

**Beyond Good Governance:  
Performance of the International  
Anticorruption Institutional  
Arsenal Put to the Test**

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## **The Anticorruption Project – Contextual Choices for Results in Fighting Corruption**

The Norwegian Agency for Development Cooperation (NORAD) is a directorate under the Norwegian Ministry of Foreign Affairs, serving as a centre of expertise, quality assurance and dissemination of the results of Norwegian development cooperation. NORAD administers the agency's grant schemes in a way that development assistance, provided through Norwegian and international partners, can contribute effectively to poverty reduction. Acknowledging that recent evaluations of anticorruption initiatives have raised serious questions as to the effectiveness of the conventional approaches used to fight corruption, NORAD contracted Hertie School of Governance to deliver a study with an outline of a typology of the corruption functions as they relate to various levels of development. This master thesis therefore serves as one of the study pieces, contributing to the challenging task of searching for better understandings and improved approaches to the anticorruption discourse. It focuses on delivery of empirically tested determinants of corruption and specifically addresses the role of the legal institutional anticorruption arsenal.

## **Acknowledgments**

Resulting from two semesters of research, the outcome of this master thesis would not have been the same without the support of a number of people. First and foremost I would like to thank my thesis advisor, Alina Mungiu-Pippidi for the given opportunity to join her in the NORAD project as well as her time, never-ending insights and encouragements. My thanks are also meant for the wider Hertie School team, working on the NORAD project. Statistical assistance and academic support have been highly valuable and importantly shaped my research process. Lastly, I am grateful to my family and friends without whose encouragements and editing help, this thesis would also not have been the same.

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## List of Abbreviations

ACA	Anticorruption agency
CPI	Corruption Perception Index
DV	Dependent variable
EU	European Union
FH	Freedom House
FOIA	Freedom of Information Act
GDP	Gross Domestic Product
HDI	Human Development Index
ICRG	International Country Risk Guide
IGO	International governmental organization
INGO	International non-governmental organization
IMF	International Monetary Fund
IV	Independent variable
NGO	Non-governmental organization
NORAD	Norwegian Agency for Development Cooperation
OECD	Organization for Economic Co-operation and Development
TI	Transparency International
UCM	Unobserved Components Model
UN	United Nations
UNDP	United Nations Development Programme
UNODC	United Nations Office on Drugs and Crime
UNCAC	United Nations Convention Against Corruption
WB	World Bank
WGI	World Governance Indicators

## Executive Summary

The governance problem of corruption has in the recent years caught the attention of national incumbents and administrations around the world, initiating strong engagement with the issue from the donor community and injecting anticorruption efforts in the poverty reduction and development promotion projects of the international community. With political corruption posing a serious threat to democracy and its consolidation, anticorruption efforts have in the recent years shifted from a reduced reliance on political tools to an increased support of the legislative and institutional means. The present thesis, using quantitative cross-sectional models, analyzes the performance of four, highly advocated, institutional transplants. Results suggest that an installment of the Freedom of Information Acts (FOIA) can, in the presence of an active civil society and attentive opposition to the governing structures, significantly decrease levels of corruption in a country. The global performance of FOIA is found as the only positive indicator, in an otherwise poorly performing institutional anticorruption arsenal. The ratification of the UNCAC, establishment of an anticorruption agency or Ombudsman's Office do not serve as significant determinants in controlling corruption. Alongside with the institutional analysis, the present thesis also empirically identifies main determinants of corruption control based on the equilibrium search between resources and constraints. The results suggest that the "sticky" problem of corruption can best be addressed through policies advancing the modernization of a country, such as enhancing Internet coverage or reducing the size of an informal economy. When paired with some basic informal democratic institutions (e.g. granted personal autonomy and individual rights) and an active civil society, the move towards a culture, based on universalistic principles, might deliver better results than a reliance on the global promotion of institutional imports does currently.

Key words: Anticorruption, Institutions, Determinants of Control of Corruption

*"Let's not mince words ... We need to deal with the causes of corruption"*

*(James Wolfensohn, The Economist 2005:66)*

## **Introduction**

Corruption matters. The governance problem of corruption has in the recent years caught the attention of national incumbents and administrations around the world, initiating strong engagement with the issue from the donor community and injecting anticorruption efforts in the poverty reduction and development promotion projects of the international community. Transparency International warned of corruption being "one of the greatest challenges of the contemporary world" (TI Mission statement, website 2011). Former World Bank President, James Wolfensohn fifteen years ago identified it as the governance 'cancer' diverting resources from the poor to the rich, increasing the cost of running business, distorting public expenditure and eroding the constituency for aid development and humanitarian relief (Wolfensohn, 1996). Nevertheless, questions such as – what are corruption determinants, what constitutes it and how best to design responses against its occurrence – have remained dividing points in the anticorruption discourse and practice up until today.

With political corruption posing a serious threat to democracy and its consolidation, anticorruption has in recent years become a major industry, swallowing up to one hundred million US dollars per year (Mungiu-Pippidi 2006:86). The last decade has brought in the anticorruption spotlight lesser reliance on political tools and increased support of the legislative and institutional means. Yet, the levels of corruption have remained problematic around the world and success stories few. This thesis, addresses precisely those two interconnected issues. Has the wide agreement on the institutional importance and the application of anticorruption institutional efforts translated in to the significant decrease of corruption levels around the world? Have the institutional anticorruption transplants managed to deliver better performance than the political, social and economic attempts of improving good governance? If institutional arrangements do matter, which ones are yielding the best results and why?

To answer these questions, this thesis will focus on four distinct legal institutional transplants – ratification of the United Nations Convention against Corruption (UNCAC), endorsement of the Freedom of Information Acts/Legislation (FOIA), establishment of an anticorruption agency (ACA) and an Office of Ombudsman.

Institutions, same as corruption, matter. "Their integrity, legitimacy, and functioning suffer if corrupt practices occur, and they need to be permanently on guard against corruption" (Husmann et al.

2009:10). Yet, even institutional economists, such as Douglas North, would argue that “efficient institutions” are an exception and history itself cannot be the factor bringing to an end existence of ineffective institutions (North 1998:494). North’s idea about the failure of the institutional transplant (“different institutional structures will yield different results” North in Andrews 2008:381), is further elaborated by Andrews (2008) who warns of dangers of isomorphism in today’s attempts of disseminating good governance practices. Isomorphism, referring to the pressure of imitating organizational characteristics from one setting to another, introduces a danger of decreasing internal coordination and control in order to maintain legitimacy (Andrews 2008:398). Hence, through mere replication of elements of good governance models, more governance problems than solutions can be created (Andrews 2008:399). With good governance agenda often suggesting an adoption of “one-best-way model, ostensibly of an idyllic, developed country government: Sweden or Denmark on a good day, perhaps /.../ the good governance picture of effective government is not only of limited use in development policy /.../ it imposes an inappropriate model of government that “kicks away the ladder” that today’s effective governments climbed to reach their current states” (Andrews 2008:402). When the notion of institutional transplants in the fight against corruption is brought to the forefront, one therefore has to think about the reasons behind adoption of the institutions as well as the types, constituent elements and particularistic functions they are to adopt.

A thorough understanding of the underlying determinants of corruption is a necessary precondition for establishment of any working anticorruption strategy. This thesis aims to not only theorize about the broader determinants of corruption but also test them in a quantitative way. While adopting the ideas of a number of theories and case studies about the causes of corruption, the present thesis hopes to add to what Treisman identified as an area of scarce cross-national comparative empirical research exposing determinants with real explanatory powers (2000:4).

The analysis of a theoretical relationship between anticorruption institutional armories and corruption lays the basis of further analysis in the first chapter. After describing the historical particularities of specific institutional efforts, hypotheses of their relation to the fight against corruption are presented at the end of the first chapter and put to test in the two subsequent chapters. Beyond institutional tests, the thesis also proposes an elaborated model to explain the influence of a number of corruption determinants extending beyond institutional nature. Last chapter brings together the theoretical ideas and empirical results and points at the lessons to be learned in applying institutional transplants to the anticorruption efforts.

# 1. Anticorruption Institutional Efforts

## 1.1. Theoretical background

### *Effects and consequences of corruption*

Multi-faceted in nature, the concept of corruption has yet to be given a single uniform definition encompassing all constituent elements of corruption. Before the present thesis embarks on definitional conceptualization of corruption, for the purpose of better understanding of reasons behind the importance of anticorruption determinants, the spectrum of consequences that corruption can inflict upon governance is described below.

First, corruption has its economic reach: it undermines economic performance, harms the private sector and ordinary citizens' wealth, leads to misallocation of resources, increases the budgetary pressures on government and particularly hurts the poor (TI website 2011, Della Porta, Vannucci 1999, USAID 1999, Kaufmann 1997). The academic sphere has confirmed that corruption reduces economic growth and lowers the levels of foreign direct investment, undermines effectiveness of industrial policies while encouraging businesses' unlawful behaviors, distorts public expenditures by fostering the unproductive public investments and facilitates state capture (Rose-Ackerman 1999, Mauro 1995, Hellman, Jones and Kaufmann 2000). Mauro has in a pool of 94 countries quantitatively estimated that improvement in corruption index by one-standard-deviation (2.38 points on a 10-point scale) increases annual growth of GDP per capita by 0.5 percent and a country's investment rate by 4% (Mauro 1997:91). Despite strong statistical evidence, these dominant views have been challenged by revisionist scholars, which argue that corruption does not always play a harmful role and can exert positive impact on economic growth (Huntington 1968:63). Leff has claimed that corruption can foster economic development, as it helps to break bureaucratic bottlenecks, serves as an informal price system and thus puts public resources up for bids, channeling them to people and groups who are able to use them efficiently (Leff 1964:9). Hence, corruption may induce competition in a monopolistic environment and lightens personal and business bureaucratic delays by using bribes as incentive bonuses (Leff 1964:13). These 'short-term' gains of positive spillovers have been repeatedly disputed by corruption's long-term negative effects ranging from the perpetuation of an insecure business climate and an additional burden on people unwilling or unable to bribe, to the delay of an actual state reforms (Rose-Ackerman 1999:17).

Second, as explained by Transparency International, corruption undermines good government and fundamentally distorts public policy (TI website 2011). Through a distortion of the rule of law and

weakening of the institutional foundations, citizens in a country become marginalized from political processes. Scarcity of information appears due to decreased transparency and clear check-and-balance mechanisms become dubious. Corruption also reduces accountability and representation in policymaking, distorts equal provision of public services and suspends the rule of law. Consequently corruption undermines the core legitimacy of democratic values such as trust and tolerance (Klitgaard 1991, USAID 1999, Warren 2004).

## **1.2. Theoretical determinants of corruption**

### ***Economic models***

Not only the consequences, but also the causes of corruption have frequently been found in economic realms. A number of studies have, using quantitative econometrics, set aside the controversies around the methodological and theoretical soundness of different corruption indices and embarked on the search of the selected indices' determinants (e.g. Transparency International Corruption Perception Index, The Business Integrity and Corruption Index, International Country Risk Guide's Corruption Index etc). Lacking a commonly agreed-upon theory, several economic and non-economic determinants have nevertheless been found to significantly influence the soundness of governance – economic development in terms of income and income distribution, openness to trade, import share, mineral exports as well as protestant religious tradition, former British colonial rule, high human capital, political decentralization and long exposure to democracy (Paldam 2002, La Porta et al. 1999, Ades and Di Tella 1999, Treisman 2000, Kunicova and Rose Ackerman 2005, Persson et al. 2003, Sandholtz and Koetzle 2000, Brunetti and Weder 2003, Seldadyo and de Haan, 2006). Further economic determinants that were tested for an influence on corruption range from the relative wage in public sector, size of government, competition among private firms, and inflation to restrictions on foreign trade, foreign investment and capital markets (Seldadyo and de Haan 2006, van Rijckeghem and Weder 2001, Braun and Di Tella 2004).

### ***Rational-choice institutional models***

While the economic causes are numerous and often tested before theorized, on the other spectrum, one of the basic theoretical models of corruption, put forward by Klitgaard (1988, 1991, 1998) is grounded in rational choice theory. In this case individual corruption is presented as a problem of political economy. It includes a principle-agent model, suggesting that each player acts in the interest of his/her own – mostly economic – utility (von Alemann 2005:29). A rational choice-institutionalist perspective sees corruption as the outcome of an overarching “stateness”,

subsequent monopolies, discretion and hence deficient transparency and a lack of accountability (Gephart 2009:8). For instance, incentives for a public actor (e.g. civil servant) to commission a contract according to an “impersonal order” can be present in a public institution. If such a contracting process is characterized by discretion and deficient transparency, the public official is an easy target for outside actors who wish to influence his incentive structure by bribing him. Hence, his personal advantage gains more importance than the “impersonal order” (Gephart 2009:9).

Robert Klitgaard (1988:75) summed up this assumption in his well-known formula:

$$\text{Corruption} = \text{Monopoly} + \text{Discretion} - \text{Accountability}$$

The rational choice conception of corruption assumes that an actor ultimately decides according to the cost-benefit relationship, which is centered on economic factors. Moreover, the defined causes of corruption are according to Klitgaard (1998:4) valid everywhere as corruption will occur “in Ouagadougou or Washington”, in the public or private sector, the moment when an organization or a person has a monopoly on power over resources paired with discretion and lack of accountability. According to von Alemann (2005:29), in such situations where both the bribed and the bribing actor benefit, the aggrieved third party becomes the community.

### ***Resources vs. Constraints model***

Klitgaard’s formula describing the state of equilibrium at an individual level is elaborated further by Mungiu-Pippidi (2006, 2010). In her model, Mungiu-Pippidi addresses the macro level and searches for reasons why governance regimes stabilize at different levels of accountability (Mungiu-Pippidi 2010:7). The premise of her model, connecting the two above-presented streams of theory, is that corruption results from an equilibrium between two general categories: resources and constraints. When resources exceed constraints, corruption is a rational, inevitable outcome. Hence, anticorruption efforts should be focused on performing the balancing act between the two. Mungiu-Pippidi (2010:7) further defines the two categories:

#### **Resources**

- **Power Resources (Pr).** Power discretion arises not only in monopolistic situations, but also in power arrangements in privileged access orders different from that of monopoly or oligopoly (e.g. in Weber’s status groups, Olson’s negative social capital networks, North and Wallis’ social orders and cartels of parties etc). Variables that indicate the level of power

discretion range from existence of democracy, competitive elections and working presidential system, to the presence of a dominant political party and existence of a judicial review (e.g. constitutional court). An additional aspect is the **time since** the power came under discretion – for instance, years since first elections were rated as free and fair. The time aspect is vital as the model presumes that under any system it takes a while to generate accountability.

- **Material Resources (Mr)**. This category includes all the main sources of rents and spoils. It can be defined through variables such as government consumption expenditure, foreign aid, natural resources, informal economy, public procurement, state assets, public sector employment and further economic liberalism.

### Constraints

- **Legal Constraints (Lc)**. An assumption is made that only autonomous, accountable and effective institutions are able to enforce legislation. To overcome the weakness of the legitimacy of government institutions, the following variables can serve as constraints legally curbing corruption: ratification of the United Nations Convention Against Corruption (UNCAC), existence of the Freedom of Information Acts/Legislation (FOIA), presence of a working anticorruption agency (ACA) and an established Office of Ombudsman, as well as the existence of independent judiciary and unitary state decentralization.
- **Normative Constraints (Nc)**. Implying that existing social norms endorse ethical universalism and sanction deviation from this norm, the last category can be estimated through the presence of an active civil society, literacy, religion, Internet usage, individual rights and personal autonomy. An effective sanction of corrupt behavior can arise only in the presence of an autonomous population and critical citizens able to form into a collective action.

Thus, corruption can be presented as the sum of the above-specified categories in the following formula:

$$\text{Corruption} = \text{Resources (Pr+ Mr)} - \text{Constraints (Lc+Nc)}$$

Any anticorruption efforts should, according to Mungiu-Pippidi, take into account the whole equilibrium and all its variables because, for example, legal constraints will not produce positive results without simultaneously diminishing resources (Mungiu-Pippidi 2010:7).

The corruption equation serves as a starting point for the quantitative research of this thesis. To be able to test the performance of the legal institutional transplants, all the other determinants of corruption need to be defined as well. Performance of civil society, spread of Internet usage, extent of individual rights and legacies of protestant religion (Nc), level of independence of judiciary (Lc), time since the embodiment of power discretion in democratic landscape (Pd) and the role of liberal policies in rent-seeking (Mr) cover the four separate areas identified through the theoretical foundation and serve as independent variables in the quantitative analysis (for detailed analysis see chapter 2.3).

Furthermore, to not disregard a vast literature (Nye 1967, Myrdal 1968, Mauro 1995, Rose-Ackerman 1997) on the importance of economic development and historical legacies in the debate about corruption determinants (whatever the relationship to corruption might be), this thesis also follows the idea that economic and social development play a role in the country's modernization and thus influence its corruption levels. Levels of competitive particularism in a country can be to a large extent explained by modernity through variables such as informality of society, literacy, communication infrastructure, life expectancy, capacity of collective action or human development in general (Mungiu-Pippidi 2011). Performance of all institutional transplants is therefore also tested against the variables capturing modernization ideas.

Before the whole equation and especially the role of institutional variables can be brought to test (chapters 2 and 3), an insight into the abovementioned anticorruption institutional arsenal is delivered in the sub-chapters below.

### **1.3. Historical Overview of Anticorruption Institutional Efforts**

The concept of the institutional bodies to control corruption dates back to the postcolonial period in the aftermath of the WWII. Sprouting in the form of parliamentary commissions, inquiry committees or special police branches, these early agencies were created either by the declining European powers in an attempt to uphold the tainted reputation of their colonial administrators or were put in place by the newly independent governments as part of their endeavors to build a new administration free from the old corrupt habits inherited from the colonial powers (De Sousa 2009:1). Most successful examples of such agencies, today still often quoted as best-practice cases, can be found in anticorruption bodies in Singapore (Corrupt Practices Investigation Bureau, 1970) and Hong Kong (Independent Commission Against Corruption, 1974).

Different to the majority of institutional adoption flows, the implementation of these anticorruption bodies expanded from the developing world to the OECD countries, from societies in transition to already consolidated democracies. This coincided with the change in corruption discourse, which condemned the stereotypical vision of corruption being restricted to the southern hemisphere (De Sousa 2009:1). While the 1970s were marked as a period of no strategy, no coordination and no engagement of actors beyond the domain of public authorities (e.g. civil society, business), the late 1980s and 1990s brought a new impetus to the anticorruption discourse. The wave of corruption scandals swept across modern western democracies and increased not only government efforts to combat corruption but also started what could be defined as a global movement against corruption. During the 1990s a number of multilateral negotiations under the auspices of international/regional organizations between the UN, EU, OECD, African Union, Council of Europe, IMF and World Bank, led to an adoption of guiding principles and international conventions criminalizing the bribery of foreign public officials, harmonizing national penal laws and procedures, and facilitating cross-border criminal cooperation (De Sousa 2009:3). In addition to this soft and hard law instruments, an establishment of new anticorruption governmental networks with specific action plans aiming to improve the capacity of states to fight corruption was underway (e.g. the Council of Europe Group of States Against Corruption). “Everywhere corruption was regarded as a priority issue and no IGO wanted to be seen without an action plan against it” (De Sousa 2009:3). Hence, the pool of actors directly engaged in the anticorruption discourse spread beyond public authority actors and the new “integrity warriors” (Sampson 2005:105) from the lines of civil society and international non-governmental institutions joined in<sup>1</sup>. This expanding range of actors also added to the changing nature of the discourse, which increasingly distanced itself from the ‘control of corruption’ debates towards the ‘good governance’ ideas (UNDP 2005:3). The systemic nature of corruption has been put to the forefront and as such demanded a comprehensive and integrated framework to fight it. Together with an increased public awareness about the problem, governmental and non-governmental actors started working together in an attempt to construct guiding institutional frameworks and control systems: OECD set up ‘ethics infrastructures’ initiative – a combination of incentives and sanctions to encourage the non-corrupt professional standards of conduct (Bertok 2000:1); TI introduced ‘national integrity system’ – framework, which anticorruption organizations can use to analyze the extent, causes of corruption and effectiveness of national anticorruption efforts in a given country (TI website 2011); ‘Twenty Guiding Principles for Fight Against Corruption’ came from the Council of Europe Resolution (97/24) in November 1997. Larmour and Wolanin (2001) in their analysis of anticorruption efforts identify five characteristics of this new attention paid

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<sup>1</sup> For example, Transparency International with its vision to engage in construction of a world in which “government, politics, business, civil society and the daily lives of people are free of corruption” (TI website, 2011) was set up only in 1993 but has since been the leading INGO in the field.

to the old problem of corruption that started up in the 1990s: international character of the anticorruption agenda, focus on economic importance and effects of corruption on economic development, distance from the cultural explanations of the problem, increased suspicion in state actions and amplified importance of the civil society and private sector, expansion of concern beyond investigation and prosecution to include also education and prevention.

The shift in the discourse coincided with the waves of corruption scandals and led to the adoption of multi-faceted anticorruption measures, ranging from the legislative (e.g. adoption of political financing or asset disclosure laws, reforms of rules governing conflict of interest), procedural (e.g. reforms of procurement procedures, introduction of debit-card payments in public departments exposed to dyadic corruption) to structural (e.g. reforms of public expenditure management, introduction of competition rules in a given sector of activity) and institutional (e.g. creation of specialized anticorruption bodies) (De Sousa 2009, Heilbrunn 2004).

#### **1.4. Main Institutional Indicators and Hypotheses**

##### ***United Nations Convention against Corruption (UNCAC)***

At the end of the 1990s, the effort from domestic governments, IGOs and INGOs to harmonize legal frameworks in order to facilitate international cooperation resulted in a number of ratified inter-governmental conventions. The 1998 Council of Europe Criminal Law Convention on Corruption took upon most of the standards established in the Twenty Guiding Principles for the Fights against Corruption<sup>2</sup>. In 1996, the Inter-American Convention against Corruption suggested adoption of a specialized oversight body (came into force in 1997). Similarly in Africa, Protocol against Corruption adopted by the Southern African Development Community in 2001 and the African Union's Convention on Preventing and Combating Corruption (adopted in 2003, both entered into force in 2005) also recommended specialized bodies for the fight against corruption (De Sousa 2009:5). The most comprehensive global instrument to date, however, was adopted in 2003: the United Nations Convention against Corruption (UNCAC), also known as 'Merida Convention' (entry into force 2005).

The UNCAC follows similar lines as the abovementioned conventions. Through its three objectives – i) to prevent and combat corruption, ii) to foster international cooperation, iii) to promote integrity, transparency and the proper management of public affairs – it puts focus on the institutions in the

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<sup>2</sup> The Guiding Principles were adopted in 1997 within the Council of Europe and highlighted the need for specialized institutions in the area of detection, investigation, prosecution and adjudication of corruption offences.

anticorruption process. In particular Chapter II (on Preventive measures) and Chapter III (on Criminalization and law enforcement) make it apparent that UNCAC requires signatories not only to ensure (in accordance with the fundamental principles of their state legal systems) the existence law enforcing body, bodies or persons specialized in combating corruption but also to establish a body (or bodies) mandated to prevent corruption (Kreutner 2010:52). Additionally, it requires that “such body or bodies (or persons) shall be granted the necessary independence, in accordance with the fundamental principles of the legal system of the State Party, to enable the body or bodies to carry out their functions effectively and without any undue influence” (Art. 36 UNCAC). The UNCAC makes it clear that merely strengthening legislation will not suffice to effectively control corruption and further emphasizes that the complex phenomenon, which signals a failure of public institutions and good governance, crucially needs specialized bodies/personnel with adequate resources, power and training to be able to succeed (OECD 2006:11). Table 1 below, captures the schedule of adoption of the Convention worldwide. With the UNCAC officially coming into power in 2005, a strong increase in the worldwide ratifications can be observed in the next few subsequent years. After 2008 the global ratification momentum is decreasing again, having more than two thirds of countries and territories worldwide signed the Convention by 2010.

**Table 1: Status of the UNCAC Ratifications until 2010**

<b>Year of UNCAC Ratification</b>	<b>Number of Countries</b>	<b>Percentage of Total</b>
<b>0</b>	51	26.42
<b>2003</b>	1	0.52
<b>2004</b>	14	7.25
<b>2005</b>	25	12.95
<b>2006</b>	41	21.24
<b>2007</b>	25	12.95
<b>2008</b>	19	9.84
<b>2009</b>	14	7.25
<b>2010</b>	3	1.55
<b>Total</b>	193	100.00

Number of countries included in this analysis corresponds with the number of countries and territories in the database constructed for this thesis. Source: Self-computation based on the UNODC website data (March 2011).

While the UNCAC makes a notable difference between bodies in charge of prevention and those in charge of combating corruption through law enforcement, it does not offer “a blueprint for setting up and administering a specialized anticorruption institution” (OECD 2006:13) nor does it indicate a single best model or a universal type of anticorruption agency. It leaves it up to the signatories to decide on the mandates, powers and organizational aspects of these bodies as well as determine their levels of autonomy, their resources and rules of interactions with other institutions. Therefore the provisions of the international law relating to the institutional framework of corruption remain noticeably vague and rather imprecise. If this has been done in the fear of otherwise failing institutional transplants, then the vagueness of the UNCAC provisions could also be seen as providing a positive impetus for countries to design their own best-fitting anticorruption specialized bodies.

The UNCAC has nowadays gained a status of a global convention – 145 signatory countries and territories have ratified the Convention up until present (UNODC website 2011) – however, the fight against corruption certainly has not delivered the same results across the globe. The manner and depth of implementation lying in the hands of political will (the gain/loss of international image for a country, which adopts/does not adopt the UNCAC) might be factors contributing to a large numbers of treaty adoptions but lower numbers of cases where countries actually intend to implement and monitor the implementation of the Convention. The following three hypotheses are derived, capturing the abovementioned facts and ideas:

*H0: Ratification of the UNCAC has no effect on corruption rates.*

*H1: Countries, which ratified the UNCAC, are more committed to fight corruption and thus enjoy lower corruption rates.*

*H2: Effectiveness of the UNCAC will be greater – and hence corruption lower – in countries where political will of implementation exists at equal levels of development.*

## ***Freedom of Information Acts/Legislation (FOIA)***

An argument connecting corruption to the lack of accountability suggests that greater political accountability, in the form of democracy and press freedom, can reduce corruption rates (Lederman et al. 2005:2). If politicians and other public officials are held accountable for their behavior in office, the incentive to misuse their position for private gain is decreased. A democratic system plays an important role in keeping public officials in check. Nevertheless, there is only so much that a free press and democratic system can do to observe the activities of public officials if there is no legislation providing citizens the right to access information (Samia 2007, Escaleras et al. 2010). Greater access to information can be translated into institutional adoption of the Freedom of Information Acts/Legislation and can have an important impact on a country's corruption levels, claims Samia (2007:3). However, the direction of the effect (between greater transparency and lower corruption) has not yielded research results that would confirm its one-directional flow. Bac (2001:88) argues that greater transparency leads to improved information about whom to bribe. Similarly Sutter (in Samia 2007:3) finds that greater media scrutiny may actually decrease the quality of behavior of public officials, as it creates privacy and reputational costs. On the opposite end, Islam (2006:153) finds in her study that countries with greater transparency, measured through existence of FOIA, do enjoy lower corruption rates.

By the end of 2003, 46 countries had implemented some form of FOIA while by 2008 this number increased to 77 countries (Escaleras et al. 2010, Vluegels 2008). The FOIA differ in a number of aspects, however all Information Acts around the world tackle few of the most essential questions – who can file a claim for information, what processes must be followed (including time frames), how should legislation be enforced, is there a means for appeal, can certain information be withheld, and if so, by whom (Escaleras et al 2010:436). Banisar (2006:7) in his global survey points out four main benefits of FOIA: first, democratic participation of the public is only possible when the information about the activities and policies of the government is made available; second, through FOIA many other economic and political rights can be protected and enforcement improved (e.g. in India, FOIA is used to enforce rations distribution by revealing that food vendors are not providing the government-subsidized food to impoverished citizens); third, FOIA improve the way government bodies work, by fostering the decisions concerning the public to be based on objective and justifiable reasons; and fourth, in countries which recently underwent the transition to democracy, FOIA allow for the governments to break with the past and permit society to learn and better understand the historical development. With all these characteristics, FOIA are considered a “key tool in anticorruption measures as reasons for awarding contracts and other financial transactions must be documented and justified” (Banisar 2006:8).

Nowadays a growing body of treaties, agreements, action plans and other statements urges nations to adopt a version of FOIA. The FOIA clauses are included in anticorruption treaties, agreements on

environmental protection and participation as well as in a number of international human rights treaties and regional conventions (Banisar 2006:8). Even though UNCAC has above been presented as the Convention, which brought to the forefront an importance of anticorruption bodies, it also includes comprehensive support to measures aimed at improving public access to information as a means to fight corruption (Article 10 on “Public reporting” and Article 13 on “Participation of society”<sup>3</sup>). Additionally, the Universal Declaration on Human Rights and the International Covenant on Civil and Political Rights both provide that every person shall have the right to free expression and to seek and impart information<sup>4</sup> (Article 19, UDHR).

This international emphasis on FOIA has in the last decade increasingly translated into adoption of acts and laws on the national levels. Most newly written constitutions from countries in transition (Central and Eastern Europe as well as Latin America) now include a right of access to information. Additionally, a number of countries with older constitutions (e.g. Finland, Norway) have recently embarked on amending their constitutions to include a right to access information (Banisar 2006:17).

Summing up, the basic rationale of enacting FOIA is the belief that providing enhanced transparency into governmental operations is essentially equal to providing the public (or some other group acting as a watchdog – e.g. NGOs, independent media organizations) with the tools necessary to effectively not just expose but also punish public and private parties who enter into corrupt exchanges (Escaleras 2010:437). Hence the hypotheses:

*H0: Implementation of FOIA has no effect on corruption rates.*

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<sup>3</sup> “Taking into account the need to combat corruption, each State Party shall, in accordance with the fundamental principles of its domestic law, take such measures as may be necessary to enhance transparency in its public administration, including with regard to its organization, functioning and decision-making processes, where appropriate. Such measures may include, inter alia:

(a) Adopting procedures or regulations allowing members of the general public to obtain, where appropriate, information on the organization, functioning and decision-making processes of its public administration and, with due regard for the protection of privacy and personal data, on decisions and legal acts that concern members of the public;

(b) Simplifying administrative procedures, where appropriate, in order to facilitate public access to the competent decision-making authorities; and

(c) Publishing information, which may include periodic reports on the risks of corruption in its public administration” (Art 10, UNCAC).

<sup>4</sup> “Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers” (Art 19, UDHR).

*H3: Countries, which passed legislation related to FOIA, are more committed to fight corruption and thus enjoy lower corruption rates.*

However, the results of quantitative studies quoted above suggest that the sole establishment of FOIA and free elections might not provide enough accountability even in the most democratic countries for corruption levels to drop. Furthermore, corruption still exists in countries with comparatively high press freedoms (Escaleras et al. argue that it can be through a free press that knowledge of corrupt practices is typically made available even when no group in society has the power to deter it, 2010:437). The conclusion of Escaleras et al. – that while added transparency of FOIA may prove effective in combating corruption, its effectiveness is limited to the ability of interested parties to act on the information provided – leads to the formation of a third FOIA-related hypothesis:

*H4: Effectiveness of FOIA will be greater – and hence corruption lower – in countries where civil society is active and opposition present to watch over actions of the government.*

### ***Anticorruption Agency (ACA)***

As noted above, an establishment of an anticorruption body has been one of the main institutional recommendations in most of anticorruption conventions to date. The ACA forerunners date back to the 1980s and 1990s (e.g. Hong Kong, Singapore, Australia), where external pressure was paired with internal corruption scandals and thus fostered the creation of these agencies. Additionally, poor performance by the conventional law enforcement bodies (e.g. police, courts, attorney-general offices) only strengthened the position of ACA as the “ultimate institutional response to corruption” (De Sousa 2009:2) by governments, donors and international organizations at the beginning of the 1990s. Next to the above-identified conventions, in the European case another measure served as a drive to the establishment of national anticorruption agencies. The late 1990s corresponded with the project of the European Eastern enlargement and a number of agencies mushroomed in Central and Eastern Europe as a result of the European pressure and conditionality – e.g. Lithuania (Special Investigation Service, 2000), Latvia (Corruption Prevention and Combating Bureau, 2002), Romania (National Anticorruption Directorate, 2002). Conditioning the access to the Union on the fulfillment of specific criteria has become one of the main (and often cited as most successful) instruments of the EU in the enlargement process (Epstein and Sedelmeier 2008, Schimmelfennig 2008, Schimmelfennig and Sedelmeier 2005, Vachudova, 2010). Starting with the Copenhagen Criteria, the pre-accession conditionality method was adopted in 1993 in a response to the

application for membership by 10 Central and Eastern European countries. Put under a scope of political criteria, corruption is said to be a crucial determinant of the quality of governance, which in turn influences the quality of institutions (Vehovar and Jager 2003:3). Thereupon, the following hypotheses are introduced:

*H0: Presence of an ACA has no effect on corruption rates.*

*H5: Countries, which established an ACA, are more committed to fight corruption and thus enjoy lower corruption rates.*

With the multitude of anticorruption agencies worldwide, their various functions as well as actual performances make it difficult to identify main functional and structural patterns among them (OECD 2006:7). De Sousa defines an ACA as “public body of a durable nature, with a specific mission to fight corruption and reducing the opportunity structures propitious for its occurrence in society through preventive and/or repressive measures” (De Sousa 2009:1)<sup>5</sup>. However, his broad definition does not clarify the ways through which an institution might address such anticorruption mandate. OECD on this point offers one possible classification of different models of specialized institutions and categorizes agencies into three distinct models (OECD 2006).

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<sup>5</sup> Similarly, USAID’s definition classifies ACA as “a separate, permanent government agency whose primary function is to provide centralized leadership in core areas of anticorruption activity” (USAID 2006:5).

**Table 2: OECD Classification of Anticorruption agencies**

<b>1. Multi-purpose agencies</b>	
<i>Explanation</i>	<i>Examples</i>
<p><b>This model represents the most prominent example of a “single-agency approach based on key pillars of repression and prevention of corruption: policy, analysis and technical assistance in prevention, public outreach and information, monitoring, investigation”.</b></p>	<ul style="list-style-type: none"> <li>• Hong Kong: Independent Commission against Corruption</li> <li>• Singapore: Corrupt Practices Investigation Bureau</li> <li>• Lithuania: Special Investigation Service</li> <li>• Botswana: Directorate on Corruption and Economic Crime</li> <li>• Uganda: Inspector General of Government</li> </ul>
<b>2. Law enforcement agencies</b>	
<i>Explanation</i>	<i>Examples</i>
<p><b>Being probably the most commonly applied model in Western Europe, the law enforcement model takes different forms of specialization in the field of investigation and prosecution (or a combination of both). It is implemented inside an existing institutional hierarchy either as a part of investigation (e.g. police units) or prosecution bodies (e.g. attorney general).</b></p>	<ul style="list-style-type: none"> <li>• Spain: Special Prosecutors Office for the Repression of Economic Offences Related to Corruption</li> <li>• Croatia: Office for the Prevention and Suppression of Corruption and Organized Crime</li> <li>• UK: Metropolitan Police/Anti-Corruption Command</li> </ul>
<b>3. Preventive, policy development and co-ordination institutions</b>	
<i>Explanation</i>	<i>Examples</i>
<p><b>Bodies that do not have law enforcement powers but hold mandate over functions such as research and analysis, policy development, training and advising on risk of corruption and available solutions, fall into the OECD’s third category. This is the most diverse model, covering a variety of institutions with various degrees of independence and organizational structures.</b></p>	<ul style="list-style-type: none"> <li>• India: Central Vigilance Commission</li> <li>• France: Central Service for the Prevention of Corruption</li> <li>• Albania: Anti-corruption monitoring group</li> </ul>

Source: OECD 2006

While the OECD models concentrate on functions and extent of powers of the ACA, Heilbrunn in his classification focuses on the branch of government the ACA is accountable to. He differentiates between four types of agencies. First, those that have investigative, preventative and communicative functions and are organizationally accountable to the executive fall under **'Universal model'**. With Hong Kong's Independent Commission against Corruption, Heilbrunn's first model is a close reflection of the OECD's multi-purpose model. Second, **'Investigative model'** characterizes agencies that serve as small and centralized investigative commissions, accountable to the executive. While this classification mirrors OECD's law enforcement model, the two in some cases rank certain agencies under different headings (e.g. Heilbrunn lists Singapore's Corrupt Practices Investigation Bureau under investigative model, whereas the OECD marks Singapore's ACA as a multi-agency). Third, **'Parliamentary model'** includes commissions that report to parliamentary committees and are independent from the executive and judicial branches. The third model is according to Heilbrunn best represented by the New South Wales Independent Commission against Corruption (Australia). Finally, his fourth model is that of a **'Multi-agency'**. This model includes a number of offices that are individually distinct, but together weave a web of agencies to fight corruption. The US Office of Government Ethics is taken as an example, as its preventative approach complements the Justice Department's investigative and prosecutorial powers. What both of these classifications indicate is the range of functions, powers and accountabilities that an ACA can have.

However, the initial enthusiasm about the idea of a solution to corruption being delivered through an installment of a new institutional actor turned into an institutional fatigue soon after a considerable number of agencies from all classification levels fell short on delivery. Reasons behind the institutional failures have been numerous – ineffective institutional designs and lack of independence from the executive, dubious budgetary support from the legislature, poorly installed planning/management structures, lack of procedures for forwarding corruption cases for prosecution by the relevant judicial authorities, international donors pressured existence, difficult and hostile environment in which the anticorruption efforts have been launched (e.g. ACA serving the purpose of repression tool for political rivals and members of the opposition) and mostly, the failure to reduce public sector venality (De Sousa 2009, UNDP 2005, Heilbrunn 2004). Heilbrunn further argues that ACA can be an effective tool only when it responds to the national consensus and a broad domestic coalition supports it (Heilbrunn 2004:2). A similar argument is put forward by the USAID, claiming that due to the difficulties in replicating specific models in different contexts, an establishment of an ACA should be based on a "systematic assessment of the local (political) context, and the particular needs and priorities of the country" (USAID 2006:5). Learning from the most successful cases, the importance of a strong political determination, public support, sufficient recourses, adequate research abilities and rigorous investigative methods, all play a crucial role in survival of the new

anticorruption bodies. In short, context (next to corruption and institutions) matters as well. Following this regard, a further hypothesis concerning the ACA, states:

*H6: Existence of an anti-corruption agency lowers corruption levels only in the presence of a strong independent judiciary and working democratic systems.*

### **Office of Ombudsman**

While the UNCAC does not mention Ombudsman's Office in the puzzle of anticorruption measures, its importance in acting as a 'watchdog' investigating citizen grievances against appointed officials and thus fostering the good governance environment, can hardly be disputed. Historically, an Ombudsman has been related to developments of making administrative law simpler for 'aggrieved persons' to challenge government actions in courts (Brown and Head 2004:5). The initial existence of an Ombudsman's Office dates back to Swedish legislature from 1809, which served as a respondent to public complaints against government actions. As such, the idea of an Ombudsman has been copied in areas from administration and commercial service delivery to both public and private banking, communications, health and defense, to name just a few. Always embodying classical characteristics of an independent, impartial, fair, credible and confidential office, the Ombudsman through its mandate adds to the framework of good governed structures. Thus the hypotheses:

*H0: Presence of an Office of Ombudsman has no effect on corruption rates.*

*H7: Countries, which established an Office of Ombudsman, are more committed to fight corruption and thus enjoy lower corruption rates.*

On one hand, the Ombudsman's mandate of protecting citizens from abuse by the public administration can easily be extended to cover the realm of corruption as well. Even though nowadays "the mandate of the Ombudsman generally goes beyond corruption cases and includes incidence of maladministration attributable to incompetence, bias, error or indifference that are not necessarily corrupt" (UNDP 2005:14), cases exist where an Ombudsman is given a mandate of direct investigation of corruption complaints and as such acquires the role of an ACA (e.g. Philippines, Papua New Guinea). On the other side, the most important characteristic of the Ombudsman steams from its independence from other branches of the government/administration and simultaneous close cooperation with autonomous regulators, such as courts and audit bodies

(UNDP 2005:14). In these cases the Ombudsman's main mandate is mainly to investigate maladministration in public service, unrelated to immediate corruption suspicion. The Ombudsman only determines if corruption is present and, if necessarily, refers the matter to an ACA or prosecution for further action (e.g. Botswana). Pope on this point argues that it is important to establish a distinction between the roles of the two institutions. The Ombudsman's main mandate should only be to promote administrative fairness, for which winning the confidence of a bureaucracy is crucial. If the Ombudsman takes upon also ACA mandate charged with the investigation and prosecution of public servants, it will likely become feared not trusted by the bureaucracy (Pope 1999:3).

The hypothesis relating to the role of Ombudsman in anticorruption fight, highlights the importance of other circumstances in the framework of the Ombudsman's Office:

*H8: Effectiveness of an Ombudsman's Office will be greater – and hence corruption lower – in countries where an independent judiciary is in place and political system is competitive, with government and opposition parties alternating frequently in government.*

### ***Institutional Transplant Index***

Identification of the four legal institutions as the basis of anticorruption institutional framework reflects the importance given to this institutional set in the global good governance discourse. A self-composed Institutional Transplant Index brings all selected institutions together and categorizes countries according to the number of institutional imports that they adopted until the end of year 2008 (0 represents no institutions and 4 stands for adoption of all above specified institutional transplants).

With separate effects of institutions have been hypothesized in all four cases, a constructed Institutional Index further allows for testing of the overarching institutional effects. Hypotheses report the following:

*H0: Common existence of all four institutional efforts has no effect on corruption rates.*

*H9: Countries, which guaranteed an existence of all four institutional efforts – UNCAC, FOIA, ACA and Ombudsman – are more committed to fight corruption and thus enjoy lower corruption rates.*

## 2. Data and Analysis

In light of the literature on anticorruption institutional transplants, the present thesis delivers a quantitative analysis of specific relationships between the five identified institutional efforts and the fight against corruption on the global level. It seeks to assess whether any of the specified institutions (or all together in the Index) have a significant effect on lowering of corruption levels. Bivariate and multivariate regressions are run to test for relationships of different determinants to control of corruption. In line with the theoretical model of Resources vs. Constraints presented above, the thesis recognizes the importance of other determinants of corruption and thus includes them in the quantitative models.

### 2.1. Dependent variable: Corruption Indicator

Measurements of concepts involved present the first hurdle in the quantitative modeling. If the arguments about the crucial elements of corruption are not yet reconciled, then the decision about the best measures of the concept is even further from unanimity. Different organizations use different techniques to derive the ratings of corruption levels. And while they all like to point at each other's shortcomings, the most interesting is that the ratings are highly correlated and do not deviate much from each other through the years. Seeing that these subjective evaluations of corruption appear to influence investment decisions, international donors aid and the political behavior of citizens (Mauro 1995, Treisman 2000), their importance cannot be neglected.

Composed corruption indices generally try to estimate perceived corruption levels using business risk analysts and polling organizations, as well as survey responses of businessmen, local residents or international corruption experts. While being by definition subjective, indices of relative corruption based on surveys of business people operating in a specific country often turn out to be highly correlated with at least one cross-national poll of the inhabitants of that country (Treisman 2000:3). This eliminates the chance that the analysis of how corruption is perceived is being just a quirk or bias of a particular monitoring organization. The analysis below uses one of the six Worldwide Governance Indicators (WGI)<sup>6</sup> composed by the World Bank under the guidance of Daniel Kaufmann – Control of Corruption (CoC) – to test the determinants of corruption against it. The Control of Corruption in this context “captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as “capture” of the state by elites and private interests” (Kaufmann et al. 2010:4).

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<sup>6</sup> Others are Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law.

The WGI cover over 200 countries and territories, draw on the data from 31 different sources and are based on four different types of data sources: commercial business information providers, surveys of firms and households, non-governmental organizations and public sector data providers. To combine these individual indicators into a composite measure of control of corruption, the WGI use a standardization technique of Unobserved Components Model (UCM). The UCM rescales the individual scores into comparable units and constructs the CoC as a weighted average of the underlying source variables, reporting also the margin of error that reflects the unavoidable imprecision in measurements. As such the constructed composite measure is a weighted average of the underlying individual indicators. The CoC is reported in two different ways – first, the composite measure generated by the UCM is in units of a standard normal distribution (mean is zero and standard deviation of one), running from approximately -2.5 to 2.5 where higher values correspond to better control of corruption; second, the data is reported also in a percentile rank term where countries are ranked from 0 (lowest CoC) to 100 (highest CoC). This thesis uses the UCM generated CoC data in the further analysis. The data additionally reports a standard error for each country and each year's CoC estimation. These standard errors reflect the number of sources available for a country and the extent to which the sources agree with each other (Kaufmann et al. 2010, WGI website 2011).

The WGI unsurprisingly received many criticisms when introduced. Critics pointed at the low comparability of the WGI data across time and/or across countries, misinterpretation of over time changes in some individual underlying data sources as actual changes instead of corrections of the past errors of those sources, and the bias of the individual sources behind the WGI (and thus the aggregate indicators) towards the view of business elites (Kaufman et al. 2007). The recent critics focus predominantly on the statistical gymnastics involved in creation of indicators with so many elements. Conceptually, criticism evolves from the fact that the WGI are really just a combination of many different measures with many different underlying theories, normative perspectives and viewpoints and as such imply that these are all valid estimates of good governance (Andrews 2007:399).

Nonetheless, the WGI certainly have a number of advantages, making selection of the CoC as a dependent variable in this analysis easier. Positive characteristics of the WGI include the fact that they provide broad country coverage; by averaging information from many different data sources they enable convenient summarization of the wealth of existing information on governance; they also are able to smooth out certain inevitable idiosyncrasies of individual measures and thus be more informative about the broad notions of governance (Kaufmann et al. 2007).

In order to increase the robustness of models used in this thesis, two additional, alternative dependent variables are introduced: Corruption Perception Index (CPI) from 2008, compiled by

Transparency International and 2008 Corruption Component of the International Country Risk Guide (ICRG).

First, the CPI measures the degree to which public sector corruption is perceived to exist in 180 countries around the world. It scores countries on a scale from 10 (very clean) to 0 (highly corrupt) and draws results using 13 different data sources originating from 11 independent institutions. TI index is highly correlated with the WGI CoC (.9801) thus for tested models to prove robust, independent variables should behave identically under both dependent variables. The reason for such high correlation lies mainly with the overlapping of sources used in both constructed indices. While the two indices use different methodological tools to summarize the data and different number of sources applied (WGI uses 31, while TI uses 13 different data sources), they clearly seem to measure the same concept. A high correlation between the two can be interpreted as an indication of common perceptions of reality, or it can serve as a sign of a widely shared bias. Considering that the indices incorporate perceptions of business people as well as country experts, barometer ratings and risk analysts, if they do capture the bias, then it is a bias that is shared by the majority of populations of the studied countries. Furthermore, the importance of such perceived corruption ratings lies not in the objective accuracy but rather in their ability to predict various aspects of countries' performances. The perception of corruption may have just as serious consequences for economic development as corruption itself (Treismann 2000:18).

Second, the ICRG identifies and groups 22 components of risk (political, financial and economic) where corruption represents one of the 12 Political Risk Components. Each component is assigned a maximum numerical value (risk points) and in the case of corruption 6 is the maximum value, indicating the lowest potential risk for corruption and the lowest score (0) indicates the highest potential risk of corruption<sup>7</sup>. The ICRG model for forecasting financial, economic and political risk was created in the 1980s and has since been delivering a researched analysis of the potential risks by using different risk-calculating statistical models (ICRG website 2011). While the WGI and CPI are indices composed from a variety of different corruption estimates, the Corruption Component from the ICRG is based on their own collections of political information and conversions of these data into risk points. To ensure both between and over time consistency, the ICRG scores are assigned by the ICRG editors on the basis of a series of pre-set questions for each risk component. Despite the different data collection techniques, WGI Control of Corruption and ICRG Corruption Component are highly correlated (.8619)<sup>8</sup> therefore the ICRG scores represent a solid second

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<sup>7</sup> The maximum points to be awarded to any particular risk component are pre-set within the system and depend on the importance (weighting) of that component to the overall risk of a country (Political Risk Service Group website 2011).

<sup>8</sup> Similarly, the TI Corruption Perception Index correlates at .8351 with the ICRG Corruption Component.

alternative dependent variable in the presence of which the independent variables in selected models should behave identically as under the WGI CoC to confirm the robustness of the models.

## **2.2. Independent variables: Institutional Transplants**

To translate the institutional set presented above into a quantitative model, the data is collected in two different ways. First, data recordings of countries, which have in 2008 ratified the UNCAC and put in place some sort of FOIA, are obtained through existent databases. In the case of UNCAC, the dataset from the website of United Nations Office on Drugs and Crime records information about the ratification of the Convention; in the case of FOIA, Roger Vleugels records the existence of FOIA in countries worldwide (UNODC website 2011, Vleugels 2008). Vleugels FOIA dataset is checked against the comprehensive list of FOIA reported in the paper of Banisar (2006) and both datasets confirm the same results. As there are a handful of countries, listed by Vleugels, which adopted FOIA since 2006 and are hence not covered by Banisar, the former database is applied in the calculations of this thesis. For both variables the years since their ratification/implementation are reported as well.

The second-way of data collection includes self-computation of dichotomous measures. In the case of anticorruption agencies, following the OECD categorization, 176 countries are checked for the existence of an ACA in 2008. Countries where one of the specified OECD models is applied score 1 and countries without an ACA receive a 0. Similarly, a set of 193 countries is checked for the presence of a working Office of Ombudsman in 2008 (scoring 0 or 1, same as in the case of ACA). Desk research and in some cases consultation with national anticorruption experts are the main tools used in self-computations. Both self-composed datasets also undergo a thorough review by selected anticorruption regional experts who are asked to verify specific data entries. Finally, a self-composed Institutional Transplant Index, covering 176 cases, categorizes countries according to the number of institutional imports that they adopted by the end of the year 2008 (0 represents no institutions and 4 stands for adoption of all above specified institutional transplants). Table 3 below reports that in 2008 most countries had implemented 2 or 3 of the abovementioned institutional imports.

**Table 3: Institutional Transplant Index (2008)**

<b>Index Score</b>	<b>Number of Countries</b>	<b>Percentage of Total</b>
<b>0</b>	10	5.68
<b>1</b>	28	15.91
<b>2</b>	61	34.66
<b>3</b>	52	29.55
<b>4</b>	25	14.20
<b>Total</b>	176	100.00

Sources: UNCAC data from the UNODC website (2011); FOIA dataset from Vluegels (2008), ACA and Ombudsman are self-composed data.

Table 4 below, delivers a further descriptive summary of recordings for the separate four institutional imports<sup>9</sup>. While FOIA and ACA have gained an implementation momentum after 2000, the Ombudsman has been more popular already in the years from 1990 onwards (these are years following a number of democratic revolutions worldwide), as an accountability instrument. Observed results point at an escalation of global institutional transplants in the last decades.

**Table 4: Overview of Selected Institutional Transplants (until the end of 2008)**

<b>Situation by</b>	<b>UNCAC</b>	<b>FOIA</b>	<b>ACA</b>	<b>OMBUDSMAN</b>
1990		<b>15</b>	<b>12</b>	<b>47</b>
2000		27 new <b>Total of 42</b>	29 new <b>Total of 41</b>	53 new <b>Total of 100</b>
2008	<b>Total of 125</b> ratifications since 2003	34 new <b>Total of 76</b>	57 new <b>Total of 98</b>	35 new <b>Total of 135</b>

Sources: UNCAC data from the UNODC website (2011); FOIA dataset from Vluegels (2008), ACA and Ombudsman are self-composed data.

<sup>9</sup> The year 2008 (and not 2010) is chosen also due to the fact that this is a reference year for majority of other variables joining into regression models below.

Furthermore, results from Table 5 confirm that the Ombudsman is also the most commonly adopted institution with nearly 70% of countries (out of 193 total) having the institution in place by the end of 2008. The FOIA is the least commonly installed institution (only 39.4% out of 193 total).

**Table 5: Comparison of Selected Institutional Transplants (until the end of 2008)**

<b>Institutional Transplants</b>	<b>UNCAC</b>	<b>FOIA</b>	<b>ACA</b>	<b>OMBUDSMAN</b>
Total # of countries with	125	76	98	135
Total # of countries without	68	117	78	58
Share of countries with	<b>64.8%</b>	<b>39.4%</b>	<b>55.7%</b>	<b>69.9%</b>

Sources: UNCAC data from the UNODC website (2011); FOIA dataset from Vluegels (2008), ACA and Ombudsman are self-composed data.

Before going into further analysis of separate models, it is important to acknowledge the limitations of the self-composed datasets. Firstly, the datasets report sole existence of an institution in 2008 and do not judge or estimate the efficiency or independence of the institution. Secondly, the sources of data differ among countries. A majority of entries about existence of the two institutions come from direct links to the ACAs or Ombudsmen official websites. With progress reports, mission statements and designated mandates, conclusions about their existence are straightforward, making estimations highly reliable. These direct links are generally found through the international agencies documenting chosen variables: Global Integrity Index, UNDP Anticorruption Practitioners Network and Global Advice Network's Business Anticorruption Portal. However, in a smaller number of cases where direct sources do not exist, academic studies, international reports or news articles announcing existence of ACA/Ombudsman are used as a source (for a complete list, see Table 35 in Appendix). To tackle the problem of inconsistent information, the verification of regional experts helps with clarifications, improving the reliability of self-composed variables. Nevertheless, the measurement error might occur in cases where the existence of ACA/Ombudsman is reported differently in different sources, interrupted, temporarily terminated or merged, not recorded in the official channels or the media and thus potentially overlooked. Hence, the self-composed dataset is open for consolidation.

### 2.3. Independent variables: Resources vs. Constraints

To test the complex picture put forward by the equilibrium formula of Mungiu-Pippidi, further independent variables are selected, trying to match the categories of Resources and Constraints. The selected variables below present the final outcome of testing of a wider number of explanatory variables (several alternative indicators have been tested to reduce the danger of misspecification).

The heading of **'Power Resources'** captures the degree of power discretion over political, economic and private lives of individuals. After testing a large set of variables measuring pluralism, power concentration and political organization from a number of different sources, a variable with high explanatory power is selected: the **Number of Years a Country is Rated 'Free'** by Freedom House (from 1972 until 2008). In constructing the variable, the Freedom House's flagship "Freedom in the World" publications are applied as a basis. Using survey ratings and narrative reports the FH conceptualizes "freedom" as the "opportunity to act spontaneously in a variety of fields outside the control of the government and other centers of potential domination" (Freedom House website 2011). The FH publications date back to 1972 and are recorded consistently for 193 countries and 15 (disputed) territories, rating each one on the seven-point scale and then assigning them into broad categories: free, partially free, not free or not ranked. The variable thus indicates that the country's social organization is not constrained by violence and captures the development of power discretion (ergo democracy) in each separate country. Bivariate test proves that higher degrees of CoC are associated with higher numbers of years for which the country has been ranked free (see Table 19 in Appendix).

In an attempt to diverge from the problematic use of income (GDP related variables), which can open the debate about the classic causation problem between corruption and development, the second set of **'Material Resources'** is captured by three non-GDP related variables. First, the **Informal Economy** as recorded in a recent World Bank Group paper by Schneider, Buehn and Montenegro (2010). They record informal economy of a country as a percentage of its GDP from the 1999 to 2007 (average from 1999-2007 is used in this thesis' dataset). Assuming that informality signifies a pre-modern state-society relationships, based not on universal trust and government impartiality but on collectivistic and traditional norms (Shils 1960), the results of bivariate regression confirm the following: countries with higher CoC are associated with lower shares of informal economy (see Table 19 in Appendix). Second 'Material Resource' capturing the "red tape" is World Bank Index **Ease of Doing Business**, where 183 countries are ranked on the openness for business operations in their regulatory environment (higher ranks indicate better environment). This index averages the country's percentile rankings on 9 topics (starting a business, dealing with construction permits, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business), giving equal weight to each topic.

Bivariate regression suggests that CoC is higher in countries ranking higher on the Index (their regulatory environment is more conducive to the starting and operation of a business). Third, the **Fuel Exports** as a share of merchandise exports of countries, recorded by the World Bank are taken as the last indicator of Resources. When regressed against the CoC, the results show that higher CoC is associated with lower levels of Fuel Exports (see Table 19 in Appendix).

Turning from the Resources to Constraints, next to all the above-specified institutional variables serving as indicators of '**Legal Constraints**', another basic variable is added to the institutional set – that of an **Independent Judiciary**. Obtained through a Cingranelli and Richards' dataset of Human Rights (2010), the variable is recorded for 189 countries and indicates the extent to which the judiciary is independent of control from other sources, such as another government branch or the military (not/partially/generally independent judiciary). Tested against CoC, the independent variable indicates that lower corruption (higher CoC) is associated with countries where there is generally Independent Judiciary (see Table 19 in Appendix). Under '**Normative Constraints**' a number of different variables is tested (e.g. literacy rate, education index, type of religion, colonial origin, communist past, population etc), finalizing in an introduction of four distinct variables. First, the number of **Internet Users** (per 100 inhabitants), signifying the presence of well-informed and potentially critical citizens, is used. Categorizing Internet Users as people with access to the worldwide network, the World Bank's World Development Indicator provides data for 183 countries and when regressed against CoC shows that higher control of corruption is associated with higher levels of Internet Users (see Table 19 in Appendix). Second, the historical legacies are captured through **Protestant Religion** (share of protestants as percentage of population in 1980), which has in numerous studies already been proven to serve as significant variable in explaining corruption levels (Treisman 2000). A dataset with values for 182 countries has been recorded by La Porta et al. (1999) and a bivariate regression confirms that higher CoC is associated with higher share of historically (1980) present protestant population of a country (see Table 19 in Appendix). Grimes (2008) recordings of number of **Civil Society Organizations** per 100 000 inhabitants, serve as a third variable of 'Normative Constraints'. Recorded for 168 countries, Grimes' dataset comes from CIVICUS, a global network of civil society organizations active in the area of social and economic development. The database is in no way exhaustive register of all organizations and does not claim to be such either<sup>10</sup>. However, it is one of the rare attempts to record civil society's presence. Even though no significant relationship is found in a bivariate regression, the variable acts significantly in further, more elaborate models and is therefore kept in the analysis (see Table 19 in Appendix).

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<sup>10</sup> Grimes has tried to validate the data by comparing it to the results of a comprehensive analysis conducted at the John Hopkins University Center for Civil Society Studies of a much smaller subset of countries (Salamon et al. 2003). Though the latter employs a broader definition of civil society and measures it as the proportion of a country's workforce active in civil society, the Johns Hopkins and CIVICUS measures correlate respectably (Pearson's  $r=0.63$ ,  $p<0.001$ ,  $N=35$ ) (Grimes 2008).

Finally, another FH variable is added to the analysis: the index of **Personal Autonomy and Individual Rights**, which is part of the Civil Liberties section of the FH 'Freedom of the World' survey. The survey provides ratings for 192 countries and 14 territories (188 captured in the dataset of this thesis). Under the sub-section on Personal Autonomies and Individual Rights, countries are given a score from 1-16 (1 is the lowest). In line with all the other regressions of Constraints, this variable also confirms that higher CoC is associated with higher levels of personal autonomy (see Table 19 in Appendix).

Additionally, the most commonly used indicator of human wellbeing, **Human Development Index** (HDI), obtained through UNDP's Human Development Report is used as a '**Control variable**' in all models (in this thesis' dataset it is applied to 166 countries). It combines three dimensions of development – a long and healthy life, access to knowledge and a decent standard of living – and ranks the countries accordingly (with higher scores being given to the best performers). When bivariately tested against the CoC, the variable unsurprisingly indicates that higher CoC is linked to the countries with higher levels of development (see Table 19 in Appendix).

### **3. Results and discussion**

#### **3.1. Theoretical model tested**

Before turning to the analysis of the institutional transplant performances, the general model of corruption determinants, following Resources vs. Constraints theory is put to test (Table 7). Understanding the explanatory extent of non-institutional IVs helps bringing into perspective the role of selected institutional imports. For example, a regression model of CoC, using modernization determinants (Table 6), explains by itself more than two-thirds of the variance without any policy-, institution- or governance-related variables ( $r^2$  is 0.730). Formalization of a society (using as proxy the estimate of Informal Economy) alone explains more than 40% and Internet usage, separately, more than 69% of the variation in the WGI CoC. In other words, knowing the degree of modernity of a society (leaving political modernity aside), to a large extent allows for prediction of the corruption prevalence, regardless of the government policies, income, religion, economics, type of legal system, natural resources or colonial as well as communist legacies.

**Table 6: Multivariate regression – Explanatory value of modernization**

<b>Independent variables</b>	<b>(1)</b>
Informal Economy (% of GDP)	-0.016*** (-0.004)
Internet Users (per 100 inhabitants)	0.024*** (-0.003)
HDI (0-1; 1 is most developed)	0.566 (-0.45)
Constant	-0.526 (-0.29)
N	148
R <sup>2</sup>	0.73

Note: Dependent variable used is WGI Control of Corruption, recorded for year 2008 (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001).

The performance of conjectural model of Resources vs. Constraints is assessed in a cross-section multivariate regression model (Table 7). Above indicated variables of institutional transfer are applied only after the basic model of determinants of corruption control is established (see chapter 3.2 below).

**Table 7: Multivariate regression – Determinants of control of corruption**

<b>Independent variables</b>	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
<b>MATERIAL RESOURCES</b>					
Informal Economy (% of GDP)	-0.025*** (-0.004)	-0.021*** (-0.004)			-0.017*** (-0.004)
Ease of Doing Business (1-183; 1 is best environment)	-0.007*** (-0.002)	-0.007*** (-0.002)			-0.004** (-0.001)
Fuel Exports (% of merchandise exports)	-0.005** (-0.002)	-0.003 (-0.002)			0.001 (-0.002)
<b>POWER RESOURCES</b>					
N of Years Ranked 'Free' (0-38; 38 is most 'Free' years)		0.020*** (-0.005)			-0.006 (-0.006)

<b>NORMATIVE CONSTRAINTS</b>					
Internet Users (per 100 inhabitants)			0.021*** (-0.004)	0.020*** (-0.003)	0.013*** (-0.003)
Protestant Religion (% of population in 1980)			0.007** (-0.003)	0.005* (-0.003)	0.004 (-0.002)
Civil Society Organizations (per 100.000 inhabitants)			0.006 (-0.003)	0.003 (-0.003)	0.007* (-0.003)
Personal Autonomy and Ind. Rights (0-16; 16 is most autonomy)			0.067** (-0.021)	0.040 (-0.021)	0.073** (-0.027)
<b>LEGAL CONSTRAINTS</b>					
Independent Judiciary (0-2; 2 is most independent)				0.264*** (-0.075)	0.188* (-0.077)
<b>CONTROL</b>					
HDI (0-1; 1 is most developed)	1.775*** (-0.496)	0.809 (-0.508)	0.423 (-0.553)	0.394 (-0.526)	-0.390 (-0.568)
Constant	0.415 (-0.48)	0.562 (-0.445)	-1.698*** (-0.27)	-1.519*** (-0.262)	-0.091 (-0.397)
N	114	114	114	114	114
R <sup>2</sup>	0.712	0.756	0.769	0.793	0.839

Note: Dependent variable used is WGI Control of Corruption, recorded for year 2008 (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001).

Before addressing content-related issues behind Table 7, a short summary of technical diagnostics is presented. While all variables have been individually recorded for at least 135 country cases, to end with comparable results across models, regressions are ran in a base of 114 country cases, for which dependent and all independent variables have recorded entries. This set includes cases from all continents and covers more than a half of world countries. To check for robustness, the models are tested for outliers and influential observations (using partial regression plots and DFBetas) and results show that no observations need to be omitted. While two IVs appear non-normal (Protestant Religion and Internet Users), their relationship to the DV is linear (inspection of scatter plots) and additionally, the residuals are distributed normally (residual-vs.-fitted plot). Thus, the assumptions of linearity and normality are met. In a model with a large number of IVs, multicollinearity might create problems especially with IVs, which are highly correlated (e.g. values of coefficients might change with further variables being added to the model; the model might produce a high explanatory value but no significant regression coefficients). To assure that coefficients of the chosen IVs are stable and that the unique effect of every single IV on the DV is not overlooked, the variance inflation

factor (VIF) is computed for every IV. The VIF measures the extent to which the variance of an estimated regression coefficient (the square of the estimate's standard deviation) is increased because of collinearity. A common rule of thumb applied to the VIF, suggests that values should not exceed 5. All variables of this model comply with this rule. Specifications are examined as the last point of diagnostics-check. The problem of potential under-specification is unlikely as the R-squared values suggest for a large share of variance to be explained by the chosen IVs.

Turning to the content-related analysis of the models, the first two models in Table 7 report the relationship of variables used as proxies for Resources to the CoC. Building upon each other, the Resource-related variables together deliver high explanatory power ( $r^2$  is 0.756) of control of corruption, suggesting that countries with higher CoC are the ones with lower levels of Informal Economy, more business-friendly regulatory environments (higher ranks on the Index of Ease of Doing Business), lower shares of Fuel Exports and higher Number of Years Ranked 'Free' by FH. Separate insight into Constraints-related IVs (models 3 and 4) confirms theorized positive relationship to the control of corruption. All listed Constraints together explain almost 80% of variation in the DV ( $r^2$  is 0.793) and indicate that countries with higher CoC are those with higher numbers of Internet Users, stronger legacy of Protestant Religion, higher respect for Personal Autonomy and Individual Rights and more Independent Judiciary. While Civil Society Organizations variable does not add to a significant explanation in models (3) and (4), it is not discarded from the analysis as it gains on significance in the final model (5). Both Constraints as well as Resources, acting as anticorruption determinants, have similar explanatory weight, with Constraints explaining only slightly bigger share of variance in the DV. Finally, Model (5) brings the two groups of indicators together and as such explains almost 84% of variance ( $r^2$  is 0.839). The variable measuring the presence of Civil Society Organizations in a population gains on significance in the final model, however, Fuel Exports, Number of Years Ranked 'Free' and Protestant Religion loose on significance. All such changes indicate that variables are likely less robust than the rest of determinants.

### **3.2. Institutional Transplants tested**

With the general model of anticorruption determinants established, the focus is now put on the performance (and added explanatory value) of the institutional transplants. Acknowledging the theoretical interconnectedness of these determinants, individual bivariate analyses might lead to the risk of omitted variable bias. Namely, before assuring that a country could reduce corruption by installing an ACA, one would want to know not just that existence of an ACA is positively correlated with the CoC but also that this relationship holds when controlling for other country characteristics (other Resources and Constraints) that correlate with both higher CoC and presence of an ACA. To

tackle this problem performance of all institutional IVs in an anticorruption fight is analyzed through not only simple bivariate regressions but also through a multivariate regression, with applied control variable (HDI). With generally less than 10% of variance in the CoC being explained through the chosen variables (see Table 9 for details), statistics confirm that other variables exist, explaining why control of corruption is lower in countries with adopted institutional imports.

To increase the robustness of results, IVs are tested against WGI DV and the other two alternative DVs (TI and ICRG). While separate result tables can be found in the Appendix, the Table 8 below offers a summary of results.

**Table 8: Performance of selected Institutional Transplants (bivariate regressions and regressions with control variable)**

<b>Dependent Variables</b>	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
<b>Institutional Transplant</b>	<b>WGI Control of Corruption</b>	<b>TI Corruption Perception Index</b>	<b>ICRG Corruption</b>	<b>WGI with CONTROL (HDI)</b>	<b>TI with CONTROL (HDI)</b>	<b>ICRG with CONTROL (HDI)</b>
<b>UNCAC</b>	NS	NS	NS	NS	NS	NS
<b>Years since UNCAC</b>	NS	NS	NS	NS	NS	NS
<b>FOIA</b>	0.671*** (N=189)	1.554*** (N=172)	0.718*** (N=137)	NS	NS	NS
<b>Years since FOIA</b>	0.015*** (N=189)	0.035*** (N=172)	0.017*** (N=137)	0.006* (N=162)	0.016** (N=155)	0.010** (N=130)
<b>ACA</b>	NS	NS	NS	NS	NS	NS
<b>Ombudsman</b>	NS	NS	NS	NS	NS	NS
<b>Institutional Transplant Index</b>	0.166* (N=172)	0.376* (N=156)	NS	NS	NS	NS

NS: not significant ( $p > 0.05$ ), N: Number of country cases; \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Notably, the only significant positive relationship that sustains the presence of the control variable is Years Since FOIA Implementation. Countries with lower corruption rates are therefore those with

the longest the passage of time since installment of FOIA. The dichotomous variable of FOIA is significant also in bivariate relationships with WGI, TI and ICRG dependent variables, suggesting that less corrupt countries are those with installed FOIA. Variables capturing ratification of the UNCAC, existence of an ACA and Office of Ombudsman individually do not significantly explain changes in CoC. The self-composed Index of Institutional Transfer proves significant in bivariate relationships with WGI and TI (but not ICRG), implying that positive relationship exists between higher number of adopted institutional transplants and higher CoC. Nonetheless, the Index loses its significance the moment the control variable (HDI) is added to a model, indicating that the results are not robust.

Before making conclusive remarks about the set hypotheses, it is important to understand that the sole effects of the institutional variables carry only a minor explanatory value hence, the variables need to be tested for the effects on corruption in relation with additional variables to firmly confirm their explanatory powers. Mere presence of the control variable indicates their low robustness (Table 8) and Table 9 below, further points at almost negligible explanatory strengths of institutional variables. FOIA carries the highest explanatory power among the institutions (10.1% and 11.8% of the variance in the DV is explained by FOIA and Years since FOIA, respectively), whereas the UNCAC as well as ACA (with  $r^2$  below 0.003) hardly explain any variance in CoC.

**Table 9: Bivariate regressions – Institutional transplants**

Independent variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)
UNCAC	-0.052 (-0.157)						
Years since UNCAC		-0.034 (-0.044)					
FOIA			0.642*** (-0.147)				
Years since FOIA				0.027*** (-0.006)			
ACA					-0.016 (-0.151)		
Ombudsman						0.265 (-0.167)	

Institutional Index							0.166* (-0.07)
Constant	-0.004 (-0.126)	0.026 (-0.111)	-0.281** (-0.090)	-0.182* (-0.077)	-0.029 (-0.112)	-0.230 (-0.143)	-0.421* (-0.176)
N	172	172	172	172	172	172	172
R <sup>2</sup>	0.001	0.003	0.101	0.118	0.000	0.015	0.033

Note: Dependent variable used is WGI Control of Corruption, recorded for year 2008 (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001). The coefficients of variables in this table are different from those reported in Table 8 due to the common base established in this models (N=172), representing number of cases for which all variables used have recorded values.

### 3.3. Role of Institutional Transplants in the Resources vs. Constraints model

The final part of statistical modeling pursues the search for performance of the institutional legal variables in the general model of Resources vs. Constraints.

#### ***The UNCAC Ratification***

The ratification of the UNCAC has been high on the agenda of the global anticorruption movement, representing “a crucial step in building a worldwide framework to combat corruption” (Heimann and Dell 2006:1). Nonetheless, when tested for its effects in 2008, it does not seem to carry any significance as a determinant of successful anticorruption strategy. With 125 recorded<sup>11</sup> national ratifications of conventions in 2008, there is still more than one third of world countries that have not ratified the UNCAC in 2008, thus regression results cannot be omitted for the reasons of low diversification within the dummy variable. The UNCAC does not deliver significant relationships to CoC in any of the proposed models, therefore both UNCAC-related hypotheses (the general H1 and more detailed H2<sup>12</sup>) are rejected, confirming that levels of corruption are in no way associated with the Convention’s ratification. A null hypothesis is confirmed.

<sup>11</sup> This number corresponds to the number of country cases in the database used in the present thesis.

<sup>12</sup> H1: Countries, which ratified the UNCAC, are more committed to fight corruption and thus enjoy lower corruption rates. H2: Effectiveness of the UNCAC will be greater – and hence corruption lower – in countries where political will of implementation exists at equal level of development.

**Table 10: Multivariate regression – Role of the UNCAC (Resources vs. Constraints)**

Independent variables	(1)	(2)	(3)	(4)
<b>UNCAC</b>	-0.217 (-0.238)	0.124 (-0.124)	-0.081 (-0.113)	-0.005 (-0.108)
<b>RESOURCES</b>				
Informal Economy (% of GDP)		-0.021*** (-0.004)		-0.017*** (-0.004)
Ease of Doing Business (1-183; 1 is easiest)		-0.007*** (-0.002)		-0.004** (-0.001)
Fuel Exports (% of merchandise export)		-0.003 (-0.002)		0.001 (-0.002)
N of Years Ranked 'Free' (0-38; 38 is longest)		0.020*** (-0.005)		-0.006 (-0.006)
<b>CONSTRAINTS</b>				
Internet Users (per 100 inhabitants)			0.020*** (-0.004)	0.013*** (-0.003)
Protestant Religion (% of population in 1980)			0.005* (-0.003)	0.004 (-0.002)
Civil Society Organizations (per 100.000 inhabitants)			0.003 (-0.003)	0.007* (-0.003)
Pers. Autonomy and Ind. Rights (1-16; 16 is best)			0.041 (-0.021)	0.073** (-0.027)
Independent Judiciary (0-2; 2 is most independent)			0.263*** (-0.075)	0.188* (-0.078)
<b>CONTROL</b>				
HDI (0-1; 1 is most developed)		0.788 (-0.509)	0.367 (-0.528)	-0.391 (-0.571)
Constant	0.325 (-0.213)	0.484 (-0.452)	-1.441*** (-0.284)	-0.089 (-0.402)

N	114	114	114	114
R <sup>2</sup>	0.007	0.758	0.794	0.839

Note: Dependent variable used is WGI Control of Corruption, recorded for year 2008. (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001)

When the same model is tested with the alternative dependent variables (TI Corruption Perception Index and ICRG Corruption Component), the relationships of all variables to the DV stay the same, confirming rejections of H1 and H2. Furthermore, when the time dimension (Years since UNCAC ratification) is applied and used as a replacement of the dichotomous variable, exact same results are observed (non-significant). For details about this regression results see Appendix (Table 26). Additionally, the independent group t-test<sup>13</sup> is applied (Table 31 in Appendix), comparing the mean of CoC scores between countries, which ratified the UNCAC and those, which have not yet done so. The test reports t-statistics of 0.6187 (187 degrees of freedom). The corresponding two-tailed p-value of 0.5369 confirms that the difference in means between the two identified groups of countries is 0 (null hypothesis confirmed).

In a response to the findings, one could say that the short period of time since the initiation of the Convention (2003 until 2008) is one of the reasons for poor empirically tested performance. For a Convention with such a broad scope (including preventive measures for governments to adopt, criminalization of corruption in both private and public sector as well as detailed provisions dealing with money laundering, mutual legal assistance and asset recovery) to deliver concrete results on national levels, more time is needed for its implementation. The move from signature to ratification usually does not take much time, however, the enactment of implementing national laws and actually enforcing UNCAC identified prohibitions against corruption represents the most difficult part of the process. The TI set up a study group in 2006, which examined the implementation of the Convention and in its conclusions pointed at the need for a strong follow-up monitoring program. Heimann and Dell, summarizing the ideas of TI, point at the need for “sustained efforts by the United Nations, by national governments, by donor agencies, by civil society and by other stakeholders” in delivery of the UNCAC set objectives (2006:2). After a slow progress of signatories in developing a consensus about the nature of the review mechanism and its terms of reference, the deadlock has been resolved in November 2009 at the State Parties meeting in Doha, where the international community called for an adoption of “effective, transparent and inclusive mechanism for the review of implementation” and signed Resolution 3/1, titled ‘Review Mechanism’ (UNODC website 2011).

<sup>13</sup> The test assumes that variances for the two selected groups are the same.

Furthermore, to improve empirical analysis of the Convention's effect, a longitudinal analysis of data could be performed. In addition, an analysis could test the ratification effects again in few years and try to record and assess the effects of any further national legislative implementations stemming from the UNCAC.

### ***The FOIA Implementation***

Collection of data about countries that installed some version of FOIA, is certainly not as straightforward as the UNCAC ratification count, simply because to date there is no minimal standard agreed for FOIA (Vluegels 2008:16). Vluegels' dataset, which is identified as the most current recording, reports 77<sup>14</sup> countries to have FOIA in 2008 (with more than 60% of countries around the world being without such legislation).

Focusing first on the dichotomous variable of FOIA and set hypotheses related to it<sup>15</sup>, Table 11 below reports results of the multivariate regression. As seen in Tables 8 and 9 above, the implementation of a FOIA is on its own highly significant ( $p < 0.001$ ) and positively related to the control of corruption (Model 1). While FOIA with added control variable (HDI) turns non-significant in Table 8 above, further independent variables that best relate to the set hypotheses deliver different results. To best test for hypothesis H4<sup>16</sup>, next to Civil Society Organizations and Number of Years Ranked 'Free', a new variable is introduced – Number of Years since Chief Executive has been in Office<sup>17</sup>. Recorded in the World Bank's Database of Political Institutions (Beck et al. 2010), the variable by capturing the Years in Office indirectly reveals the strength of the opposition in a country<sup>18</sup>.

Results show that while Civil Society Organizations are indeed adding to the significant effect of FOIA (Model 2), when paired with Number of Years Ranked 'Free' (Model 3) the effects lose significance. Reasons can be found in poor relation of the variable (Number of Years Ranked 'Free') to the hypothesized notion of an active opposition watching over the actions of the

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<sup>14</sup> In the dataset of this thesis, the existence of FOIA is applied to 76 country cases.

<sup>15</sup> H3: Countries, which passed legislation related to FOIA, are more committed to fight corruption and thus enjoy lower corruption rates. H4: Effectiveness of FOIA will be greater – and hence corruption lower – in countries where civil society is active and opposition present to watch over actions of the government

<sup>16</sup> H4: Effectiveness of FOIA will be greater – and hence corruption lower – in countries where civil society is active and opposition present to watch over actions of the government

<sup>17</sup> Further variables capturing the role of the opposition in the country have been tested but found to play an insignificant role: Number of Opposition Seats, Total Vote share of all Parties, Total Vote share of all Government Parties (all from the same source as the selected variable).

<sup>18</sup> The variable records years in power as of January 1 each year and it diligently deals with cases where elections happen in the middle of the year; in case of post-Soviet Union countries it records only their situation after gained independence; and it always only counts the years of executive who formally (de jure) holds power.

government. For the purpose of improving this match, the variable of Number of Years in Office is added to the Civil Society Organizations. Model 4 reports highly significant and positively related results ( $r^2$  of 0.191 indicates that the three variables together explain almost 20% of variance in DV). Final model of Table 11 thus reveals that countries with higher levels of CoC are those where FOIA is in place, civil society present and active and chief executive does not take office for too long. Hypothesis H4 is therefore confirmed.

An additional confirmation of null hypothesis rejection comes from the independent group t-test<sup>19</sup> (Table 32 in Appendix), which reports that the difference in means of corruption control scores between countries, which installed a version of FOIA and those without it, is significant (t-statistics of -4.7577, 187 degrees of freedom, p-value of 0.0000).

**Table 11: Multivariate regression – Role of the FOIA (Hypothesis H4)**

Independent variables	(1)	(2)	(3)	(4)
<b>FOIA</b>	0.647*** (-0.182)	0.718*** (-0.180)	0.052 (-0.158)	0.602** (-0.184)
Civil Society Organizations (per 100 000 inhabit.)		0.014* (-0.005)	-0.002 (-0.005)	0.013* (-0.005)
N of Years Ranked 'Free' (0-38; 38 is longest free)			0.047*** (-0.005)	
N of Years in Office (1-41; 41 is most years)				-0.034* (-0.015)
Constant	-0.199 (-0.131)	-0.455** (-0.163)	-0.598*** (-0.126)	-0.162 (-0.206)
N	113	113	113	113
R <sup>2</sup>	0.102	0.153	0.503	0.191

Note: Dependent variable used is WGI Control of Corruption, recorded for year 2008 (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001). Number of examined cases differs from that of other multivariate regressions, as an additional variable (N of Years in Office) is added to the base in this case (change from 114 to 113 cases).

Before coming to the final FOIA-related conclusions, the variable is tested also in the general Resources vs. Constraints model (Table 12). The implementation of FOIA remains a significant

<sup>19</sup> The test assumes that variances for the two selected groups are the same.

determinant in Models 2, 3 and 4; however, its positive relation to the DV is changed into a negative one. Same as with the UNCAC, when models are repeated with the alternative DVs, multivariate regressions report the same results. These findings should not lead to a conclusion of linking the higher CoC to the countries without implemented FOIA, but they should rather be interpreted in the light of a difficulty behind the straightforward effect of this institutional import in a broader setting of anticorruption determinants. Similar to the opposing results of previous studies related to FOIA (Bac 2001, Samia 2007, Islam 2006), the present thesis while recognizing the positive effects of FOIA in situations of supporting civil society and diligent opposition, cannot confirm for those effects to be present in all settings.

**Table 12: Multivariate regression – Role of the FOIA (Resources vs. Constraints)**

Independent variables	(1)	(2)	(3)	(4)
<b>FOIA</b>	0.667*** (-0.182)	-0.343** (-0.117)	-0.376*** (-0.111)	-0.389*** (-0.102)
<b>RESOURCES</b>				
Informal Economy (% of GDP)		-0.019*** (-0.004)		-0.014*** (-0.004)
Ease of Doing Business (1-183; 1 is easiest)		-0.008*** (-0.002)		-0.005*** (-0.001)
Fuel Exports (% of merchandise export)		-0.004* (-0.002)		0.000 (-0.002)
N of Years Ranked 'Free' (0-38; 38 is longest)		0.021*** (-0.004)		-0.005 (-0.006)
<b>CONSTRAINTS</b>				
Internet Users (per 100 inhabitants)			0.019*** (-0.003)	0.013*** (-0.003)
Protestant Religion (% of population in 1980)			0.005* (-0.002)	0.004 (-0.002)
Civil Society Organizations (per 100 000 inhabit.)			0.001 (-0.003)	0.003 (-0.003)

Pers. Autonomy and Ind. Rights (1-16; 16 is best)			0.063**	0.093***
			(-0.021)	(-0.026)
Independent Judiciary (0-2; 2 is most independent)			0.270***	0.199**
			(-0.072)	(-0.072)
<b>CONTROL</b>				
HDI (0-1; 1 is most developed)		1.215*	0.695	-0.182
		(-0.51)	(-0.509)	(-0.536)
Constant	-0.199	0.462	-1.708***	-0.211
	(-0.132)	(-0.431)	(-0.256)	(-0.375)
N	114	114	114	114
R <sup>2</sup>	0.107	0.774	0.813	0.860

Note: Dependent variable used is WGI Control of Corruption, recorded for year 2008. (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001)

The relationships identified in the regressions above are confirmed also when the effect of FOIA is captured in a variable measuring years since the implementation of FOIA. When variables related to the H4 (see Table 26 in Appendix) are introduced, Years since FOIA together with Civil Society Organizations and Number of Years Chief Executive has been in Office explains even more variance in the DV than simple dichotomous FOIA variable ( $r^2$  of 0.224). However, when Years since FOIA is added to the general model of Resources vs. Constraints, variable loses significance (Table 13).

**Table 13: Multivariate regression – Role of the Years since FOIA (Resources vs. Constraints)**

Independent variables	(1)	(2)	(3)	(4)
<b>Years since FOIA</b>	0.014***	0.003	0.000	0.000
	(-0.003)	(-0.002)	(-0.002)	(-0.002)
<b>RESOURCES</b>				
Informal Economy (% of GDP)		-0.021***		-0.017***
		(-0.004)		(-0.004)
Ease of Doing Business (1-183; 1 is		-0.007***		-0.004**

easiest)		(-0.002)		(-0.001)
Fuel Exports (% of merchandise export)		-0.003		0.001
		(-0.002)		(-0.002)
N of Years Ranked 'Free' (0-38; 38 is longest)		0.019***		-0.006
		(-0.005)		(-0.006)
<b>CONSTRAINTS</b>				
Internet Users (per 100 inhabitants)		0.020***		0.013***
		(-0.004)		(-0.003)
Protestant Religion (% of population in 1980)		0.005*		0.004
		(-0.003)		(-0.002)
Civil Society Organizations (per 100 000 inhabit.)		0.003		0.007*
		(-0.003)		(-0.003)
Pers. Autonomy and Ind. Rights (1-16; 16 is best)		0.040		0.072**
		(-0.021)		(-0.027)
Independent Judiciary (0-2; 2 is most independent)		0.262***		0.189*
		(-0.076)		(-0.078)
<b>CONTROL</b>				
HDI (0-1; 1 is most developed)		0.789	0.390	-0.385
		(-0.507)	(-0.528)	(-0.571)
Constant	0.017	0.557	-1.522***	-0.089
	(-0.096)	(-0.444)	(-0.263)	(-0.399)
N	114	114	114	114
R <sup>2</sup>	0.127	0.76	0.793	0.839

Note: Dependent variable used is WGI Control of Corruption, recorded for year 2008. (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001)

In conclusion, while FOIA might not be the strongest institutional determinant of corruption, its effects should not go disregarded. Especially, when paired with the active civil society, FOIA can significantly work towards increased transparency, consequently lowering corruption rates.

## The ACA Existence

The ACA establishment is strongly related to the content of the UNCAC. However, the effect on the control of corruption is in this case, similar to that of the UNCAC, neither significant in a bivariate model nor in any further constellation of determinants. Mere establishment of an ACA will therefore not contribute significantly to a reduction of corruption rates. The ACA is also tested against two variables indicated in the Hypothesis H6<sup>20</sup> (Independent judiciary and Number of Years since Ranked 'Free'). In none of the models is the agency significant (see Table 27 in the Appendix). The two hypotheses related to the ACA (H5 and H6<sup>21</sup>) can therefore be rejected and a null hypothesis of no effect is confirmed. The independent group t-test<sup>22</sup> results (Table 33 in Appendix) confirm that there is no significant difference between the mean corruption scores of the countries with existent ACA and those without such institution (t-statistics of 0.1061, 170 degrees of freedom, p-value of 0.9156).

This finding substantiates an analysis performed by Quah, who investigates and compares effectiveness of the anticorruption agencies in four Asian countries (Singapore, Hong Kong, Thailand and South Korea). He deduces through a qualitative analysis that an ACA will deliver positive results in lowering corruption rates only in cases where the government decides to provide the agency with adequate budget and staff, restrains from interfering with its daily operations and most importantly, resists the temptation to use an ACA as a political weapon against its critics or opponents (Quah 2009:51). The ACA can be an asset and powerful weapon against corruption when in hands of a clean and committed government; however, a corrupt government will only make a mockery of its anticorruption strategy by using an ACA to victimize its political foes instead (Quah 2009:51). Results from Table 14 below suggest that in a global setting, an ACA is most commonly used for the latter purposes thus not serving as significant determinant of corruption. Again, both alternative DVs deliver same results.

**Table 14: Multivariate regression – Role of the ACA**

<b>Independent variables</b>	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
<b>ACA</b>	0.083 (-0.200)	0.036 (-0.106)	0.053 (-0.101)	0.058 (-0.093)
<b>RESOURCES</b>				

<sup>20</sup> H6: Existence of an anti-corruption agency lowers corruption levels only in the presence of a strong independent judiciary and working democratic systems.

<sup>21</sup> H5: Countries, which established an ACA, are more committed to fight corruption and thus enjoy lower corruption rates.

<sup>22</sup> The test assumes that variances for the two selected groups are the same.

Informal Economy (% of GDP)		-0.022*** (-0.005)		-0.017*** (-0.004)
Ease of Doing Business (1-183; 1 is easiest)		-0.007*** (-0.002)		-0.004** (-0.001)
Fuel Exports (% of merchandise export)		-0.003 (-0.002)		0.000 (-0.002)
N of Years Ranked Free (0-38; 38 is longest)		0.018*** (-0.005)		-0.007 (-0.006)
<b>CONSTRAINTS</b>				
Internet Users (per 100 inhabitants)			0.019*** (-0.004)	0.013*** (-0.004)
Protestant Religion (% of population in 1980)			0.005 (-0.003)	0.004 (-0.003)
Civil Society Organizations (per 100 000 inhabit.)			0.002 (-0.003)	0.005 (-0.003)
Pers. Autonomy and Ind. Rights (1-16; 16 is best)			0.032 (-0.022)	0.065* (-0.029)
Independent Judiciary (0-2; 2 is most independent)			0.288*** (-0.082)	0.229* (-0.088)
<b>CONSTANT</b>				
HDI (0-1; 1 is most developed)		0.853 (-0.546)	0.468 (-0.569)	-0.277 (-0.62)
Constant	0.123 (-0.147)	0.594 (-0.482)	-1.481*** (-0.282)	-0.095 (-0.438)
N	102	102	102	102
R <sup>2</sup>	0.002	0.739	0.778	0.826

Note: Dependent variable used is WGI Control of Corruption, recorded for year 2008 (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001). Number of examined cases differs from that of multivariate regressions with UNCAC and FOIA, as an additional variable (ACA) is added to the base in this case (change from 114 to 102).

To perform an additional check of this variable, the Global Integrity Index (GII) dataset is consulted. The GI “assesses the existence, effectiveness, and citizens access to key national-level

anticorruption mechanisms used to hold governments accountable” (GII website 2011). The GII is generated through an aggregation of more than 300 Integrity Indicators, which are comprised from a large number of peer-review questions and answers given by in-country experts. In the second step, these answers are reviewed at the international level to ensure the validity of cross-country comparisons and further put under a double-blind peer review panel comprising additional local and international subject matter experts. The GII Indicators are grouped into six separate headings<sup>23</sup> and for the purpose of this analysis an insight into one of them – Anticorruption and Rule of Law – helps composing another variable capturing the effect of the ACA. The GII goes beyond mere identification of an institutional presence and also rates the efficiency and independence of the institutional tools, however; only the former part of the GII is consulted in this thesis. The GII question whether “in law, there is an agency (or group of agencies) with a legal mandate to address corruption?” is taken as the basis for composition of the variable. The analysts of the GII answer “yes” to this question, “if an agency is specifically mandated to address corruption and/or if there are several agencies or entities with specific roles in fighting corruption, including special prosecutorial entities”<sup>24</sup> (Dataset of Global Integrity Indicators 2008). As the GII ranks and analyses only few countries each year, the answers to this question are taken from the GII reports from 2004, 2006, 2007 and 2008 at the end addressing 79 different countries. While this does not always results in an application of the most current country-specific data, such aggregation is the only way to cover a large enough sample able to uphold a cross-sectional test. The multivariable regression models that are run with the GII ACA variable, experience a sharp decrease in the number of cases (from 102 to 45 cases) due to a lower number of recorded cases in the Global Integrity Reports and a mismatch with other variables in the model. However, most importantly, the results are exactly the same as in ACA models above (Table 14) – in none of the models is the relationship between GII ACA and DV significant (see Table 29 in Appendix). Therefore the results of the GII confirm the null hypothesis of no effect on control of corruption.

### ***The Ombudsman Existence***

The Office of Ombudsman has been, different from the recent global focus on the UNCAC and ACA, in the eyes of democracy, transparency and anticorruption advocates already for a while seen as an important piece in the anticorruption riddle. An average year of establishment of the Office of Ombudsman dates back to the beginning of the 1990s, whereas most anticorruption agencies have

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<sup>23</sup> Six headings of the GII Indicator groups are: Civil society, Public information and Media; Elections; Government Accountability; Administration and Civil Service; Oversight and Regulation; and Anticorruption and Rule of Law.

<sup>24</sup> “No” is given to the countries where no agency (or group of agencies/entities) is specifically mandated to prevent or prosecute corruption (Dataset of Global Integrity Indicators 2008).

been established in the late 1990s, early 2000s. However, does the general longevity of the Ombudsman's Office translate into a significant effect of lowering corruption rates? The Table 28 (Appendix) reports results of a multivariate regression, which introduces variables in line with the set Hypothesis H9<sup>25</sup> - Independent Judiciary, Number of Years Ranked Free and Number of Years that Chief Executive has been in Office. The Ombudsman is neither significant in a simple bivariate regression nor in any combination of variables connected to the hypothesis. In conclusion, rejection of the Ombudsman set hypotheses (H7 and H8<sup>26</sup>) and confirmation of no effect of null hypothesis, indicates that the Office of Ombudsman does not act as a positive significant determinant of CoC. Application of Ombudsman variable to the Resources vs. Constraints models serves as a confirmation (see Table 15). The independent group t-test<sup>27</sup> results (Table 34 in Appendix) indicate that there is no significant difference between the mean CoC scores of the countries with existent Office of Ombudsman and those without such an institution (t-statistics of -1.8768, 187 degrees of freedom, p-value of 0.0621).

**Table 15: Multivariate regression – Role of the Ombudsman (Resources vs. Constraints)**

Independent variables	(1)	(2)	(3)	(4)
<b>Ombudsman</b>	0.130 (-0.225)	-0.116 (-0.117)	-0.115 (-0.108)	-0.080 (-0.101)
<b>RESOURCES</b>				
Informal Economy (% of GDP)		-0.020*** (-0.004)		-0.017*** (-0.004)
Ease of Doing Business (1-183; 1 is easiest)		-0.007*** (-0.002)		-0.004** (-0.001)
Fuel Exports (% of merchandise export)		-0.002 (-0.002)		0.001 (-0.002)
N of Years Ranked 'Free' (0-38; 38 is longest)		0.021*** (-0.005)		-0.005 (-0.006)

<sup>25</sup> H8: Effectiveness of an Ombudsman's Office will be greater – and hence corruption lower – in countries where an independent judiciary is in place and political system is competitive, with government and opposition parties alternating frequently in government.

<sup>26</sup> H7: Countries, which established an Office of Ombudsman, are more committed to fight corruption and thus enjoy lower corruption rates

<sup>27</sup> The test assumes that variances for the two selected groups are the same.

CONSTRAINTS				
Internet Users (per 100 inhabitants)			0.020***	0.013***
			(-0.003)	(-0.003)
Protestant Religion (% of population in 1980)			0.005*	0.004
			(-0.003)	(-0.002)
Civil Society Organizations (per 100 000 inhabit.)			0.004	0.007*
			(-0.003)	(-0.003)
Pers. Autonomy and Ind. Rights (1-16; 16 is best)			0.041	0.072**
			(-0.021)	(-0.027)
Independent Judiciary (0-2; 2 is most independent)			0.251**	0.173*
			(-0.076)	(-0.079)
CONTROL				
HDI (0-1; 1 is most developed)		0.831	0.436	-0.384
		(-0.509)	(-0.527)	(-0.569)
Constant	0.053	0.602	-1.469***	-0.050
	(-0.197)	(-0.447)	(-0.266)	(-0.401)
N	114	114	114	114
R <sup>2</sup>	0.003	0.758	0.795	0.840

Note: Dependent variable used is WGI Control of Corruption, recorded for year 2008. (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001)

To further confirm the relationship, the Global Integrity Index Indicators are used again in a construction of an alternative variable measuring the effect of an Ombudsman's Office. Under the heading of Oversight and Regulation in the GII, a question is posed to the in-country experts whether or not there is "a national ombudsman, public protector or equivalent agency (or collection of agencies) covering the entire public sector" (Dataset of Global Integrity Indicators 2008). Under this question, an expert "yes" is given if "a specific agency or set of agencies [exists] whose primary mandate is to investigate the actions of government on the behalf of common citizens /.../ this agency or set of agencies should be specifically charged with seeking out and documenting abuses of power" (while "no" is there for countries without such an agency or set of agencies). With the 84 recorded entries (from years 2004, 2006, 2007 and 2008), the GII reports 11% of countries without

an Ombudsman. The GII variable (same as in the case of the ACA) in all four separate multivariate models delivers non-significant results (see Table 30 in Appendix). Therefore, with the same limitations as the GII ACA variable, this alternative Ombudsman variable confirms the null hypothesis of no significant effect on corruption levels.

While the need for passage of time serves as a reply to the delivered results under UNCAC, looking beyond mere existence of an institution could enhance the analysis of ACA and Ombudsman. Put into practice, these institutions are only in few cases granted enough power and resources to act beyond the needs of corrupt governing structures. Although the investigation of the efficiency and independence of ACA/Ombudsman is possible in a smaller number of cases, in-depth research requirements to cover the whole world extend beyond a framework of a single master thesis and would require much larger research capacities. Again, an empirical longitudinal time-series research could deliver further insights in both cases.

### ***The Institutional Transplant Index***

The last institutional variable to be analyzed is the Institutional Transplant Index combining all selected institutional indicators. Hypothesis (H9) that countries, which adopted all four institutional imports, are more committed to anticorruption and thus enjoy lower levels of corruption is examined in the Table 16 below. Bivariate regression of the Institutional Transplant Index (Model 1, Table 16) reports results different from the bivariate regression in Table 8 and Table 9. Difference can be found in the different number of cases examined as Table 17, for the sake of comparison between different models (1-5), introduces a common base number of countries (N) for which entries are covered in all selected IVs and DV. Number of examined cases thus decreases from 172 (Table 8) to 102 and eradicates the significance of a variable even in the simplest bivariate model. Before committing to any further conclusions this is an indication that the variable lacks robustness. The minor negative significance observed in Model 4, therefore should not be a reason for any specific negative conclusions. In line with the poor robustness of the variable and its non-significant effects in smaller number of cases or/and in presence of a control variable (HDI), null hypothesis (no effect) is confirmed in the case of composed Index (rejection of H9).

**Table 16: Multivariate regression – Role of the Index of Institutional Transplant**

<b>Independent variables</b>	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
<b>Institutional Transplant Index</b>	0.132 (-0.104)	-0.131 (-0.077)	-0.085 (-0.059)	-0.113* (-0.055)	-0.090 (-0.051)

RESOURCES					
Informal Economy (% of GDP)		-0.021***		-0.016***	
		(-0.005)		(-0.004)	
Ease of Doing Business (1-183; 1 is easiest)		-0.007***		-0.004**	
		(-0.002)		(-0.001)	
Fuel Exports (% of merchandise export)		-0.003		0.001	
		(-0.002)		(-0.002)	
N of Years Ranked 'Free' (0-38; 38 is longest)		0.018***		-0.006	
		(-0.005)		(-0.006)	
CONSTRAINTS					
Internet Users (per 100 inhabitants)			0.019***	0.013***	
			(-0.004)	(-0.004)	
Protestant Religion (% of population in 1980)			0.006*	0.004	
			(-0.003)	(-0.002)	
Civil Society Organizations (per 100 000 inhabitants)			0.002	0.005	
			(-0.003)	(-0.003)	
Pers. Autonomy and Ind. Rights (1-16; 16 is best)			0.040	0.073*	
			(-0.022)	(-0.029)	
Independent Judiciary (0-2; 2 is most independent)			0.247**	0.190*	
			(-0.08)	(-0.085)	
CONSTANT					
HDI (0-1; 1 is most developed)		4.502***	1.032	0.694	-0.168
		(-0.432)	(-0.553)	(-0.563)	(-0.613)
Constant	-0.180	-2.528***	0.666	-1.350***	-0.002
	(-0.293)	(-0.303)	(-0.479)	(-0.282)	(-0.433)
N	102	102	102	102	102
R <sup>2</sup>	0.016	0.531	0.745	0.787	0.831

Note: Dependent variable used is WGI Control of Corruption, recorded for year 2008. (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001). Number of examined cases differs from that of multivariate regressions with

UNCAC and FOIA, as an additional variable (Index) is added to the base in this case (change from 114 to 102).

Next to the already identified options of longitudinal analysis and added qualitative performance of the institutions, advancement in the analysis of such an Index could also focus on the introduction of further institutions vital to the anticorruption fight. For example, state audit agencies, asset recovery mechanisms, attorney general offices, special police forces, or further financial intelligence units could be added in an Index. By merging them together, such Index would deliver more-encompassing overview of an anticorruption institutional arsenal of a country.

With examined five cases of institutional efforts and clear rejection of all but FOIA-related hypotheses, the results of the present thesis confirm what Andrews (2008), Levitski and Murillo (2009) and North (2009) have all pointed at – the danger of failing institutional transplants. In light of this idea the concluding chapter aims to examine governance challenges posed by the notion of failing institutional transplants.

#### **4. Conclusions: Governance Challenge of Failing Institutional Transplants?**

The idea about gradual change, building on delivery of a sound framework of social, political and state institutions to curb corruption, can be easily read in the anticorruption programs of the main international organizations (UN Office on Drugs and Crime Prevention Anticorruption Toolkit 2004, World Bank Anticorruption in Transition 2000). The discourse on ‘good governance’ carries a message that “there are some kinds of buttons you can press that will set in motion an incremental process of change that will function like a path that step-by-step leads a society away from systemic corruption” (Rothstein, 2007:2). Hence, the hypotheses of this thesis follow the positivist line of thinking, predicting the widely advocated institutional efforts to work as determinants in decreasing levels of corruption. With a long list of authors advocating for establishment of institutions, which are characteristics of stable democracies and well-functioning market economies<sup>28</sup>, this thesis embarks on the empirical analysis of the legal institutional arrangements, linked to specific organizational structures and adoption of commonly agreed parchment rules.

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<sup>28</sup> Easterly advocates for quality institutions; Broadman and Recanatini identify the establishment of market economic institutions as keys to change; Sandholtz and Koetzle support the presence of formal democratic institutions e.g. individual liberties and citizen rights (all quoted in Rothstein 2007).

Findings of significant effects of FOIA in presence of an active civil society and attentive opposition to the governing structures, add an important piece to the otherwise poorly performing institutional picture. Nevertheless, negation of all other institutional hypotheses implies little if no influence on the control of corruption.

It is in the academic studies where elaborate causes for the failure of institutional transplants can be found. Rothstein (2007) and Blomkvist (2001) both indicate that much of the advice emanating from the works of the global 'good governance' on how to curb corruption assumes the access to the kind of administrative praxis and institutions that highly corrupt societies lack. The problem hence lies in the inbuilt inertia or path dependency of corrupt institutional systems, which will self-correct to maintain its corruption just as the predominantly non-corrupt systems will self-correct to deal with corrupt individuals (Robert 2003). Claus Offe exposes a concern about "which motives, values, and political forces would actually push forward the reform project /.../ [and asks] what are the reasons to introduce incentives designed to control corruption or to redesign opportunity structures" (2004:82). These questions are therefore vital to understand before any transplant of institution, which works effectively in non-corrupt settings, is proposed.

Mungiu-Pippidi (2006) looks for causes of failing international anticorruption campaigns in the particularistic political culture. The author advances North, Wallis and Weingast (2006) argument of "limited" vs. "open access social order" and suggests that in a particularistic culture<sup>29</sup>, where almost all public goods are distributed on a non-universalist basis mirroring the vicious distribution of power, the risk exists that anticorruption measures put in place by the international community (e.g. UNCAC, ACA) will be taken over by corrupt or semi-corrupt networks (2006:82). When output from the public sector thus depends on one's connections, ability to bribe or participation in various clientilistic networks, the establishment of new "western style" institutions will not decrease corruption rates. Rather, such institutions will become impregnated by the dominating particularistic political culture. This confirms the abovementioned idea about isomorphism, suggesting that selected formal anticorruption institutions may be so widely viewed as appropriate that the ruling elites will adopt them instantly, not in the pursuit of the ends for which they are designed but rather in search of an international or domestic legitimacy (Levitski and Murillo 2009). In an extreme form, "such institutions may effectively serve as window dressing, in that power holders, have an interest in keeping them on the books but no interest in enforcing them" (Levitski and Murillo 2009:120).

Applying the above listed arguments, one could argue that rather than focusing on the step-by-step institutional transplantation, the whole social order/political culture should be moved from the limited

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<sup>29</sup> Mungiu-Pippidi describes the particularistic political culture as a "system in which the government's treatment of citizens depends on their status or position in society, and people do not even expect to be treated fairly by the state; what they expect is similar treatment to everybody with the same status" (2006:82).

or particularistic order to the very different equilibrium characterized by impersonal-universal forms of exchange. Results of this thesis clearly mirror the central arguments of the academic pieces specified above (Mungiu-Pippidi 2006, North et al. 2006, Rothstein 2007), that certain types of institutions have vastly different functions and effects under different settings. Not only is the historically famous Swedish anticorruption institution, the Ombudsman, which has been widely reproduced in many emerging democracies, proven to be unsuccessful; the same results are achieved when relatively novel institutional measures (e.g. the UNCAC, ACA) are tested for the effects on anticorruption. Hence the reasons for the failure of institutional transplants are hidden in a failure to replicate the historical processes, which promoted universalism at the expense of particularism in countries where installed institutions have been working successfully (e.g. Scandinavian countries).

In line with this reasoning, the FOIA-related positive results can also be interpreted from a different perspective. Whilst FOIA is a legal institutional effort, it is also a driver of transparency and as such represents a channel through which civil society can better scrutinize actions of the governing elites. Ergo, FOIA can serve not only as a legal but also a normative constraint. The importance of the normative constraints and material resources (together forming a rudimentary notion of modernity) is another valuable finding of the present thesis. Most of the identified significant factors in the Resources vs. Constraints model are hard to directly influence through a short-term budgeting perspective of policy making (e.g. legacies of religious heritage, dependency on fuel exports), however the outlook is not just bleak. For example, the spread of Internet users in a country significantly affects control of corruption, suggesting that while endowing every Moldovan village with a computer for an entrepreneur to start an Internet café does not seem to be a good governance program at first sight, with its positive effects on anticorruption it could surely be identified as such.

The “sticky” problem of corruption can best be addressed through policies advancing the modernization of a country, such as enhancing Internet coverage or reducing the size of an informal economy. When paired with some basic informal democratic institutions (e.g. granted personal autonomy and individual rights) and an active civil society, the move towards a culture, based on universalistic principles might deliver better results than a reliance on the global promotion of institutional ‘imports’ does currently.

To conclude, the institutional transplant results from this thesis do not try to suggest that countries, which adopted fewer ‘western sponsored’ institutions of anticorruption are necessarily more corrupt nor that those which did adopt them have necessarily evolved better. Rather, the empirical findings suggest that looking for an anticorruption “quick cure” in institutional imports might not live up to the expectations of the global good governance arena. Instead, the policies, which aim at fostering

social and economic development or modernization of a country, might without much expectation serve as stronger, more robust anticorruption determinants.

## 5. Appendix

**Table 17: Pair-wise Correlations between the DV and main IVs**

	UNCAC	FOIA	ACA	Ombudsman	Institutional Transplant Index	Informal Economy	Ease of Doing Business	Fuel Exports	N of Years Ranked 'Free'	Internet Users
C. of Corruption	-.0452	.3286	-.0081	.1360	.1804	-.6657	<b>-.7417</b>	-.1787	.6848	<b>.8279</b>
UNCAC		.1949	-0.070	.0843	.5438	.1566	-.0064	-.0139	-.1326	-.0064
FOIA			-0.031	.1351	.5926	-.1903	-.4848	-.1524	.3242	.4807
ACA				.2241	.5099	.0407	.0174	.1521	.0604	.0255
Ombudsman					.6138	-.0375	-.1781	.1144	.1938	.1821
Institut. Index						-.0309	-.2779	.0756	.1837	.2933
Informal Econ.							.5296	.0226	-.4926	-.6341
Ease of Business								.0679	-.5656	-.7446
Fuel Exports									-.2592	-.0932
N of Years 'Free'										.6076

	Protestant Religion	Civil Society Organizations	Personal Autonomy, Ind.	Independent Judiciary	HDI
C. of Corruption	.3805	.0576	<b>.7483</b>	.6748	<b>.7373</b>
UNCAC	-.0941	-.1334	-.0391	-.1963	-.0520
FOIA	.0916	-.1243	.3963	.2247	.5366
ACA	.0986	.1246	.0240	-.0486	.0070
Ombudsman	.0889	.0983	.1937	.0456	.1179
Institut. Index	-.0213	-.1422	.2567	.0241	.3028
Informal Econ.	-.2063	.1048	-.4450	-.4902	-.5446
Ease of Business	-.2921	.1179	-.6335	-.5210	<b>-.7957</b>
Fuel Exports	-.1257	-.2559	-.4218	-.2354	-.0042
N of Years 'Free'	.4338	.1177	<b>.8127</b>	<b>.7479</b>	.6194
Internet Users	.3005	-.0129	.6818	.5229	<b>.8419</b>
Protestant Rel.		.2580	.3296	.4629	.1697
Civil Soc. Org.			.1292	.1983	-.0885
Pers. Autonomy				.6981	.6806
Indep. Judiciary					.4939

Few cases result in strong correlations (bolded), however, they all translate into normal linear distributions. Additionally, when all variables are tested for multicollinearity, they all successfully stay under the required threshold of the variance inflation factor.

**Table 18: Bivariate regressions – Independent variables used**

Indep. variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Informal Economy	-0.050*** (-0.005)									
Ease of Business		-0.014*** (-0.001)								
Fuel Exports			-0.007* (-0.003)							
Years Free				0.047*** (-0.004)						
Internet Users					0.032*** (-0.002)					
Protestant Religion						0.018*** (-0.003)				
Civil Society							0.002 (-0.003)			
Personal Auton.								0.184*** (-0.012)		
Indep. Judiciary									0.763*** (-0.062)	
HDI										4.121*** (-0.299)
Constant	1.696*** (-0.169)	1.228*** (-0.102)	0.313** (-0.104)	-0.676*** (-0.073)	-0.914*** (-0.062)	-0.267** (-0.082)	-0.116 (-0.096)	-1.827*** (-0.127)	-0.735*** (-0.079)	-2.653*** (-0.197)
N	155	169	133	187	177	178	165	184	182	162
R2	0.443	0.550	0.032	0.469	0.685	0.145	0.003	0.560	0.455	0.544

Note: Dependent variable used is WGI Control of Corruption, recorded for year 2008 (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001).

**Table 19: Bivariate regressions – Institutional variables (DV: WGI plus Control)**

Independent variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)
UNCAC	0.002 (-0.122)						
Years since UNCAC		-0.020 (-0.032)					
FOIA			-0.086 (-0.130)				

Years since				0.006*			
FOIA				(-0.002)			
ACA					-0.017		
					(-0.114)		
Ombudsman						-0.016	
						(-0.120)	
Institutional							-0.031
Index							(-0.058)
<b>CONTROL</b>							
HDI	4.121***	4.102***	4.246***	3.890***	4.042***	4.128***	4.094***
	(-0.300)	(-0.301)	(-0.353)	(-0.309)	(-0.313)	(-0.304)	(-0.327)
Constant	-2.654***	-2.598***	-2.696***	-2.550***	-2.603***	-2.646***	-2.570***
	(-0.222)	(-0.217)	(-0.208)	(-0.199)	(-0.216)	(-0.204)	(-0.220)
N	162	162	162	162	146	162	146
R2	0.544	0.545	0.545	0.56	0.539	0.544	0.54

Note: Dependent variable used is WGI Control of Corruption, recorded for year 2008 (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001).

**Table 20: Bivariate regressions – Institutional Variables (DV: TI CPI)**

Independent variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)
UNCAC	-0.139						
	(-0.346)						
Years since		-0.117					
UNCAC		(-0.093)					
FOIA			1.554***				
			(-0.299)				
Years since				0.035***			
FOIA				(-0.007)			
ACA					-0.032		
					(-0.332)		
Ombudsman						0.550	
						(-0.340)	
Institutional							0.376*
Index							(-0.150)
Constant	4.098***	4.246***	3.341***	3.753***	3.991***	3.624***	3.083***
	(-0.289)	(-0.250)	(-0.195)	(-0.155)	(-0.246)	(-0.282)	(-0.390)
N	172	172	172	172	156	172	156
R2	0.001	0.009	0.137	0.141	0.000	0.015	0.039

Note: Dependent variable used is TI Corruption Perception Index, recorded for year 2008 (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001).

**Table 21: Bivariate regressions – Institutional Variables (DV: TI CPI plus Control)**

Independent variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)
UNCAC	-0.053 (-0.266)						
Years since UNCAC		-0.071 (-0.068)					
FOIA			-0.094 (-0.280)				
Years since FOIA				0.016** (-0.005)			
ACA					-0.053 (-0.241)		
Ombudsman						-0.061 (-0.253)	
Institutional Index							-0.079 (-0.120)
<b>CONTROL</b>							
HDI	8.625*** (-0.641)	8.588*** (-0.640)	8.770*** (-0.772)	7.980*** (-0.658)	8.587*** (-0.664)	8.652*** (-0.650)	8.728*** (-0.697)
Constant	-1.416** (-0.468)	-1.273** (-0.456)	-1.506*** (-0.446)	-1.167** (-0.420)	-1.421** (-0.458)	-1.431** (-0.435)	-1.347** (-0.465)
N	155	155	155	155	140	155	140
R2	0.544	0.547	0.544	0.57	0.55	0.544	0.551

Note: Dependent variable used is TI Corruption Perception Index, recorded for year 2008 (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001).

**Table 22: Bivariate regressions – Institutional Variables (DV: ICRG COR)**

Independent variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)
UNCAC	-0.080 (-0.230)						
Years since UNCAC		-0.044 (-0.060)					
FOIA			0.718***				

								(-0.192)
Years since								0.017***
FOIA								(-0.004)
ACA								-0.018 (-0.211)
Ombudsman								-0.087 (-0.224)
Institutional								0.115
Index								(-0.101)
Constant	2.667*** (-0.199)	2.705*** (-0.165)	2.266*** (-0.132)	2.464*** (-0.099)	2.602*** (-0.156)	2.670*** (-0.191)	2.305*** (-0.273)	
N	137	137	137	137	125	137	125	
R2	0.001	0.004	0.094	0.128	0.000	0.001	0.010	

Note: Dependent variable used is ICRG Corruption Component, recorded for year 2008 (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001).

**Table 23: Bivariate regressions – Institutional Variables (DV: ICRG COR plus Control)**

Independent variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)
UNCAC	-0.078 (-0.201)						
Years since		-0.032					
UNCAC		(-0.051)					
FOIA			0.036 (-0.201)				
Years since				0.010**			
FOIA				(-0.003)			
ACA					0.065 (-0.180)		
Ombudsman						-0.241 (-0.187)	
Institutional							-0.051
Index							(-0.091)
<b>CONTROL</b>							
HDI	3.539*** (-0.468)	3.519*** (-0.469)	3.503*** (-0.553)	3.153*** (-0.474)	3.420*** (-0.495)	3.627*** (-0.466)	3.492*** (-0.512)
Constant	0.392 (-0.368)	0.418 (-0.354)	0.339 (-0.334)	0.502 (-0.316)	0.375 (-0.352)	0.447 (-0.331)	0.491 (-0.365)

N	130	130	130	130	118	130	118
R2	0.315	0.316	0.314	0.354	0.294	0.323	0.295

Note: Dependent variable used is ICRG Corruption Component, recorded for year 2008 (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001).

**Table 24: Multivariate regression – Role of the UNCAC (added time aspect)**

Independent variables	(1)	(2)	(3)	(4)
<b>Years since UNCAC</b>	-0.086 (-0.057)	0.015 (-0.030)	-0.007 (-0.028)	0.004 (-0.026)
<b>RESOURCES</b>				
Informal Economy (% of GDP)		-0.021*** (-0.004)		-0.017*** (-0.004)
Ease of Doing Business (1-183; 1 is easiest)		-0.007*** (-0.002)		-0.004** (-0.001)
Fuel Exports (% of merchandise export)		-0.003 (-0.002)		0.001 (-0.002)
N of Years Ranked 'Free' (0-38; 38 is longest)		0.020*** (-0.005)		-0.005 (-0.006)
<b>CONSTRAINTS</b>				
Internet Users (per 100 inhabitants)			0.019*** (-0.004)	0.013*** (-0.003)
Protestant Religion (% of population in 1980)			0.005* (-0.003)	0.004 (-0.002)
Civil Society Organizations (per 100 000 inhabitants)			0.003 (-0.003)	0.007* (-0.003)
Pers. Autonomy and Ind. Rights (1-16; 16 is best)			0.040 (-0.021)	0.072* (-0.028)
Independent Judiciary (0-2; 2 is most independent)			0.263*** (-0.075)	0.187* (-0.078)

CONTROL				
HDI (0-1; 1 is most developed)		0.800 (-0.51)	0.400 (-0.529)	-0.391 (-0.571)
Constant	0.356* (-0.166)	0.538 (-0.449)	-1.503*** (-0.270)	-0.092 (-0.399)
N	114	114	114	114
R2	0.020	0.757	0.793	0.839

Note: Dependent variable used is WGI Control of Corruption, recorded for year 2008 (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001).

**Table 25: Multivariate regression – Role of the Years since FOIA (Hypothesis H4)**

Independent variables	(1)	(2)	(3)	(4)
<b>Years since FOIA</b>	0.014*** (-0.003)	0.014*** (-0.003)	0.005 (-0.003)	0.013*** (-0.003)
Civil Society Organizations (per 100 000 inhabit.)		0.011* (-0.005)	-0.001 (-0.004)	0.011* (-0.005)
N of Years Ranked 'Free' (0-38; 38 is longest)			0.045*** (-0.005)	
N of Years in Office (1-41; 41 is longest)				-0.041** (-0.014)
Constant	0.002 (-0.095)	-0.176 (-0.126)	-0.592*** (-0.107)	0.105 (-0.157)
N	113	113	113	113
R2	0.132	0.166	0.519	0.224

Note: Dependent variable used is WGI Control of Corruption, recorded for year 2008 (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001).

**Table 26: Multivariate regression – Role of the ACA (Hypothesis H6)**

Independent variables	(1)	(2)	(3)	(4)
<b>ACA</b>	0.083 (-0.200)	0.211 (-0.143)	0.002 (-0.149)	0.130 (-0.141)

Independent Judiciary (0-2; 2 is most independent)		0.800***		0.524***
		(-0.080)		(-0.125)
N of Years Ranked 'Free' (0-38; 38 is longest)			0.045***	0.021**
			(-0.005)	(-0.007)
Constant	0.123	-0.660***	-0.557***	-0.704***
	(-0.147)	(-0.131)	(-0.132)	(-0.127)
N	102	102	102	102
R2	0.002	0.501	0.455	0.539

Note: Dependent variable used is WGI Control of Corruption, recorded for year 2008 (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001).

**Table 27: Multivariate regression – Role of the Ombudsman (Hypothesis H8)**

Independent variables	(1)	(2)	(3)	(4)
<b>Ombudsman</b>	0.113	0.138	-0.192	0.162
	(-0.225)	(-0.16)	(-0.161)	(-0.216)
Independent Judiciary (0-2; 2 is most independent)		0.815***		
		(-0.078)		
N of Years Ranked 'Free' (0-38; 38 is longest)			0.048***	
			(-0.005)	
N of Years in Office (1-41; 41 is most years)				-0.050**
				(-0.016)
Constant	0.053	-0.701***	-0.472**	0.333
	(-0.196)	(-0.158)	(-0.147)	(-0.207)
N	113	113	113	113
R2	0.002	0.497	0.507	0.088

Note: Dependent variable used is WGI Control of Corruption, recorded for year 2008 (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001).

**Table 28: Multivariate regression – ACA as recorded by the Global Integrity Index**

Independent variables	(1)	(2)	(3)	(4)
<b>ACA as reported by GII</b>	0.136 (-0.506)	-0.245 (-0.272)	0.094 (-0.245)	-0.012 (-0.241)
<b>RESOURCES</b>				
Informal Economy (% of GDP)		-0.019* (-0.007)		-0.018* (-0.007)
Ease of Doing Business (1-183; 1 is easiest)		-0.005 (-0.003)		-0.004 (-0.003)
Fuel Exports (% of merchandise export)		-0.002 (-0.004)		0.002 (-0.004)
N of Years Ranked 'Free' (0-38; 38 is longest)		0.031** (-0.009)		-0.006 (-0.013)
<b>CONSTRAINTS</b>				
Internet Users (per 100 inhabitants)			0.011 (-0.007)	0.003 (-0.008)
Protestant Religion (% of population in 1980)			0.008* (-0.004)	0.006 (-0.004)
Civil Society Organizations (per 100 000 inhabit.)			0.000 (-0.006)	0.004 (-0.006)
Pers. Autonomy and Ind. Rights (1-16; 16 is best)			0.050 (-0.039)	0.098 (-0.056)
Independent Judiciary (0-2; 2 is most independent)			0.366* (-0.138)	0.307* (-0.146)
<b>CONSTANT</b>				
HDI (0-1; 1 is most developed)		0.447 (-1.084)	0.770 (-1.015)	0.148 (-1.199)
Constant	0.127	0.757	-1.729**	-0.470

	(-0.476)	(-0.953)	(-0.560)	(-0.866)
N	44	44	44	44
R2	0.002	0.767	0.820	0.855

Note: Dependent variable used is WGI Control of Corruption, recorded for year 2008 (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001).

**Table 29: Multivariate regression – Ombudsman as recorded by the Global Integrity Index**

Independent variables	(1)	(2)	(3)	(4)
<b>Ombudsman as reported by GII</b>	-0.273 (-0.345)	0.109 (-0.165)	-0.026 (-0.148)	-0.039 (-0.147)
<b>RESOURCES</b>				
Informal Economy (% of GDP)		-0.012** (-0.004)		-0.012** (-0.004)
Ease of Doing Business (1-183; 1 is easiest)		-0.006*** (-0.001)		-0.003* (-0.001)
Fuel Exports (% of merchandise export)		-0.004* (-0.002)		-0.001 (-0.002)
N of Years Ranked 'Free' (0-38; 38 is longest)		0.028*** (-0.006)		-0.001 (-0.007)
<b>CONSTRAINTS</b>				
Internet Users (per 100 inhabitants)			0.013** (-0.004)	0.010* (-0.004)
Protestant Religion (% of population in 1980)			0.008* (-0.004)	0.004 (-0.004)
Civil Society Organizations (per 100 000 inhabit.)			-0.001 (-0.005)	0.004 (-0.005)
Pers. Autonomy and Ind. Rights (1-16; 16 is best)			0.099*** (-0.024)	0.094** (-0.030)
Independent Judiciary (0-2; 2 is most independent)			0.317***	0.226*

			(-0.080)	(-0.085)
<b>CONTROL</b>				
HDI (0-1; 1 is most developed)		0.130	-0.229	-0.519
		(-0.494)	(-0.524)	(-0.532)
Constant	0.077	0.337	-1.564***	-0.502
	(-0.328)	(-0.447)	(-0.277)	(-0.425)
N	62	62	62	62
R2	0.010	0.803	0.846	0.880

Note: Dependent variable used is WGI Control of Corruption, recorded for year 2008. (\* p<0.05, \*\* p<0.01, \*\*\* p<0.001)

**Table 30: Two-sample t-test with equal variances (UNCAC)**

Group	Obs	Mean	Std. Err.	Std. Dev.	(95% Conf. Interval)	
0	66	0.0388729	0.135845	1.10361	-0.2324284	0.3101741
1	123	-0.0556381	0.0849372	0.9419991	-0.2237797	0.1125036
Combined	189	-0.0226343	0.0727023	0.9994918	-0.1660514	0.1207829
Difference (diff)		0.0945109	0.1527565		-0.2068365	0.3958584
Degrees of freedom=187; t=0.6187						
H0: diff=0						
Ha: diff < 0		Ha: diff !=0		Ha: diff> 0		
Pr(T < t)=0.7316		Pr( T  >  t )=0.5369		Pr(T > t)=0.2684		

**Table 31: Two-sample t-test with equal variances (FOIA)**

Group	Obs	Mean	Std. Err.	Std. Dev.	(95% Conf. Interval)
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0	115	-0.2853953	0.0794313	0.8518056	-0.4427481	-0.1280426
1	74	0.3857106	0.1253019	1.077888	0.1359842	0.635437
Combined	189	-0.0226343	0.0727023	0.9994918	-0.1660514	0.1207829
Difference (diff)		-0.671106	0.1410559		-0.9493714	-0.3928405
Degrees of freedom=187; t=-4.7577						
H0: diff=0						
Ha: diff < 0		Ha: diff !=0		Ha: diff> 0		
Pr(T < t)=0.0000		Pr( T  >  t )=0.0000		Pr(T > t)=1.0000		

**Table 32: Two-sample t-test with equal variances (ACA)**

Group	Obs	Mean	Std. Err.	Std. Dev.	(95% Conf. Interval)	
0	77	-0.0289007	0.1076712	0.9448111	-0.2433465	0.1855452
1	95	-0.0449406	0.1043747	1.017319	-0.252179	0.1622978
Combined	172	-0.0377599	0.0749309	0.9827096	-0.1856686	0.1101487
Difference (diff)		0.01604	0.1511268		-0.2822868	0.3143668
Degrees of freedom=170; t=0.1061						
H0: diff=0						
Ha: diff < 0		Ha: diff !=0		Ha: diff> 0		
Pr(T < t)=0.5442		Pr( T  >  t )=0.9156		Pr(T > t)=0.4578		

**Table 33: Two-sample t-test with equal variances (Ombudsman)**

Group	Obs	Mean	Std. Err.	Std. Dev.	(95% Conf. Interval)	
0	57	-0.2288873	0.1268737	0.9578758	0.483046	0.0252713
1	132	0.0664296	0.0876861	1.007437	-0.1070345	0.2398936
Combined	189	-0.0226343	0.0727023	0.9994918	-0.1660514	0.1207829
Difference (diff)		-0.2953169	0.1573592		-0.6057442	0.0151104
Degrees of freedom=187; t=-1.8768						
H0: diff=0						
Ha: diff < 0		Ha: diff !=0		Ha: diff > 0		
Pr(T < t)=0.0311		Pr( T  >  t )=0.0621		Pr(T > t)=0.9689		

**Table 34: Main Sources for construction of variables for ACA and Ombudsman**

<ul style="list-style-type: none"> <li>Global Integrity Index, Score Cards for Individual Countries, URL: <a href="http://report.globalintegrity.org/">http://report.globalintegrity.org/</a></li> </ul>
<ul style="list-style-type: none"> <li>UNDP Anti-Corruption Practitioners Network (covering Eurasia), URL: <a href="http://europeandcis.undp.org/anticorruption">http://europeandcis.undp.org/anticorruption</a></li> </ul>
<ul style="list-style-type: none"> <li>Ombudsman Information Network, URL: <a href="http://www.anticorruption.bg/ombudsman/eng/readnews.php?id=4126&amp;lang=en&amp;t_style=tex&amp;l_style=default">http://www.anticorruption.bg/ombudsman/eng/readnews.php?id=4126&amp;lang=en&amp;t_style=tex&amp;l_style=default</a></li> </ul>
<ul style="list-style-type: none"> <li>Business Anti-Corruption Portal, URL: <a href="http://www.business-anti-corruption.com/country-profiles/">http://www.business-anti-corruption.com/country-profiles/</a></li> </ul>
<ul style="list-style-type: none"> <li>Association of Francophone Ombudsman, URL: <a href="http://www.aomf-ombudsmans-francophonie.org/the-aomf/statutes-and-authorities_fr_000078.html">http://www.aomf-ombudsmans-francophonie.org/the-aomf/statutes-and-authorities_fr_000078.html</a></li> </ul>
<ul style="list-style-type: none"> <li>Callejas, R. (2010), <i>Understanding Anti-Corruption Issues in Latin America: An In-depth Look at Recent Developments and Upcoming Trends</i>, Aspatore Special Report, 41 p.</li> </ul>
<ul style="list-style-type: none"> <li>Heilbrunn, J. R. (2004), <i>Anti-Corruption Commissions: Panacea or Real Medicine to Fight Corruption?</i> World Bank Institute/IBRD, 21 p.</li> </ul>

<ul style="list-style-type: none"> <li>• OECD Report (2006), <i>Specialized Anti-Corruption Institutions: Review of Models</i>, OECD Paper, 124 p.</li> </ul>
<ul style="list-style-type: none"> <li>• Office of Australian Ombudsman (2010), <i>Commonwealth Ombudsman – Complaint Handling in Pacific Island Nations without an Ombudsman</i>, Research Paper, 26 p.</li> </ul>
<ul style="list-style-type: none"> <li>• Rief, L. (2004), “The Ombudsman, Good Governance and the International Human Rights System”, Martinus Nijhof Publishers, Leiden/Boston, 442 p.</li> </ul>
<ul style="list-style-type: none"> <li>• Vangansuren, U. (2002), <i>The Institution of Ombudsman in the Former Communist Countries</i>, Democracies Studies Fellowship at IFES July-August 2002, Research Paper, 51 p.</li> </ul>
<ul style="list-style-type: none"> <li>• Volio, L. G. (2003), <i>The Institution of an Ombudsman: Latin American Experience</i>, Inter American Institute of Human Rights, pp. 220-248.</li> </ul>

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Andrews, M. (2008), *The Good Governance Agenda: Beyond Indicators without Theory*, *Oxford Development Studies* 36 (4), pp. 379-407

Association of Francophone Ombudsman, URL Address (4 March 2011): [http://www.aomf-ombudsmans-francophonie.org/the-aomf/statutes-and-authorities\\_fr\\_000078.html](http://www.aomf-ombudsmans-francophonie.org/the-aomf/statutes-and-authorities_fr_000078.html)

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