satarov (2000) under the Soviet regime, the main cause of corruption was state control over the distribution of the basic resources. At the first stages of reforms, officials radically diversified their forms of control. They took control over the assignment of credits, privileges, licenses, winners in privatization contests, choice of authorized banks, choice of agents for implementation of major social projects, etc. Economic liberalization was combined with, first, obsolete principles of state control over resource distribution and, second, the absence of legal norms regulating new activity. Such a

situation, which is specific to the transitional period, served as a breeding ground for corruption (Levin and Satarov 2000: 118).

Judicial Independence and Effectiveness of Legal System

There is evidence that legal culture affects corruption in various ways. Studies show that countries with a “Common Law System” experience lower corruption than countries with a “Civil Law System” (Karahan, Coats et al. 2009; Halim 2008; Del Monte and Papagni 2007; Herzfeld and Weiss 2003; Treisman 2000; Levin and Satarov 2000; Becker, Egger and Seidel 2009). According to Treisman (2000), the most obvious cost in corruption is the risk of getting caught and punished. The probability of getting caught depends in part on the effectiveness of the country’s legal system. He argues that legal systems differ in the degree of protection and the opportunities for recourses they offer to private property owners harmed by corrupt acts of officials. Following David and Brierly (1985) and La Porta et al. (1999) Treisman argues that the greater protections of property against the state embodied in common law systems improve various aspects of government’s performance, including reducing corruption (Treisman 2000: 402).

A correlation between corruption and the independence of the judicial system is proposed in Ades and Di Tella (1996: cited in Lambsdorff 2007: 47). Halim (2005) asserts that strong judiciaries along with democracy, in particular reduce the prevalence of bureaucratic corruption (Halim 2008). Moreover,

Herzfeld and Weiss (2003) argue that legal effectiveness reduces corruption. They exhibit a strong negative correlation between law and order and corruption (Also see Lambsdorff 2007: 47). Voigt et al. (2004 cited in Lambsdorff 2007: 48) investigate the impact of prosecutorial independence on corruption. They provide data on independence with a help of a questionnaire sent to Supreme Court judges, law professors, lawyers, and anticorruption activists. They distinguish between de jure independence (e.g. life tenure, appointment and promotion by persons other than politicians, lack of executive power to substitute prosecutors working on a specific case) and de facto independence (dependence would be assumed, for example, in case of forced retirement, frequent changes in legal foundations, and decreasing income and budget of prosecutors). They find that de facto independence decreases corruption, and relate this to the disciplining effect on the executive and on influential politicians. Interestingly, de jure independence increases corruption (Lambsdorff 2007: 48).

Some other scholars also emphasize the importance of perceived legal fairness rather than legal efficiency. Borrowing from Tyler (1990) Uslaner (2005: 79) argues that people respect the law because they believe that the justice system is fair and that they have been treated fairly. If people feel that they have been treated unfairly by the police or in the courts, they are less likely to have faith in the legal system (Uslaner and Badescu 2004: 35; Uslaner 2005: 79). Rothstein (2000 cited in Uslaner 2005: 79) argues that in a civilized society, institutions of law and order have one particularly important task: to detect and

punish people who are ‘traitors’, that is, those who break contracts, steal, murder, and do other such non cooperative things and therefore should not be trusted. Thus, if you think that particular institutions do what they are supposed to do in a fair and efficient manner, then you also have reason to believe that people will refrain from acting in a treacherous manner and you will therefore believe that ‘most people can be trusted’. Therefore, the key to less corruption—and more trust—is an effective system of property rights and the rule of law (Uslaner and Badescu 2004: 35; Uslaner 2005: 79). In table 7, the relations between legal conditions and corruption have been summarized.

Table 7. Legal Conditions of Corruption

Variable	Relation with Corruption	Source
Strong Judiciaries	Negative	Halim 2008
Efficiency of Legal System	Negative	Graeff and Mehlkop 2003; Herzfeld and Weiss 2003; Treisman 2000
Fairness of Legal System	Negative	Uslaner 2008
Property Rights	Negative	Acemoglu and Verdier 1998; Pieroni and d'Agostino 2013

CULTURE AND CORRUPTION

In the case of socio-cultural conditions, although there are many studies that demonstrate the influence of socio-cultural variables on corruption, there are still few empirical studies of this. In the literature, some studies focus on the ethno-religious fractionalization as an important factor in increasing corruption (Das and DiRienzo 2009; Kingston 2008; Treisman 2000; Dincer 2008). Others,

concentrate on the effect of ethnic tensions (Becker, Egger and Seidel 2009). Das and DiRienzo (2009) argues that corruption is lower in more ethnically and linguistically homogeneous societies. While there is a consensus that higher corruption levels are associated with more ethnically and linguistically diverse societies, the research provides mixed results regarding the effect of religious diversity on corruption levels. (Das and DiRienzo 2009: 37). Dincer (2008) analyzes the effects of ethnic and religious diversity on corruption. Using data from US states, he finds a positive and linear relationship between ethnic/religious polarization and corruption and an inverse-U-shaped relationship between ethnic/religious fractionalization and corruption (Dincer 2008: 98). In addition, Testa (2012) argues that more heterogeneous societies (in terms of ethnicity, religion, ideology, language or income) tend to be ruled by bad governments that choose poor policies. Yet, borrowing from Alesina and LaFerrara (2005) he argues that polarization may also bring about some important benefits, which may be due to the specific institutional settings allowing some countries to handle diversity in a productive way (Testa 2012: 1104). By studying corruption in American states, Glaeser and Saks (2006) find that heterogeneity within a state, measured as both income inequality and racial dissimilarity, increases corruption. According to them, ethnic fragmentation impacts corruption by reducing the popular will to oppose corrupt politicians. If an area is torn apart by ethnic divisions and leaders tend to allocate resources towards backers of their own ethnicity, then members of one ethnic group might

continue to support a leader of their own ethnic group, even if he is known to be corrupt (Glaeser and Saks 2006: 1056). Table 8, summarizes the important socio-cultural variables that causes corruption.

Table 8. Socio-Cultural Conditions of Corruption

Variable	Relation with Corruption	Source
Ethnic Religious Polarization	Positive	Dincer 2008
Racial Dissimilarity	Positive	Glaeser and Saks 2006
Ethnic Religious Fractionalization	inverse-U-shaped	Dincer 2008
Ethnic Tension	Positive	Seldadyo and Haan 2006

A CONFIGURATIONAL MODEL FOR CORRUPTION

As mentioned before, the interest of this dissertation is not analyzing the net effects of each of the mentioned conditions (variables) on corruption but in analyzing the configurational effects of the conditions that might be sufficient for high or low corruption within countries. The focus of this dissertation will be on the effect of globalization on corruption. In order to better understand different contexts that might be important in the impact of globalization on corruption, I have considered four general internal conditions: economic conditions (wealth and income inequality), political conditions (democracy, political stability and elite fractionalization), legal conditions (property rights, judicial independence and effectiveness of legal system) and socio-cultural conditions (ethno-religious-linguistic fractionalization). So, in order to be able to analyze the combinational

effects of all these internal conditions with globalization on corruption, I have proposed the research model seen in Figure 1.

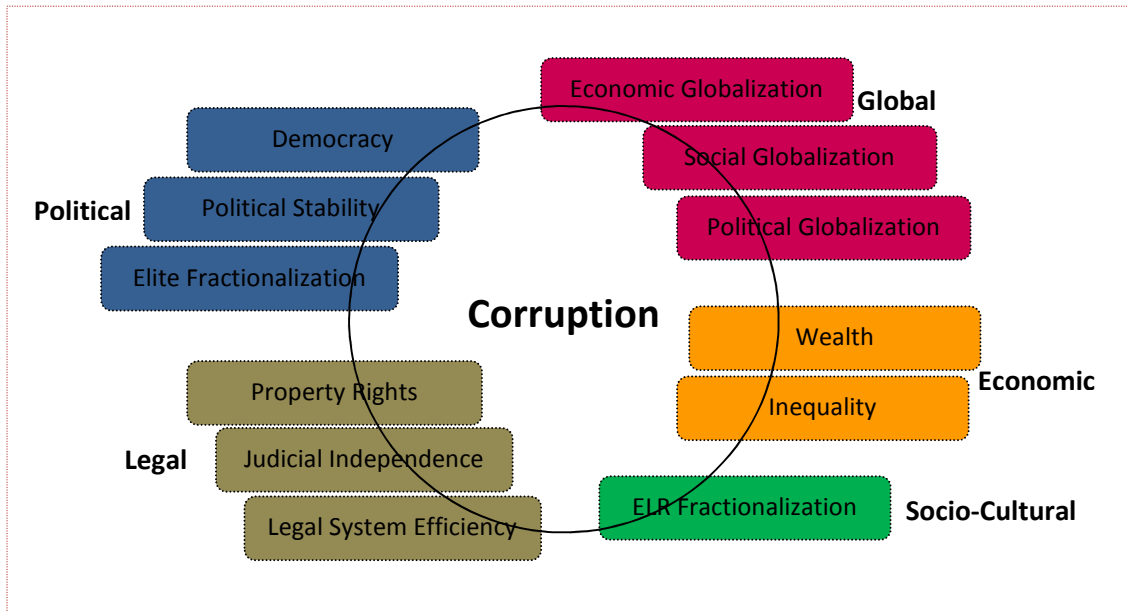


Figure 1. A Configurational and a Set Theoretic Model for Corruption in Developing Countries

CHAPTER III

METHODS AND DATA

In this chapter, I will discuss the method, data and research cases. As mentioned before, it is not my intention to analyze the net effect of each condition on corruption but to understand the configurational effects of the conditions that might be sufficient for low or high corruption. For doing so, I have applied Fuzzy Set Qualitative Comparative Analysis. In addition, I have done an OLS regression analysis to rationalize the utility of applying FSQCA for responding to the research questions. FS/QCA provides analytic tools for comparing cases as configurations of set memberships and for elucidating their patterned similarities and differences. With fuzzy sets, it is possible to use set-theoretic reasoning (i.e., the type of reasoning that is central to both qualitative research and social science theory) and to allow for fine gradations in degrees of membership (Ragin 2008). With QCA it is possible to view cases, as configurations, examine complex patterns of causation, and reconstitute populations based on the patterns that cases exhibit (Ragin 2000). In the diversity-oriented view, we are dealing with causal complexity in which causes combine in different and sometimes contradictory ways to produce the same outcome, revealing different paths (Ragin 2000; Ragin 2008). The diversity oriented approach treats the constitution of populations as an ongoing process and treats cases as complex configurations and recognizes the possibility that a single difference between two cases may signal a difference in kind. It also allows for maximum causal

complexity in social processes especially for the possibility that no single casual condition may be either necessary or sufficient for an outcome (Ragin 2000). Fuzzy sets have many of the virtues of conventional interval-scale variables, but they permit set theoretic operations as well (Rihoux and Ragin 2009). Fuzzy sets combine qualitative and quantitative assessment in a single instrument. Two qualitative states, full membership and full non-membership, and all the quantitative variation that exists between these two qualitative states (Ragin 2000; Ragin 2008). Fuzzy sets are especially valuable in the back-and-forth between theory and data analysis precisely because they are heavily infused with theoretical and substantive knowledge (Ragin 2000). According to Ragin a sound comparative social research balances emphasis on variables as well as cases (Ragin 1991). By applying FS/QCA, the current research does not aim to understand each case, but to view cases in terms of their broad similarities and differences based on various combinations of conditions. So, by utilizing this method, I can reveal the combinations of globalization and other internal conditions that are sufficient for low and high corruption in developing countries. In other words, one of the most important advantages of applying qualitative comparative analysis will be identifying different pathways and routes to low and high corruption in developing countries.

FS/QCA includes three phases; First, calibration of data by defining new sets and fuzzy membership scores for each case in each set. Second, analysis of the necessary condition for recognition of the potential conditions that are

necessary for high and low corruption. Finally, the analysis of sufficiency recognizes various pathways that are sufficient for the outcomes among research cases (Ragin 2000; Ragin 2008). Before going through these three steps in detail, it would be beneficial to describe the data and the research cases.

RESEARCH CASES

Although set-theoretic methods had been developed for small and medium-*N* research, they can be productively extended to large-*N* research (Ragin 2008). According to Ragin, comparative researchers must balance conflicting pressures when delimiting the set of relevant cases (Ragin 2003). Although a comparative study, needs diverse cases for strategic comparisons, it also needs to maintain case homogeneity because the cases should all be instances of or candidates for the same outcome (Ragin 2000). This is the main reason that I have focused on developing countries. Therefore, I have dropped OECD countries¹ from the analysis to maintain the homogeneity of cases. In the second step, countries with less than one million in population were eliminated from the list. Because of the limitation of data for some developing countries, the availability of data for the remaining cases has been an important factor in selecting the research cases. As shown in Table 9, the cases included in the current analysis are ninety countries drawn from different regions of the developing world.

¹ . Mexico, and Turkey are two OECD countries that are included to the analysis because of their homogeneities with other cases especially in terms of corruption.

Table 9. Research Cases

Albania	Chile	India	Moldova	Sierra Leone
Algeria	China	Indonesia	Mongolia	Singapore
Angola	Colombia	Iran	Mozambique	South Africa
Argentina	Costa Rica	Jamaica	Namibia	Sri Lanka
Armenia	Cote d'Ivoire	Jordan	Nepal	Swaziland
Azerbaijan	Croatia	Kazakhstan	Nicaragua	Syria
Bangladesh	Dominican	Kenya	Nigeria	Tanzania
Benin	Ecuador	Kyrgyzstan	Pakistan	Thailand
Bolivia	Egypt	Latvia	Panama	Trinidad
Bosnia	El Salvador	Lesotho	Paraguay	Tunisia
Botswana	Ethiopia	Lithuania	Peru	Turkey
Brazil	Gabon	Macedonia	Philippines	Uganda
Bulgaria	Georgia	Madagascar	Qatar	Ukraine
Burkina Faso	Ghana	Malawi	Romania	Uruguay
Burundi	Guatemala	Malaysia	Russia	Venezuela
Cambodia	Guinea	Mali	Rwanda	Vietnam
Cameroon	Haiti	Mauritania	Senegal	Yemen
Chad	Honduras	Mexico	Serbia	Zambia

DATA AND VARIABLES

Corruption

As discussed earlier, there are different types and levels of corruption. One critical question regarding corruption is how it can be measured. Clearly, because of the sensitivity of issue especially some types of corruption such as political corruption, it is not easy to measure this phenomenon. As shown in Table 10, Morris (2008) gives a comparison of different measures of corruption that are useful for “real corruption” and “perceived corruption” on two different levels. He believes it is not straightforward to measure the real corruption among high level officials. However, there are alternative measures that focus on the perception of corruption rather than real corruption.

Table 10. Focus of Different Measures of Corruption

	Participation	Perception
High Level Corruption	Impossible to measure?	CPI*, WB**, LAPOP*** (questions on politicians and public servants)
Low Level Corruption	LAPOP, Latinobarometro (question on direct participation)	Latinobarometro (question regarding civil servants)

*CPI: Corruption Perception Index, **WB: Measure of control of corruption

***LAPOP: Latin American Public Opinion Project

Morris 2008

Therefore, especially in large N comparative research studies, it is inevitable to use measures that are more focused on the perception of corruption. Although the global indicators have long been viewed with caution because of their subjective nature, this criticism has dwindled to the extent that they are now seen as a norm in this field. As Razafindrakoto and Roubaud (2010) argue, this change of heart has taken place for three main mutually reinforcing reasons: validation by correlation, validation through impact and legitimacy through use. First, the strong correlation between most of the “independent” sources used to calculate corruption perception indicators shows that these indicators indeed reflect a common phenomenon (Also see Treisman 2000: 410). Second, the many econometric studies on the causes and consequences of corruption using this type of indicator generally find a significant link between corruption and a large set of economic and social variables (such as growth, investment, etc.) (Razafindrakoto and Roubaud 2010; Treisman 2000). Third, the widespread use of these indicators by different communities with international influence (academia, investors, donors, etc.) forms a powerful argument in favor of their validity (Razafindrakoto and Roubaud 2010: 1058).

For measuring corruption, I have applied the mean of Corruption Perception Index (CPI) of Transparency International calculated over the years 2000-2012². The range of CPI is from 1 (high corruption) to 10 (low corruption). This measure includes the perception of businessmen, investors and citizens about corruption in countries. The CPI focuses on corruption in the public sector, or corruption that involves public officials, civil servants or politicians. The data sources used to compile the index include questions relating to the abuse of public power and focus on bribery of public officials, kickbacks in public procurement, embezzlement of public funds, and questions that probe the strength and effectiveness of anti-corruption efforts in the public sector. As such, it covers both the administrative and political aspects of corruption. In producing the index, the scores of countries/territories for the specific corruption-related questions in the data sources are combined to calculate a single score for each country. The 2011 Corruption Perceptions Index (CPI) for example gathers data from sources that cover the past two years. For the 2011 CPI, this includes surveys from 2010 and 2011. The 2011 CPI is calculated using data from 13 sources from 10 independent institutions. All sources measure the overall extent of corruption (frequency and/or size of bribes) in the public and political sectors, and all sources provide a ranking of countries, i.e., an assessment of multiple countries. Evaluation of the extent of corruption in countries/territories is done by two groups: country experts, both residents and non-residents, and business leaders.

² . I have applied the means of variables to have more reliable data.

In the 2011 CPI, the following seven sources provided data based on expert analysis: African Development Bank, Asian Development Bank, Bertelsmann Foundation, Economist Intelligence Unit, Freedom House, Global Insight and the World Bank. Three sources for the 2011 CPI reflect the evaluations by resident business leaders of their own country, IMD, Political and Economic Risk Consultancy, and the World Economic Forum (Transparency International 2012).

Globalization

For my measure of globalization, I use the mean of KOF index of globalization 2002-2012 (Dreher, Gaston and Martens 2008). The index covers the economic, social and political dimensions of globalization. Globalization is conceptualized as a process that erodes national boundaries, integrates national economies, cultures, technologies and governance and produces complex relations of mutual interdependence (Dreher, Gaston and Martens 2008). The KOF index is a broad measure of globalization as it considers a country's economic, social and political level of globalization. As shown in Table 11, in reference to economic globalization, the KOF measures trade, foreign direct investment flows and stocks, tariff rates, and capital account restrictions, among other factors. The social dimension of globalization takes into consideration data on personal contact such as outgoing telephone traffic, international tourism and percentage of foreign population, as well as data on information flows and cultural proximity such as percentage of internet users, cable televisions, and radios and trade in books, and the per capita number of McDonald's restaurants

and Ikea stores. Political globalization, the third dimension of the KOF index, accounts for the number of foreign embassies in a country as well as country membership in international organizations and participation in U.N. Security Council missions (Das and DiRienzo 2009: 36).

Table 11. KOF Index of Globalization

A. Economic Globalization [38%]

i) Actual Flows (50%)

Trade (percent of GDP) (19%)

Foreign Direct Investment, flows (percent of GDP) (20%)

Foreign Direct Investment, stocks (percent of GDP) (23%)

Portfolio Investment (percent of GDP) (17%)

Income Payments to Foreign Nationals (percent of GDP) (21%)

ii) Restrictions (50%)

Hidden Import Barriers (21%)

Mean Tariff Rate (29%)

Taxes on International Trade (percent of current revenue) (25%)

Capital Account Restrictions (25%)

B. Social Globalization [39%]

i) Data on Personal Contact (34%)

Telephone Traffic (26%)

Transfers (percent of GDP) (3%)

International Tourism (26%)

Foreign Population (percent of total population) (20%)

International letters (per capita) (26%)

ii) Data on Information Flows (34%)

Internet Users (per 1000 people) (36%)

Television (per 1000 people) (36%)

Trade in Newspapers (percent of GDP) (28%)

iii) Data on Cultural Proximity (32%)

Number of McDonald's Restaurants (per capita) (37%)

Number of Ikea (per capita) (39%)

Trade in books (percent of GDP) (24%)

C. Political Globalization [23%]

Embassies in Country (25%)

Membership in International Organizations (28%)

Participation in U.N. Security Council Missions (22%)

International Treaties (25%)

Dreher, Gaston and Martens, 2008.

Economic Conditions: Wealth and Inequality

For measuring “wealth” and “inequality”, I use the mean of GDP Per Capita 2000-2012 and the mean of Gini Index 1980-2011 (World Development Report 2012). Gross domestic product at purchasing power parity per capita is the value of all final goods and services produced within a country in a given year, divided by the average (or mid-year) population for the same year. Gini Index is the proportion of the total income of the population that is cumulatively earned by x% of the population. Gini Index is also a measure intended to represent the income distribution of a nation’s residents.

Legal Conditions: Property Rights, Efficiency of Legal System and Judicial Independence

“Property Rights” is measured by the mean of Index of Property Rights 2000-2012, which is one of the components of the Index of Economic Freedom. This measure of property rights is based on an assessment of the ability of individuals to accumulate private property, secured by clear laws that are fully enforced by the state. It measures the degree to which a country’s laws protect private property rights and the degree to which its government enforces those laws. The more certain the legal protection of property, the higher a country’s score, similarly, the greater the chances of government expropriation of property, the lower a country’s score (Heritage Foundation 2012).

For measuring Judicial Independence, I use the mean of the perception of Judicial Independence 2008-2012. Perception of Judicial independence is a variable that examines the judiciary's freedom from influence by political and business groups. The independence of the judiciary is a central underpinning for the sound protection and sovereign support of the court system with respect to private property. This variable is measured by the following question: To what extent is the judiciary in your country independent from influences of members of government, citizens, or firms? [1 = heavily influenced; 7 = entirely independent] (World Economic Forum's 2011-2012, Global Competitiveness Index).

I also utilize the mean of the perception of efficiency of legal system 2008-2012. This variable has been measured by a combination of two separate variables: Efficiency of legal framework in settling disputes and efficiency of legal framework in challenging regulations. The first variable is measured by asking how efficient is the legal framework in your country for private businesses in settling disputes? [1=extremely inefficient; 7=highly efficient]. Efficiency of legal framework in challenging regulations asks how efficient is the legal framework in your country for private businesses in challenging the legality of government actions and/or regulations? [1=extremely inefficient; 7=highly efficient] (World Economic Forum's 2011-2012, Global Competitiveness Index).

Political Conditions: Democracy, Political Stability and Elite Fractionalization

For my measure of democracy, I utilize the Freedom House index of Democracy 2000-2012. Freedom House annually published the index of “Freedom in the World” by ranking countries by *political rights*³ (combination of 10 questions) and *civil liberties*⁴(combination of 15 questions) that are derived in large measure from the Universal Declaration of Human Rights. (Freedom House 2012). The range of scale is from 1 (most free) to 7 (least free). Countries with a

³ . Freedom House Checklist of Political Rights: 1. Is the head of government or other chief national authority elected through free and fair elections? 2. Are the national legislative representatives elected through free and fair elections? 3. Are the electoral laws and framework fair? 4. Do the people have the right to organize in different political parties or other competitive political groupings of their choice, and is the system open to the rise and fall of these competing parties or groupings? 5. Is there a significant opposition vote and a realistic possibility for the opposition to increase its support or gain power through elections? 6. Are the people’s political choices free from domination by the military, foreign power totalitarian parties, religious hierarchies, economic oligarchies, or any other powerful group? 7. Do cultural, ethnic, religious, or other minority groups have full political rights and electoral opportunities? 8. Do the freely elected head of government and national legislative representatives determine the policies of the government? 9. Is the government free from pervasive corruption? 10. Is the government accountable to the electorate between elections, and does it operate with openness and transparency?

⁴ . Freedom House Checklist of Civil Liberties: 1. Are there free and independent media and other forms of cultural expression? 2. Are religious institutions and communities free to practice their faith and express themselves in public and private? 3. Is there academic freedom and is the educational system free of extensive political indoctrination? 4. Is there open and free private discussion? 5. Is there freedom of assembly, demonstration, and open public discussion? 6. Is there freedom for nongovernmental organizations? (Note: This includes civic organizations, interest groups, foundations, etc.) 7. Are there free trade unions and peasant organizations or equivalents, and is there effective collective bargaining? Are there free professional and other private organizations? 8. Is there an independent judiciary? 9. Does the rule of law prevail in civil and criminal matters? Are police under direct civilian control? 10. Is there protection from political terror, unjustified imprisonment, exile, or torture, whether by groups that support or oppose the system? Is there freedom from war and insurgencies? 11. Do laws, policies, and practices guarantee equal treatment of various segments of the population? 12. Does the state control travel or choice of residence, employment, or institution of higher education? 13. Do citizens have the right to own property and establish private businesses? Is private business activity unduly influenced by government officials, the security forces, political parties/organizations, or organized crime? 14. Are there personal social freedoms, including gender equality, choice of marriage partners, and size of family? 15. Is there equality of opportunity and the absence of economic exploitation?

combined average rating of 1–2.5 are considered ‘free’, 3–5 ‘partly free’ and 5.5–7 not free’ (Freedom House 2012).

For measuring Political Stability in the countries, I apply the mean of “the Political Stability and Absence of Violence Index” 2000-2012. This measure shows the perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism (World Bank, The Worldwide Governance Indicators 2012).

For measuring Elite Fractionalization, I utilize the mean of Index of Fractionalized Elites 2005-2012 which is a component of the “Failed State Index.” This index contains fragmentation of ruling elites and state institutions along group lines and the use of nationalistic political rhetoric by ruling elites, often framed in terms of communal irredentism or communal solidarity (Foreign Policy 2012).

Social Conditions: Ethnic Linguistic Religious Fractionalization

Regarding social conditions, I use the index of Ethno Linguistic Religious Fractionalization. The Fractionalization dataset was compiled by Alberto Alesina and associates, and measures the degree of ethnic, linguistic and religious heterogeneity in various countries. The dataset contains data for only one year for each country. The language and religion indices are based on data from 2001. Most of the data used to compute the ethnic fractionalization index are

from the 1990s, but for some countries older data are used (as far back as 1979).

The dataset was used in Alesina et al. (2003) to test the effects of fractionalization on the quality of institutions and economic growth (Alesina, Devleeschauwer, Easterly, Kurlat, and Wacziarg. 2003).

Table 12. List of Variables, Definitions and Sources

Variables	Index	Source	Practical Definition
Corruption	Corruption Perception Index 2000-2012	Transparency International	Perception of businessmen, investors, citizens about corruption in countries
Globalization	KOF Index of Globalization 2000-2010	KOF Index	Political, Economic and Socio Cultural Globalization: a process that erodes national boundaries, integrates national economies, cultures, technologies and governance and produces complex relations of mutual interdependence.
Wealth	GDP Per Capita 2000-2011	World Bank, World Development Report	Gross domestic product at purchasing power parity per capita: The value of all final goods and services produced within a country in a given year, divided by the average (or mid-year) population for the same year.
Inequality	Gini Index 1980-2011	World Bank, World Development Report	The proportion of the total income of the population that is cumulatively earned by x% of the population.
Property Rights	Index of Property Rights 2000-2013	Heritage Foundation	The degree to which a country's laws protect private property rights and the degree to which its government enforces those laws

Efficiency of Legal System	Measure of Efficiency of Legal System 2008-2012	World Economic Forum, Global Competitiveness Index	Efficiency of legal framework in settling disputes and efficiency of legal framework in challenging regulations
Judicial Independence	Measure of Judicial Independence 2008-2012	World Economic Forum, Global Competitiveness Index	Judiciary's freedom from influence by political and business groups
Democracy	Democracy 2000-2012	Freedom House	Political rights and civil liberties
Political Stability	Political Stability 2000-2011	World Bank, World Governance Indicators	Perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism
Elite Fractionalization	Index of Fractionalized Elites 2005-2012	Foreign Policy's Failed State Index	Fragmentation of ruling elites and state institutions along ethnic, class, clan, racial or religious lines.
Ethnic-Linguistic-Religious Fractionalization	Index of ELR Fractionalization	Alesina et al. 2003	The degree of ethnic, linguistic and religious heterogeneity

DATA ANALYSIS

Qualitative Comparative Analyses

The key to useful fuzzy-set analysis is well-constructed fuzzy sets, which, in turn raises the issue of calibration. Fuzzy membership scores must be interpreted according to external standards that have face validity (Ragin 2008). Fuzzy-set calibration is much more demanding than conventional social science measurement and requires thorough utilization of theoretical and substantive

knowledge coupled with careful concept formation and elaboration. Calibration of degree of membership in sets should be purposeful and thoughtful, never mechanical (Ragin 2000, 2006, 2008; Rihoux and Ragin 2009). Thus, the calibration of membership in a fuzzy set involves both quantitative and qualitative assessment (Ragin 2000). By specifying the values of an interval scale that correspond to the three qualitative breakpoints that structure a fuzzy set: full membership, full non-membership, and the crossover point (see Table 13), I have calibrated the original data to create new sets for the outcome and each condition. For doing so, after sorting the values of each variable, I selected full membership and full non-membership points and finally by comparing the values of 20 cases that were located in the middle of the lists, I could be able to decide about the crossover points for each variable. The end product is the fine grained calibration of the degree of membership of cases in sets (See the details in Appendix), with scores ranging from 0.0 to 1.0 (Ragin 2008). Table 14 shows descriptive statistics of the calibrated sets.

Table 13. Three Qualitative Benchmarks

Set	Full membership	Crossover	Full non-membership
Corruption	2.5	6.35	8.2
Economic Globalization	90	62	26
Social Globalization	85	45	12
Political Globalization	93	70	30
Globalization	80	58	25
Wealth	15000	3500	500
Inequality	60	40	27
Property Rights	80	39	10
Judicial Independence	5.5	3.65	1.5
Efficiency of Legal System	5	3.65	2
Democracy	1	3.8	7
Political Stability	1	0	-2.2
Elite Fractionalization	9.7	7.95	2.9
Ethnic Fractionalization	0.9	0.5	0
Language Fractionalization	0.92	0.5	0
Religious Fractionalization	0.8	0.5	0
Ethno-Linguistic-Religious Fractionalization	0.85	0.5	0

Table 14. Descriptive Statistics of Outcome and Conditions

Set	Mean	Std. Dev.	Min	Max	N Cases	Missing
Corruption	0.33	0.24	0.05	0.99	90	0
Economic Globalization	0.39	0.23	0.05	0.97	90	0
Social Globalization	0.40	0.25	0.06	0.97	90	0
Political Globalization	0.52	0.28	0.07	0.95	90	0
Globalization	0.42	0.22	0.07	0.98	90	0
Wealth	0.51	0.32	0.05	1	90	0
Inequality	0.53	0.28	0.07	0.99	90	0
Property Rights	0.44	0.23	0.05	0.98	90	0
Judicial Independence	0.41	0.27	0.05	0.98	90	0
Efficiency of Legal System	0.41	0.25	0.03	0.99	90	0
Democracy	0.53	0.29	0.06	0.95	90	0
Political Stability	0.41	0.25	0.05	0.97	90	0
Elite Fractionalization	0.41	0.26	0.02	0.95	90	0
Ethnic Fractionalization	0.54	0.30	0.06	0.96	89	1
Language Fractionalization	0.46	0.35	0.05	0.95	86	4
Religious Fractionalization	0.47	0.31	0.05	0.97	89	1
Ethno-Linguistic-Religious Fractionalization	0.47	0.28	0.05	0.95	90	0

CHAPTER IV

FINDINGS

In this chapter, by applying the Fs/QCA in different models, I will respond to the research questions. The main aim in the current dissertation is responding to these general questions: Under what conditions does globalization undermine corruption and under what conditions does globalization exacerbate corruption? In chapter 3, I discussed the process of calibration in creating fuzzy membership scores for the set of corruption as well as other conditions (independent variables). Figure 2 demonstrates the fuzzy membership scores for countries with extreme high and low corruption. Some countries such as Singapore, Chile, Uruguay, Qatar, Botswana, Jordan, Malaysia, Costa Rica, Lithuania, Namibia, Tunisia and South Africa have acquired high membership scores in the set of low corruption. On the other hand, there are some countries such as Bangladesh, Chad, Haiti, Angola, Guinea, Nigeria, Burundi, Cambodia, Azerbaijan, Kenya, Kyrgyzstan, Paraguay, Cameroon and Venezuela that are among more corrupt nations. The question is why? More specifically, how have globalization and other internal conditions combined together to be sufficient for low corruption in some countries and for high corruption in some others?

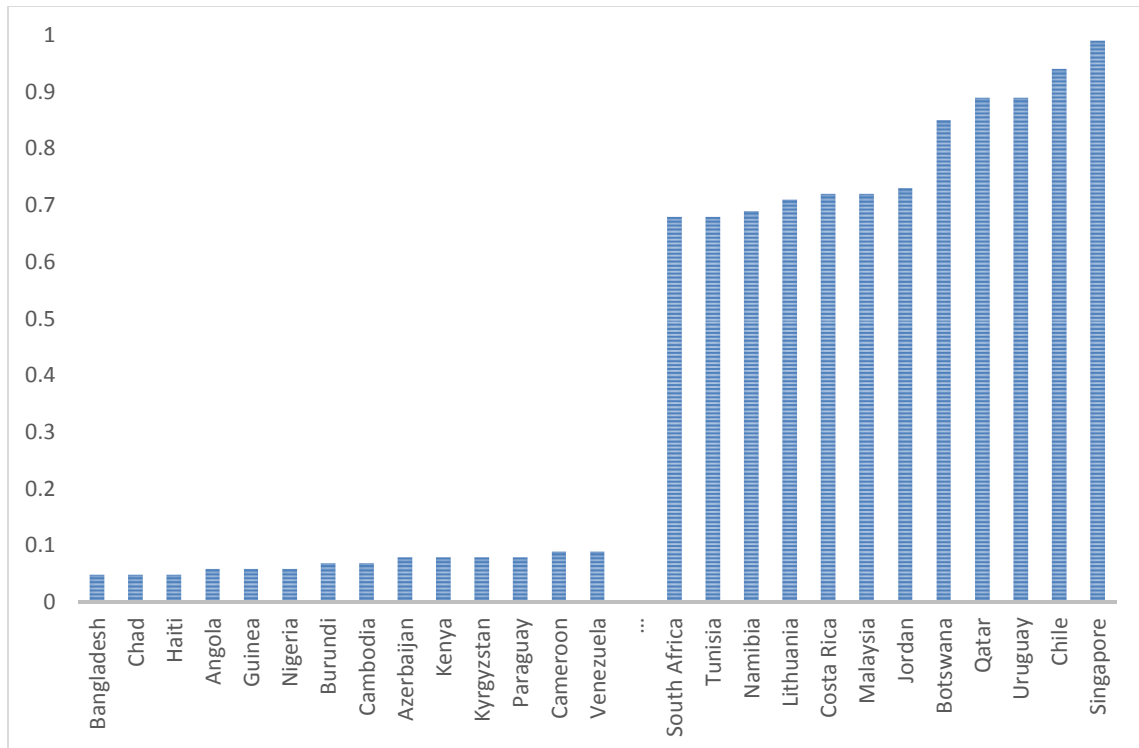


Figure 2. Examples of Countries with High Fuzzy Membership Scores in the Set of Low Corruption

Before discussing the configurational effects of conditions for low and high corruption, I would like to briefly discuss the results of OLS Regression Analyses to be able to compare them with the results of the FS/QCA. It is well known that, in traditional quantitative methods, a researcher may calculate the net effects of each independent variable on the dependent variable. As shown in Table 15, the result of OLS regression reveals that while property rights, political stability, judicial independence and globalization have significant positive effects on low corruption, the influences of other independent variables, such as elite fractionalization, wealth, inequality and democracy are not significant. The interdependence of independent variables would be an important reason for this

result. In addition, the considerable high R square of 0.81 reveals that the independent variables altogether explain about 81 percent of the variance in the dependent variable. Although this result is very enlightening, the main weakness of this analysis is that it fails to analyze the combinational effects of these conditions. In addition, it fails to distinguish similarities and differences between research cases. In other words, this regression model argues that since this general model is the best fit for all cases, it should be applied equally for all of them.

Table 15. The Result of OLS Regression for Low Corruption

	B	β
Globalization	.179* (0.09)	.168
Wealth	.094 (0.06)	.129
Inequality	.046 (0.04)	.055
Property Rights	.262*** (0.08)	.257
Judicial Independence	.228* (0.10)	.259
Efficiency of Legal Framework	.112 (0.11)	.120
Democracy	.054 (0.06)	.065
Political Stability	.241*** (0.07)	.257
Elite Fractionalization	.055 (0.08)	.061
ELR Fractionalization	-.046 (0.05)	-.054
(Constant)	-.204* (0.08)	
R ²	0.83	
Adjusted R ²	0.81	

QUALITATIVE COMPARATIVE ANALYSIS OF CORRUPTION

As discussed before, there are three distinct phases in the application of QCA to cross-case evidence: first, selecting cases and constructing the property space that defines kinds of cases (initial configurations), second, testing the necessary and the sufficiency of causal conditions, and finally evaluating the results (Ragin 2000). Because set-theoretic analysis is fundamentally asymmetrical (Ragin 2008), it is possible to separate the analysis of an outcome and the analysis of the negation of the outcome (Ragin 2008; Rihoux and Ragin 2009). Therefore, instead of using the set of high corruption countries as the sole outcome, I have considered the set of low corruption countries as an outcome as well. Therefore, the analysis of sufficiency is applied in two general models; in the first model, I have analyzed the combinational effects of conditions for the set of low corruption. In the second model, the negation of the outcome, the set of high corruption, has been analyzed. In addition, as I will discuss later, I have analyzed the combinational effects of various aspects of globalization with economic, legal, political and social conditions in eight separate models for both low and high corruption. Before going through analyses of sufficiency, I need to identify the necessary but not sufficient conditions for the sets of both low and high corruption.

Analyses of Necessary Conditions

With fuzzy sets, set A is a subset of set B if the membership scores of cases in set A are less than or equal to their respective membership scores in set B (Ragin 2000). “Whenever a causal condition is necessary but not sufficient for an outcome, instances of the outcome will form a subset of instances of the causal condition” (Ragin 2000).

$$\text{Consistency } (Y_i \leq X_i) = \sum(\min(X_i, Y_i)) / \sum(X_i)$$

In analysis of necessary conditions, I use a consistency threshold of 0.90 to assess whether the expected subset relation exists. As shown in Table 16, property rights, judicial independence and low elite fractionalization are consistent superset of the outcome low corruption. So, these conditions can be presented as necessary conditions for low corruption in developing countries. In addition, the consistency scores of some conditions such as globalization, wealth, political stability and efficiency of legal system with the set of low corruption are considerably close to the threshold. By contrast, the analysis of necessary conditions for high corruption reveals that there is no necessary condition for the set of high corruption among research cases.

Table 16. Analysis of Necessary Conditions

	Outcome variable: Low Corruption		Outcome variable: High Corruption	
	Consistency	Coverage	Consistency	Coverage
ECONOMIC GLOBALIZATION	0.84	0.69	0.46	0.78
economic globalization*	0.73	0.40	0.82	0.91
SOCIAL GLOBALIZATION	0.84	0.69	0.47	0.79
social globalization	0.74	0.41	0.81	0.91
POLITICAL GLOBALIZATION	0.82	0.50	0.64	0.80
political globalization	0.67	0.47	0.60	0.87
GLOBALIZATION	0.89	0.69	0.49	0.78
globalization	0.71	0.41	0.80	0.94
WEALTH	0.89	0.57	0.54	0.71
wealth	0.54	0.36	0.67	0.92
INEQUALITY	0.82	0.51	0.63	0.80
inequality	0.67	0.47	0.61	0.87
PROPERTY RIGHTS	0.95	0.68	0.52	0.76
property rights	0.67	0.41	0.78	0.97
DEMOCRACY	0.86	0.53	0.61	0.76
democracy	0.62	0.43	0.62	0.90
POLITICAL STABILITY	0.88	0.69	0.48	0.76
political stability	0.69	0.39	0.80	0.93
ELITE FRACTIONALIZATION	0.52	0.44	0.57	0.97
elite fractionalization	0.96	0.52	0.67	0.74
JUDICIAL INDEPENDENCE	0.91	0.70	0.46	0.73
judicial independence	0.65	0.37	0.81	0.95
EFFICIENCY OF LEGAL FRAMEWORK	0.88	0.69	0.47	0.76
efficiency of legal framework	0.69	0.39	0.80	0.93
ETHNIC FRACTIONALIZATION	0.75	0.46	0.70	0.86
ethnic fractionalization	0.77	0.55	0.56	0.82
LANGUAGE FRACTIONALIZATION	0.57	0.41	0.59	0.87
language fractionalization	0.81	0.49	0.60	0.74
RELIGIOUS FRACTIONALIZATION	0.70	0.49	0.57	0.81
religious fractionalization	0.73	0.45	0.64	0.82
ETHNO-LINGUISTIC-RELIGIOUS FRACTIONALIZATION	0.70	0.48	0.62	0.88
Ethno-linguistic-religious fractionalization	0.82	0.51	0.63	0.81

*. Lower capitals represent the negation of conditions.

Analyses of Sufficiency for Low and High Corruption

The finding that a cause or causal combination is a subset of an outcome supports the argument of sufficiency (Ragin 2000). For the analysis of sufficiency, as shown in Tables 17 as well as 19, I have constructed truth tables summarizing the results of fuzzy-set analyses of the logically possible configurations of causal conditions for low and high corruption. In effect, the truth table disciplines the research process, providing a framework for comparing cases as configurations of similarities and differences while exploring patterns of consistency and inconsistency with respect to case outcomes (Ragin 2008). It is necessary to identify two important cut off values, a consistency threshold and a frequency threshold. Regarding the consistency threshold, it is often useful simply to sort the consistency scores in descending order and observe whether a substantial gap occurs in the upper ranges of consistency scores. In general, the cut-off value should not be less than 0.75; a cut-off value of 0.85 or higher is recommended. While the measure of consistency used here can range from 0.0 to 1.0, scores between 0 and 0.75 indicate the existence of substantial inconsistency (Ragin 2000, 2008, Rihoux and Ragin 2009). In the analyses of sufficiency, I have used consistency scores greater than 0.80. In addition, as Rihoux and Ragin (2009) state, the frequency threshold chosen by the investigator must reflect the nature of the evidence and the character of the study. Important considerations include the total number of cases included in the study, the number of causal conditions, the degree of familiarity of the researcher

with each case, the degree of precision that is possible in the calibration of fuzzy sets, the extent of measurement and assignment error, whether the researcher is interested in coarse versus fine-grained patterns in the results, and so on. In the different models offered in this study, because of the considerable number of cases in the analyses, I have chosen the frequency threshold of 2 or 3 cases for each pathway in my analyses of sufficiency.

The solution of a given truth table also depends on counterfactual analysis or the ways that remainders (potential counterfactual cases) are treated (Ragin 2008). In fact, a thorough examination of causal complexity entails consideration of all logically possible combinations of causal conditions. However, naturally occurring social data are severely limited in their diversity and typically present only a minority of the relevant empirical combinations (Ragin 2008).

“Remainders” are logically possible combinations of conditions without cases or which do not meet the frequency threshold. Based on the treatment of remainders, Fs/QCA calculates three solutions: the complex solution (no counterfactual cases are allowed), the parsimonious solution (easy and difficult counterfactual cases are both allowed), and the intermediate solution (only easy counterfactual cases are allowed) (Ragin 2008). In my analyses, only easy counterfactual cases were incorporated into the solution. So, I report only the intermediate solutions in analyses of sufficiency.

Table 17. Truth Table for the Set of Low Corruption

G	W	I	PR	JI	LE	D	PS	EF	EL RF	num ber	LC	raw consi st.	PRI consis t.	SYM consis t
1	1	1	1	1	1	1	1	0	0	3	1	0.96	0.78	0.78
1	1	1	1	1	1	0	1	0	0	2	1	0.94	0.64	0.64
1	1	1	1	1	0	1	0	0	0	2	1	0.92	0.11	0.11
1	1	0	0	0	0	1	1	0	0	3	1	0.86	0.09	0.10
0	0	0	1	1	1	1	0	0	1	2	1	0.86	0.02	0.02
1	1	0	0	0	0	1	0	1	1	2	0	0.80	0.00	0.00
0	0	1	0	0	0	1	1	0	1	2	0	0.79	0.00	0.00
0	1	0	0	0	0	0	0	0	0	2	0	0.77	0.00	0.00
1	1	1	0	0	0	1	0	0	0	2	0	0.77	0.01	0.01
0	1	1	0	0	0	1	0	1	0	2	0	0.77	0.00	0.00
0	1	1	0	0	0	1	0	0	0	3	0	0.76	0.00	0.00
0	0	1	0	0	0	0	0	1	1	2	0	0.64	0.00	0.00
0	0	0	0	0	0	0	0	1	1	5	0	0.62	0.00	0.00

Table 18 shows the results of analysis of sufficiency for low corruption. In this table, I have shown the consistency score, raw coverage and unique coverage for each recipe. Set-theoretic *consistency* gauges the degree to which the cases sharing a given condition or combination of conditions agree in displaying the outcome in question. That is, consistency indicates how closely a perfect subset relation is approximated. Set-theoretic *coverage*, by contrast, assesses the degree to which a cause or causal combination “accounts for” instances of an outcome. Thus, coverage gauges empirical relevance or importance (Ragin 2006, 2008). In addition, in each table, I have shown all of the cases that support each recipe. As Ragin (2003) proposes, the relative number of cases on a path is a direct indicator of the empirical importance of a causal combination.

Table 18. Analysis of Sufficiency for Low Corruption

frequency cutoff: 2.000000
 consistency cutoff: 0.862583
 Assumptions: elr fractionalization(absent), elite fractionalization (absent), POLITICAL STABILITY (present), DEMOCRACY (present), LEGAL EFFICIENCY (present), JUDICIAL INDEPENDENCE (present), PROPERTY RIGHTS (present), inequality(absent), WEALTH (present), GLOBALIZATION (present)

	RC	UC	CNS	
elite fractionalization* DEMOCRACY* LEGAL EFFICIENCY* JUDICIAL INDEPENDENCE* PROPERTY RIGHTS* inequality	0.48	0.07	0.87	Ghana (0.58,0.52)
elite fractionalization* elr fractionalization* POLITICAL STABILITY* DEMOCRACY* inequality* WEALTH* GLOBALIZATION	0.47	0.05	0.88	Croatia (0.77,0.55), Lithuania (0.71,0.71), Bulgaria (0.6,0.54),
elite fractionalization* elr fractionalization* DEMOCRACY* JUDICIAL INDEPENDENCE* PROPERTY RIGHTS* WEALTH* GLOBALIZATION	0.55	0.02	0.93	Chile (0.82,0.94), Uruguay (0.67,0.89), Costa Rica (0.62,0.72), Brazil (0.51,0.53)
elite fractionalization* elr fractionalization* POLITICAL STABILITY* LEGAL EFFICIENCY* JUDICIAL INDEPENDENCE* PROPERTY RIGHTS* WEALTH* GLOBALIZATION	0.54	0.05	0.95	Chile (0.82,0.94), Uruguay (0.67,0.89), Costa Rica (0.62,0.72), Qatar (0.59,0.89), Singapore (0.53,0.99)

solution coverage: 0.73
 solution consistency: 0.83
RC: Raw Coverage
UC: Unique Coverage
CNS: Consistency

Globalization as a main external condition, and nine internal conditions, wealth, inequality, property rights, judicial independence, legal efficiency, democracy, political stability, elite fractionalization, and ethno-linguistic-religious fractionalization are included in the analysis of sufficiency. The results demonstrate that the causal conditions act jointly in four distinct pathways to be sufficient for low corruption in developing countries. As shown in the table, low elite fractionalization is the only condition that appears in all of the recipes. Other conditions, combine in various ways to be sufficient for low corruption. In the first recipe, low elite fractionalization combines with democracy, legal efficiency, judicial independence, property rights and low inequality to be sufficient for low corruption. Ghana is the only country that supports this pathway. In the second pathway, low elite fractionalization combines with globalization, political stability, democracy, wealth, low inequality and low ethno-linguistic-religious fractionalization to be sufficient for the outcome. This recipe is supported by three Eastern European countries, Croatia, Lithuania and Bulgaria. As shown in Figure 3, Croatia, Lithuania and Bulgaria have gotten very similar fuzzy membership scores in the defined sets, so they follow the same route into low corruption.

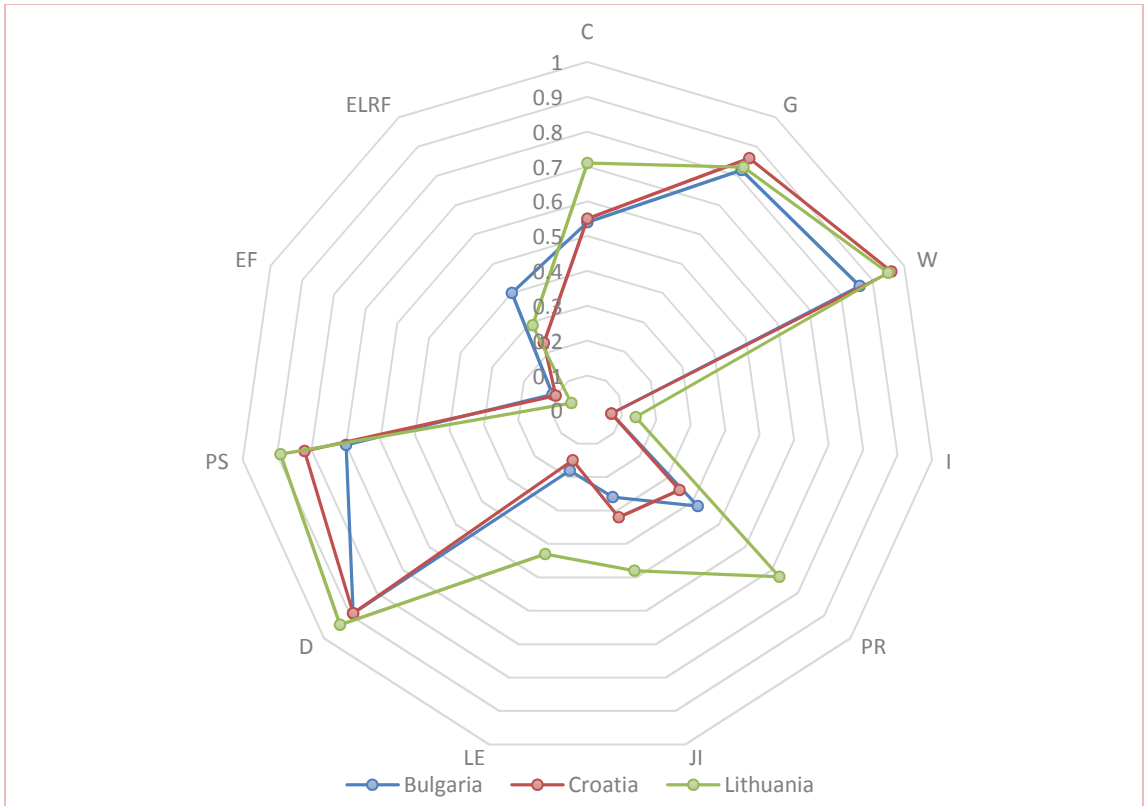


Figure 3. Fuzzy Membership Scores for Three Eastern European Countries

The third recipe is the combination of low elite fractionalization, globalization, democracy, judicial independence, property rights, wealth and low ethno-linguistic-religious fractionalization. This pathway is manifested in Latin American countries such as Chile, Uruguay, Costa Rica and Brazil. Also, I have shown the similarity of these countries in Figure 4. This similarity is very important, because it reveals that the route of Latin American countries to low corruption is different than the pathways of other countries such as Eastern European countries.

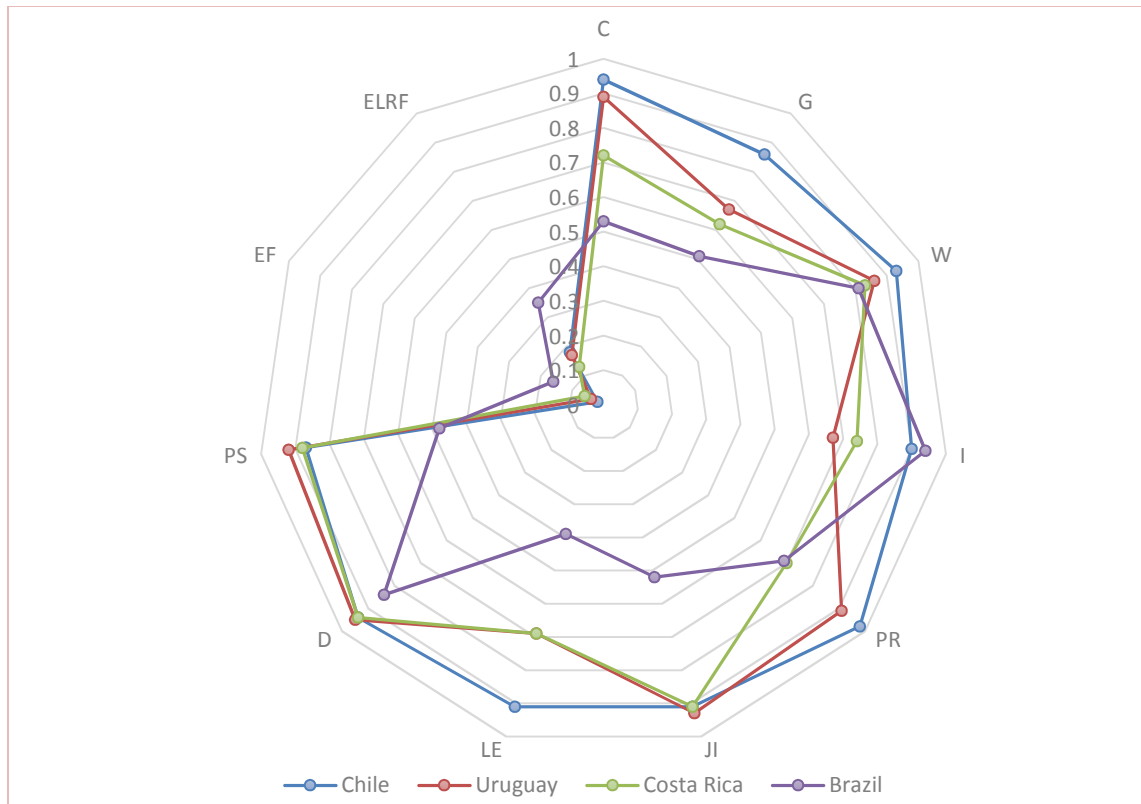


Figure 4. Fuzzy Membership Scores for Four Latin American Countries

In the fourth pathway, low elite fractionalization combines with globalization, political stability, legal efficiency, judicial independence, property rights, wealth and low ethno-linguistic-religious fractionalization to be sufficient for low corruption in Singapore, Qatar and also Chile, Uruguay and Costa Rica. The high consistency scores of these recipes demonstrate that there are strong subset relations between these combinations of conditions and the outcome. Also, unique coverage of recipes emphasize their relative importance.

As discussed before, Ghana is the only country that is manifested in the first pathway. A comparison of the first pathway with the other three pathways

reveals one important fact regarding the effect of globalization. In fact, Ghana is the only country that without being a member of high globalized countries achieved a high membership score in the set of low corruption countries. Why? As mentioned before, Ghana is “low corrupt” because of the relatively efficient internal conditions in legal, political and economic aspects. In other words, it is “low corrupt” because of the combination of low elite fractionalization, low inequality, democracy, legal efficiency, judicial independence and property rights. However, what happens if we exclude this country from the analysis? If we ignore Ghana as a specific case we can see that not only globalization as an external condition, but also low elite fractionalization, wealth and low ethno-linguistic-religious fractionalization as three internal conditions are repeated in the remaining three pathways. So for many cases that support the second, the third and the fourth recipes, globalization, low elite fractionalization, low ethno-linguistic-religious fractionalization and wealth combine with other conditions in different ways to be sufficient for low corruption. Therefore, one important conclusion of this analysis would be emphasizing the importance of the combination of globalization, low elite fractionalization, low ethno-linguistic-religious fractionalization and wealth in impeding corruption in developing countries. In addition, a comparison of the second recipe with the third and fourth recipes reveals an important difference between two groups of countries in terms of their combinations of conditions. In Croatia, Lithuania and Bulgaria as three Eastern European countries, the combination of globalization with internal

political, economic and social conditions is sufficient for low corruption. On the other hand, it seems the strength of legal conditions in Latin American countries such as Chile, Uruguay, Costa Rica and also in Qatar and Singapore do matter in lowering corruption. This will be more noteworthy when we pay attention to this fact that many of these latter countries are dealing with some problems such as high inequality. In these countries, the combination of globalization with social, political and especially legal conditions is sufficient for low corruption.

I turn now to an examination of conditions that are sufficient for high corruption. Table 19 shows the truth table for the analysis of sufficiency. The results of analysis of sufficiency shown in Table 20 demonstrate that the combinations of conditions act jointly to be sufficient for corruption in developing countries.

Table 19. Truth Table for the Set of High Corruption

G	W	I	PR	JI	L E	D	P S	E F	E L R F	nu m b e r	H C	raw consist .	PRI consist .	SYM consist t
0	0	1	0	0	0	0	0	1	1	2	1	1.00	1.00	1.00
0	0	1	0	0	0	1	1	0	1	2	1	1.00	1.00	1.00
0	1	0	0	0	0	0	0	0	0	2	1	1.00	1.00	1.00
0	1	1	0	0	0	1	0	1	0	2	1	1.00	1.00	1.00
1	1	0	0	0	0	1	0	1	1	2	1	1.00	1.00	1.00
0	1	1	0	0	0	1	0	0	0	3	1	1.00	1.00	1.00
0	0	0	0	0	0	0	0	1	1	5	1	1.00	1.00	1.00
1	1	1	0	0	0	1	0	0	0	2	1	1.00	0.99	0.99
0	0	0	1	1	1	1	0	0	1	2	1	1.00	0.98	0.98
1	1	1	1	1	0	1	0	0	0	2	1	0.99	0.88	0.89
1	1	0	0	0	0	1	1	0	0	3	1	0.98	0.84	0.90
1	1	1	1	1	1	0	1	0	0	2	0	0.90	0.36	0.36
1	1	1	1	1	1	1	1	0	0	3	0	0.84	0.22	0.22

As shown in Table 20, there are three general routes into high corruption in developing countries. In the first pathway, the combination of three internal legal conditions, low legal efficiency, low judicial independence and low property rights is sufficient for corruption. This combination is the main route to corruption in many countries such as Haiti, Venezuela, Chad, Nicaragua, Angola, Guinea, Bolivia, Burundi, Kyrgyzstan, Bosnia and Herzegovina, Ecuador, Cote d'Ivoire, Yemen, Dominican Republic, Ukraine, Paraguay, Algeria, Russia, Cameroon and Argentina. In the second recipe, three other internal conditions, low political stability, low legal efficiency and high inequality combine to be sufficient for corruption. This pathway manifests in Haiti, Venezuela, Angola, Paraguay, Guatemala, Ecuador, Bolivia, Kenya, Mexico, Honduras, Philippines, Iran, Nicaragua, Guinea, Senegal, Jamaica, Madagascar and Mauritania. The third pathway, also reveals that low globalization may combine with low political stability, low wealth and ethno-linguistic-religious fractionalization to be sufficient for high corruption in developing countries. This route is followed by eighteen countries, Chad, Ethiopia, Uganda, Kenya, Guinea, Sierra Leone, Cote d'Ivoire, Pakistan, Cameroon, Tanzania, Kyrgyzstan, Nigeria, Indonesia, India, Nepal, Senegal, Burkina Faso and Malawi. Here also the high consistency scores of these three recipes demonstrate that there are strong subset relations between these combinations of conditions and set of corruption. The recipes' "unique coverage" reveal that the first pathway, the combination of absence of three legal conditions is the most important route into corruption in developing countries.

Table 20. Analysis of Sufficiency for Corruption

	RC	UC	CNS	
frequency cutoff: 2.000000				
consistency cutoff: 0.975385				
Assumptions: ELR FRACTIONALIZATION (present), ELITE FRACTIONALIZATION (present), political stability (absent), democracy (absent), legal efficiency (absent), judicial independence (absent), property rights (absent), INEQUALITY (present), wealth (absent), globalization (absent)				
legal efficiency*	0.68	0.16	0.97	Haiti (0.93,0.95), Venezuela (0.87,0.91), Chad (0.81,0.95), Nicaragua (0.79,0.85), Angola (0.79,0.94), Guinea (0.79,0.94), Bolivia (0.79,0.84), Burundi (0.79,0.93), Kyrgyzstan (0.77,0.92), Bosnia and Herzegovina (0.77,0.66), Ecuador (0.75,0.88), Cote d'Ivoire (0.74,0.9), Yemen (0.72,0.89), Dominican Republic (0.72,0.73), Ukraine (0.72,0.89), Paraguay (0.71,0.92), Algeria (0.69,0.76), Russia (0.69,0.88), Cameroon (0.69,0.91), Argentina (0.68,0.75)
judicial independence*				
property rights				
political stability*	0.52	0.04	0.98	Haiti (0.85,0.95), Venezuela (0.77,0.91), Angola (0.76,0.94), Paraguay (0.75,0.92), Guatemala (0.75,0.8), Ecuador (0.74,0.88), Bolivia (0.71,0.84), Kenya (0.69,0.92), Mexico (0.66,0.59), Honduras (0.65,0.86), Philippines (0.63,0.84), Iran (0.62,0.85), Nicaragua (0.6,0.85), Guinea (0.6,0.94), Senegal (0.59,0.67), Jamaica (0.59,0.57), Madagascar (0.58,0.78), Mauritania (0.57,0.83)
legal efficiency*				
INEQUALITY				
political stability*	0.44	0.04	0.99	Chad (0.88,0.95), Ethiopia (0.87,0.65), Uganda (0.82,0.87), Kenya (0.74,0.92), Guinea (0.68,0.94), Sierra Leone (0.68,0.89), Cote d'Ivoire (0.67,0.9), Pakistan (0.67,0.89), Cameroon (0.66,0.91), Tanzania (0.62,0.8), Kyrgyzstan (0.6,0.92), Nigeria (0.57,0.94), Indonesia (0.55,0.89), India (0.54,0.71), Nepal (0.52,0.87), Senegal (0.52,0.67), Burkina Faso (0.52,0.65), Malawi (0.51,0.71)
wealth*				
ELR				
FRACTIONALIZATION*				
globalization				
solution coverage: 0.783032				
solution consistency: 0.970396				

It seems in the situation of high corruption as an outcome, the combination of internal conditions are more important. Absence of globalization as an external condition is only apparent in the third pathway. As mentioned earlier, in the third recipe, low globalization in combination with low political stability, low wealth and high ethno-linguistic-religious fractionalization is sufficient for corruption. In the first two recipes, only the combination of internal conditions are sufficient for corruption. This reveals that in the case of high corruption, although low globalization can be a factor, the combinations of internal conditions especially in legal aspects are much more important. In the analysis of sufficiency for low corruption, as I discussed earlier, globalization along with some internal conditions such as wealth, low elite fractionalization and low ethno-linguistic-religious fractionalization play very important roles in reducing corruption. Here, in the case of high corruption, at least in two of three recipes only internal conditions such as absence of efficient legal conditions, absence of judicial independence, low property rights, low political stability and high income inequality explain high corruption.

Therefore, with regards to the first question, the effect of globalization on corruption, if we set aside Ghana as an exception, globalization would be considered as an important factor in reducing corruption. However, globalization, in itself, is not sufficient for low corruption. It needs to combine with robust internal conditions in various ways, to be sufficient for low corruption. In contrast, regarding “high corrupt” developing countries, although the absence of

globalization appears on one of the pathways toward high corruption, it seems the effect of internal conditions, especially legal conditions, are more important.

With regards to the second research question, the similarities and differences of cases, I have specifically distinguished between two groups of countries in Latin America and Eastern Europe that follow distinct pathways toward low corruption. Regarding high corruption, developing countries from different regions of the world follow three specific pathways to corruption (Table 20).

Additionally, with respect to the combinational effects of globalization and internal conditions low and high corruption, I have included various aspects of globalization: political, economic and social dimensions, with various internal economic, legal, political and social conditions in separate analyses. These additional analyses of sufficiency are very beneficial in better understanding the combinational effects of the three dimensions of globalization and each category of internal conditions in detail.

Globalization, Internal Economic Conditions and Corruption

The analysis of sufficiency for aspects of globalization and economic conditions as shown in Table 21 reveals two distinct pathways for low corruption. Wealth is the only condition that appears in both pathways. The first recipe is the combination of wealth and economic globalization. In the second pathway on the other hand, wealth combines with political globalization, social globalization and

low inequality to be sufficient for low corruption in developing countries. The high unique coverage of the first recipe, 0.30, reveals that the configuration of economic globalization and wealth is the main economic route to low corruption in developing countries. I have shown these relationships in detail adding country names in Appendix B.

Table 21. Analysis of Sufficiency for Globalization, Economic Conditions and Low Corruption

frequency cutoff: 2.000000
consistency cutoff: 0.805110
Assumptions: inequality (absent), WEALTH (present), POLITICAL GLOBALIZATION (present), SOCIAL GLOBALIZATION (present), ECONOMIC GLOBALIZATION (present)

	RC	UC	CNS
WEALTH*ECONOMIC GLOBALIZATION	0.79	0.30	0.75
WEALTH*inequality*POLITICAL GLOBALIZATION*SOCIAL GLOBALIZATION	0.52	0.03	0.80

solution coverage: 0.82
solution consistency: 0.72

In contrast, as shown in Table 22 there are also two distinct pathways that are followed by developing countries for high corruption. Here, low economic globalization is the main condition that is repeated in both recipes. Low economic globalization once combines with low social globalization and also with wealth to be sufficient for high corruption in developing countries. Also, the unique coverage of both pathways demonstrate that the combination of low economic and social globalization is more important than the other recipe for explaining high corruption.

Table 22. Analysis of Sufficiency for Globalization, Economic Conditions and High Corruption

frequency cutoff: 3.000000,
consistency cutoff: 0.949817

Assumptions: INEQUALITY (present), political globalization (absent), social globalization (absent), economic globalization (absent)

	RC	UC	CNS
social globalization* economic globalization	0.74	0.33	0.94
WEALTH*economic globalization	0.48	0.07	0.93

solution coverage: 0.81,
solution consistency: 0.93

Globalization, Internal Legal Conditions and Corruption

In regard to the relations between legal conditions and low corruption as represented in Table 23, we can distinguish three different routes to low corruption. In the first and most important recipe, the combination of three legal conditions, property rights, legal efficiency and judicial independence is sufficient for low corruption. For some other countries, property rights combines with judicial independence, political and social globalization to be sufficient for low corruption. In addition, property rights may combine with judicial independence, economic and social globalization to be sufficient for the outcome. This last recipe is not as much important as the other two pathways.

Table 23. Analysis of Sufficiency for Globalization, Legal Conditions and Low Corruption

frequency cutoff: 2.000000
consistency cutoff: 0.815306
Assumptions: LEGAL EFFICIENCY (present), JUDICIAL INDEPENDENCE (present), PROPERTY RIGHTS (present), POLITICAL GLOBALIZATION (present), SOCIAL GLOBALIZATION (present), ECONOMIC GLOBALIZATION (present)

	RC	UC	CNS
PROPERTY RIGHTS*LEGAL EFFICIENCY*JUDICIAL INDEPENDENCE	0.79	0.11	0.82
PROPERTY RIGHTS*POLITICAL GLOBALIZATION*SOCIAL GLOBALIZATION	0.67	0.05	0.85
PROPERTY RIGHTS*JUDICIAL INDEPENDENCE*SOCIAL GLOBALIZATION* ECONOMIC GLOBALIZATION	0.69	0.01	0.92

solution coverage: 0.89
solution consistency: 0.78

In the situation of high corruption as outcome, it seems low legal efficiency and low judicial independence within countries are very important conditions for high corruption. As displayed in Table 24, these two legal conditions combine with property rights and different aspects of globalization in various ways to be sufficient for corruption. However, based on its considerable unique coverage, the most important route to corruption in developing countries is the combination of low economic globalization, low property rights, low judicial independence and low legal efficiency.

Table 24. Analysis of Sufficiency for Globalization, Legal Conditions and High Corruption

frequency cutoff: 3.000000			
consistency cutoff: 0.995317			
Assumptions: legal efficiency (absent), judicial independence (absent), property rights (absent), political globalization (absent), social globalization (absent), economic globalization (absent)			
	RC	UC	CNS
legal efficiency*judicial independence*property rights*economic globalization	0.63	0.18	1.00
legal efficiency*judicial independence*political globalization*social globalization*economic globalization	0.46	0.02	1.00
legal efficiency*judicial independence*property rights*political globalization*social globalization	0.46	0.02	1.00
solution coverage: 0.66			
solution consistency: 1.00			

Globalization, Internal Political Conditions and Corruption

In regards to the subset superset relations between globalization, political conditions and corruption, Table 25 shows that there are three important routes to low corruption in developing countries. In all these three pathways, there are two critical conditions: economic globalization and low elite fractionalization. In fact, these two conditions combine with other conditions to be sufficient for low corruption in developing countries. In the first recipe, the combination of economic globalization, low elite fractionalization, political stability and democracy is sufficient for low corruption. In the second recipe, economic globalization and low elite fractionalization combine with political stability and social globalization. This route can be considered as the most important route to low corruption. Finally, in some other countries, economic globalization and low

elite fractionalization combine with democracy and social globalization to be sufficient for low corruption.

Table 25. Analysis of Sufficiency for Globalization, Political Conditions and Low Corruption

frequency cutoff: 2.000000
consistency cutoff: 0.803205
Assumptions: elite fractionalization (absent), POLITICAL STABILITY (present), DEMOCRACY (present), POLITICAL GLOBALIZATION (present), SOCIAL GLOBALIZATION (present), ECONOMIC GLOBALIZATION (present)

	RC	UC	CNS
elite fractionalization*POLITICAL STABILITY*DEMOCRACY*ECONOMIC GLOBALIZATION	0.67	0.04	0.83
elite fractionalization*POLITICAL STABILITY*SOCIAL GLOBALIZATION*ECONOMIC GLOBALIZATION	0.71	0.08	0.85
elite fractionalization*DEMOCRACY*SOCIAL GLOBALIZATION*ECONOMIC GLOBALIZATION	0.67	0.04	0.82

solution coverage: 0.80
solution consistency: 0.80

The analysis of sufficiency of political conditions, globalization and high corruption represented in Table 26 reveals that there are two routes for high corruption in developing countries. Interestingly, the lack of political stability is a necessary but not sufficient condition for corruption. While low political stability combines with low economic globalization to be sufficient for corruption in some countries, the combination of low political stability and low political globalization is also another route to corruption in some other countries.

Table 26. Analysis of Sufficiency for Globalization, Political Conditions and High Corruption

frequency cutoff: 3.000000
consistency cutoff: 0.986864
Assumptions: ELITE FRACTIONALIZATION (present), political stability (absent), democracy (absent), political globalization (absent), social globalization (absent), economic globalization (absent)

	RC	UC	CNS
political stability *economic globalization	0.73	0.23	0.96
political stability *political globalization	0.54	0.04	0.98

solution coverage: 0.77
solution consistency: 0.96

Globalization, Internal Socio-Cultural Conditions and Corruption

The relations between social conditions, globalization and corruption are also interesting. As shown in Table 27 there are two distinct routes to low corruption among developing nations. In the first route, low political globalization combines with economic globalization, social globalization, low ethnic fractionalization, and low language fractionalization. In the alternative route which is more important than the previous one, low religious fractionalization combines with economic globalization, social globalization, low ethnic fractionalization, and low language fractionalization to be sufficient for low corruption.

Table 27. Analysis of Sufficiency for Globalization, Social Conditions and Low Corruption

frequency cutoff: 3.000000			
consistency cutoff: 0.837310			
Assumptions: religious fractionalization (absent), language fractionalization (absent), ethnic fractionalization (absent), political globalization (absent), social globalization (absent), economic globalization (absent)			
	RC	UC	CNS
language fractionalization*ethnic fractionalization*political globalization* SOCIAL GLOBALIZATION*ECONOMIC GLOBALIZATION	0.48	0.06	0.80
language fractionalization*ethnic fractionalization*religious fractionalization*SOCIAL GLOBALIZATION*ECONOMIC GLOBALIZATION	0.55	0.13	0.83
solution coverage: 0.61			
solution consistency: 0.82			

In the case of high corruption as the outcome as shown in Table 28, there are three distinct pathways. Two of these pathways are more important. First, combination of language fractionalization with low economic globalization and low social globalization. Second, combination of low social globalization and low political globalization.

Table 28. Analysis of Sufficiency for Globalization, Social Conditions and High Corruption

frequency cutoff: 3.000000			
consistency cutoff: 0.971725			
Assumptions: RELIGIOUS FRACTIONALIZATION (present), LANGUAGE FRACTIONALIZATION (present), ETHNIC FRACTIONALIZATION (present), political globalization (absent), social globalization (absent), economic globalization (absent)			
	RC	UC	CNS
political globalization*social globalization	0.55	0.07	0.96
religious fractionalization*political globalization*economic globalization	0.39	0.01	0.98
LANGUAGE FRACTIONALIZATION*social globalization*economic globalization	0.50	0.15	0.95
solution coverage: 0.71			
solution consistency: 0.95			

All of the above analyses reveal that neither external, nor domestic conditions explain low or high corruption solely. Instead, all of these analyses emphasize the combinational effects of external and internal conditions to be sufficient for low and high corruption in different pathways.

CHAPTER V

SUMMARY AND CONCLUSION

Corruption is a major social problem, especially in developing countries. Some scholars believe that corruption is becoming a “social norm” (Cheloukhine and King 2007) or a “culture” (Uslaner 2008). The special importance of corruption as a “social cancer” (Amundsen 1999) and its deleterious impact on economy, politics, society and culture is necessary for a better understanding of the problem.

In the contemporary globalizing world, corruption is not restricted to individual countries. Rather it is a global issue that requires regional and international cooperation (Lee and Oh 2007). Globalization has a seminal impact on state sovereignty. Resisting it is not only difficult but ineffectual. However, it is worth noting that in order to minimize the potential negative effects of globalization and decrease the opportunities and incentives for corrupt behaviors, developing countries need to develop robust legal, political and economic institutions. So, consideration of the combined effects of internal and external conditions in reducing corruption also may be of interest to local and international policy makers.

In previous studies of corruption, both quantitative and qualitative approaches have been applied. Specifically, studies that concentrate on countries as their research cases often use either case studies or quantitative

comparative analyses. Although there are some case studies in different countries, many comparative studies have neglected some developing countries that are grappling with corruption in multifarious dimensions. More importantly, because of their nature, the quantitative studies place greater emphasis on variables than on cases.

While cultural differences between countries in their views on corruption (Dalton 2005), complicate efforts to define corruption, I accept the general definition of corruption as abuse of public power for private benefits (Gillespie and Okruhlik 1991; Johnston 1997; Girling 1997; Bracking 2007; Lambsdorff 2007; Uslaner 2008). Regarding the measurement of corruption, although there might be differences between perception of corruption and actual corruption, using measures of perception of corruption especially in comparative studies is inevitable.

Because of the sensitivity of the issue and also because of the difficulties in measurement of real corruption across nations, the majority of the current indices of corruption measure the subjective aspect of corruption and not the real corruption. On the other hand, those indices that measure the objective corruption cover just a few countries. So, again they might not be appropriate for comparative studies. Moreover, as mentioned before, the strong correlation between most of the “independent” sources used to calculate corruption perception indicators shows that these indicators indeed reflect a common phenomenon (Treisman 2000: 410). Therefore, like many other comparative

studies of corruption, I have used “Corruption Perception Index” of Transparency International in my analyses. According to the CPI, almost all of the developing countries, compared to the developed countries suffer from some levels of corruption. However, it is clear that some of these countries are doing better than others. From among 90 research cases that are included in the analyses, while some countries such as Bangladesh, Chad, Haiti, Angola, Guinea and Nigeria are considered as the most corrupt nations, some other countries such as Singapore, Chile, Uruguay, Qatar, Botswana, Jordan, Malaysia and Costa Rica are classified as least corrupt.

SUMMARY

The main question is how globalization combines with other conditions to generate low or high corruption. In addition, one might ask, what are the similarities and differences among developing countries regarding the different combinations of conditions that are sufficient for corruption? To address the research questions, I have used FS/QCA. One of the advantages of FS/QCA is that it emphasizes causal complexity (Ragin 2000). From this perspective, instead of being interested in revealing the net effect of each independent variable on a dependent variable, the main question is how different conditions combine and whether there is only one combination or several different combinations of conditions (causal recipes) capable of generating the same outcome. In fact, in this diversity-oriented view, causes combine in different and

sometimes contradictory ways to produce the same outcome, revealing different paths (Ragin 2000). So, this approach will allow researchers to become familiar with the similarities and differences of research cases based on different recipes that are sufficient for the outcome (dependent variable). In the current study, I have focused on combinations of external and internal conditions impacting corruption in developing countries. I have studied various aspects of globalization, wealth, income inequality, democracy, political stability, elite fractionalization, property rights, judicial independence, efficiency of legal system and ethno-linguistic-religious fractionalization.

While there are no necessary conditions for “high corruption” among developing countries, property rights, judicial independence and low elite fractionalization are the most important necessary conditions for “low corruption”. All of the above-mentioned conditions are more domestic than global. However, these conditions are not sufficient for low corruption in themselves. These conditions may be sufficient for low corruption when they are combined with other conditions such as globalization, political stability, democracy, efficiency of legal framework, wealth, low inequality and low ethno-linguistic-religious fractionalization in different ways.

I argue that there is no single route to low or high corruption among developing countries. Instead, different countries may follow various pathways to be members of low or high corrupt countries. So, in the “analysis of sufficiency” for low corruption, I have distinguished between four different pathways. Ghana

is an example of a developing country that has low corruption because of the relative strength of its domestic legal, political and economic conditions.

In the remaining pathways to low corruption, globalization as an international factor combines with other conditions to be sufficient for low corruption. Here, based on their configurations of conditions for low corruption, I have distinguished between two different types of countries, Eastern European and Latin American countries. In fact, conditions act jointly in different ways to be sufficient for low corruption among these groups of countries. It is particularly noteworthy that although legal conditions such as property rights, judicial independence and efficiency of legal frameworks are not sufficiently conducive for low corruption in some Eastern European countries such as Croatia, Lithuania and Bulgaria, they are still members of “low corrupt” countries. This is because of the important roles of not only globalization but also strong economic and political conditions. In other words, in these Eastern European countries, globalization combine with relatively robust political and social conditions to be sufficient for low corruption.

On the other hand, when it comes to Singapore, Qatar and some Latin countries such as Chile, Uruguay, Costa Rica and Brazil, although they are dealing with some economic problems such as high income inequality, globalization in combination with legal, political and social conditions appears to be sufficient for low corruption.

Many Latin American countries, despite strong political structures, are still dealing with economic problems, especially income inequality (Pitts and Taillant 2009). Costa Rica, for instance has had a competitive political system and has been a democracy for decades (Lehoucq 2005: 143). According to Facetti (2009) because of the presence of good governments, citizens of Costa Rica, Uruguay and Chile are able to access efficient and satisfactory service (Facetti 2009: 304). However, although these countries have been successful in developing a robust economic model as well as in reducing absolute poverty and income inequality (Seligson and Muller 1987; Lehoucq 2005; Facetti 2009), the latter remains one of their major problems. Also, regional inequality between the modern sector in the center and south and the traditional and backward sector in the north and northeast is a major problem in Brazil (Geddes and Neto 1992: 643). However, because of their political and legal strengths (democracy and enforced property rights), high income inequality has not barred these countries from membership in the set of low corrupt developing countries.

In the case of high corruption as the outcome, there are three important routes to corruption among developing nations: first, the combination of three internal legal conditions, low property rights, low legal efficiency, and low judicial independence. The high “unique coverage” of this pathway demonstrates that it is the main and the most important route to corruption. Although this pathway is manifest in 20 countries, it is the exclusive route to corruption in countries such as Argentina, Russia, Algeria, Bosnia and Herzegovina, Burundi, Yemen and

Dominican Republic. So, at least for these groups of countries, the force majeure solution would be focusing more on the improvement of domestic structures and policies especially in legal aspects.

For the remaining developing nations, I found the absence of political stability as a critical condition in exacerbating corruption. Low political stability acts in combination with low legal efficiency and high income inequality to be sufficient for corruption among eighteen countries. This pathway is a particularly important route to corruption in the following ten countries: Mexico, Honduras, Guatemala, Jamaica, Kenya, Senegal, Mauritania, Madagascar, Iran and Philippines. Also, low political stability combines with low wealth, high ethno-linguistic-religious fractionalization and low globalization to be sufficient for corruption in eighteen countries. This pathway is exclusively manifested in eleven countries as follows: Pakistan, Ethiopia, Uganda, Sierra Leone, Tanzania, Nigeria, Burkina Faso, Malawi, Nepal, India and Indonesia.

Therefore, the results reveal that in the case of high corruption, although absence of globalization is a factor in aggravating the issue, it seems the roles of domestic conditions are much more salient. In addition of the combination of three legal conditions, low property rights, low legal efficiency and low judicial independence which is important route to corruption. I found low political stability as another critical condition in producing corruption. As Levin and Satarov (2000) mention, the more radical the changes are, the more energy and inventiveness are shown by the bureaucratic structures in the struggle for survival. In the

situation of rapid structural changes, bureaucratic institutions and the system of state management as a whole lag behind. However, political instability does not in itself cause corruption. Rather it needs to be combined with other conditions to be sufficient for corruption.

PRACTICAL AND POLICY IMPLICATIONS

Since there is no single route to low or high corruption, the prescription and practical implications cannot be similar for all countries. Needless to say, societies need to improve their conditions in political, legal, economic and social aspects. But from a policy making perspective, the crucial question is what the starting point should be. Specifically with regards to the issue of corruption (and contrary to the general belief), opening a country's gates to the global world without paying attention to strengthening the internal conditions would not guarantee transparency and low corruption. Romania, Ukraine, Russia and Argentina are examples of countries that are relatively globalized, but suffer from weak internal institutions. In these situations, globalization has not been helpful in reducing corruption.

On the other hand, it would be difficult to achieve a low level of corruption without economic, political and socio-cultural linkages with the global world. So, my analyses demonstrate that almost all of the developing countries that are "low corrupt", also have high fuzzy membership scores in the set of globalization. Even if we look at the case of Ghana as an exception that is relatively "low

globalized” and also relatively “low corrupt”, we can conclude that this country has a very high fuzzy score on political dimension of globalization. In the current study, I am not concerned with the integration of nation-states in the global community. This question needs a separate study. However, it is obvious that globalization requires mutual understanding and mutual trust. In other words, different actors within countries not only need to decide to develop various political, economic and social ties with the international community but also need to be accepted by the global actors as well. This is one reason that countries that are isolated from the global community with the mechanisms of economic sanctions, political pressures etc. are threatened with different types of corruption as well.

Let’s go back to the question what developing countries need to do to reduce corruption. I emphasized that countries need to not only strengthen their internal conditions but also improve their connections with the global community. Also, as I mentioned before, there is no single prescription for lowering corruption. So, each country should recognize not only its level of corruption but also its strengths and weaknesses with respect to other conditions in order to find the optimal route to lessen corruption. Based on my model, it is not hard to understand the key factors in reducing corruption in each case.

As shown in Figure 5, it is clear that those developing countries that are “low corrupt” have high fuzzy scores in the sets of globalization, wealth, political stability and low elite fractionalization. In addition to globalization as a key external condition, wealth, political stability and low elite fractionalization are critical internal conditions for low corruption. So, this offers an important clue that almost all of the low corrupt developing countries are relatively in good standing with above-mentioned conditions. Therefore, at these levels of corruption, countries should recognize any critical conditions that are absent in order to be able to reduce their levels of corruption. For instance, for a country that is relatively globalized, wealthy and politically stable, the next important step would be reducing elite fractionalization by providing the situations to regulate the elites’ conflicts.

However, one cannot deny that social problems are maddeningly complex. For example, almost all of the countries that are “low corrupt” are wealthy as well. So, wealth is one of the necessary conditions for low corruption. Therefore, we can conclude that to reduce the level of corruption, improving the economy would be considered as a required policy, but there is a plethora of discussions on the relations between economic development and inequality. Economic development increases inequality, at least in the short run. This is the negative outcome of the economic development and wealth accumulation. Similarly, emphasizing low elite fractionalization without paying attention to other conditions such as democracy

is doomed to failure. So, corrective actions and strategies against corruption should be thoughtful and overarching.

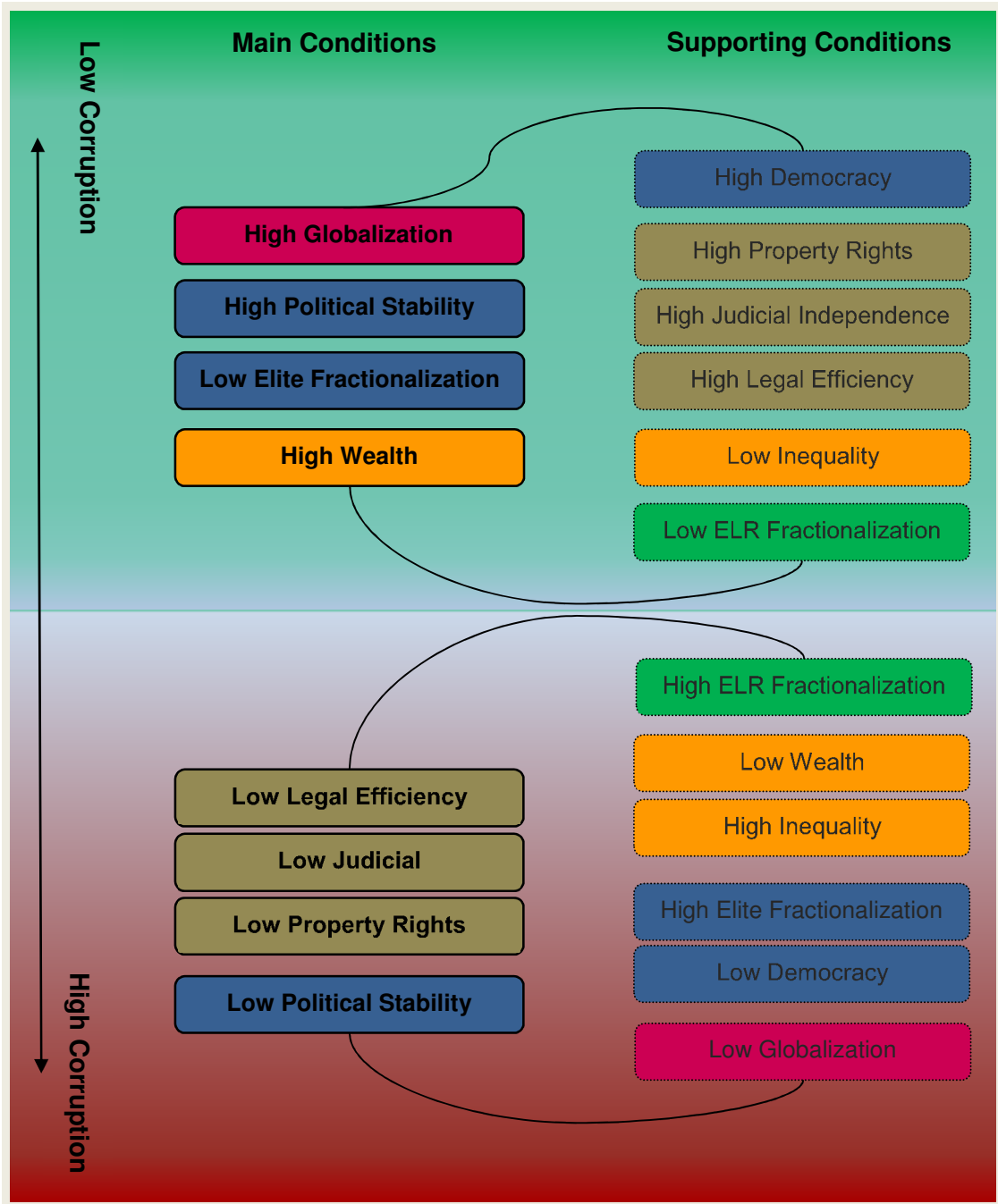


Figure 5. Combinations of Conditions for Low and High Corruption

On the other hand, as discussed earlier, the combination of low property rights, low judicial independence and low efficient legal system is the main route to high corruption. Moreover, low political stability should be considered as an important condition in exacerbating corruption. Therefore, these four conditions, low political stability, low property rights, low judicial independence and low efficient legal system are common in many of the corrupt countries. So, what do we learn from these conclusions?

For countries at these levels of corruption, the simple and short answer would be to recommend the leaders and policy makers to do something to improve the conditions that lead to high corruption. They need to focus more on establishing political stability and improving the three legal conditions, property rights, judicial independence and efficiency of legal system. Again, they need to pay attention to the interrelationships among conditions. For example, it would be difficult to correct the legal conditions without having a relatively democratic political system. Therefore, at these levels of corruption, nation-states should concentrate more on the four above mentioned leading factors to be successful in fighting corruption.

The other important issue that leaders need to keep in mind is that although corruption grows rapidly, fighting corruption would have to be gradual and rather step-by-step. In other words, it takes time to reduce corruption by strengthening the key economic, political, legal and social conditions. One of the explicit finding in this study is that almost all of the “low corrupt” countries are politically more

stable. On the other hand, most of the countries that are dealing with corruption have low fuzzy scores in the set of political stability. This is the reason I claim that revolutions that are often intended to fight corruption end up exacerbating it, because rapid structural changes usually facilitate various kinds of corruption. This is important especially for countries that are dealing with high corruption. Creating and reinforcing political stability would be prior to any other action in fighting corruption. Therefore, in the well-known debate in the developing world between the options of reform or revolution, the anti-corruption agenda would underline reform. For the next steps, nation-states can consider not only being integrated more in the global society but more importantly correcting the other key internal conditions in economic, political, legal and socio-cultural aspects. Of course finding the optimal pathways for each country will need more theoretical and empirical research.

Once a nation-state determines the unique pathway to lessen its level of corruption, it will then be in a position to prioritize the steps toward lowering corruption. The criteria for such prioritization would be the practicality and ease of chosen next step as well as its importance in lowering corruption.

LIMITATIONS AND FUTURE RESEARCH

As mentioned before, I have used the corruption perception index to measure corruption. One of the disadvantages of applying the current indices of corruption is their failure to distinguish between different types of corruption.

Corruption perception index, that is a survey of surveys, measures both administrative and political corruption but it does not separate these two important types of corruption. For instance, there would be differences between prevalent types of corruption in Uruguay and Qatar that “CPI” fails to distinct. Second, most of the data on macro level corruption is measured for nation-states. However, the phenomenon of globalization has raised another important level of corruption that surpasses national borders. This is the transnational corruption in which many multinational corporations, organizations and actors are involved. This nascent form of corruption is neglected not only in theoretical discussions of corruption but, more importantly, in methodological aspects such as measuring and so on.

When I started working on this issue, although I was really interested in studying the variation of corruption across countries, I encountered various limitations in conducting my research. First, most of the current measures of corruption are limited and fail to cover countries and especially developing countries for a long period of time. Second, studying variations of corruption needs attention to policy making conditions (e.g. democratization, liberalization, etc.) that are associated with longitudinal changes as well. So, instead of studying the variation, I decided to use the mean of these measures. In addition, the lack of data, especially cultural data, such as education and cultural values adds limitations to both conditions and cases.

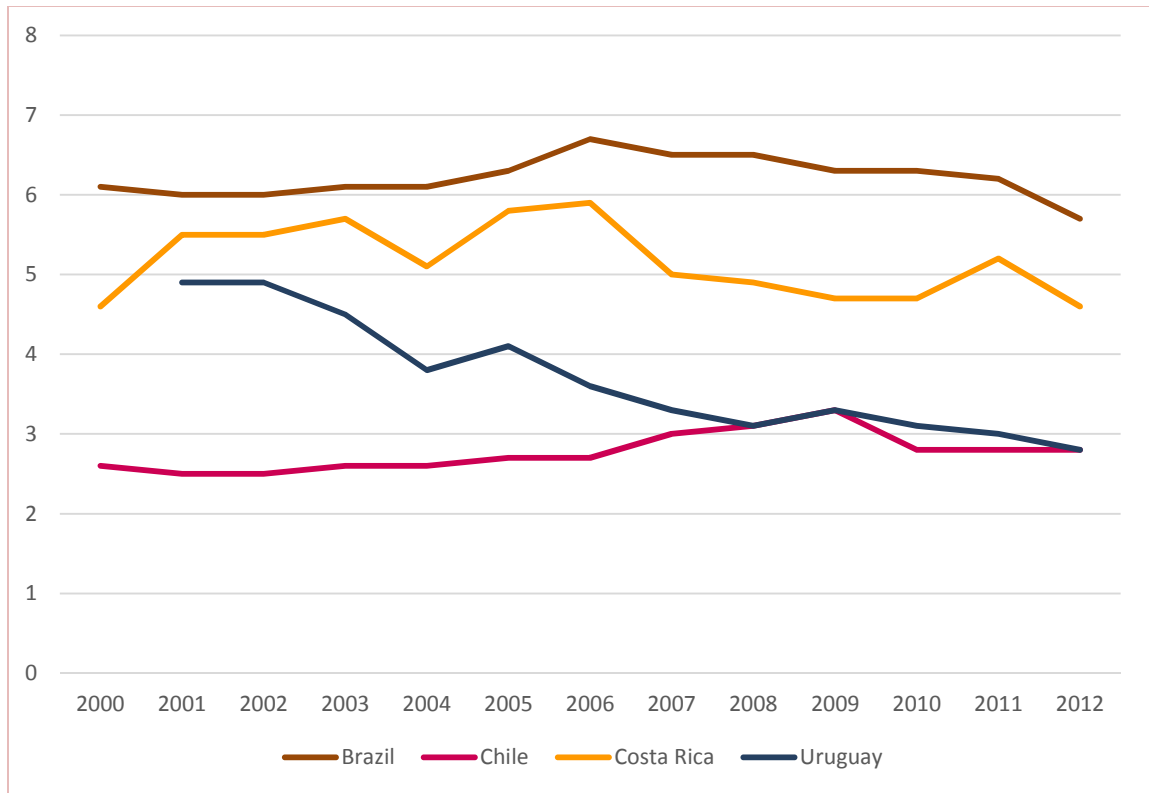


Figure 6. The Differences of Corruption Perception Index among Four Latin American Countries

On the other hand, although studying a large number of cases in the current study has helped to identify the various pathways and the similarities and differences of research cases, it fails to distinguish the detailed similarities and differences. For instance, although Chile, Uruguay, Costa Rica and Brazil are considered as relatively “low corrupt” developing countries, as shown in Figure 6, there are remarkable differences between these countries in terms of their levels of corruption. Finally, although there are plenty of works on the subject, the prevalence of corruption in a wide variety of societies underlines the need for conducting more research in this area. For future research, focusing on fewer cases and historical analyses of corruption will be enlightening.

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APPENDIX A

Fuzzy Membership Scores

Table 29. Fuzzy Membership Scores for Corruption and Conditions

Country	C	EG	SG	PG	G	W	U	PR	JI	EL
Albania	0.22	0.24	0.34	0.46	0.31	0.69	0.12	0.31	0.23	0.43
Algeria	0.24	0.25	0.25	0.83	0.36	0.72	0.37	0.31	0.21	0.23
Angola	0.06	0.73	0.07	0.15	0.23	0.53	0.83	0.14	0.21	0.18
Argentina	0.25	0.29	0.55	0.95	0.59	0.83	0.78	0.32	0.15	0.09
Armenia	0.22	0.52	0.46	0.11	0.33	0.55	0.24	0.53	0.19	0.31
Azerbaijan	0.08	0.48	0.53	0.2	0.39	0.65	0.24	0.23	0.45	0.53
Bangladesh	0.05	0.07	0.08	0.65	0.13	0.1	0.09	0.21	0.35	0.27
Benin	0.25	0.09	0.14	0.52	0.17	0.11	0.42	0.31	0.38	0.53
Bolivia	0.16	0.44	0.25	0.69	0.41	0.53	0.92	0.21	0.17	0.13
Bosnia	0.34	0.41	0.57	0.5	0.49	0.7	0.18	0.06	0.23	0.11
Botswana	0.85	0.65	0.33	0.14	0.34	0.9	0.93	0.91	0.94	0.91
Brazil	0.53	0.35	0.36	0.94	0.51	0.81	0.94	0.69	0.52	0.39
Bulgaria	0.54	0.69	0.7	0.9	0.82	0.86	0.07	0.42	0.26	0.18
Burkina Faso	0.35	0.12	0.13	0.49	0.18	0.08	0.65	0.31	0.23	0.43
Burundi	0.07	0.05	0.09	0.13	0.07	0.05	0.3	0.21	0.08	0.13
Cambodia	0.07	0.5	0.11	0.17	0.21	0.13	0.48	0.28	0.26	0.53
Cameroon	0.09	0.12	0.16	0.51	0.2	0.18	0.5	0.28	0.17	0.31
Chad	0.05	0.15	0.08	0.22	0.12	0.09	0.49	0.19	0.13	0.18
Chile	0.94	0.88	0.62	0.9	0.86	0.93	0.9	0.98	0.91	0.91
China	0.43	0.28	0.52	0.83	0.48	0.59	0.27	0.19	0.6	0.73
Colombia	0.51	0.3	0.46	0.49	0.39	0.75	0.92	0.52	0.48	0.39
Costa Rica	0.72	0.62	0.74	0.3	0.62	0.83	0.74	0.7	0.91	0.69
Cote d'Ivoire	0.1	0.24	0.29	0.67	0.33	0.14	0.52	0.26	0.08	0.15
Croatia	0.55	0.65	0.86	0.77	0.86	0.96	0.07	0.35	0.32	0.15
Dominican Republic	0.27	0.34	0.6	0.38	0.44	0.72	0.82	0.28	0.26	0.23
Ecuador	0.12	0.31	0.5	0.63	0.44	0.69	0.88	0.25	0.12	0.11
Egypt	0.31	0.21	0.44	0.94	0.46	0.59	0.12	0.6	0.74	0.53
El Salvador	0.53	0.54	0.57	0.63	0.59	0.65	0.83	0.68	0.29	0.23
Ethiopia	0.35	0.07	0.06	0.6	0.12	0.06	0.17	0.28	0.32	0.43
Gabon	0.29	0.23	0.44	0.4	0.33	0.93	0.55	0.61	0.19	0.64
Georgia	0.34	0.56	0.57	0.11	0.38	0.52	0.51	0.41	0.29	0.31
Ghana	0.52	0.27	0.24	0.87	0.38	0.1	0.42	0.69	0.6	0.64
Guatemala	0.2	0.37	0.49	0.6	0.46	0.55	0.92	0.36	0.26	0.23
Guinea	0.06	0.1	0.12	0.64	0.18	0.07	0.6	0.21	0.19	0.18
Haiti	0.05	0.1	0.09	0.13	0.09	0.08	0.95	0.05	0.07	0.06
Honduras	0.14	0.55	0.49	0.49	0.51	0.46	0.92	0.38	0.38	0.35
India	0.29	0.12	0.19	0.93	0.3	0.25	0.14	0.69	0.85	0.73

Indonesia	0.11	0.44	0.2	0.84	0.42	0.45	0.11	0.31	0.52	0.58
Iran	0.15	0.06	0.21	0.39	0.15	0.81	0.62	0.05	0.6	0.35
Jamaica	0.43	0.69	0.59	0.38	0.59	0.72	0.6	0.67	0.8	0.39
Jordan	0.73	0.61	0.75	0.88	0.81	0.57	0.35	0.77	0.85	0.77
Kazakhstan	0.14	0.67	0.41	0.22	0.41	0.81	0.15	0.31	0.29	0.39
Kenya	0.08	0.13	0.17	0.85	0.26	0.11	0.75	0.54	0.26	0.31
Kyrgyzstan	0.08	0.43	0.45	0.35	0.4	0.16	0.3	0.23	0.1	0.13
Latvia	0.61	0.8	0.85	0.2	0.75	0.93	0.16	0.71	0.56	0.27
Lesotho	0.43	0.35	0.23	0.09	0.19	0.1	0.93	0.61	0.35	0.2
Lithuania	0.71	0.8	0.81	0.52	0.83	0.95	0.14	0.73	0.48	0.43
Macedonia	0.38	0.41	0.77	0.07	0.39	0.79	0.45	0.32	0.26	0.27
Madagascar	0.22	0.16	0.11	0.28	0.15	0.07	0.67	0.65	0.19	0.2
Malawi	0.29	0.23	0.15	0.29	0.2	0.06	0.66	0.64	0.82	0.64
Malaysia	0.72	0.8	0.9	0.81	0.92	0.91	0.72	0.72	0.8	0.93
Mali	0.24	0.21	0.09	0.59	0.21	0.07	0.52	0.46	0.32	0.48
Mauritania	0.17	0.35	0.14	0.18	0.19	0.19	0.57	0.25	0.23	0.35
Mexico	0.41	0.4	0.58	0.54	0.5	0.91	0.79	0.69	0.38	0.31
Moldova	0.21	0.62	0.68	0.29	0.57	0.25	0.26	0.63	0.15	0.23
Mongolia	0.24	0.54	0.15	0.32	0.3	0.4	0.17	0.49	0.19	0.2
Mozambique	0.18	0.33	0.16	0.39	0.26	0.06	0.7	0.28	0.23	0.35
Namibia	0.69	0.46	0.45	0.37	0.42	0.62	0.99	0.6	0.93	0.91
Nepal	0.13	0.05	0.12	0.45	0.12	0.08	0.26	0.32	0.35	0.2
Nicaragua	0.15	0.44	0.51	0.27	0.39	0.4	0.67	0.21	0.09	0.11
Nigeria	0.06	0.53	0.12	0.93	0.43	0.16	0.63	0.28	0.6	0.53
Pakistan	0.11	0.14	0.28	0.91	0.33	0.21	0.13	0.28	0.48	0.27
Panama	0.41	0.86	0.7	0.29	0.72	0.86	0.92	0.4	0.17	0.39
Paraguay	0.08	0.32	0.42	0.57	0.41	0.54	0.89	0.29	0.06	0.11
Peru	0.51	0.56	0.39	0.85	0.57	0.72	0.82	0.47	0.21	0.23
Philippines	0.16	0.4	0.36	0.84	0.48	0.42	0.63	0.45	0.32	0.2
Qatar	0.89	0.82	0.78	0.27	0.75	1	0.54	0.77	0.98	0.95
Romania	0.37	0.47	0.71	0.93	0.77	0.87	0.08	0.35	0.35	0.2
Russia	0.12	0.32	0.85	0.83	0.75	0.94	0.46	0.31	0.21	0.18
Rwanda	0.49	0.05	0.14	0.22	0.09	0.07	0.71	0.24	0.93	0.91
Senegal	0.33	0.13	0.31	0.89	0.34	0.14	0.62	0.65	0.23	0.35
Serbia	0.32	0.36	0.8	0.29	0.54	0.81	0.11	0.45	0.19	0.13
Sierra Leone	0.11	0.12	0.07	0.24	0.11	0.07	0.44	0.06	0.23	0.39
Singapore	0.99	0.97	0.97	0.46	0.98	1	0.59	0.98	0.97	0.99
South Africa	0.68	0.62	0.51	0.85	0.67	0.8	0.96	0.69	0.9	0.94
Sri Lanka	0.38	0.19	0.39	0.56	0.33	0.52	0.3	0.66	0.77	0.77
Swaziland	0.33	0.42	0.52	0.07	0.28	0.6	0.89	0.7	0.45	0.48

Syria	0.2	0.13	0.21	0.25	0.16	0.55	0.27	0.26	0.35	0.2
Tanzania	0.2	0.12	0.09	0.27	0.12	0.08	0.25	0.31	0.48	0.53
Thailand	0.42	0.57	0.48	0.77	0.6	0.7	0.61	0.75	0.71	0.69
Trinidad and Tobago	0.56	0.75	0.58	0.17	0.49	0.99	0.55	0.87	0.74	0.53
Tunisia	0.68	0.4	0.36	0.9	0.5	0.74	0.52	0.67	0.85	0.93
Turkey	0.55	0.42	0.68	0.94	0.74	0.91	0.56	0.73	0.48	0.48
Uganda	0.13	0.22	0.11	0.37	0.18	0.08	0.6	0.45	0.41	0.53
Ukraine	0.11	0.39	0.7	0.81	0.66	0.63	0.07	0.28	0.13	0.09
Uruguay	0.89	0.52	0.57	0.87	0.67	0.86	0.67	0.91	0.93	0.69
Venezuela	0.09	0.29	0.55	0.6	0.45	0.86	0.77	0.13	0.05	0.03
Vietnam	0.16	0.37	0.14	0.19	0.2	0.24	0.29	0.05	0.52	0.58
Yemen	0.11	0.31	0.12	0.26	0.19	0.22	0.26	0.28	0.08	0.07
Zambia	0.22	0.56	0.19	0.66	0.41	0.09	0.85	0.54	0.48	0.58

Country	D	PS	EF	ETF	LNF	RLF	ELRF
Albania	0.67	0.39	0.22	0.16	0.06	0.46	0.17
Algeria	0.17	0.14	0.35	0.28	0.41	0.05	0.19
Angola	0.16	0.24	0.42	0.9	0.89	0.79	0.88
Argentina	0.86	0.45	0.05	0.19	0.07	0.16	0.13
Armenia	0.34	0.46	0.3	0.1	0.1	0.44	0.17
Azerbaijan	0.17	0.25	0.49	0.14	0.15	0.49	0.23
Bangladesh	0.5	0.13	0.86	0.06	0.08	0.15	0.09
Benin	0.86	0.8	0.11	0.9	0.89	0.62	0.86
Bolivia	0.74	0.29	0.61	0.86	0.16	0.15	0.34
Bosnia	0.54	0.34	0.81	0.73	0.78	0.87	0.8
Botswana	0.85	0.95	0.05	0.37	0.37	0.73	0.46
Brazil	0.84	0.48	0.16	0.57	0.06	0.75	0.35
Bulgaria	0.89	0.7	0.11	0.35	0.23	0.73	0.4
Burkina Faso	0.44	0.48	0.45	0.86	0.83	0.69	0.82
Burundi	0.25	0.08	0.49	0.23	0.23	0.55	0.31
Cambodia	0.16	0.32	0.45	0.15	0.15	0.08	0.12
Cameroon	0.11	0.34	0.68	0.94	0.94	0.91	0.94
Chad	0.11	0.1	0.95	0.94	0.93	0.8	0.92
Chile	0.94	0.87	0.02	0.13	0.13	0.33	0.18
China	0.07	0.33	0.42	0.11	0.1	0.83	0.25
Colombia	0.56	0.08	0.68	0.68	0.05	0.11	0.19
Costa Rica	0.94	0.88	0.06	0.17	0.06	0.17	0.13
Cote d'Ivoire	0.14	0.08	0.88	0.92	0.88	0.93	0.92

Croatia	0.89	0.82	0.1	0.31	0.07	0.41	0.23
Dominican Republic	0.87	0.47	0.39	0.4	0.06	0.24	0.19
Ecuador	0.7	0.26	0.52	0.77	0.1	0.1	0.24
Egypt	0.16	0.29	0.61	0.13	0.05	0.14	0.1
El Salvador	0.8	0.52	0.14	0.14		0.3	0.21
Ethiopia	0.21	0.11	0.84	0.84	0.9	0.77	0.87
Gabon	0.25	0.7	0.39	0.88	0.88	0.85	0.89
Georgia	0.54	0.22	0.72	0.49	0.46	0.82	0.58
Ghana	0.89	0.49	0.09	0.78	0.77	0.95	0.87
Guatemala	0.52	0.25	0.3	0.52	0.44	0.33	0.43
Guinea	0.17	0.1	0.88	0.86	0.87	0.19	0.68
Haiti	0.21	0.15	0.84	0.08		0.46	0.21
Honduras	0.63	0.35	0.32	0.13	0.07	0.17	0.12
India	0.8	0.16	0.26	0.38	0.9	0.27	0.54
Indonesia	0.73	0.13	0.42	0.86	0.87	0.17	0.67
Iran	0.11	0.19	0.88	0.78	0.86	0.09	0.52
Jamaica	0.81	0.41	0.08	0.37	0.09	0.77	0.33
Jordan	0.25	0.39	0.3	0.66	0.06	0.07	0.17
Kazakhstan	0.17	0.7	0.49	0.71	0.76	0.71	0.74
Kenya	0.51	0.16	0.72	0.94	0.94	0.94	0.95
Kyrgyzstan	0.23	0.22	0.52	0.79	0.66	0.43	0.65
Latvia	0.92	0.85	0.1	0.66	0.64	0.65	0.65
Lesotho	0.73	0.54	0.36	0.19	0.18	0.9	0.37
Lithuania	0.94	0.89	0.05	0.25	0.25	0.37	0.29
Macedonia	0.67	0.28	0.31	0.5	0.5	0.71	0.56
Madagascar	0.51	0.42	0.42	0.95	0.05	0.55	0.46
Malawi	0.54	0.49	0.43	0.78	0.67	0.96	0.85
Malaysia	0.39	0.67	0.27	0.66	0.67	0.85	0.74
Mali	0.78	0.56	0.09	0.81	0.92	0.13	0.65
Mauritania	0.21	0.39	0.49	0.71	0.27	0.05	0.25
Mexico	0.81	0.34	0.18	0.57	0.11	0.13	0.22
Moldova	0.62	0.39	0.46	0.59	0.59	0.65	0.63
Mongolia	0.87	0.9	0.16	0.31	0.31	0.07	0.2
Mozambique	0.6	0.67	0.23	0.81	0.9	0.86	0.88
Namibia	0.85	0.87	0.07	0.73	0.81	0.83	0.81
Nepal	0.4	0.08	0.68	0.77	0.83	0.1	0.52
Nicaragua	0.6	0.4	0.36	0.47	0.06	0.4	0.25
Nigeria	0.41	0.08	0.91	0.93	0.92	0.92	0.93
Pakistan	0.22	0.05	0.92	0.83	0.83	0.33	0.7

Panama	0.92	0.51	0.04	0.59	0.34	0.27	0.38
Paraguay	0.67	0.25	0.46	0.12	0.67	0.15	0.27
Peru	0.79	0.21	0.38	0.77	0.28	0.14	0.35
Philippines	0.72	0.12	0.52	0.17	0.92	0.24	0.44
Qatar	0.15	0.96	0.14	0.87	0.47	0.08	0.41
Romania	0.87	0.6	0.14	0.24	0.12	0.17	0.17
Russia	0.19	0.2	0.65	0.18	0.18	0.41	0.24
Rwanda	0.14	0.25	0.65	0.25		0.52	0.38
Senegal	0.74	0.41	0.1	0.81	0.81	0.11	0.52
Serbia	0.85	0.29	0.65	0.63			0.65
Sierra Leone	0.6	0.32	0.49	0.92	0.86	0.6	0.86
Singapore	0.34	0.97	0.09	0.34	0.33	0.83	0.47
South Africa	0.9	0.47	0.16	0.87	0.93	0.97	0.94
Sri Lanka	0.51	0.16	0.91	0.38	0.44	0.49	0.43
Swaziland	0.12	0.46	0.36	0.07	0.12	0.41	0.17
Syria	0.06	0.35	0.48	0.57	0.13	0.4	0.33
Tanzania	0.59	0.38	0.24	0.86	0.95	0.79	0.9
Thailand	0.54	0.28	0.61	0.73	0.72	0.08	0.44
Trinidad and Tobago	0.83	0.47	0.21	0.75	0.1	0.95	0.54
Tunisia	0.19	0.6	0.32	0.06	0.05	0.05	0.05
Turkey	0.62	0.24	0.45	0.25	0.16	0.05	0.13
Uganda	0.3	0.15	0.61	0.96	0.95	0.79	0.94
Ukraine	0.65	0.43	0.52	0.46	0.46	0.77	0.54
Uruguay	0.95	0.92	0.04	0.18	0.07	0.29	0.17
Venezuela	0.42	0.15	0.42	0.5	0.07	0.1	0.17
Vietnam	0.1	0.67	0.35	0.17	0.17	0.52	0.27
Yemen	0.19	0.09	0.89		0.05	0.05	0.05
Zambia	0.51	0.67	0.2	0.89	0.93	0.92	0.93

APPENDIX B

Analyses of Sufficiency by Including the Supporting Cases

Table 30. Analysis of Sufficiency for Globalization, Economic Conditions and Low Corruption by Including the Supporting Cases

frequency cutoff: 2.000000
consistency cutoff: 0.805110
Assumptions: inequality (absent), WEALTH (present), POLITICAL GLOBALIZATION (present), SOCIAL GLOBALIZATION (present), ECONOMIC GLOBALIZATION (present)

	RC	UC	CNS	
WEALTH* ECONOMIC GLOBALIZATION	0.79	0.30	0.75	Singapore (0.97,0.99), Chile (0.88,0.94), Qatar (0.82,0.89), Malaysia (0.8,0.72), Lithuania (0.8,0.71), Latvia (0.8,0.61), Trinidad and Tobago (0.75,0.56), Bulgaria (0.69,0.54), Croatia (0.65,0.55), Botswana (0.65,0.85), South Africa (0.62,0.68), Costa Rica (0.62,0.72), Jordan (0.57,0.73), Peru (0.56,0.51), El Salvador (0.54,0.53),
WEALTH* inequality* POLITICAL GLOBALIZATION* SOCIAL GLOBALIZATION	0.52	0.03	0.80	Croatia (0.77,0.55), Bulgaria (0.7,0.54), Jordan (0.57,0.73), Lithuania (0.52,0.71)

solution coverage: 0.82
solution consistency: 0.72

Table 31. Analysis of Sufficiency for Globalization, Economic Conditions and High Corruption by Including the Supporting Cases

frequency cutoff: 3.000000
consistency cutoff: 0.949817
Assumptions: INEQUALITY (present), political globalization (absent), social globalization (absent), economic globalization (absent)

	RC	UC	CNS	
social globalization*	0.74	0.33	0.94	Ethiopia (0.93,0.65), Bangladesh (0.92,0.95), Burundi (0.91,0.93), Haiti (0.9,0.95), Nepal (0.88,0.87), Tanzania (0.88,0.8), Sierra Leone (0.88,0.89), Guinea (0.88,0.94), Burkina Faso (0.87,0.65), Rwanda (0.86,0.51), Benin (0.86,0.75), Chad (0.85,0.95), Cameroon (0.84,0.91), Madagascar (0.84,0.78), Kenya (0.83,0.92), India (0.81,0.71), Iran (0.79,0.85), Mali (0.79,0.76), Syria (0.79,0.8), Uganda (0.78,0.87)
economic globalization				
WEALTH*	0.48	0.07	0.93	Iran (0.81,0.85), Gabon (0.77,0.71), Algeria (0.72,0.76), Venezuela (0.71,0.91), Argentina (0.71,0.75), Albania (0.69,0.78), Ecuador (0.69,0.88), Russia (0.68,0.88), Dominican Republic (0.66,0.73), Serbia (0.64,0.68), Ukraine (0.61,0.89), Mexico (0.6,0.59), Macedonia (0.59,0.62), Bosnia and Herzegovina (0.59,0.66), Egypt (0.59,0.69), China (0.59,0.57), Swaziland (0.58,0.67)
economic globalization				

solution coverage: 0.81
solution consistency: 0.93

Table 32. Analysis of Sufficiency for Globalization, Legal Conditions and Low Corruption by Including the Supporting Cases

frequency cutoff: 2.000000
consistency cutoff: 0.815306

Assumptions: LEGAL EFFICIENCY (present), JUDICIAL INDEPENDENCE (present), PROPERTY RIGHTS (present), POLITICAL GLOBALIZATION (present), SOCIAL GLOBALIZATION (present), ECONOMIC GLOBALIZATION (present)

	RC	UC	CNS	
PROPERTY RIGHTS* LEGAL EFFICIENCY*	0.79	0.11	0.82	Singapore (0.97,0.99), Botswana (0.91,0.85), Chile (0.91,0.94), Jordan (0.77,0.73), Qatar (0.77,0.89), Malaysia (0.72,0.72), Uruguay (0.69,0.89), South Africa (0.69,0.68), Costa Rica (0.69,0.72), Tunisia (0.67,0.68), Namibia (0.6,0.69), Ghana (0.6,0.52), Trinidad and Tobago (0.53,0.56)
JUDICIAL INDEPENDENCE				
PROPERTY RIGHTS* POLITICAL GLOBALIZATION*	0.67	0.05	0.85	Jordan (0.75,0.73), Malaysia (0.72,0.72), Turkey (0.68,0.55), Chile (0.62,0.94), El Salvador (0.57,0.53), Uruguay (0.57,0.89), Lithuania (0.52,0.71), South Africa (0.51,0.68)
SOCIAL GLOBALIZATION				
PROPERTY RIGHTS* JUDICIAL INDEPENDENCE*	0.69	0.01	0.92	Singapore (0.97,0.99), Qatar (0.77,0.89), Malaysia (0.72,0.72), Chile (0.62,0.94), Costa Rica (0.62,0.72), Jordan (0.61,0.73), Trinidad and Tobago (0.58,0.56), Latvia (0.56,0.61), Uruguay (0.52,0.89), South Africa (0.51,0.68)
SOCIAL GLOBALIZATION*				
ECONOMIC GLOBALIZATION				

solution coverage: 0.89
solution consistency: 0.78

Table 33. Analysis of Sufficiency for Globalization, Legal Conditions and High Corruption by Including the Supporting Cases

	RC	UC	CNS	
frequency cutoff: 3.000000				
consistency cutoff: 0.995317				
Assumptions: legal efficiency (absent), judicial independence (absent), property rights (absent), political globalization (absent), social globalization (absent), economic globalization (absent)				
legal efficiency*	0.63	0.18	1.00	Haiti (0.9,0.95), Chad (0.81,0.95),
judicial independence*				Guinea (0.79,0.94), Burundi
property rights*				(0.79,0.93), Cote d'Ivoire
economic globalization				(0.74,0.9), Venezuela (0.71,0.91),
				Ecuador (0.69,0.88), Cameroon
				(0.69,0.91), Algeria (0.69,0.76),
				Yemen (0.69,0.89), Argentina
				(0.68,0.75), Russia (0.68,0.88),
				Paraguay (0.68,0.92), Dominican
				Republic (0.66,0.73), Bangladesh
				(0.65,0.95), Syria (0.65,0.8),
				Mauritania (0.65,0.83),
				Mozambique (0.65,0.82), Nepal
				(0.65,0.87), Guatemala (0.63,0.8)
legal efficiency*	0.46	0.02	1.00	Burundi (0.87,0.93), Haiti
judicial independence*				(0.87,0.95), Chad (0.78,0.95),
political globalization*				Madagascar (0.72,0.78), Yemen
social globalization*				(0.69,0.89), Lesotho (0.65,0.57),
economic globalization				Mauritania (0.65,0.83), Syria
				(0.65,0.8), Mozambique
				(0.61,0.82), Sierra Leone
				(0.61,0.89), Kyrgyzstan (0.55,0.92),
				Nepal (0.55,0.87), Albania
				(0.54,0.78), Burkina Faso
				(0.51,0.65)
legal efficiency*	0.46	0.02	1.00	Haiti (0.87,0.95), Angola
judicial independence*				(0.79,0.94), Burundi (0.79,0.93),
property rights*				Chad (0.78,0.95), Yemen
political globalization*				(0.72,0.89), Mauritania (0.65,0.83),
social globalization				Syria (0.65,0.8), Mozambique
				(0.61,0.82), Sierra Leone
				(0.61,0.89), Kazakhstan
				(0.59,0.86), Kyrgyzstan
				(0.55,0.92), Nepal (0.55,0.87),
				Albania (0.54,0.78), Burkina Faso
				(0.51,0.65), Honduras (0.51,0.86),
				Mongolia (0.51,0.76)
solution coverage: 0.66				
solution consistency: 1.00				

Table 34. Analysis of Sufficiency for Globalization, Political Conditions and Low Corruption by Including the Supporting Cases

frequency cutoff: 2.000000
consistency cutoff: 0.803205

Assumptions: elite fractionalization (absent), POLITICAL STABILITY (present), DEMOCRACY (present), POLITICAL GLOBALIZATION (present), SOCIAL GLOBALIZATION (present), ECONOMIC GLOBALIZATION (present)

	RC	UC	CNS	
elite fractionalization*	0.67	0.04	0.83	Chile (0.87,0.94), Latvia (0.8,0.61), Lithuania (0.8,0.71), Bulgaria (0.69,0.54), Botswana (0.65,0.85), Croatia (0.65,0.55), Costa Rica (0.62,0.72), El Salvador (0.52,0.53), Uruguay (0.52,0.89),
POLITICAL STABILITY*				
DEMOCRACY*				
ECONOMIC GLOBALIZATION				
elite fractionalization*	0.71	0.08	0.85	Singapore (0.91,0.99), Latvia (0.8,0.61), Lithuania (0.8,0.71), Qatar (0.78,0.89), Bulgaria (0.69,0.54), Malaysia (0.67,0.72), Croatia (0.65,0.55), Chile (0.62,0.94), Costa Rica (0.62,0.72), El Salvador (0.52,0.53), Uruguay (0.52,0.89)
POLITICAL STABILITY*				
SOCIAL GLOBALIZATION*				
ECONOMIC GLOBALIZATION				
elite fractionalization*	0.67	0.04	0.82	Latvia (0.8,0.61), Lithuania (0.8,0.71), Bulgaria (0.69,0.54), Croatia (0.65,0.55), Chile (0.62,0.94), Costa Rica (0.62,0.72), Trinidad and Tobago (0.58,0.56), El Salvador (0.54,0.53), Uruguay (0.52,0.89), South Africa (0.51,0.68)
DEMOCRACY*				
SOCIAL GLOBALIZATION*				
ECONOMIC GLOBALIZATION				

solution coverage: 0.80
solution consistency: 0.80

Table 35. Analysis of Sufficiency for Globalization, Political Conditions and High Corruption by Including the Supporting Cases

frequency cutoff: 3.000000
consistency cutoff: 0.986864

Assumptions: ELITE FRACTIONALIZATION (present), political stability (absent), democracy (absent), political globalization (absent), social globalization (absent), economic globalization (absent)

	RC	UC	CNS	
political stability* economic globalization	0.73	0.23	0.96	Nepal (0.92,0.87), Burundi (0.92,0.93), Guinea (0.9,0.94), Ethiopia (0.89,0.65), Bangladesh (0.87,0.95), Pakistan (0.86,0.89), Haiti (0.85,0.95), Chad (0.85,0.95), India (0.84,0.71), Kenya (0.84,0.92), Sri Lanka (0.81,0.62), Iran (0.81,0.85), Uganda (0.78,0.87), Cote d'Ivoire (0.76,0.9), Rwanda (0.75,0.51), Algeria (0.75,0.76), Venezuela (0.71,0.91), Egypt (0.71,0.69), Yemen (0.69,0.89)
political stability* political globalization	0.54	0.04	0.98	Burundi (0.87,0.93), Haiti (0.85,0.95), Chad (0.78,0.95), Georgia (0.78,0.66), Angola (0.76,0.94), Rwanda (0.75,0.51), Azerbaijan (0.75,0.92), Yemen (0.74,0.89), Macedonia (0.72,0.62), Serbia (0.71,0.68), Cambodia (0.68,0.93), Sierra Leone (0.68,0.89), Kyrgyzstan (0.65,0.92), Syria (0.65,0.8), Uganda (0.63,0.87), Tanzania (0.62,0.8), Iran (0.61,0.85), Mauritania (0.61,0.83), Moldova (0.61,0.79), Nicaragua (0.6,0.85)

solution coverage: 0.77
solution consistency: 0.96

Table 36. Analysis of Sufficiency for Globalization, Social Conditions and Low Corruption by Including the Supporting Cases

frequency cutoff: 3.000000
consistency cutoff: 0.837310

Assumptions: religious fractionalization (absent), language fractionalization (absent), ethnic fractionalization (absent), political globalization (absent), social globalization (absent), economic globalization (absent)

	RC	UC	CNS	
language fractionalization*	0.48	0.06	0.80	Costa Rica (0.62,0.72), Singapore (0.54,0.99),
ethnic fractionalization*				
political globalization*				
SOCIAL GLOBALIZATION*				
ECONOMIC GLOBALIZATION				
religious fractionalization*	0.55	0.13	0.83	Lithuania (0.63,0.71), Chile (0.62,0.94), Costa Rica (0.62,0.72), Croatia (0.59,0.55), Uruguay (0.52,0.89)
language fractionalization*				
ethnic fractionalization*				
SOCIAL GLOBALIZATION*				
ECONOMIC GLOBALIZATION				

solution coverage: 0.61
solution consistency: 0.82

Table 37. Analysis of Sufficiency for Globalization, Social Conditions and High Corruption by Including the Supporting Cases

	RC	UC	CNS	
frequency cutoff: 3.000000				
consistency cutoff: 0.971725				
Assumptions: RELIGIOUS FRACTIONALIZATION (present), LANGUAGE FRACTIONALIZATION (present), ETHNIC FRACTIONALIZATION (present), political globalization (absent), social globalization (absent), economic globalization (absent)				
political globalization*	0.55	0.07	0.96	Burundi (0.87,0.93), Angola (0.85,0.94), Cambodia (0.83,0.93), Mauritania (0.82,0.83), Vietnam (0.81,0.84), Chad (0.78,0.95), Lesotho (0.77,0.57), Sierra Leone (0.76,0.89), Syria (0.75,0.8), Tanzania (0.73,0.8), Madagascar (0.72,0.78), Malawi (0.71,0.71), Mongolia (0.68,0.76), Uganda (0.63,0.87), Iran (0.61,0.85), Mozambique (0.61,0.82), Kazakhstan (0.59,0.86), Gabon (0.56,0.71), Nepal (0.55,0.87)
social globalization				
religious fractionalization*	0.39	0.01	0.98	Mauritania (0.65,0.83), Dominican Republic (0.62,0.73), Iran (0.61,0.85), Syria (0.6,0.8), Swaziland (0.58,0.67), Kyrgyzstan (0.57,0.92), Nicaragua (0.56,0.85), Nepal (0.55,0.87), Albania (0.54,0.78), Azerbaijan (0.51,0.92), Colombia (0.51,0.49)
political globalization*				
economic globalization				
LANGUAGE FRACTIONALIZATION*	0.50	0.15	0.95	Ethiopia (0.9,0.65), Tanzania (0.88,0.8), Guinea (0.87,0.94), Benin (0.86,0.75), Sierra Leone (0.86,0.89), Chad (0.85,0.95), Cameroon (0.84,0.91), Burkina Faso (0.83,0.65), Nepal (0.83,0.87), Kenya (0.83,0.92), India (0.81,0.71), Iran (0.79,0.85), Mali (0.79,0.76), Uganda (0.78,0.87), Ghana (0.73,0.48), Pakistan (0.72,0.89), Cote d'Ivoire (0.71,0.9), Senegal (0.69,0.67), Malawi (0.67,0.71), Mozambique (0.67,0.82)
social globalization*				
economic globalization				
solution coverage: 0.71				
solution consistency: 0.95				