

A CRITICAL REVIEW OF CORRUPTION COST FOR DEVELOPING COUNTRIES

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Abstract:

The research of corruption phenomenon has expanded in the economic literature. Corruption costs can be observed in different places, over time and affect especially the efficiency of governments and implicitly the economic growth of countries. Using content analysis, this paper focuses mainly on studies that are analyzing corruption in emerging countries and presents the main results of over 30 studies and also the research methodology. We observed that the empirical approach is more often used than the theoretical one. Furthermore, we discovered that corruption is associated with government failure, institutional weaknesses, electoral periods, low wages, a predominant share of men in parliament and government, the degree of press freedom and is affecting especially the economic growth, investment and FDI levels.

Keywords: *corruption, developing countries, fiscal policy, content analysis*

JEL codes: *D73, E62, F62*