Index

10x10 Program, Saudi Arabia 22, 99
Abu Dhabi Investment Authority (ADIA) 139
‘according to rule’ corruption 6
accountability 15, 36, 37, 89, 92, 93
administrative corruption, oil industry 112, 115
administrative details, intergenerational oil fund 131–5
adult literacy 38–40
advocacy groups, indices developed by 11–12
affluent countries, shaping institutional order 72–6
African Development Bank Group 2–3
‘against the rule’ corruption 6
ahadeeth 50
Al‘adl’ (justice) 50
Alaska Permanent Fund (APF) 128
Algeria 78–89, 99
Alonso-Terme, R. 70
Andersen, J.J. 107, 109
Angola 78–89, 118
anti-money laundering systems 71–2
Arabia 52, 59
Asian Development Bank (ADB) 2–3, 4, 8, 9
Aslaksen, S. 107, 109
Ataturk 46
Australia 106, 110
authoritarian government 106
Azerbaijan 78–89, 96, 117, 118
Baath Party 16
Bank for International Settlement (BIS) 5
Bardhan, Pranab 65, 67
Basel Institute on Governance 14
behavioralist approach 105
beneficiaries, intergenerational oil fund 132
black market activities 67
borrowing privilege 72–3
Boschini, A.D. 107
Botswana, economic performance 106
Brazil 78–89, 90, 100
bribery 3, 9, 66–8, 71
broad governance indicators 13
bureaucratic inefficiency 67–8
Bureaucratic Quality and Rule of Law index, PRS 62
Buscaglia, Edgardo 71
business deals, Islamic teachings on 51
business environment 10–11, 30–31, 34–5, 118
business environment indices 26–35
Business Environment Risk Intelligence (BERI) 88
Business Environment Score 79, 81, 84, 86, 87, 120
Canada 78–89, 106, 110, 118, 119
categories of corruption 13–16
centralized corruption 7
Chaikin, David 71
Chetwynd, Eric & Francis 70
Chile Copper Stabilization Fund (CSF) 128
Chile, economic performance 106
China 65, 67
Chowdary, S.K. 62
civil liberties 88–9
civil rights indices 26–9
civil wars 105–6
coercive practice, definition of 3, 4, 9
collusive practice, definition of 3, 4
colonial heritage 65
command-and-control economies 63
commercial corruption, oil industry 115
composite indices 11–12
conditionality, intergenerational oil fund 132–3
conflict of interest 4, 16
consequences of corruption 66–72
Constitution of Medina 54
construction permits 30–31, 34–5
Contingency Fund, Oman 129
contract enforcement 30–31, 48
corruption, 15, 89, 90–91, 92, 93, 94–5
Control of Corruption Index (CCI), World Bank 11–12, 14, 15, 16, 17, 23–6
corruption, 10–12, 23–6
Corruption Perception Index (CPI), Transparency International 11, 12, 23–6, 58, 79, 82, 85, 86, 88, 119

Davoodi, Hamid 68, 70
decentralized corruption 7–8
definitions of corruption 1–10
demand side corruption 5
democratization 62–3, 106
determinants of corruption 59–66
developed countries, policymaking 20–22
development activities, oil 113
diffused’ corruption 13, 16
‘Dubai Model’ of economic growth 22
‘Dutch Disease’ 102–3, 107, 125, 126
Ease of Doing Business Index, World Bank 23, 29, 99
econometric methodology 89–99
economic crime 71–2
economic development impact of corruption 66–7
and natural resource dependency 59–62
petroleum-dependent economies 78–89
and ‘resource curse’ 102–11
economic freedom 26–9, 118
Economic Freedom in the World Index, Fraser Institute 23, 26–9, 87, 120
economic growth, Persian Gulf 115–17
economic management 125
economic model 70
economic performance and corruption 117–21
economic performance indicators 89
economic rents 59
Economist Intelligence Unit (EIU) 10, 84
Ecuador 78–89, 90
Egypt 78–89, 96, 99, 119
electoral system 96–8, 119–21
employment guarantees 21, 60
erratic corruption 7–8
European Bank for Reconstruction and Development (EBRD) 2–3, 5, 17
European Central Bank (ECB) 5
European Investment Bank (EIB) 2–3
European Union 5
exploration, oil 113
exports, share of gas and oil 77–9
extortion, definition of 9
Failed State Index 79, 81–2, 84, 86, 88, 118–19
fair treatment, Islamic teachings on 48–9, 52–3
Fasano, U. 78
Financial Ethics Index (FEI), BERI 88
Finland, industrialization 110
foreign investment 22, 99
Fraser Institute see Economic Freedom in the World Index
fraudulent practice, definition of 3, 4, 8
free markets, Islamic teachings on 50–51
Freedom from poverty (Pogge) 72–6
Freedom in the World index, Freedom House 23, 26–9, 119
Friedman, E. 69
gas dependency 77–8
Global Integrity Index 79, 82–3, 86
Global Integrity Report 9, 17
Goel, Rajeev K. 65
good governance indices 35–6, 37, 119
governance

as determinant of corruption 62–3
definition of 4
failure of 35–6
intergenerational oil fund 134
Islamic teaching 48, 49–50, 55–6
oil dependent countries 83, 86
governance indices 13
governance model 70
government effectiveness 14, 89, 90–91, 92, 93, 94–5
government revenues from oil and gas 78–9
government services, provision of 135
grand corruption 6, 71, 115
Greece, informal economy 69
gross domestic product (GDP) 38–9, 62, 66, 68, 77–87, 89, 91–2, 94–5, 97–8, 104–5, 116–20
Gupta, S. 70

Hadith 47, 51–2, 55

halal (sustenance) 55
Heritage Foundation see Index of Economic Freedom
high-income countries
economic development, political progress and social performance 78–89
economic performance 117–20
historic-structuralist approach 105
human development 36–41, 86, 118
Human Development Indicators (HDI), UN 36, 38–41, 80, 86, 89, 96, 118
Huntington, Samuel P. 67, 99, 101

ibadah (everything that Allah loves) 55
ihitkar 51
illustrative calculations,
intergenerational oil fund 135–40
import-substitution development 60
income 61, 69–70, 102–3
Index of Economic Freedom, Heritage Foundation 23, 26–9, 79, 80, 82, 86, 89, 91, 94–5, 96, 97, 118
Indonesia 13, 106
industrialization 110–11
informal economy 68–9
infrastructure projects 70

injustice, international dimensions of 72–6
institutional quality 60–61, 62, 102, 108, 110–11
Inter-American Development Bank (IADB) 2–3, 4
intergenerational equity 125–9
intergenerational oil fund (IOF) administrative details 131–5
case for 127–9
formulation of 129–31
illustrative calculations 135–40
international arms privilege 73, 74–5
International Chamber of Commerce 9
International Country Risk Guide (ICRG), PRS 10, 11, 23–6, 87–8
international dimensions of corruption, poverty and injustice 72–6
International Energy Agency 112
International Financial Institutions
Anti-Corruption Task Force 2–3
International Monetary Fund (IMF) 4, 14, 79, 81
investment 22, 67, 68, 101–2
intergenerational oil fund 133
investor protection 30–31, 34–5
Iqbal, Z. 78
Iran 16–17, 21–2, 35, 42, 80, 86, 96, 119, 120
payouts from IOF 135–40
Iraq 19, 25, 35, 42, 78–89
Islamic economy, foundations of 47–51
Islamic teaching and corruption 18, 19–20, 51–6, 125, 126
israf (extravagance) 53
itlaf (waste and destruction) 53
itraf (opulence) 53
Jain, Arvind 2, 59, 64, 65, 68
Johnson, Simon 63, 69
Jordan, level of corruption 25
karamah (human dignity) 48
Katsios, Stavros 68, 69
Kaufmann, Daniel 2, 12, 14, 15, 63, 64, 69
Kazakhstan 78–89, 96, 99
khilafa (agency-trusteeship) 48
knowledge, Islamic teachings on 48–9
Corruption and its manifestation in the Persian Gulf

Kraay, Aart 12, 14, 15, 17
Kuran, Timur 46
Kuwait 17–18, 19–20, 90, 96, 99, 117, 118, 119, 120
economic development, political progress and social performance 78–89
payouts from IOF 135–40
Kuwait Reserve Fund for Future Generations 128–9
Lane, P.R. 103
Law Giver (Allah) 47–8, 49, 53, 55
Leff, N. 101
Leite, Carlos 61–2
Libya 78–89, 96, 99, 118
life expectancy 40, 41
lobbying 5, 17
low-middle-income countries
economic development, political progress and social performance 78–89
economic performance 117–19
Lujala, P. 107
McPherson, Charles 114
MacSearraigh, Stephen 114
Malaysia, economic performance 106
manifestation of corruption 16–18
market-based economies 63–4
marketing, oil 114
Mastruzzi, Massimo 12, 14, 15, 17
Matsen, E. 110
Mauro, Paolo 67, 101
measurement of corruption 5–10, 22–3, 87
Mecca 18, 50
Mechlum, Helvor 61
Medina 18, 46–7, 54
meethaq 48
Mexico 25, 78–89, 90, 100
Middle East and North Africa (MENA) region 36, 40
middle-income countries, economic performance 119
Mirakhor, Abbas 18
modernization 67, 98–9, 120
Moene, Karl Ove 61
Mohtadi, H. 63
money laundering 71–2
moral hazard, 132–3
najsh 51
national oil companies 111
natural monopolies 112
‘natural resource curse’ 60
natural resources
depletion of 125–6
as determinant of corruption 59–62
Islamic teaching 53–4
transfer of 72–6
typology of 106–7
Nelson, Michael A. 65
Nigeria 20, 78–89, 119
‘no harm, no injury’ ethic 48–9, 52–3
non-discrimination 5
non-oil GDP growth 100, 117
non-oil wealth, effort to create 21–2
non-traded goods 103
non-traditional issues, resource-abundant countries 105–6
non-value added jobs 21, 60
Norway 25, 78–89, 96, 106, 107, 110–11, 118, 119
State Petroleum Fund (SPF) 128
offshore versus onshore oil 107
oil and corruption 111–15
oil and gas dependent countries
econometric framework 89–99
economic development, political progress and social performance in 78–89
measuring corruption 87
measurement of corruption results 90–99
oil industry, special corruption features 112–15
oil revenues, delinking from government coffers 126–7
oil-exporting countries, economic growth 115–17
oil-related corruption, Persian Gulf 18–22
Olson, M. 101
Oman State General Reserve Fund 129
Open Society Institute, Publish What You Pay project 88
opportunity costs 64–5
Organisation for Economic Co-operation and Development (OECD) 3, 6, 68
Organization of Petroleum Exporting Countries (OPEC) 78
organized crime 13, 71–2
Overseas Development Institute (ODA) 6, 7

Pahlavi dynasty 16
‘paradox of plenty’ 60, 61
parliamentary democracies 107–8
payouts, intergenerational oil fund 129–31, 132–3, 135–8, 139–40
perception-based corruption indices 11–12
Persian Gulf
business environment index 26–35
case for intergenerational oil fund 127–9
civil and political rights and economic freedom indices 26
corruption indices 23–6
economic growth 115–17
economic performance and corruption 117–21
good governance indices 35–6
human development index 36–41
manifestation of corruption 16–18
measurement of corruption 22–3
oil and corruption 111–15
oil exports and corruption 115–21
oil-related corruption 18–22
‘resource curse’ 102–11
Persian Gulf oil-exporting countries
summary of economic growth 115–17
summary of linkages between economic performance and corruption 117–21
Persson, T. 108
Pettersson, J. 107
petty (street-level) corruption 6
Pogge, Thomas 72–6, 126
policy corruption, oil industry 112, 115
political party financing 17
political progress, petroleum-dependent economies 78–89
political rights 88–9
political rights indices 26
Political Risk Services (PRS) 7, 61, 86, 90, 119
see also Bureaucratic Quality and Rule of Law Index;
International Country Risk Guide (ICRG)
political stability 17, 36, 37, 89, 90–95
political system 91–6, 119–20
Polity Index 79, 86, 89, 90, 119
Polity IV Project 119
Polity Score 87, 89
Porter, Michael 107
poverty
as consequence of corruption 69–70
international dimensions of 72–6
power 59, 63–4
predictable corruption 7
presidential democracies 107–8
PricewaterhouseCooper/MIT Sloan, Opacity Index 88
primary exports to GDP 106
private political risk firms, indices developed by 10–11
privately owned depletable resources 124
privatization, as determinant of corruption 63–4, 67
production activities, oil 113
property registration 30–31
property rights, Islamic teaching 48, 52–3
Prophet Muhammad 46–7, 48, 49, 50, 52–3, 54, 55
Protestant cultures 65–6
public funds, allocation of 67–8
public governance, measurement of corruption 14
public integrity versus corruption 9–10
public investment 68
public office, misuse of for private gain 2, 3–4, 5
publicly owned/managed depletable resources 124–5
purchasing power parity (PPP) 91, 94–5, 97, 98
Qatar 17–18, 19–20, 22, 90, 96, 99, 118, 119, 120
economic development, political progress and social performance 78–89
payouts from IOF 135–40
Quran 18, 47, 48, 50, 51–2, 53, 55–6
rationalist approach 105
real per capita GDP growth 115–17
refining, oil 114
regulatory environment 26, 29, 63–4
regulatory quality 15, 36, 37, 89, 90–91, 92, 93, 94–5
religious determinants of corruption 65–6
rent issues, oil industry 112
rent-seeking
definition of 14, 60
impact of 20–22, 61–2
‘resource curse’ 102–11
resource misallocation 67–8
resource privilege 72–6
Roe, T.L. 63
Roine, J. 107
Roland, G. 108
Rose-Ackerman, Susan 67–8
rule of law 16, 36, 37, 59, 89, 90–91, 92, 93, 94–5
rule-violation, Islamic teaching on 55–6
rules-based system, Islam as 47–51
ruling classes 16–18
Russia 25, 78–89, 99
Sachs, J.D. 62
sadaqah 50
Sadir, S. Kazem 46, 53
Salari-Martin, Xavier 61
Sarna, N. 101
Saudi Arabia 16–17, 19, 22, 42, 99, 107, 117, 118–19, 120
economic development, political progress and social performance 78–89
payouts from IOF 135–40
Savas, E.S. 63
savings behavior 108
savings funds 127–9
Senegal, ease of doing business 35
Serra, Danila 66
Shaxson, Nicholas 60
Siegelbaum, Paul 2, 64
social capital approach 105
social performance 78–89
socio-cultural factors, as determinant of corruption 65–6
Sol, Robert 102, 125, 126, 127
special corruption features, oil industry 112–15
Spector, Bertram 70
stabilization funds 127–9
Standard & Poor 500 Index 135, 138
state capture 15
State Petroleum Fund (SPF), Norway 128
state-centered approach 105
Statoil 111
strategic significance of oil 112
Subramanian, Arvind 61
supply side corruption 5
Swamy, A.V. 101
Sweden, industrialization 110
Syria 78–89, 96, 119
ta’seer 51
Tabellini, G. 108
Tanzi, Vito 68, 69
tatfeef 51
Tawheed 46–7
taxation 21–2, 30–31, 69, 70, 133–4
technological support, oil industry 107
Tornell, A. 103
Torres, G. 63
Torvik, Ragnar 104, 110
total factor productivity (TFP) growth 102
trade cycles 60
trade-slanted definition of corruption 5
trading across borders 30–31, 34–5
trading, oil 113–14
transaction size, oil industry 112
transition economies 67
transitional phase, intergenerational oil fund 134
transparency 5
Transparency International (TI) 6
see also Corruption Perception Index (CPI)
Index

transport, oil 113–14
Treisman, Daniel 2, 62, 65–6, 67

United Arab Emirates (UAE) 19–20,
22, 90, 99, 117, 118, 119, 120
economic development, political
progress and social performance
78–89
payouts from IOF 135–40
United Kingdom, level of corruption
25
United Nations (UN)
Convention against Corruption 71
definition of corruption 5, 7
Development Programme (UNDP)
17, 38–40
see also Human Development
Indicators (HDI)
upper-middle-income countries
economic development, political
progress and social performance
78–89
economic performance 118–19
US 20–21, 65, 70, 110
US Agency for International
Development (USAID) 2, 8
US Treasury Yield 135, 138
value chain, oil industry 112, 113–14
van Dijk, Jan 71
Van Rijeckegham, Caroline 65
Venezuela 25, 78–89, 99
Vietnam, privatization 65
voice 15, 36–7, 89, 91, 92, 93, 94–5
wages 64–5, 98
*walayyath 48, 49
*waqf 49

Warner, A.M. 62
waste, Islamic teachings on 48–9,
52–3
wealth
accumulation/distribution of 18–20
Islamic teachings on 49, 52–3
Weder, Beatrice 65
Weidmann, Jens 61–2
whistle-blowing, definition of 9
work, Islamic teaching 48–9, 54–5
workers, employing 30–31
World Bank (WB)
bribery statistics 66–7
Business Environment and
Enterprise Performance Survey
(BEEPS) 15, 17
country income classification 78
definition of corruption 2, 3–4, 6
*World Development Report (WDR)
26
see also Control of Corruption
Index (CCI); Ease of Doing
Business Index; World
Development Indicators;
Worldwide Governance
Indicators (WGI)
World Development Indicators, World
Bank 89
World Trade Organization (WTO) 5,
77
Worldwide Governance Indicators
(WGI), World Bank 23, 36, 83–4,
89, 90, 99, 119, 120
Yehoue, Etienne B. 63

*zakah 50
Zoido-Lobatón, P. 63, 69