Univerzita Karlova
Filozofická fakulta
Katedra sociologie
Sociologie

Disertační práce

Korupce v postkomunistických evropských zemích

Explaining corruption in post-communist European countries

vedoucí práce
PhDr. Jiří Vinopal, Ph.D.

2017
Kristýna Chábová
Corruption is perceived as one of the most serious threats to society, democracy, and good governance. Corruption decreases the quality of the public sector in many areas and can even trigger civic unrest (Brown, Touchton, and Whitford 2011; Pellegata 2012; Rose-Ackerman 1999). Corruption distorts the formal system of rules and governance (Scott 1972, 2), destroys social capital (Rothstein and Eek 2009), and has a negative impact on people's life satisfaction (Helliwell 2006). Corruption is also an obstacle to efficiency, development and modernization (Kornai and Rose-Ackerman 2004). Moreover, as Karklins (2005, 4) adds, corruption involves the loss of equal access to public power and position, which distorts the norms of equality and that leads to a loss of public trust and belief in the political system. In states, where the democratic norms and institutions are still in process of establishment, the distrust to public officials can be translated into disbelief in democracy per se. Corruption is also dangerous from the economic point of view. It can be a barrier to economic growth (World Bank 1997a), and it negatively impacts the ratio of investment to GDP (Mauro 1995; World Bank 1997b) and the level of foreign investment (Wei and Wu 2001). Corruption can also contribute to an uncertain business climate, can hold back state reform and can nourish organized crime (Rose-Ackerman 1999, 17).

For all these reasons, many social scientists have tried to discover and describe the root causes of corruption. This task is complicated by the fact that corruption is a clandestine activity, which makes it very difficult to measure and to detect its true effects, as well as its underlying causes. In fact, the real level of corruption is impossible to measure, therefore the dependent variable used in all articles and books on corruption, as well as in this dissertation, does not measure corruption per se, but rather proxies. It is crucial to mention that the author of this dissertation understands very well that even the best statistical analysis does not guarantee the results to be completely reliable. However, in order to be able to discuss corruption and to present results, which might be close to reality, social scientists still do research on the topic of corruption but are aware of this problem. This approach is also taken in this analysis; acknowledging that corruption is rather hard to define, observe, and measure, but nevertheless undertaking the analysis. Therefore in this dissertation, the term “corruption” is used even though it is rather the perception of corruption or
notion of corruption than the real corruption. It is therefore vital for the reader to keep this in mind; the results presented in this dissertation might be very close to reality, but it would be a mistake to assume that there exist means to measure the real level of corruption in a country.

Moreover, corruption is in this dissertation analysed only on the European level as opposed to including all the world countries into the analysis. Authors discussed in this dissertation suggest several variables as being connected to the level of corruption in a country. However, most of these authors conducted their research on a global level and they did not take into account different cultural backgrounds of the countries. Corruption is a very complicated phenomenon, and probably has very different forms in different cultural contexts. Cross-country analysis, which includes only European countries that share common culture, could show the validity of previous research. This dissertation therefore looks at whether the variables, which influence the level of corruption on a global level, behave similarly when tested only on a European level. Taking into account only European countries also allows for a more specific focus on a special case of post-communist countries, which were the last countries to have undergone the transition to democracy in Europe.

One would expect that European countries could have similar development of corruption, being culturally similar and geographically very close to each other. However, political and economic development of European countries was interrupted when communist regime divided Europe into west and east for almost half of century. States under communist regime developed under very different conditions. Today, 25 years after the fall of the iron curtain when Europe was reunited, thanks to the European Union and to globalization, the countries are influenced by each other and united as never before. However, even after 25 years, European countries with a communist history have in general higher levels of corruption (Shleifer 1997) than the rest of Europe and political corruption is there in fact a serious problem (Karklins 2005; Kostadinova 2012). It is suggested (Rose 2001, 105; Rose-Ackerman 1999) that corruption is the greatest obstacle to progress and to democratization in post-communist societies and that corruption may damage the public trust in the government and consequently may erode the legitimacy of the newly established democratic institutions (Kostadinova 2012). The reason behind this phenomenon is still not clear and even though there is literature explaining corruption on a global
level, the application of these theories on the European level with a special focus on a difference between post-communist countries and the rest of Europe is underdeveloped. Moreover, literature focusing on the differences among post-communist countries concerning the reasons behind the different corruption levels remains deficient (Karklins 2005). That is therefore the crucial question, which remains unanswered until today - are post-communist countries different in their development and nature of corruption from the rest of Europe, or can corruption be explained by classical theories, which work on the global level? In this dissertation, hypotheses set by previous social scientists will be therefore tested on a dataset divided by the country’s history. The results will show if post-communist countries today, more than a quarter of a century after the collapse of communism, behave as European countries which never experienced the rule of communism, or if there is a different pattern concerning corruption in these countries, which remains a puzzle not solved until today. As nobody has answered this question yet, this research is crucial not only from the academic point of view but also for policy reasons. If it is the case that classic theories do not work, it is pointless to base the policies on these theories. This dissertation therefore wants to fill the gap in research of corruption in the case of post-communist countries and answer the question whether post-communist countries behave similarly as European countries, which never had communist rule, or if the corruption reality is significantly different.

This dissertation will try to answer the following two research questions. These research questions will be transformed into several hypotheses based on previous research on the global level.

**Research questions:**

*Is there a difference in the level of corruption and in the links between corruption and other variables between post-communist countries and the rest of European countries?*

*What are the reasons behind these differences (if there are any)? Is there any pattern in the development of corruption?*
1.1. What influences corruption?

There exist many theories trying to explain the causes of corruption and which try to answer the question why in some societies corruption is more widespread than in others. Many authors examined particular countries, but cross-national research measuring the causes of corruption on a global level is much more difficult to carry out and therefore the literature is not immense. Nevertheless, there are still some studies concluding that there are several variables influencing the level of corruption (or the perception of corruption in most cases) on a global level. However, none of these theories is accepted by all social scientists and until today there is vast discussion about plausibility of each of these theories. Probably the most frequent question is whether corruption is cultural or institutional (Mungiu-Pippidi and Dadasov 2015), in other words, whether the influence on corruption comes from the individual and his culture or from the system or structure. Structural influence means that institutions or macro issues influence the way people behave, for example wrong laws make it easy for bribes to take place or that boosting economy lowers the incentives for corruption. The opposite approach is cultural influence, which puts culture into the centre of attention. These theories argue that culture of society is behind the reasons for corruption and bribery, for example high trust within society might inhibit corruption or that moral values connected to religion are important in individual’s choice to bribe or not. The truth would be probably somewhere between these two approaches, the level of corruption is most likely influenced at the same time by institutions and structure, such as quality of laws, economic situation and by culture, such as values or trust.

Five main hypotheses, which are based on these theories, are tested; each of them is firstly focused on the European countries in general and then in case of found irregularities, the second sub-hypothesis focuses on post-communist countries.

*H1: Control of Corruption will be higher in countries with lower income inequalities*

*H1a: In post-communist countries this relation will be weaker*

This hypothesis is based on literature and research, which found that there is relation between income inequality and corruption; specifically that high income inequality is associated with higher corruption. In the case of post-communist countries this
relation might be weaker due to the low income inequality in general which is due to the history of communism.

**H2: Control of Corruption will be higher in countries with higher GDP per capita**

**H2a: In post-communist countries this relation will be stronger than in the rest of Europe**

According to previous research, higher GDP is associated with lower corruption. As countries without the history of communism have higher GDP per capita, the results of regression analysis might be weaker.

**H3: Control of Corruption will be higher in countries with a higher share of Protestants**

**H3a: In post-communist countries this relation will be similar as in the rest of Europe**

High share of Protestants is according to vast literature and research associated with lower corruption. This might be due to the more individualistic nature of Protestant religion. As there should be no differences in this religion between post-communist countries and the rest of Europe, the hypothesis does not expect differences between these two regions.

**H4: Control of Corruption will be higher in countries with higher generalized trust**

**H4a: In post-communist countries this relation will be weaker**

Corruption is according to the literature associated with low generalised trust. However, in the case of post-communist countries this relation might be stronger as due to the nature of communist rule, particularised trust was more important than generalised and this can last until today.

**H5: Control of Corruption will be higher in countries with lower security values**

**H5a: In post-communist countries this relation will be similar as in the rest of Europe**

Security values are associated with higher corruption. This relation should be similar in post-communist countries and in the rest of Europe as well. Even though the post-communist countries have in general higher security values, corruption is there in general also higher, therefore there are not expected any differences.
2. ANALYSIS

In this chapter the hypotheses set in the theoretical part are tested with the use of the variable Control of Corruption by the World Bank, which was assessed as the best possible indicator for such an analysis. It will be tested whether the findings on a global level hold also in the case of European countries and more specifically, if there is any difference between the European countries and post-communist European countries.

Figure 1: Control of Corruption, 2014

![Graph showing Control of Corruption for different countries]

Source: World Bank. Control of Corruption shows how the countries are successful in controlling corruption, the indicator goes from -3 to 3, while 3 indicates that country is successful in controlling the level of corruption.

Corruption in European countries is on a much lower level compared to the most of the world; especially Scandinavian and Western European countries consistently hold the top places as countries with the lowest levels of corruption. However, even though
corruption in Europe in general is very low, post-communist European countries are an exception with levels of corruption consistently high as warns for example the World Bank through its indicator Control of Corruption (Figure 1).

2.1. Quantitative Analysis

2.1.1. Measuring corruption

It is extremely important to note that there is a crucial problem with measuring corruption. As corruption is clandestine activity, there is no official statistics measuring corruption. Therefore corruption can only be measured by proxies, which can measure perception of corruption or experience or try to grasp corruption with harder data. Since it is not possible to ascertain whether these measurements are correct, it is therefore crucial to try to select measure, which is of the highest quality. For this reason the author of this dissertation analyses the most used measures of corruption which exist today, and with the help of quantitative and qualitative assessment chooses an indicator which seems to be the best one from the selection of indicators. Specifically, there are three generations of indicators, the first measures perceptions of corruption with the help of various methods, such as expert assessment or polls and brings these perceptions together into one composite indicator. Second generation indicators rely on public opinion polls, they survey people on their perception of corruption and on their experience with corruption. In addition to public, second generation polls include also firm surveys. Finally, third generation indicators try to rely on ‘hard’ data and observe real corruption. Among these indicators one can include various research papers, for example the Golden & Picci article observing the difference between the existing infrastructure and the money allocated for infrastructure construction in Italy (Golden and Picci 2005). Each of these three generations of indicators has advantages and disadvantages and none of them is perfect for the analysis, however, after detailed analysis the author came to a conclusion that the first generation indicator – the Control of Corruption by the World Bank is the best indicator for the purpose of this dissertation.

2.1.2. Data

Full sample of Europe is used for the analysis, that is 40 European countries. Out of the countries included, 20 do have a communist past and the rest (20) do not. For the
analysis, the European Social Survey (ESS), UNU-WIDER, Eurostat, ARDA, WVS, and World Bank (WB) data are used as the sources for the dataset. The time frame consists of all the years, which are covered by the Control of Corruption by the WB, which is 1996-2014 - almost 20 years. It is therefore possible not only to analyse pooled data or the state of corruption today, but also the development of corruption across both European countries and time. Not all the countries were surveyed in all the waves for all the questions concerned, so the dataset is not balanced, however, in total there is 990 country waves. OLS regression analysis is performed in order to determine the effects of various variables on corruption, for this pooled data is used and data split into different waves by five years. Finally, for the analysis in time multilevel methods are used.

Firstly, it is tested whether the theories explaining the level of corruption on the global scale also work on the European level. It is expected that the results should be similar to those on the global scale, i.e. that a higher GDP per capita, lower income inequality, higher generalized trust, higher share of Protestants, and low Security values should be connected with higher levels of the Control of Corruption. The equation for the model looks as follows:

$$\text{Control of Corruption}_i = \alpha_i + \beta \log \text{GDP per capita}_i + \gamma \text{Share of protestants}_i - \delta \text{Gini}_i + \zeta \text{generalized trust}_i + \eta \text{values}_i - \theta \text{communist history}_i + \epsilon_i$$

Table 1: Determinants of Control of Corruption without generalized trust

<table>
<thead>
<tr>
<th></th>
<th>Model 1.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gini coefficient</td>
<td>-0.002 (0.008)</td>
</tr>
<tr>
<td>GDP per capita (ln)</td>
<td>0.702 (0.06) ***</td>
</tr>
<tr>
<td>Share of Protestants</td>
<td>0.7 (0.134) ***</td>
</tr>
<tr>
<td>Low Security Values</td>
<td>0.56 (0.19) **</td>
</tr>
<tr>
<td>Intercept</td>
<td>-5.806</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>0.87</td>
</tr>
<tr>
<td>Number of cases</td>
<td>108</td>
</tr>
</tbody>
</table>

*p < 0.05; **p < 0.01; ***p < 0.001

\(^1\) Previous analysis in the dissertation showed that generalized trust has problems with multicollinearity; therefore this variable is not used in the final analysis.
The results can be seen in Table 1; Share of Protestants, security values, and GDP per capita support the hypotheses, but surprisingly, the Gini coefficient is not significant, meaning that income inequality is not connected to the Control of Corruption in Europe. In the next phase, I split the countries according to their experience with the communist rule to evaluate if testing them separately might explain the results. As discussed above, communism has a strong influence on the level of corruption in a country. It is therefore possible that the effect of variables could be very different in countries, which have a history of communist rule as opposed to countries, which did not experience communist rule. Firstly, I test the same model on countries, which do not have a communist history, and then on countries with a communist history.

Table 2: Determinants of Control of Corruption (OLS regression, divided sample)$^2$

<table>
<thead>
<tr>
<th></th>
<th>2.1. Democracies with no experience of communism</th>
<th>2.2. Democracies with communist past</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gini coefficient</td>
<td>-0.022 (0.01) *</td>
<td>0.03 (0.01) **</td>
</tr>
<tr>
<td>GDP per capita (ln)</td>
<td>0.23 (0.2)</td>
<td>0.506 (0.077) ***</td>
</tr>
<tr>
<td>Share of Protestants</td>
<td>0.083 (0.22)</td>
<td>2.88 (0.55) ***</td>
</tr>
<tr>
<td>Generalized trust</td>
<td>0.33 (0.1) **</td>
<td>-0.02 (0.077)</td>
</tr>
<tr>
<td>Low Security Values</td>
<td>0.35 (0.22)</td>
<td>1.404 (0.296) ***</td>
</tr>
<tr>
<td>Intercept</td>
<td>-1.69</td>
<td>-4.296</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>0.71</td>
<td>0.87</td>
</tr>
<tr>
<td>Number of cases</td>
<td>72</td>
<td>36</td>
</tr>
</tbody>
</table>

* *p < 0.05; **p < 0.01; ***p < 0.001

As one can see in Model 2.1, countries without a history of communist rule show different results than in the previous model. Trust is still significant (however, with even higher problem with multicollinearity than in the Model 1.1) and share of Protestants insignificant, but Gini coefficient is significant and GDP per capita and values lose their significance. The second variable, which is not behaving according to our hypothesis, is share of Protestants, which seem to have no influence. However, as mentioned above, generalized trust has big problems with multicollinearity, it

---

$^2$ In the divided sample, there is a problem of multicollinearity only in the case of model 1.2., more detailed analysis is available in the dissertation.
seems that generalized trust shares some similar features with the share of Protestants in a country, in fact the correlation between the share of Protestants and generalized trust is in the case of countries without communist history 0.84, which is very high. Finally security values are not important in the case of countries without communist history, meaning that they do not support our hypothesis.

Different results can be seen in model 2.2, which only includes countries with a history of communist rule. All variables are important predictors of the Control of Corruption except for generalized trust, which lost its significance. Moreover, trust in the case of post-communist countries does not suffer from the multicollinearity problem. Also, correlation between share of Protestants and generalized trust is not dangerously high as in the case of countries without the history of communism, the correlation reaches only 0.36. However, there is also another variable, which does not behave according to our hypothesis, and this is Gini coefficient. Even though the Gini coefficient is significant, it has the opposite direction than expected. To improve our model based on these preliminary results we can use interactions, which might confirm or falsify the results in the previous models. We can test whether interacting income inequality with communist history would still be important predictor and similarly whether GDP per capita and security values in interaction with communist history would confirm the preliminary results, that there is an important difference between these two regions.

Table 3: Interactions

<table>
<thead>
<tr>
<th></th>
<th>3.1. Interaction Gini</th>
</tr>
</thead>
<tbody>
<tr>
<td>History of communism</td>
<td>-1.4 (0.5) **</td>
</tr>
<tr>
<td>Gini coefficient</td>
<td>-0.02 (0.009)</td>
</tr>
<tr>
<td>History of communism*Gini</td>
<td>0.038 (0.016) *</td>
</tr>
<tr>
<td>GDP (ln)</td>
<td>0.644 (0.088) ***</td>
</tr>
<tr>
<td>Share of Protestants</td>
<td>0.622 (0.133) ***</td>
</tr>
<tr>
<td>Low Security Values</td>
<td>0.467 (0.18) *</td>
</tr>
<tr>
<td>Intercept</td>
<td>-4.56</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>0.88</td>
</tr>
<tr>
<td>Number of cases</td>
<td>108</td>
</tr>
</tbody>
</table>

*p < 0.05; **p < 0.01; ***p < 0.001
As Model 3.1 shows, interaction with the Gini coefficient is significant and confirms the surprising results from the previous analysis. It seems that income inequality and corruption influence each other very unexpectedly in the case of post-communist countries. For post-communist countries the relation is that higher the inequality, higher the corruption. The rest of the variables show no surprises.

**Panel data analysis**

In the next part, multilevel analysis is used to ascertain the influence of various variables on the Control of Corruption. Random effects and then fixed effects are used to observe the development within countries over time. The fixed effects model explores only the variation within countries over time\(^3\). Random effects model takes into account variation not only within distinct countries over time but also explores variation among these countries.

Table 4: Panel data- Determinants of corruption - Random effects model

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 4.1</th>
<th>Model 4.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ln GDP per capita</td>
<td>0.34 (0.05) ***</td>
<td>0.35 (0.05) ***</td>
</tr>
<tr>
<td>Gini coefficient</td>
<td>-0.03 (0.003)</td>
<td>-0.01 (0.004) **</td>
</tr>
<tr>
<td>Communist history</td>
<td>-0.867 (0.151) ***</td>
<td>-1.511 (0.259) ***</td>
</tr>
<tr>
<td>Communist history*Gini coeff.</td>
<td></td>
<td>0.02 (0.007) **</td>
</tr>
<tr>
<td>Share of protestants</td>
<td>1.08 (0.208) ***</td>
<td>1.01 (0.21) **</td>
</tr>
<tr>
<td>Intercept</td>
<td>-2.09</td>
<td>-1.86</td>
</tr>
<tr>
<td>sigma_u</td>
<td>0.341</td>
<td>0.344</td>
</tr>
<tr>
<td>sigma_e</td>
<td>0.182</td>
<td>0.179</td>
</tr>
<tr>
<td>rho</td>
<td>0.788</td>
<td>0.785</td>
</tr>
<tr>
<td>Nb of observations</td>
<td>422</td>
<td>422</td>
</tr>
<tr>
<td>Nb of groups</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>F (Wald chi)</td>
<td>346.38</td>
<td>351.21</td>
</tr>
<tr>
<td>Prob&gt;F</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>corr(u_i, Xb)</td>
<td>0 (assumed)</td>
<td>0 (assumed)</td>
</tr>
</tbody>
</table>

\(^{*}p < 0.05; \^{**}p < 0.01; \^{***}p < 0.001\)

\(^3\) Fixed effect model was insignificant, it is therefore not shown here, but it is part of the analysis in the dissertation.
As model 4.1 in Table 4 shows, the results confirm almost perfectly the findings of above-mentioned authors analysing the relations between corruption and different variables with one exception; Gini coefficient is not significant predictor of the Control of Corruption. In order to explore what is behind these results, interaction between Gini coefficient and being a post-communist country is included, the results can be seen under Model 4.2. Theories suggest that more equality should be connected to less corruption. However, as we see in the case of post-communist countries, the relationship is the reverse, i.e. there is more corruption in countries with more equality.

2.1.3. Discussion

The quantitative analysis showed that not all hypotheses working on the global scale are supported also on the European level. In fact, most cultural variables do support our hypotheses whereas economic variables do not.

H1: Control of Corruption will be higher in countries with lower income inequalities

H1a: In post-communist countries this relation will be weaker or non-existent

Our analysis does not support the hypothesis H1, the models on the European level showed that income inequality is not an important predictor. However, a deeper analysis uncovered that in fact, the relation is strong and supportive of our H1 hypothesis but only in the case of countries without the legacy of communism. In post-communist countries, the relation is also significant, however, with the opposite direction – lower inequality is associated with lower Control of Corruption; therefore the relation is even stronger than our H1a hypothesis expects. This relation is not weaker or non-existent, but most surprisingly, goes in the opposite direction.
H2: Control of Corruption will be higher in countries with higher GDP per capita

H2a: In post-communist countries this relation will be stronger than in the rest of Europe

The results of the analysis do support hypothesis H2 but also H2a, it seems that the relation is non-linear, therefore after certain level of GDP per capita, the association with Control of Corruption loses its strength, therefore in post-communist countries, due to the fact that their GDP per capita is in general lower than in rest of Europe, the relation is stronger.

H3: Control of Corruption will be higher in countries with a higher share of Protestants

H3a: In post-communist countries this relation will be similar as in the rest of Europe

The analysis supports both of the hypotheses; share of Protestants in a country is indeed a very important predictor of Control of Corruption in post-communist countries and in the rest of Europe as well.

H4: Control of Corruption will be higher in countries with higher generalized trust

H4a: In post-communist countries this relation will be weaker

Our analysis does not support neither of these hypotheses because of the reason that generalised trust is highly correlated with share of Protestants in a country and showed problems with multicollinearity in the models. For this reason the results are not reliable.

H5: Control of Corruption will be higher in countries with lower security values

H5a: In post-communist countries this relation will be similar as in the rest of Europe

The analysis supports both of the hypotheses; security values are indeed an important predictor of Control of Corruption both in post-communist countries and in the rest of Europe.
3. CONCLUSION

This dissertation considers theories explaining corruption and tests them on the European level. The region of Europe was selected because of several reasons; first, there exists a wide range of trustworthy data that describe Europe since early 1990s. Secondly, in general, there is a risk of different cultural understandings of corruption, therefore selecting only one region, albeit a large one, can help avoiding this problem; Europe seems to be a very good candidate for this choice as on one hand the different countries share relatively similar culture thus there is high probability that corruption is understood similarly, and on the other hand, Europe is quite variable therefore there can be important differences among the different reasons for corruption. Third, Europe is a very good candidate for this case study because half of the European countries underwent the transition to democracy from communism only recently, at a time when the data were already collected, therefore the transition and its effect on corruption can be observed.

The author chose several methods for answering the research questions and hypothesis. In addition to descriptive analysis, OLS regression and multilevel models were used. OLS regression was used to analyse different time periods and polled data, and multilevel models then showed whether the OLS regressions results were valid as multilevel methods can distinguish also time and country level. Interestingly, all the methods and analyses showed common trends in corruption in Europe.

The analysis showed that the legacy of communism is still an important factor in the today’s reality of post-communist countries and this might be the case for many years to come. However, on the other hand, one can see that over time the differences within post-communist countries are getting bigger. Some countries are losers, such as Moldova and some are winners, such as Estonia. Some countries are therefore much more successful in leaving behind the past and improving their governance but other lag behind. Moreover, interestingly, there is also an increasingly bigger difference in the level of corruption among countries, which have never experienced communist rule. Southern countries as Greece, Cyprus, Italy or Spain are more and more lagging behind the rest of European countries. It might be the case that in the future years, the concept of east and west will not be relevant anymore and the main
differences will be between north and south European countries, regardless of the communist past.

The analysis then showed that European countries do not correspond to all the theories, which work on the global level. There are only two variables, which are consistent with the research on the post-communist countries, and those are security values and the share of Protestants in a country. Generalised trust appeared to be problematic for the analysis as it is highly correlated with share of Protestants in a country and resulted in problems with multicollinearity. Finally, GDP per capita and income inequality did not support the hypotheses, however, each of them in different sub region. GDP per capita turned out not to be an important predictor of Control of Corruption in case of countries without the legacy of communism. However, more detailed analysis showed that this is most likely due to the fact that the relation between corruption and GDP per capita is not linear. It seems that after reaching certain point of GDP per capita, Control of Corruption does not increase any more. Since many of the countries without the history of communism have very high GDP per capita, the relation between GDP and Control of Corruption is much weaker in those countries than in post-communist countries, where the GDP per capita is in general much lower. Finally, the analysis showed that the results on the European level do not support the theory that high income inequality increases corruption, on the contrary, analysis showed that in the case of post-communist countries, high income inequality is actually correlated with a decrease in corruption in contrast to the rest of Europe. This is supported by three types of analysis; firstly, by analysing the relations between Control of Corruption and Gini coefficient by time-waves since 1995, then by multilevel analysis, and finally by analysing the change in these two indicators from 1995 to 2014.

There are more explanations of these effects; one of them is suggested by Uslaner (2009) who claims that even though post-communist countries have low income inequality while having high corruption due to the rule of communism, this relationship will reverse quickly after post-communist countries catch up in income inequality with the rest of European countries. However, the analysis shows that this claim is not supported by the development of corruption in Europe. It is true that post-communist countries as a group quickly caught up with income inequality levels of the European countries, which did not experience communism, but analysis of
changes within the group of post-communist countries actually shows a contrary effect. Countries, which have had the highest change in income inequality towards more unequal societies, are today the least corrupt countries among post-communist countries and vice versa.

This dissertation therefore showed that some variables, which were hypothesised and tested as variables influencing corruption on the global level, support the hypotheses but others do not. It seems that the situation is still different in post-communist countries and in the rest of Europe. This difference is not in the case of cultural variables; in fact, cultural variables are successful in predicting the level of corruption on European level, regardless of the sub regions. Economic variables, on the other hand, tell a different story, GDP per capita and income inequality has a very different influence on the Control of Corruption in the case of post-communist countries as compared to the rest of Europe.

However, as the time period for which data are currently available is only 20 years long, researchers will have to wait for longer time series to assess whether the results presented in this dissertation hold. It is therefore crucial, due to the unexpected results of this analysis in the case of income inequality, to treat post-communist countries in models including corruption and income inequality with caution, as this group behaves significantly differently than the rest of European countries and also differently from the results on a global level.
Bibliography


Mungiu-Pippidi, Alina, and Ramin Dadasov. 2015. “A Note on What Causes Change in Governance and How to Measure Public Integrity.” Hertie School of Governance.


Chábová, K. (2016). Theories explaining corruption in post-communist countries. Česká kriminologie 3. ISSN 2464-6210


