accountability 162, 168, 169, 185, 441
  Bulgaria 573–6
  and decentralization 164
  of local governments 177, 184
Africa
  FDI 28
  governance 55, 90
    and per capita incomes 91–2
  government regulation 7
  growth rate 26
  income inequality 23
  neo-patrimonialism 230–31
  reform of tax administration 485
  see also Uganda
  agencies 427
    and types of corruption 190–91
  agents and advisers 401–2
  aid 36
  aid-financed business ventures 396
  Albania 260, 300
  anti-corruption
    activity indices, post-communist
    transition countries 258
    agencies 249
    codes 411, 413
    international anti-corruption
    conventions and standards
    256–7, 381
    matrix 253, 255, 270
    reforms 441–2
    strategies 189, 198, 211, 239, 247
  anti-corruption programs
    and changes in corruption 263–4
    integrated 253
    measuring effectiveness 249–57
    multivariate regression results 265
    national 250
    in post-communist transition
    countries 257–63
  anti-trust bodies 395
  anti-trust laws, index of 8
  appointment decentralization 172–3
  Argentina
    decentralization 179
  hospital procurement 515
  Armenia 260
  Australia 429
  Azerbaijan 260, 262, 295, 296, 300
  Asia, see individual countries
  Bangladesh, food-for-education
    program 177, 179
  bank supervision 29
  bargaining model, bribery 128–36
  Belarus 260
  beliefs 352
    and corruption 360–67
    and ERBITA 367–73
  Bertrand price competition 165
  bicameralism 16–17, 147–8
    and rent seeking 150, 156
  bilateral monopoly xx
  black market 37
  Bolivia, decentralization 178
  Botswana, anti-corruption agencies
    249
  bottom-up models of corruption
    167–8, 205
  Brazil 181, 365
    decentralization 163, 164
  bribery xiv, xvii, 127, 167–8
    bargaining frictions 136
    bargaining model 128–36
    data 130–31
    results 131–6
    by type of official, Peru 330
    effect of staff rotation 424–5
    experimental bribery game 422–4
    and firms 383
    incentives for xv
    instructions framing in bribery
    experiments 425–6
    laboratory experiments 422–9
    loyalty conflicts in 427–8
    measurement 162
    and monopoly rights 6
    motivation behind 402–4
    predictability 134, 136
corruption in selection and procurement 582
distribution and procurement 557–8
drug selection 579, 584, 591–5
getting drugs to market 555–7
institutional analysis of selection processes 570–81
over-inclusion cases 563
price setting in the selection process 564–5
selection process outcomes 561–70
systemic pressures and opportunities 559–61
under inclusion cases 563
Positive Drug List (PDL) 546, 555, 557, 558, 563, 566, 571, 572–3, 575, 576, 578
prevention 576–80
price controls 555
restructuring of healthcare units 584
transparency 571–3
Bulgarian Drug Agency (BDA) 555
bureaucracy 283–4
bureaucratic process xviii, 33, 127
business entry, ease of 80
Business Environment and Enterprise Performance Survey (BPS) 3, 75
Business International 110
Business International Index 3
campaign finance 151
capital imports 29, 42
capitalism 228, 233, 234, 235, 240, 352, 353
beliefs about productivity of 354–60
capture 454
of government 170, 184–5
'state capture' 142–3, 152–3, 174, 256
'career-concern' model 148
causes of corruption 4–22
Central and Eastern European and Baltic (CEB) countries 250
see also individual countries
centralized corruption 205–7
centrally planned economies 282, 282–7
foreign trade 297
Harrison–Kim model 290–91

public sector 32
and resource allocation xv
and time spent with bureaucrats 131–2, 133–4, 137
and uncertainty 134, 135
and university entrance 296
British colonial rule 323
Bulgaria 259, 260, 300
accountability 573–6
APIA (Access to Public Information Act) 553, 571–2
Commercial League 560
Commercial League-National Pharma Center 567
CPDL (Commission on the Positive Drug List) 555, 557, 566, 571, 573, 576
drug prices 565
drug sales, shell companies and moral hazard 559–60
freedom of information legislation 571–2
governance in hospital procurement processes 567–8
of hospitals 560–61
of selection processes 566–7
hospitals, corruption indicator 569
industry based ethical codes 579
influence of drug donations on procurement 568
informal payments to doctors 580
international drug policy 560
law on drugs 565
Magined 559
market authorization 555
Ministry of Finance (MOF) 558
Ministry of Health (MOH) 555, 561, 567, 574, 576
National Health Insurance Fund (NHIF) 557, 558, 561, 564, 574, 575, 577
pharmaceutical selection in healthcare 546–95
appropriate drug selection 562–4
corruption in healthcare and pharmaceutical systems 566–8

corruption in selection and procurement 582
distribution and procurement 557–8
drug selection 579, 584, 591–5
getting drugs to market 555–7
institutional analysis of selection processes 570–81
over-inclusion cases 563
price setting in the selection process 564–5
selection process outcomes 561–70
systemic pressures and opportunities 559–61
under inclusion cases 563
Positive Drug List (PDL) 546, 555, 557, 558, 563, 566, 571, 572–3, 575, 576, 578
prevention 576–80
price controls 555
restructuring of healthcare units 584
transparency 571–3
Bulgarian Drug Agency (BDA) 555
bureaucracy 283–4
bureaucratic process xviii, 33, 127
business entry, ease of 80
Business Environment and Enterprise Performance Survey (BPS) 3, 75
Business International 110
Business International Index 3
campaign finance 151
capital imports 29, 42
capitalism 228, 233, 234, 235, 240, 352, 353
beliefs about productivity of 354–60
capture 454
of government 170, 184–5
'state capture' 142–3, 152–3, 174, 256
'career-concern' model 148
causes of corruption 4–22
Central and Eastern European and Baltic (CEB) countries 250
see also individual countries
centralized corruption 205–7
centrally planned economies 282, 282–7
foreign trade 297
Harrison–Kim model 290–91
internal and external transaction costs of corruption 293–8
legal and norm structures 286–7
models of corruption in 287–98
property rights 298
retailing 297–8
role of Communist Party 285
role of family-friendship corruption 291–2
role of prices 285–6
Shleifer–Vishny model 288–90
Center for Institutional Reform and the Informal Sector (IRIS) 110, 217, 247, 553, 567
child mortality rates 33–4
Chile 13
China 163, 225, 278, 280, 289, 298, 299, 303
dual-track system 306–10
economic development 304
federalism 174–7
fiscal decentralization 175–6, 183, 184
income distribution 303, 304
perceived corruption levels 303–4
transition process 300–301
underground economy 303
civic participation 180–81
law 256
wages 39
clientelism 227–31
Coalition 2000 560
codes of conduct 409–10
collusion 190, 191, 204
Colombia
duty avoidance and smuggling displacement 527–9
import capture ratios 529–36, 543–4
pre-shipment inspection of imports (PSI) 527–36
robustness in checks for analysis 542–5
colonial heritage 22
commercial corruption 281
Commission of European Communities 464
common law systems 136, 323
Commonwealth of Independent States (CIS) 250
Communist Party 285, 293
role in transition from central planning 298–304, 311
community socioeconomic (literacy-wealth) status 179
company culture 410–12
competition, for mobile factors 166
competitive pressure 383, 386, 393–5
Conference Board Manufacturers database 28
consequences of corruption 22–38
contractual incompleteness 190
Control Risk Group (CRG) 392–3, 393, 408, 410, 411
corruption and beliefs 360–67
and growth 217, 218
measurement 153, 161–2
‘neoclassical’ 219–22
objective measures 153–4
preferred terms for 387–8
theoretical analyses 162
tolerance of 399–400
top down and bottom-up 167–8
use of term xiv
varieties of 142–3
corrupt political rent seeking 142
Costa Rica, pharmaceuticals 548
Council of Europe
Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime 256
Criminal and Civil Law Convention on Corruption 256
Group of States Against Corruption (GRECO) 256
Croatia 260
‘crony bias’ 74
‘crony capitalism’ 387
cross-border bribery 397
cross-country comparisons, and the MCA 66–72
cross-country governance indicators 54
cross-country research xxi, xxii, xxiv, 3–51
cross-cultural comparison 428–9
culture 17–19
impact on laboratory experiments 436
currency crises 30
customs
corruption in 516
reform 512–45
Czechoslovakia 296
Czech Republic 260
decentralization 15–17, 151, 161, 163, 167, 170–71
appointment 172–3
Bolivia 178
and corruption 183
country-wide and cross-country comparisons 171–3
effects of 163–4
electoral 152–3
expenditure 172
fiscal 155, 323
and government accountability 164
measurement 16, 74
notions of 163
positive effects 171, 172
and public services 185
welfare effects 177
decentralized corruption 205–7
de jure reform 41
‘delegation effect’ 428
democracy 10–11, 140, 163
forms of 11–12
local 168–71
unicameral and bicameral systems 16–17
see also electoral systems
democratic institutions, design 143–8
Department for International Development (DFID), UK 486
deterrence, versus intrinsic motivation 421
developing countries
beneficial rents 223
corruption in customs services 513
corruption in 216–19
firm profitability and bribe payments 394–5
‘neoclassical’ corruption 219–22, 236–7
political corruption and clientelism 227–31, 238
political structures 242–3
‘statist’ corruption 222–7, 237–8
tax collection 484
theft and primitive accumulation 232–6
see also individual countries
Di Palma–Mazziotta regional index of physical infrastructure 465–6
donor problem in development 432–4
drug regulation, corruption in 548
Duverger’s law 148
earnings before interest, taxes and depreciation (EBITDA) 354
and beliefs 367–73
and Transparency International corruption index 374
East Asia 26
Eastern Europe 6
FDI 28
see also individual countries
EBRD/World Bank Business Environment and Enterprise Performance Surveys (BEEPS) 250, 261, 266
economic collapse 240
economic competition, lack of 8–10
economic development, and corruption 127
economic development levels, role in transition process 304–5
Economic Freedom index 10
economists, corruptibility 420–21
education 119
government spending on 32–3
electoral
corruption, institutional effects 156–7
decentralization 152–3
participation 11
rules, and district magnitude 145–7
systems xix, 113, 120, 140, 143
campaign finance 15
and exposure of corruption 149
open and closed lists 145, 154, 155
party lists 13
plurality systems 145, 149, 152, 154
proportional representation 14, 145–7, 148, 149
single member districts 145
El Salvador, EDUCO program 180–81
embassies 388–9
embezzlement 142, 281, 282, 294, 301, 305
laboratory experiments on 429–34
and monitoring 429–31
employment, in bureaucracy 284
English legal origin 117, 121, 137
entry regulation 7
environmental regulation 34, 138
equator, distance from 22
Estonia 260
EU
acquisition 262
acquis communautaire 260
expenditure, decentralization 172
exports 35–6
expropriation 108, 117, 235–6
extortion 191, 240
facilitation payments 382, 387, 389–90
‘familism’ 20
family-friendship corruption 281
role in centrally planned economies 291–2
federalism 16, 120, 147–8, 162, 166–7, 169
China 174–7
effects on corruption 154–5
fiscal 163
Federalist Papers 169
financial disclosure law 256
financial openness 10
firms
experience in international markets 395–6
profitability and bribe payments, developing countries 394–5
propensity for corruption 413
sector and exposure to corruption 392–3
size of 391–2
fiscal decentralization 155, 323
fiscal federalism 163
Foreign Corrupt Practices Act, US 35
foreign currency bank accounts 10
foreign direct investment (FDI) 28–9, 394
foreign trade 297
former Soviet Union see post-communist transition countries
fractionalization 117, 119
France, political scandal 140–41
Freedom House, Freedom of the Media index 264
Freedom House index 14, 40, 42
free-rider problems 156
French-origin legal systems 136, 137, 157
Gastil index 11
GATT 9
GDP 5, 8, 171, 279, 280, 310
growth 25–7, 301
per capita 24–5
eratio of imports to 9
gender 20–21
geography 21–2
Georgia 260, 262, 296, 302
Germany, political scandal 141, 142
Gini coefficient 23
Global Competitiveness Report 31
Global Competitiveness Survey (GCS) 61
globalization 9
governance
changes over time 54, 63, 98–104
control of corruption 56, 66–8
controlling for income in comparisons 90–92
cross-country comparisons and the MCA 66–72
de jure and de facto indicators 79–85
development dividend of good governance 53
ease of business entry 80, 81
and economic development 55
governance-income correlations 86–92
government effectiveness 56
halo effects 86–90
indicators for 1996–2004 56–66
margins of error 75–9
and changes over time 68–72
for objective indicators 77
margins of error for indicators 59
perceptions 72–5
political stability and absence of violence 56, 58, 62
potential ideological biases 85–6
regulatory quality 56
rule of law 56, 90
subjective and objective measures 72–86
trends in quality 93–4
voice and accountability 56
governance-income correlations 86–92
government revenues, reduced 37
government structure 10–11
‘grabbing hand regime’ 5
‘grand’ corruption xix–xx, 387
grease payments 426–7
growth rates, and corruption xvi, 26, 127, 217, 218, 278, 279, 310

halo effects 55, 86–90
harassment 128
Harrison–Kim model 290–91, 296
Hartog 562
healthcare
corruption 547
normative dimension 580–81
and corruption in transition 547–53
health services, corruption in 431–2
Herfindahl index 174
Heritage Foundation 37, 86, 115
Economic Freedom measure 8, 110
Property Rights index 118
hierarchies 19, 189–90, 192–8, 211, 283–4
ex-ante collusion in 204
internal promotion 207–11
monitoring effort and corruption control in 198–204
span of control 204
home-country norms, and activities abroad 396–7, 412
Hong Kong, anti-corruption agencies 249
human capital 26
distortion 36–7
Hungary 260, 299, 306
IBRD/World Bank 387
ideological biases 85–6
IMF 9, 36, 485
import duties 515
effect of pre-shipment inspection of imports (PSI) 518–22
income distribution 303, 304
India 179, 181, 182, 230, 429
decentralization 163
land reform 180
local democracy 178
service delivery programs 177–8
sugar cooperatives 180
tax 196
indices of corruption 110–11
individual corruptibility, determinants of 420–22
Indonesia 181, 182, 429
PSI 517
road projects 515
inequality 23–4
inflation 38
information and the media, access to 180
Institute for Management Development 3
World Competitiveness yearbook 57
institutional structure xxiv–xvii, 42
institutions 128
correlations of measures of broad institutions 111–12
correlations in measures of legal/regulatory institutions 114–15
and corruption 148–53
informal 121
measurement 105–24
consistency across sources 110–16
‘unbundling’ 116, 121
integration, into the global economy 9
interest groups 162, 170, 239
interjurisdictional competition 165–8
internal control and measures 409–12
internal promotion 207–11
adverse effects 211
international anti-corruption conventions and standards 256–7, 381
international business transactions
corruption in Norway 381–417
active and passive bribery 387
competitive pressure 386
experience of corruption 388–97, 389–91
internal control and measures 409–12
responses to corruption 397–404
survey 384–8
and tender procedures 404–9
trade and investment patterns 385–6
international markets, firms’ experience in 395–6
international organizations, membership 9
International Social Survey program 19
international trade 35
intrinsic motivation, versus deterrence 421
investment
composition of 29–30
overall impact 27–9
and types of corruption 30–31
Italy
Clean Hands investigations 470, 471, 475
corruption index 467
corruption in public works management 457–83
corruption scandals 469
deputies charged with malfeasance 472, 473, 474
Di Palma–Mazziotta regional index of physical infrastructure 465–6
early history 458–9
electoral system 478
geographic variation in corruption 468, 469
government spending on public infrastructure 466
implementation of legislation 477–8
index of government infrastructure expenditures 466
infrastructure 464
legislation 476–7
measures of corruption in public works 468
political corruption 457, 470–75
public investment 459, 460, 461
Second World War–1990 463–4
Tangentopoli 470–75, 476, 479
Japan 35
judicial independence measures of 107, 113
Peru 107
judiciary 40–41, 397
Peru 329, 334, 336, 343, 344–5
Kaufmann–Wei model 133
Kazakhstan 262
kickbacks 142, 219, 253, 254, 263, 264
kleptocratic government xx
laboratory experiments on corruption 418–37
corruption in health services 431–2
cross-cultural comparison 428–9
determinants of individual corruptibility 420–22
donor problem in development 432–4
embezzlement 429–34
and field research 436
greasing to speed up bureaucrats 426–7
impact of culture on 436
instructions framing in bribery experiments 425–6
instructions in 435–6
intrinsic motivation versus deterrence 421
loyalty conflicts in bribery 427–8
methodological issues 435–6
procurement 434–5
Latin America
corruption experiences and ideological beliefs 368
corruption in hospitals 547
perception of corruption 361–3
reform in tax administration 485
see also individual countries
Latinobarómetro survey 354, 360, 363, 375
survey description and variable definitions 377–8
Latvia 260
lawyers 37
left-wing parties 353
legal aspects of corruption xv
legal formalism indices 117, 118
legal systems, level of discretion 134
legislation, anti-corruption 247, 256
legislative reform index, post-communist transition countries 271
Leontiev technology 305
Lithuania 260
lobbying 17
local business practices 401–2
local content 408–9
local democracy 168–71
local government
  financial strain on 185
  monitoring 181
  reservation of positions for minorities 182
  unfunded mandates 182–3
low-level corruption xviii–xix
loyalty conflicts, in bribery 427–8
Macedonia 260
Malaysia 230, 241
market dominance index 8
marketing 382
markets, distortion of 35–7
market transactions 282
Mexico 365
  informal institutions 121
military, government spending on 33
Millenium Challenge Account (MCA) 54, 66
  classification of countries 67
  and cross-country comparisons 66–72
Millenium Development Goals 452
misuse of public office 142
modernization theory 239
Moldova 260
monitoring, and embezzlement 429–31
monopoly rights, and bribery 6
  moral judgment xiv
Mozambique 32
natural resources 21–2
neo-patrimonialism 230–31
networks 292
The New Vision 491
Nomenklatura system 284, 312
non-governmental organizations (NGOs) 56, 57, 253, 255–6
non-market transfers 234
Norway, corruption in international business transactions 381–417
Norwegian Confederation of Business and Industry (NHO) 384
NSW ICAC (New South Wales Independent Commission Against Corruption) 247
Obwona, M. 491, 500, 505
OECD 36, 146, 384, 385, 388, 397, 466
  Anti-Bribery Convention 256, 381–2, 413
official wages 39
OPEC 22
openness, measures of 9–10
opportunism 20
opportunity cost 222
organizational structures, and corruption 191–8
OSCE (Organisation for Security and Cooperation in Europe) 155
Pakistan, gold trade 6
parliament, power of 11–12
parliamentarianism 113, 120, 122, 144–5
‘particularism’ 143
  index 14–15
patronage 143, 498–501
payoffs xix, 199, 200, 202
  see also bribery, corruption
perception-based data 55
perception-based indices 3
perception of corruption 361
perpetual industry method (PIM) 466
‘personal vote’ 151
Peru 323–4
  average and adjusted bribe amount 335–6
  bribery rates 326–7
  and amounts 332–3, 334, 337, 338, 339
client characteristics 343, 344
corruption in 325–6
  data 326–7, 348
  methodology 349–51
determinants of bribery rates and amounts 336–43
elections 331
hospitals 331–2
judicial independence 107
judiciary 329, 334, 336, 343, 344–5
Ministry of Agriculture 330–31, 336
Ministry of Industry, Tourism, Integration, and International Commercial Negotiation (MITINCI) 331
most corrupt official types 329–32
police 329, 334, 336, 343, 344, 345
‘petty corruption’ 220–21, 387
pharmaceutical markets
analytical approach and methodology 551–3
competition and governance 549–51
pharmaceuticals, international standards 583
pharmaceutical selection in healthcare, Bulgaria 546–95
pharmo-economics 574–5
Philippines, pre-shipment inspection of imports (PSI) 514, 523–7
Poland 260, 299, 302
police xix, 37, 221
Peru 329, 334, 336, 343, 344, 345
policy intervention 7
political competition 13, 180
political corruption 227–31
drivers in developing countries 229, 238, 241
impact 230
political institutions 119
and level of corruption 120
measures of 113, 119
political legitimacy 352
political participation 170
political parties, quality 12
political pressure 382–3
political rent seeking 142, 148
Political Risk Services (PRS) 108
International Country Risk Guide 3–4
politicians
corruption while holding office 148–51
measurement 154–5
corruption while seeking office 151–3
measurement 155–6
Polity IV measure of constraint on the executive 108–9, 110, 113, 117, 264
polluting firms 190, 191
poor governance xxi–xxix
pork-barrel spending 151
post-communist transition countries 248, 249, 280
administrative corruption 262
anti-corruption activity indices 258
anti-corruption matrix 270
anti-corruption programs 257–63
and changes in corruption 263–4
multivariate regression results 265
bribe tax and grand corruption 261
changes
in bribe tax 251
in frequency of bribes 252
in value of kickbacks 254
‘control of corruption’ values 301
conventions index 272
legislative reform index 271
production decline and corruption indicators 302–3
property rights 282
regional estimates for corruption and second economy 295
regional patterns of anti-corruption activity 259
reweighting of ACP index and regression results 275–7
variables definition 273–4
see also individual countries
pre-shipment inspection of imports (PSI) 513
background 516–17
Colombia 527–36
effects 517–18
on import duties 518–22
on import misreporting and volumes 522–3
international evidence, 1980–2000 518–23
Philippines 514
presidential systems/presidentialism 12, 120, 141, 144–5, 150, 151
corruption under 154
press freedom 39–40, 156
prices, in centrally planned economies 285–6
PricewaterhouseCoopers 390
primitive accumulation 232–6
principal-agent
models 164
problems 190
private sector 34–8
distortion of markets 35–7
private wealth, and public power xvii
privatization 5, 8
belief in benefits of 366
procurement
laboratory experiments on 434–5
procedures 413
rules 383–4
productivity 42
measures 24
profit maximization 418, 421
promotion, internal 207–11
property rights 75, 76, 106, 110, 113,
117, 232, 239, 298
expropriation 233–4
post-communist transition countries 282
proportional representation 113
protectionist policies 38
provincial protectionism, Russia 173–4
public expenditure tracking survey
(PETS), Uganda 442, 443, 444–7
public investment 32
public office, misuse of 142
public officials
levels of corruption 323, 324
salaries 323
public sector 31–2
accountability 441
bribery 32
budget allocation distortions 32–3
quality 33–4
size as a cause of corruption 4–5
public works management, corruption
in Italy 457–83
quality of life 19, 20
redistributive politics 228
red tape 221
regime survival 144
regional capture 173, 174
regulation, and corruption 353
regulatory capture 548–9
regulatory quality 6–8
religion 18–19
rent seeking xv, 120, 142, 148, 150, 156,
221–2, 223–4, 242, 458
and bicameralism 150
legal 224
Republic of Uganda 487
revenue authority model 485
Romania 259, 260
Russia 163, 169, 183, 184, 260, 302, 552
dual track system 306
electoral irregularities 155
income distribution 303, 304
informal payments to physicians 548
perceived corruption levels 303
provincial protectionism 173–4
transition 301
underground economy 303
salaries
fairness hypothesis 425
impact on corruption 425
of public officials 323
second economy 294–5
sectors, exposure to corruption 392–3
self-expression 19–20
semi-autonomous revenue authority
(SARA) 485
Serbia and Montenegro 259, 260
service delivery 441–56
settler morality 113, 117, 119
Shleifer–Vishny model 288–90, 308
Singapore 429
anti-corruption agencies 249
Slovak Republic 260
Slovenia 260
social capital 18
socialism 282–3
transition from xxvii–xxiv
socialist legal tradition 20
social responsibility 408
socioeconomic inequality 179–80
‘soft budget constraints’ 165
South-eastern Europe 250
South Korea 225, 241
Soviet corruption 288, 293, 297
Stability Pact Anti-Corruption
Initiative (SPAI) 256
staff rotation, effect on bribery 424–5
‘state capture’ 142–3, 152–3, 174, 256
state intervention 7, 223–4
and corrupt behavior 236
‘statist’ corruption 222–7, 237–8
drivers and effects 224
strategic choices 397–9

Tajikistan 295
tax 228, 229, 279, 353
tax administration, corruption in Uganda 484–511
tax cheating 37–8
tax evasion 515
tax-induced transfer pricing 515
telecommunications industry 30
tender procedures 404–9, 413–14
communication rules 407
influence on tenders 404–5
political pressure 407–9
predetermination of contracts 405–6
rules and prevention of corruption 406–7
theft and primitive accumulation 232–6
drivers and effects 235
tolerance, of corruption 399–400
‘toll booth’ model 355, 373
top-down corruption 167–8
trade tariff rates 8
trading centres, distance from 22
‘traditionalism’ 19, 163
transaction costs of corruption 293–8
transition countries see post-communist transition countries
transition process
and corruption 298–306
dual-track system and corruption 306–10
historical auto-correlation 306
kickoff 299, 300, 302
role of Communist Party 298–304
role of economic development levels 304–5
technological rigidities 305–6
transition typology 300
underground economy 303
see also individual countries
transparency 212
Bulgaria 571–3
Transparency International 382, 387
Bribe Payers Index 385, 392, 396, 408, 457

Corruption Perceptions Index xxi, 3,
42, 108, 110, 153, 174, 303, 323, 477
and earnings before interest, taxes
and depreciation (EBITDA) 374
Treaty of Rome 475
trust 17–18, 19, 20
trust games 419

Uganda 179, 181
accountability in the primary
education sector 441, 442, 515
capitation grant program 443, 444–5
corruption in tax administration
484–511
Customs and Excise Department
489
family networks 498–500, 502, 503
Income Tax Act of 1997 490
information campaign 442, 447–9
impact on local capture 449–52
lack of tax paying culture 487, 505
levels of tax evasion and corruption 486
public expenditure tracking survey (PETS) 442, 443, 444–7
revenue fraud 491
tax administration reform 488–90
universal primary education
initiative 443
wage levels 487
working conditions 487
Uganda Revenue Authority (URA) 484
bonus systems and revenue targets 493–4
control of corruption 485–6
corruption in 490–92
establishment 488
factors leading to establishment 487–8
hiring and firing of staff 494–6
human resources management and
job security 496–7
patronage 498–501
political interference 497–8
reasons for corruption in 492–502
staff remuneration 488
taxpayers compliance 501–2
use of expatriates 489
wage rates 493
Ukraine 260, 262, 299
electoral irregularities 155
transition 301
ultimatum game 419–20
uncertainty 134, 135
UNCTAD, Trains database 529
underground economy 37–8, 303
UNDP 247
unitarism 113
UN (United Nations) 9
Comtrade database 528
US 165
conflict of interest and drug policy 577–8
Department of State 326
Food and Drug Administration (FDA) 550, 577
Foreign Corrupt Practices Act 35
Health Maintenance Organizations 549
monitoring of call-center employees 515
patronage in postal system 479
values 19–20
‘veto players’ 145
Vietnam 278, 280, 289, 299, 301, 303
vote buying 143, 147, 152
vote getting 143
voter strategy 357–8
voting systems 12–15
closed-list voting 13–14, 149, 151–2, 154
open-list voting 14, 149, 151
see also electoral systems
welfare 162, 200, 201, 203
welfare effects, decentralization 177
Westminster democracy 14
whistle blowing 410
WHO (World Health Organisation) 554
Essential Drug program 562
willingness to pay xvii, xviii, 323, 324
women, in parliament and civil service 323
World Bank 3, 7, 27, 30, 31, 41, 153, 217, 222, 247, 259, 390, 443, 454, 486
Business Environment Survey (WBS) 57, 86, 108, 128, 130
‘Doing Business’ project 79, 109, 115
World Bank Institute xxi
‘Control of Corruption’ index 303
World Economic Forum 3
Competitiveness Report 57, 79
World Markets Online 68
World Values Survey 18, 19, 20, 304, 353, 360, 367
and European Values Survey 378–9
WTO (World Trade Organisation) 9
Zambia Revenue Authority 503