Measurement and Research Methods Biases in Corruption Research: A Review and Recommendation for Future Research

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Abstract. Corruption is a phenomenon that not only has a ubiquitous presence across nation-states; it also straddles many established disciplines. The purpose of this review is to consider issues connected to the implementation of the measurement of corruption given that unbiased measurement is confounded by the illegal and secretive nature of corruption, as well as the common use of expedient but aggregate measures of corruption such as Transparency International's Corruption Perception Index (CPI). When measurement is misaligned with concepts and theories of corruption, we see method biases emerging. We define four measurement biases and two research design biases. We measure their prevalence in research published in International Business/ Management and Political Economy research. We provide recommendations for procedural remedies for the biases, while establishing two broad objectives for advancing empirical work in corruption as predicated upon emergent techniques for improved measurement of the corruption construct.

Keywords. corruption, ethics, bribery, measurement biases, research methods, list experiments, political economy

INTRODUCTION

Corruption is the misuse of public power for private benefit. It is most likely to occur where public and private sectors meet (Bardhan, 1997). Corruption is present in all geographies, and endemic in certain areas of the world. Corruption is persistent and pervasive. It is an issue that challenges citizens, managers and public sector officials alike. Unsurprisingly, corruption has been a phenomenon of interest for scholars from varying disciplinary backgrounds including International Business and Management (IB/M), and those situated in Political Economy (PE), which we define as research on both sides of the border between Political Science and Economics, for work that studies the relationship between the state and economic actors.

Corruption exerts costs on businesses, individuals and economies. The preponderance of evidence about the non-trivial costs of corruption along with its persistency and pervasiveness (Cleveland, Favo, Frecka, & Owens, 2009) suggests a research agenda that focuses not only on identifying the costs, but also one that addresses issues related to the management of corruption (Castro, Phillips, & Ansari, 2020). With these identifications would come action-oriented research that tests and explores ways to reduce the prevalence of corruption and its costs.

Such a research agenda is ambitious, but it is incumbent upon researchers to address this challenge, especially as we move into a scholarly world, where there are increased calls for responsible research (Hideg, DeCelles, & Tihanyi, 2020; RRBM, 2021). International Business researchers sit at the forefront of emergent business practices in internationalizing firms and multinational firms, as well as at the forefront of institutional environment analysis and are hence well-placed to identify and

understand variances in business practices and policy environments across countries. However, the opportunity to develop scholarly understanding of corruption extends far beyond these horizons.

The opportunity extends from our observation, which we substantiate in this review, that a great deal of research on corruption in IB/M, alongside that in the Political Economy (PE) literature, has failed to accurately match conceptions and measurements of corruption. This weakness in prior research is evident in both IB/M and PE space. There are six areas where existing empirical research on measuring corruption has been weak. The first four we define collectively as measurement biases: (1) aggregating distinctly different forms of corruption into a single measure, (2) not aligning the measure of corruption with the appropriate actor, (3) conflating perceptual and experienced-based measures of corruption, and (4) conflating the frequency of corruption with its scale. The fifth and sixth areas we define collectively as research design biases: (5) not guarding against respondents being socially predisposed to inaccurately report the incidence and scale of corruption, and (6) not accounting for endogeneity when modelling corruption.

If research on corruption develops more acute measures and methods, while also yielding a better match between the measures used and the concepts and theories evoked, research could progress in substantive ways in its contributions to both theory and practice. These learnings will feed back into renewed improvements in conception and measurement, while also accelerating the pace of development in our understanding of the antecedents to corruption and consequences of corruption.

To establish evidence for these conclusions, we review research published in the IB/M and the PE literatures. From this foundation, we evaluate in detail the measurement undertaken in each empirical

article on corruption along the six areas identified above. The implications and conclusions of our study come primarily from the rich analysis and evidence we present on these measurement issues.

The consequences of our review are several. First, given that the tendency in IB/M has been to rely upon a small set of secondary source survey data with its attendant problems of social desirability bias, for example, there is a consequent opportunity to implement effective means of primary source data collection and measurement creation via survey or experiment. Second, with improved conceptualization and measurement comes the opportunity to push theory development on the relationships in which scholars are interested. Critical to the execution of cross-national studies is the ability to isolate the effect of one feature of a business environment, such as corruption, from other correlated dimensions. Consequently, better conceptualization, measurement, and research design will contribute to the theoretical advances envisioned in previous reviews (Bahoo, Alon, & Paltrinieri, 2020; Cuervo-Cazurra, 2016). As such, our review directs researchers to tools that allow for nuance in hypothesis creation and precision in hypothesis testing. Third, with this greater acuity comes the attendant consequence of being better able to undertake research in which the implications enable firms to devise strategies to reduce the risks and costs of dealing with corruption, while also empowering states to develop anticorruption initiatives.

The remainder of our review is structured as follows. First, we describe the process by which we identified and coded the literature on corruption as situated in IB/M and the PE literatures. Next, we concisely cover key themes that have emerged in these two literatures, following the guidance of recent reviews on corruption. We then review in careful detail the measurement and methods issues to cast a clear light on trends embedded in previous research, while also promoting a detailed agenda for

research in corruption. We speak to all scholars of corruption but with an emphasis on application to topics common to IB/M. We close the paper with our key themes and general statements about research by the next generation of scholars on corruption.

LITERATURE REVIEW PROCESS

Our review has two stages. The first stage was an expansive review in which we surveyed large swathes of literature from both IB/M and PE. This expansive review was informed by recent review papers and guides published on corruption. The second stage was a focused review, where the intent was to isolate a specific area of research on corruption that our Stage 1 analyses had identified ae being most in need of attention. The primary contributions of our review emerge from the second stage, but for the purposes of transparency and clarity of research process and research motivations, we report briefly on the first stage, before moving to the details of the second stage.

Stage 1: Survey of Corruption Research in IB/M and PE

In Stage 1, we engaged in a large-scale survey of the literature on corruption. The reasons for this were to better understand current trends in IB/M and PE situated research both individually and collectively. We also had to be cognizant of advances in recent reviews and encapsulations of the topic of corruption, given the collective challenge that exists to advance this literature in the various academic fields in which it is studied.

For work in IB/M, we completed this survey by examining research in 17 different IB/M journals, as identified in Table 1. We explain more on journal selection for the review when we refine the journal list in Stage 2. As initially our intent was to bridge ideas from PE to IB/M scholars, we surveyed many sources from political science, economics and international development. These sources included

leading generalist journals, as well as books and niche journals. Further, we referred to several reviews and handbooks to identify where research had been consolidated recently.

[Insert Table 1 about here]

Our first stage of review of these sources revealed four points that helped inform Stage 2 of our review: (1) a focus on the recommendation to build theory; (2) extensions of conceptions of corruption; (3) reliance on large-N secondary sources of data to measure corruption; and (4) a need to improve measurement.

Recommendations to Build Theory

The need to build theory and to build a greater understanding of how corruption fits in its nomological network was emphasized in recent reviews by Bahoo et al. (2020), Judge, McNatt, and Xu (2011) and Cuervo-Cazurra (2016). Judge et al's (2011) meta-analysis identified three institutional categories of antecedent and consequent constructs which were (i) political and legal effects, (ii) economic effects, and (iii) socio-cultural effects. Cuervo-Cazurra (2016) identified five core theories in management – agency theory, transaction cost economics, the resource-based view, the resource-dependence approach and neo-institutional theory – that can be improved by deeper analyses of corruption. Bahoo et al. (2020) similarly identified areas for theory advancement via a leveraging of corruption as a central phenomenon in the research design of IB-situated studies, while also advocating for thinking of ways in which corruption can be minimized.

Extensions of conceptions of corruption.

The need to better define corruption and the benefits to building nuance in conceptions of corruption have been articulated well since the work of Shleifer and Vishny (1993). Scholars have argued for

distinguishing between pervasiveness and arbitrariness (Cuervo-Cazurra, 2008a; Uhlenbruck, Rodriguez, Doh, & Eden, 2006), the predictability and uncertainty of corruption (Campos, Lien, & Pradhan, 1999; Samphantharak & Malesky, 2008; Shleifer & Vishny, 1993; Wei, 1997; Zhu & Zhang, 2017); whether corruption is grease or sand in the wheels of an economy or a business (Galang, 2012; Krammer, 2019); whether corruption is petty or grand in scale (Rose-Ackerman, 2013; Sartor & Beamish, 2018); whether corruption is centralized or not (Blackburn & Forgues-Puccio, 2009; Diaby & Sylwester, 2014); whether corruption is collusive or not (Basu, 2011; Guriev, 2004), and whether corruption involves theft from the state (Fisman & Svensson, 2007; Shleifer & Vishny, 1993).

Within this long, representative list of nuances in corruption conception, we would expect increased sophistication in the measurement of corruption. However, our conclusion from reviewing prior work is that sophistication in measurement has been outpaced by developments in theoretical precision and nuances in conceptions of corrupt activity (Graycar, 2020; Rose-Ackerman, 2007; Rose-Ackerman & Søreide, 2011).

Reliance on large-N secondary data sources.

The heavy reliance on large-N secondary data sources for constructing measures of corruption is in evidence in Table 2. The Corruption Perceptions Index (CPI, developed and published by Transparency International) and the World Bank's World Governance Indicators (WGI) Control of Corruption (CoC) data are the most prominently used secondary sources. Others include The Business Environment and Enterprise Performance Survey (commonly known by its acronym, BEEPS) of the European Bank of Reconstruction and Development (EBRD) and World Bank, the World Business

Environment Survey of World Bank, and various data sources of UNCTAD comprise the set of secondary sources for work on corruption.

[Insert Table 2 about here]

Although the PE literature also uses secondary source data, we identified a growing cognizance in this literature of the biases posed by an over-reliance on secondary source, survey-based measures of corruption (Charron, 2016; Donchev & Ujhelyi, 2014; Olken, 2009). The limitations emerge from measurement issues endemic to studying a sensitive, illicit and often illegal activity, such as corruption. These include strong social desirability bias and fear, perceptions biases as individual experiences may differ from media representations of corruption (Razafindrakoto & Roubaud, 2010), and anchoring problems as respondents do not have appropriate information on the prevalence, for example, of corruption in other jurisdictions (King, Finnie, Barnowe, & Gibson, 2004; Malesky, Gueorguiev, & Jensen, 2015).

An emerging response to these limitations has been to create alternative measurements of corruption. These alternatives include (1) the creative use of administrative data (Fisman & Wei, 2004; Gorodnichenko & Peter, 2007); 2) direct observation (McMillan & Zoido, 2004; Olken & Barron, 2009) and 3) shielded survey techniques (SSTs) to guarantee anonymity to respondents. For shielded survey techniques there are different variants such as a randomized response technique (Azfar & Murrell, 2009; Jensen & Rahman, 2011) and List Experiments (Jensen & Malesky, 2018; Malesky et al., 2015). We return to these techniques, including their principles for development, after we complete Stage 2 of our review, where we more acutely identify limitations in measurement in the literature.

Need to improve measurement.

The need to improve measurement has not only been captured in our Stage 1, but it has also been a muted conclusion within previous reviews. Measurement issues arise from a simple feature of corruption – because of its illicit and/or illegal nature, people involved in a corrupt relationship are not likely to admit it at all, and even if admitting complicity in corruption, they are unlikely to expose the full extent of corruption in a relationship (Gago-Rodríguez, Márquez-Illescas, & Núñez-Nickel, 2020).

Even though previous reviews have acknowledged the limitations; they have not been specific on how to improve measurement. Instead, the focus has been on stimulating discussions of how to better understand the relationships of corruption to other variables, while also informing theory. As an example, Cuervo-Cazurra (2016: 37-38) notes the problems with the measurement of corruption, highlighting how the secondary source data vary in country rankings, which raises issues of face validity in secondary source data. Cuervo-Cazurra (2016: 38) sensibly advises to "design studies to measure the likelihood of bribing by including sets of questions that ask about bribery in different ways", but without any specificity on the form of the queries. Judge et al. (2011) likewise discuss measurement identifying a lack of convergent validity in secondary source measures of corruption (e.g., Judge et al's (2001) Proposition 7), as well as a lack of predictive validity. Interestingly, Judge et al. (2011: 101) conclude that "the measurement of corruption is improving over time," but the conclusion is drawn from the nomological performance of corruption, not from an analysis of the types of measures used. In their Proposition 3, Bahoo et al. (2020) likewise note the limitations in country-level, survey-based measures of corruption and advocate for firm-level measures. Finally, although they focus on corporate corruption, Castro et al. (2020) strongly advocate for improved

methods and measures for research on corruption to not only enable more effective empirical modelling, but also to help with the mitigation of corruption.

Taking these four points, clearly measurement is a critical issue that needs to be developed and improved for research on corruption in both IB/M and PE to be advance. This conclusion does not stand in contrast to the conclusions and beliefs evoked in previous research. Scholars, and we as well, know that measurement developments need to keep pace with conceptual advances in definitions and conceptions of corruption to make the desired developments in theoretical advancements concerning the antecedents and consequences of corruption, while also informing policy makers and practitioners on efforts to manage effectively in reducing the incidences and costs of corruption. However, how to achieve this outcome has escaped the same form of specific attention that has been given to the development of conceptions and theories. Given such, we focused our Stage 2 on measurement issues.

Stage 2: Focused Review of Measurement Issues[1]

Stage 2 conveys our research process, our analysis, and our conclusions of our focused review on measurement issues in corruption research. We undertook Stage 2 of the review using a redefined set of journals as compared to those we reviewed in Stage 1. The Stage 2 journals are fewer in number, but consistent with lists of well-established lead journals in the respective fields. Likewise, we revised the methodology for us to undertake Stage 2 of this review, which also necessitated a fresh reading of the articles that constituted our review. This methodology was designed to operationalize, categorize and analyse the measurement related issues on which we focus.

[1] Importantly, our process of moving from Stage 1 to Stage 2, and then focusing on measurement issues in Stage 2, was guided by the editor and reviewers as they encouraged the author team to focus clearly on a specific issue of the most pronounced substance for the corruption literature. Originally, we focused on Stage 1, but herein we credit the JIBS editorial team for their guidance in directing us to the topics we cover in Stage 2 of this review paper.

The first step we took in Stage 2 was to redefine the journal set we study. As in Stage 1, we were focused on a survey of the literature, but in Stage 2, we covered a narrow set of journals, as defined as generally recognized leading journals in the respective fields. For the IB/M journals, we identified this set of leading journals via a comparison of the journals we had used for Stage 1, with journals included in other reviews conducted recently in the International Business area, as published in JIBS. For the PE journals, our new narrow set of journals aligned with the leading journal guideline in the IB/M search process, but for journals that report research in Economics and Political Science. We began the searches in 1995 and reviewed literature to July 2021, as the late 1990s was when articles on corruption began to be published with regularity in IB/M.

The process we instituted to implement Stage 2 provided us with 12 leading IB/M journals. These journals are Journal of International Business Studies (JIBS), Journal of World Business (JWB), Global Strategy Journal (GSJ), International Business Review (IBR), Journal of International Management (JIM), Management International Review (MIR), Strategic Management Journal (SMJ), Organization Science (OS), Academy of Management Journal (AMJ), Academy of Management Review (AMR), Journal of Management (JoM), and the Journal of Management Studies (JMS).

To explain our selection of journals, Table 1 identifies our comparison between the journals we decided to include in this review and those in Luo and Zhang (2016), Cuervo-Cazurra, Gaur, and Singh (2019), Nippa and Reuer (2019), Chi, Li, Trigeorgis, and Tsekrekos (2019) and Aguilera, Marano, and Haxhi (2019). Only three journals are common to all reviews: JIBS, SMJ and AMJ. Except for Nippa and Reuer (2019), IB journals commonly found in reviews are JWB, GSJ, IBR, JIM and MIR. Finally, other common management journals include AMR, JoM and JMS. Meanwhile, with

less regularity ASQ and MS appear in reviews, but also not in our review given that corruption is a rare topic, if covered at all, in these latter two journals.

Yet, as with any topic, certain journals might favour that topic given the scope of coverage of that journal. The Journal of Business Ethics is one such journal for the topic of corruption. However, we note it is not included in any other recent reviews as a constituent journal. As such, our analyses do not include the large number of corruption papers published in JBE. Papers published in the 12 IB/M journals form the foundation for our analysis.

As for the journals from the PE literature, we identified 5 leading Economics journals and 7 leading Political Science journals. The journals from Economics are American Economic Review (AER), Journal of Political Economy (JPE), Quarterly Journal of Economics (QJE), Review of Economic Studies and Econometrica. The journals from Political Science are American Political Science Review (APSR), American Journal of Political Science (AJPS), Journal of Politics (JOP), International Organization (IO), Comparative Political Studies (CPS), Quarterly Journal of Political Science (QJPS) and World Politics. These journals are commonly recognized by reputation as being the leading ones in their respective fields. As with the set we decided for IB/M we were guided by practices in recent reviews in our selection of these 12 journals. Recent methodological critiques in political science and economics have used these same sets of journals to draw their article samples (Card & DellaVigna, 2013; Hainmueller, Mummolo, & Xu, 2019; Heckman & Moktan, 2020; Montgomery, Nyhan, & Torres, 2018).

After compiling the list of journals, we once again conducted a systematic search of the articles published in these journals in our defined period using the keywords “corruption” and “bribery.” We

were hesitant to use an electronic search routine as at times corruption and bribery will appear in titles, abstracts, and the text of articles, even when corruption is not focal to the paper. As such, we undertook a manual search of the sample journals by reading titles, abstracts, and article content to identify mentions of 'corruption' and 'bribery' and then verify whether the content was connected to direct research investigations of corruption.

After this refined search process was completed, we had identified 80 articles from the IB/M literature and 106 articles from the Political Economy literature. In terms of the specifics of each article, we archived the research related details of each paper from Stage 2 in Appendix II, Table S1 for the papers from IB/M and Appendix II, Table S1 for the papers from PE. This information includes essential referencing material, columns on research questions, findings, and implications as well as summaries of analytical procedures, sample sources, and measures of corruption. These latter three items are where we investigated deeply, given our conclusions from Stage 1 and the intents of Stage 2.

EMPIRICAL BIASES IN MEASUREMENT IN CORRUPTION RESEARCH

We focus acutely on biases in corruption research as the key element in the research methods chain that needs to be improved to do better work on modelling corruption, and thereby contribute more vitally to both theory and practice. Our summation of prior work shows that there is a broad recognition of the need to build theory about corruption as well as more generally utilize the phenomenon of corruption to help develop theory. As such, prior work has effectively highlighted or made developments in conceptions of corruption and in related theories, but measurement and methodological advances were fewer. These limitations were most pronounced for studies that relied primarily on common archival sources of data, such as CPI.

Our next objective is to provide systematic evidence of the limitations in prior measures and research designs used for corruption-oriented research. This evidence can allow us to accurately connect to the scope and nature of problems in measurement, while also fomenting recommendations on how to address measurement challenges. As such, we have identified six biases that are common to corruption measures. We group these six biases into two categories. The first category is measurement biases. The second category is research design biases.

Four Measurement Biases

The four items in the first category relate to measurement. We identify each of four items in this category as a 'Measurement Criterion.' The criteria individually and collectively relate to the characteristics of measurement, which should be satisfied to heighten the chances of the measure performing as it should. Put another way, these criteria help to assess the validity of the measure. Specifically, we are interested in assessing the construct, content and face validity of the measures used in corruption research, to better understand how well the measures function (Collier & Mahon, 1993; Dick & Hagerty, 1971). We establish the four criteria to identify if the measure of corruption measures what is intended (construct validity), if the way in which the measure is collected or constructed captures what is intended (content validity), and finally whether the measure seems to be representative of the aspect of corruption it is intended to represent (face validity).

The four measurement criteria are listed below. We explain each criterion below and in Table 3.

- **Criterion 1:** Lack of Aggregation Bias
- **Criterion 2:** Measurement Appropriate for Actor Types
- **Criterion 3:** Match Between Perception and Experience
- **Criterion 4:** Match Between Frequency and Scale

[Insert Table 3 about here]

Criterion 1: Lack of aggregation bias.

Aggregation Bias occurs when a research project uses an index that is constructed from data collected from multiple respondents and often to multiple questions. The result is one aggregate measure of corruption, which will necessarily comprise several sub-types of corruption, which are then conflated with each other. Measures that do not meet this criterion are often taken to have reasonable face validity but suffer from both content and construct validity concerns.

Ang (2020), for instance, proposes a two-dimensional definition of corruption: whether it involves theft from public coffers or exchanges between firms and officials, and whether it operates at ground-level bureaucrats or the political elite level. Her approach synthesizes corruption into a four-cell table with the dichotomy of collusive versus non-collusive on one dimension and with the framework of "petty" and "grand" corruption on the other (Ang, 2020). Critically, she argues that different forms of corruption are prevalent in different societies, and efforts for businesses to avoid corruption and for states to combat it must be attentive to these differences.

According to Ang (2020), when scholars aggregate these four distinct types of corruption into a single index, the meaning of the composite measure is unclear. This is particularly true of countries that score in the middle range of aggregate indices (e.g., CPI), where we do not know whether an average score indicates low levels of corruption on all four dimensions or poor performance on one or two dimensions, which then off-set high performance in others. Gingerich (2013) demonstrates this empirically by showing that bureaucracies within three different Latin American countries (Bolivia, Brazil, and Chile) show wide variation that does not correspond well with national indicators. Although overall, Chile receives lower corruption scores on CPI and CoC, there are several

bureaucratic agencies in Chile that demonstrate higher levels of corruption than analogous agencies in Brazil or Bolivia.

Aggregation bias is particularly problematic for political economy scholars attempting to draw a connection between institutions and corruption outcomes, because it obscures the causal link between the incentives posed by the institutions and actual changes in actors' behaviors. For example, Yadav (2012) argues that when legislative rules favor political parties in agenda setting in parliamentary debates, business are encouraged to lobby parties in the majority coalition for preferential policies. She hypothesizes that this lobbying can bleed into corruption and shows a positive association between such legislative rules and higher CPI scores. The problem is we do not know which type of corruption is driving the relationship. Ang's framework would classify this type of grand corruption without theft as "access money," which would be detectable with a few very specific questions used in the CPI measure. Because Yadav (2012) uses the aggregate measure, however, it is entirely possible that what she is observing is a spurious relationship between legislative rules and unrelated petty bribery, which is measured with a far greater number of questions used in the CPI. There is no reason to expect legislative rules to lead business to pay more in facilitation bribes to expedite business registration. Based on their empirical analysis, however, readers cannot tell the difference.

When scholars of international business theorize about a particular form of corruption but use an aggregate index to test their theory, the analysis is likely to be similarly confounded. For example, Zhao, Kim and Du (2003:46) are specifically interested in how "sales by government officials of government property for personal gain" leads to reduced investment or altered business entry strategies, but they use an aggregate index as their measure. Even when authors are careful to

acknowledge that an aggregate index captures widely different forms of corruption, such an analysis provides inadequate foundations for policy advice to businesses trying to reduce corruption costs or government officials attempting to address corruption that may impede economic performance.

Criterion 2: Measurement appropriate for actor types.

Appropriate Types of Actors refers to whether respondents to a secondary or primary source survey are the same actor as what is envisioned in the theory or concepts being modelled. The consequence is that researchers might capture trends of corruption in one phenomenological setting, but it might not be applicable to the setting described in the researcher's theory, even if the conceptual design and the empirical test occur in the same geographic setting. Measures that do not meet this criterion suffer most clearly from both construct and face validity. While conceptually distinct, this problem is also more pronounced in work using aggregate country-level measures of corruption, such as CPI or CoC.

Djankov, La Porta, Lopez-de-Silanes, and Shleifer (2002), for instance, argue that countries with heavier regulations on firm entry into markets (start-ups) will have higher corruption, as regulations are created for the personal benefit of politicians and officials. A good test of this theory would involve measures related to regulatory enforcement and bribery, such as business bribes paid to inspectors or bureaucrats during bureaucratic filings. The theory in Djankov et al. (2002), however, is unrelated to bribery by households. Thus, a measure that conflates business and household bribery in the same index (i.e. the CPI), while relying on different weighting of these sources in each country for constructing a country-level measure is not an appropriate test of the theory that regulation causes corruption. It may simply be that countries with weak or low capacity bureaucracies tend to have more cumbersome regulations and bribe-taking at the same time.

In the IB/M literature, Habib and Zurawicki (2002: 95) offer the creative argument that exposure to corruption in their home country endows multinational corporations with a better capability to manage the corruption aspect of business encountered when investing in new markets. Accurately testing the logic of this theory requires demonstrating that firms develop specific skills to manage corrupt behavior in one market that are transferable to new markets. Relying on aggregate measures that conflate corruption in households, small businesses, and multinationals into a combined index like CPI is inappropriate for this test. There is no reason to expect that a business from a home country where household bribery is pronounced would have unique skills for handling business in an environment where grand, collusive corruption among large and connected firms is the norm. Testing the theory accurately requires teasing out similar questions and actors from the components to the CPI across different host country markets to ensure that the firms were exposed to the same types of corruption in the different environments.

Certainly, there are cases where an aggregate index is a reasonable choice, for instance, if a scholar wants to show how aggregate perceptions of corruption might lead investors to avoid entering particular markets. Nevertheless, if an aggregate index is being used than it is incumbent upon a researcher to discuss why foreign investors might be willing to use unrelated forms of household and small business corruption in their analysis of the investment environment. Presumably, the corruption faced by potential consumer or vendors would be more relevant for some types of foreign investors than others.

Criterion 3: Match between perception and experience

This criterion refers to the idea that respondents to a secondary or primary source survey will often evaluate the general or specific measures of corruption being measured in the survey on the basis of perception. Indeed, they might not have first-hand experience with corruption. The potential pitfalls of this criterion are evident in the observation that country-level indicators of perceptions of bribery tend to be correlated with levels of income, the quality of political institutions, and even religion, while reports of actual paid bribes are not (Olken, 2009; Treisman, 2007). The perception versus experience distinction is common in research on business environments. For example, measures of political risk can be perceptual or quantitative in form (Henisz, 2000; Jensen, 2008), which can yield substantially different implications. Measures that do not meet Criterion 3 have concerns about content validity, as error can arise in the measurement method itself, which can also lead to construct validity issues.

As an example of this bias, Tyburski (2014) argues that in democratic political systems remittances from migrants tend to reduce corruption in recipient democracies, by helping citizens hold leaders accountable, but the same phenomenon of remittances increases corruption in authoritarian systems by allowing politicians to divert expenditures from public goods to patronage. This argument is tested by regressing a measure of corruption perceptions on an interaction of remittances and the level of democracy. However, because perceptions of corruption tend to be biased downward in democracies, this introduces systematic measurement error in the dependent variable that is correlated with a component term in the multiplicative interaction. As a result, both the component term and the interaction term are likely to biased in the direction of the author's theory (Wooldridge, 2015). A test with an experienced-based measure would avoid this error and lead to more accurate conclusions.

In the IB/M literature, Spencer and Gomez (2011) argue that the propensity to bribe in host countries is related to a firm's home country experience and localization strategy. The presence of local partners increases the pressure to engage in corruption, even if an investor is from a relatively corruption-free home country, which would normally be expected to make lower payments. Critically, the authors theory predicts that similar firms should behave different propensities to accede to bribe payments depending on whether they are using a local partner or not.

The logic of the story is compelling, however, Spencer and Gomez (2011: 299) measure the outcome using the BEEPs survey question, "How often *do firms like yours* nowadays need to make extra, unofficial payments to public officials for any of the following?" The question includes seven different business activities (i.e. accessing public services, dealing with courts and so forth), which are rated on a seven-point scale. Although asking respondents to project away from themselves by answering about similarly-situated firms is a common technique for reducing social desirability bias, in this particular instance, it creates confusion about whether the respondent actually paid the bribe themselves or simply think the situation is a problem for businesses like their own. To make this point clear, 68% of firms in the 2009 BEEPs dataset used in their analysis answer the question about paying bribes in court (Ecaqq41b), even though they themselves had never actually been involved in a court case, either as a plaintiff or a defendant (Ecaq31e), and therefore could not possibly have paid a bribe in that setting.

The Spencer and Gomez (2011) analysis, therefore, shows that firms using local partners are more likely to believe corruption is greater in new countries where they are investing, but it does not demonstrate they are actually like to pay more bribes. Intriguingly, the higher level of awareness may

actually lead them to take actions that protect and insulate them from bribery. This is a fascinating conclusion, but one very different from the one drawn by the authors.

Criterion 4: Match between frequency and scale

Criterion 4 builds from the point that research has already identified important differences between the rate of incidence of corruption and the size or scale of corruption, as well-indicated in the conceptual distinction made between petty and grand corruption (Rose-Ackerman, 2013; Rose-Ackerman & Palifka, 2016). However, it is not clear whether prevalent measures capture these two important dimensions of corruption. As with measurement Criterion 3, measures that do not meet Criterion 4 have concerns about content validity, as error can arise in the measurement method itself, which can also lead to construct validity issues. If researchers are transparent on both the conceptual definition of corruption in their model, and the empirical measure utilized, face validity concerns will also be prominent when measurement criterion 4 is not met.

We are particularly concerned about frequency and scale, as a lack of distinction between them can pose problems for investors, because the two concepts manifest themselves in substantially different fashions. For example, in some environments, many investors may be required to make relatively small bribery payments during regulatory procedures to obtain licenses and gain approval during inspections. These bribes are often non-collusive and are not considered as theft from officials. Moreover, there tends to be a normative basis for the payment, as "everyone else is doing it." In other environments, very few firms will pay bribes, but the absolute cost of the bribes they pay is substantial. These bribes are often collusive and involve theft from government, such as the awarding of sweetheart land deals, the issuing of proprietary business licenses, or the awarding of unique

resources like spectrum (Blake & Jandhyala, 2019). Here, large payments tilt the business playing field toward large-connected actors, generating inequality and undermining regime legitimacy.

That said, it is not obvious which type of corruption is worse for business performance, or which should be the focus in empirical investigations. Measurement is important in this regard as when analysts use measures that capture the frequency of bribe payments (i.e., the share of firms paying bribes), they prioritize frequency over scale. This usage might be an inadvertent mistake, where frequency is implicitly aligned with conceptual ideas about "more" or "greater" corruption, as measured by the share of firms paying. By contrast, when scholars use measures like the "amount of bribe payments over sales" from the BEEPs survey, they are implicitly prioritizing the scale of corruption. When these two measures are averaged together in an index, they hide whether frequency or scale are more prominent in the environment in which an actor operates.

This conflation between frequency and scale is of critical theoretical prominence in two debates that cross both IB/M and PE. As we noted above, many scholars classify different regimes by how predictable (or uncertain) corruption is. These arguments rely on the fact that corruption is dissimilar to other government interventions, such as taxation, because of the illegality of the exchanges (Shleifer & Vishny, 1993; Wei, 1997). If a firm must pay a bribe to enter a market, and there is significant uncertainty that the necessary permits or licenses will be approved in response to the bribe payment, then firms will be less likely to enter that market. Given a particular level of corruption, countries that have a more predictable system of corruption should see more investment, due to the reduction in uncertainty (Campos et al., 1999). More predictable corruption, in turn, may also lead to reduced variability in the costs of bribes.

To test the predictions of these models, existing measures typically focus on the frequency of corruption. Samphantharak and Malesky (2008), for example, utilize survey data to exploit a natural experiment in Cambodia, finding that changes in provincial governors (as personnel changes are thought to reduce the predictability of bribery) lead to greater reductions in investment than corruption itself. Zhu and Zhang (2017) conduct a similar study in China, using survey data to construct a measure of corruption as an obstacle to business. However, their measure relies on a survey experiment in which firm leaders were surveyed about whether they paid a bribe, but it did not include any information on the amount they paid. Both of these analyses show that whether a firm pays a bribe is less damaging to the investment environment, than the actual uncertainty about the bribe schedule. Yet, as neither set of authors asked about the average size of the payments, the results are biased toward findings in the direction of predictability. A better research design would have compared predictability to differently sized payments, as it is possible that once a bribe payment reaches a certain level it becomes an equal or greater investment deterrent.

A related typology used to define corruption regimes is the level of "centralization," defined as coordination among different levels of the bureaucracy. In this definition, "decentralized" bribery regimes, where firms must obtain approval from many independently acting bureaucrats, suffer because bureaucrats each demand a high level of bribes, increasing the costs for the firm. That in turn makes it more likely for firms to exit the market, depriving bureaucrats of potential future rents. Thus, a central "monopolist," defined as a high-ranking bureaucrat coordinating the demand-side of the bribery market, can internalize this externality, which should drive down total bribe payments (Blackburn & Forgues-Puccio, 2009; Diaby & Sylwester, 2014; Shleifer & Vishny, 1993). Note that in the original expression of the theory, centralization does not reduce the number of bureaucrats asking

for bribes; rather, it reduces the amount that for which each gatekeeper acts. Consequently, it is important to know the average size of the bribe payment to demonstrate that centralization compresses the rent schedule. Analyses that show a declining frequency of payments or data from a declining aggregate index score hence both miss out on a critical observable implication of the theory.

Research Design Biases

The next two criteria we examine extend from the research design decisions used to gather and model the data. These criteria are of particular concern in research on corruption for two reasons. First, as we know, there is a clear recognition in recent literature about concerns that emanate in survey-based research on corruption from social desirability bias (Charron, 2016; Donchev & Ujhelyi, 2014; Olken, 2009). This bias can lead respondents to lie or refuse to answer questions, because answering honestly could place a respondent in danger of criminal punishment or other punitive actions.

Second, corruption is a part of a nation's institutional environment. Prior research has identified how it connects strongly to other commonly measured features of the institutional environment such as political risk, the degree of regulation, degree of democratization or degree of freedom of the press, among other dimensions (Drury, Krieckhaus, & Lusztig, 2006; Goldsmith, 1999; Lessmann & Markwardt, 2010; Mudambi, Navarra, & Delios, 2013). The consequent challenge is to model the effects of corruption independent of other features of a nation's institutional environment, which are often tightly correlated to corruption. This problem is exacerbated by the necessarily small samples found in cross-national research given the fixed number of countries in the world. As such, research must employ an empirical strategy that permits clarity and confidence in causal inferences drawn from models that include measures of corruption.

Criterion 5: Social desirability bias.

The social desirability bias criterion brings explicit recognition to the increasingly common observation that this bias often exists in self-reports of corruption. As such, when measuring corruption, we need to be concerned with whether the researcher has taken steps to ensure accurate reporting of bribes or other forms of corruption in their research design. This can be done through their own original data collection or by making an effort to find non-tainted data from other sources.

In the PE literature, Morris and Klesner (2010) use the Americas Barometer survey to demonstrate a strong correlation between perceptions of corruption and trust in political institutions among citizens in Mexico. The authors are extremely careful to empirically define trust as distinct from corruption. They exploit a simultaneous equation model to empirically assess the mutual causality between the two concepts. Unfortunately, the authors do not consider the fact that trust in institutions might also influence the willingness of respondents to answer questions about corruption honestly. The less trust they have, the more likely they are to skip the question in the survey, answer that they do not know, or upgrade their answer to avoid punishment. In all three of these instances, measurement error in the assessment of trust will be mechanically correlated with survey responses to corruption. If respondents refuse to answer or say they do not know, this will generate selection bias whereby the least trusting (and perhaps the most aware of corruption) are dropped from their survey. If respondents, upgrade their answers (answer there is less corruption) to avoid embarrassment or culpability in corruption, they will likely do so in both the trust and corruption questions, again generating a mechanical relationship between the two variables.

Jensen and Malesky (2018) describe a similar phenomenon in their analysis of whether the Organization of Economic Cooperation and Development's Anti-Bribery Convention (OECD-ABC) has been successful at reducing bribery. The problem is that the Convention's extraterritoriality requirement generates an extreme form of social desirability bias, as firms from signatories of the convention will be reluctant to admit to bribery for fear that they are liable to be punished in their home countries for bribery abroad. In statistical terms, the specific requirements of the legal agreement create a systematic measurement bias that is correlated with the treatment variable – accession to the OECD-ABC. As a result, when an analyst finds from the direct survey questions that firms from signatory countries are less likely to admit to paying bribes, they cannot know whether the relationship is due to the actual effect of the Convention on bribery, or an effect of the Convention that leads to reductions in a respondent's willingness to admit to the activity. Indeed, Jensen and Malesky (2018) demonstrate that non-response on the bribery question is correlated with signing the convention.

To correct for this problem, Jensen and Malesky (2018) propose a shielded response called the unmatched count technique (UCT) or list experiment, which we describe subsequently using an example from Myanmar. Using a UCT or a list experiment, respondents are asked whether they engaged in a number of activities, of which bribery is only one, providing plausible deniability about the specific activities in their count. Jensen and Malesky (2018: 49) demonstrate that with the simple use of the list experiment, the correlation between non-response bias and signatory status disappears, providing them with a measure of bribery where the measurement error is not correlated with the treatment variable.

One problem with the list experiment, as well as other shielded response techniques, is that they help solve Criterion 5, but they often violate Criterion 4. List experiments provide certainty in the measurement of frequency, but do not permit study of the effect of corruption uncertainty on the *scale* of bribery. In our later section on Improving Measurement, we describe how an adaptation of the technique provides a measure of scale in how much firms expend on a particular corrupt activity.

Criterion 6: Causal inference.

The causal inference criterion connects to the empirical strategy used by a researcher modelling corruption. Ideally, the researcher should seek to isolate the effect of corruption from reverse causality with the outcome variable, or from unobserved heterogeneity due to other potential confounds of institutional environmental dimensions that are modestly to strongly correlated with corruption. Causal inference can come from the employment of specific empirical tools or techniques or by taking advantage of some form of natural experiment.

In a well-cited study, Brouthers, Gao, and Mcnicol (2008) offer an addendum on the compensatory theory of FDI, which hypothesizes that the level of FDI results from trade-offs between the benefits of market attractiveness and the costs of corruption. The innovation of the authors is to argue that the trade-off depends on the type of investment being contemplated. Market attractiveness mitigates the dangers of corruption only for market-seeking investors but not for resource-seeking investors. As corruption rises, resource-seeking investors are less influenced by increasing market attractiveness.

To test their theory, the authors divide investor types into three groups (market-seeking, labor-seeking, and resource-seeking) based on the share of investment in the sectors comprising those categories. Next, they define different types of attractiveness for each investor type. Market-seeking investors

respond to GDP per capita, labor-seeking to wage rate, and resource-seeking to the share of domestic energy production. Averaging over a six-year period, they then perform a country-level regression of their continuous measure of investor-type on an interaction of the measures of attractiveness and the average CPI for the country over the time period.

Even with these intricacies in their research design, the authors do not address endogeneity. Simultaneity bias is a clear issue in their analysis. According to the OECD, certain investment sectors, particularly resource extraction, construction, and transportation, are more corruption prone than other arenas (OECD, 2014). If these sectors are concentrated in a particular country due to its existing set of endowments, this will lead to a higher overall CPI index. In this case, endowments (i.e. natural gas deposits) determine the investment levels, which in turn influences the level of corruption – the exact opposite of the causal chain put forward by the authors. Without an identification strategy to isolate the exogenous corruption that is not a direct result of the concentration of industries in an economy, the estimation of the trade-off that the authors hope to identify will be biased.

An alternative form of endogeneity bias is encountered in the large number of papers that regress investment behavior (entry, size, and entry mode) on measures of perceptions of corruption – either aggregated like the CPI or individual survey data (Ades & Di Tella, 1999; Habib & Zurawicki, 2001; Robertson & Watson, 2004; Wei, Liu, & Liu, 2005). Here, the problem is whether beliefs about investment prospects are seeping into evaluations of corruption. That is, investors who are struggling with performance blame corruption for their lack of success as opposed to their own management success or other features of the business environment.

A final identification challenge has to do with efforts to isolate corruption from other features of the business environment or to show how other institutions can influence corruption (Berliner & Erlich, 2015; Bussell, 2015; Cordero & Miller, 2019). Here, the critical problem is unobserved heterogeneity that might influence both corruption and the other institutions, leading to bias in the individual measure of corruption or in the interaction between corruption and other institutions. Cordero and Miller (2019), for instance, argue that there is a quadratic relationship between political party tenure and MNE entry. A key mechanism for them is that longer-tenured parties are more corrupt, leading to declines in MNE entry. This is a logical suggestion, however, it is also possible that government corruption sustains party longevity, as more corrupt regimes are better able to disperse patronage and pacify potential threats to their rule. To better test their theory of the mediating effect of corruption, the authors need an identification strategy that allows them to isolate the portion of corruption that results from party tenure but does not enhance it.

In this particular case, endogeneity is augmented by their choice to operationalize corruption as the number of public officials, who are formally prosecuted for corrupt acts (Cordero & Miller, 2019: 981). It is not obvious that more arrests accurately measures underlying corruption, as more arrests and successful prosecutions are also evidence of a country trying to combat corruption through the legal system. The most corrupt locations would see little retribution for corrupt acts. Based on this interpretation, the finding that government corruption leads to greater MNE investment is less surprising (p. 992). More immediately for the discussion of endogeneity, longer party tenure is mechanically associated with more arrests – longer serving regimes have more time to investigate and prosecute corrupt acts. Without a research design that isolates the exogenous impact of corruption, we cannot be certain that party tenure leads to increases in the corrupt behavior of officials.

ASSESSING THE PREVALENCE OF THE SIX BIASES

With the establishment of the six criteria, we newly evaluated each of the papers in our reconstituted review to assess how well the empirical use of corruption matched the six criteria. In terms of process, first, we met as a team to generate, discuss and establish consensus and a common understanding of the meaning of each criterion. Then, we established a working definition for each of the six criteria, as above and as in Table 3. Next, we divided the research team into two groups of two researchers. Each group of two researchers independently reviewed a specified subset of articles. Before initiating the review of all articles, we completed a trial where each group independently reviewed five manuscripts using the six criteria. The two teams then compared their reviews with the other team's reviews to cross-check and validate each other's coding process to ensure alignment.

After this alignment was achieved, the teams then went through a process of coding all the papers that were assigned to them. Once the independent reviews were completed by a team, the two coders compared results and then resolved any discrepancies in their independent coding to arrive at final coding decisions for each paper. Any areas of uncertainty were shared with all members of the research team to arrive at a group decision. As a final check, a few papers were shared at random across teams to ensure that the coding was indeed implemented consistently across teams.

Trend Analysis in the Six Biases

The trends in biases in corruption research we report are founded on our analysis of the 157 empirical manuscripts published in 24 IB/M and PE journals in the 1995 – 2021 period. Figure 1 plots the distribution of article counts by 5-year intervals from 1995 to 2021, with the last period encompassing only two years. Focussing on the 2000-2019 period, we can see a steady increase in the total number

of corruption related articles in these journals in both IB/M and PE journals. The last full five-year period saw 53 articles published in this period or about 10 articles per year, and more than 2 articles per constituent journal per year. Clearly, there is increasing interest in the topic of corruption in premier journal space.

Next, we report the general tendencies along our six criteria by IB/M and the PE literature, in terms of how well individual publications did in aggregate across the six criteria. We present this evidence in Figure 2, which illustrates the mean number of unmet criteria across all six criteria by period and by journal type. In the 1995-1999 period, the typical article published in IB/M violated 4 criteria on average, whereas the number was slightly greater at 4.3 for publications in PE. For both IB/M and PE journals, the mean total score by period and journal type for corruption measurement has declined. The decline means that on average a greater number of articles are meeting the criteria across successive periods, marking that improvements are being made. However, in terms of the rate of improvement, articles published in PE have outpaced those in IB/M, with the mean number of unmet criteria declining to 1.5 in PE in 2015-2019. In the same period, the mean number of unmet criteria was 3.4 in IB/M.

[Insert Figures 1 and 2 about here]

Figures 3 through 8 disaggregate these data on the overall trends to show the period and journal type tendencies by each of the six criteria. Figure 3 is the first of these 6 figures. Figure 3 reports the frequency of incidences of aggregation bias. As with the trend in Figure 2, we see a general decline in the frequency of aggregation bias in both PE and IB/M. However, the frequency of aggregation bias is greater in earlier periods in PE as compared to IB/M, with IB/M and PE having similarly levels of aggregation bias since 2005. As IB/M often looks at corruption in cross-national comparisons,

aggregation bias is less frequent because aggregate indicators such as CPI report corruption as a country-level phenomenon. However, as research moves to examine corruption as a firm-level or individual-level phenomenon, there will be prominent aggregation bias if CPI or other such secondary source data are used to measure corruption.

Figure 4 reports the frequency of measurement bias that occurs because there is a mismatch between the type of actor argued conceptually and the measure of corruption used in the empirical models. The frequency of inappropriate types of actors being measured is modest in PE, with a very low frequency in the most recent period. In IB/M, we see a persistence in the violation of criteria 2, which represents slightly less than half of the articles published in the 2005-2021 period. PE shows a similar resilience in lack of adherence to this criterion albeit with a strongly reduced frequency of violation for research published post-2014.

[Insert Figures 3 and 4 about here]

Figures 5 and 6 report respectively measurement biases that emerge from a mismatch between perception and experience and a mismatch between frequency and scale. Both mismatches show a high frequency in PE and IB/M for the 1995-1999 and 2000-2004 periods. However, criteria 3 has a more sharply declining frequency, especially in the PE literature, than does criteria 4. For IB/M, both mismatches show a decline from 2005-2019, but with a remaining frequency of about 50% on average for both types of mismatches. In this sense, PE has made better progress at overcoming these two forms of measurement bias, albeit neither PE nor IB/M have not moved as progressively with addressing these two measurement biases as they have for criteria 1 and 2.

[Insert Figures 5 and 6 about here]

Figure 7 brings us to the criteria associated with social desirability bias. The trend for this criteria shows a similar pace of decline as for criteria 3 and 4. Social desirability bias was found in all studies published in the 1995-1999 period. By 2015-2019, 70% of studies published in IB/M still had a social desirability bias associated with their measure or corruption, although that number has been as low as 60% in 2010-2014. The pace of decline in the appearance of social disability bias was steadier in PE, but it still appeared in 43% of studies in the 2015-2019 period. Clearly, criteria 5 is a challenging one for research on corruption to address.

Figure 8 turns to the issue of causal inference. This figure starkly shows that IB/M studies have addressed issues related to causal inference infrequently. There has been only a marginal decline in studies that are troubled by biases associated with causal inference concerns: 100% of studies violated this criterion in the 1995-1999 period, while 88% still did so in the 2015-2019 period. Although PE's starting point was somewhat lower in terms of the percentage of studies that had causal inference concerns pre-2005, in the 2015-2019 period, just over 10% of PE studies could be questioned about biases associated with causal inference. The emergence of robust methods to address causal inference as an essential feature of modelling measures of corruption in PE is displayed vividly in Figure 8.

[Insert Figures 7 and 8 about here]

IMPROVING MEASUREMENT IN CORRUPTION RESEARCH

Our analysis of the trends in the six criteria show both the prevalence of biases in measures and research design, as well as the trends in the past 25 years of research on corruption. Although there is progress, we still have concerns that corruption measurement is often inaccurate and research designs do not permit for strong inferences to be made. As such, we propose two objectives for future research, and a research strategy for implementing these objectives. The two objectives align with our

classification of criteria: one objective connects to research design; the other objective connects to how the measurement of corruption is designed and implemented.

Objective 1: Research Design Considerations

We identify Objective 1 as our strongest objective, in the sense that we regard adherence to it as critical for corruption research to develop empirical findings in which researchers can have great confidence as being reflective of the issues being studied. Of course, abiding by Objective 2 is likewise important, but Objective 1 is a more prohibitive decision for scholars, reviewers and editors to consider when designing or evaluating research on corruption.

Countering social desirability bias.

Analogous situations in social science research to the strength of recommendation we make for countering social desirability bias in corruption research can be found in two examples. Our first example is the way in which behavioral science research no longer accepts single source respondents in an instrument that gathers data on the independent variables and dependent variable(s). Podsakoff, MacKenzie, Lee, and Podsakoff (2003) reviewed the literature in the behavioral sciences to examine method biases that emerged from the way in which data were collected. Their conclusions identified the salience of common method bias as a critical influence on the veracity of empirical findings. Aside from procedural steps to examine for the deleterious effects of common method bias, they proposed that researchers develop methods that do not permit common method bias to occur, such as using different respondents for collecting information on the independent variables and dependent variable(s).

The second example is Golden (1992), who examined the issue of whether retrospective accounts constitute a data gathering technique that yields valid and reliable information. Golden's (1992) comparison of retrospective and current accounts showed retrospective accounts yielded inaccuracies in information, in part due to a positive recall bias, which is analogous to our social desirability bias.

The consequence of Podsakoff et al. (2003) and Golden (1992) was to shift the field away from acceptance of social science research that had either a common method bias or was developed from retrospective accounts. Research with either of those biases was simply considered to have weak, unconvincing empirical evidence.

By the same token, we advocate for scholars to design data collection procedures that do not yield a measure of corruption that has social desirability bias. We also encourage editors and reviewers to cast a sceptical eye to empirical results predicated on corruption measures that have not guarded against social desirability bias. Our best-case scenario for social desirability bias would be an outcome similar to what has occurred for common method bias and retrospective accounts; namely, that this bias is eliminated from research on corruption.

Remedies to social desirability bias exist. There are numerous common techniques for shielding respondents during the data collection process for measuring corruption. These techniques include (i) LIST experiments; unmatched count technique; (ii) Shielded responses and, (iii) Confidentiality envelopes or boxes that separate sensitive questions from the survey. Without doubt, creative and motivated scholars can develop other techniques for reducing the chance of social desirability bias.

As we show in the example of a remedy we provide later in this section, the challenge for research is not with the identification of 'how to measure', but instead it is about shifting standards to recognize

in the scholarly community what constitutes an acceptable level of rigour in the measurement of corruption. Measures that have a social desirability bias do not permit strong inference to be drawn.

Countering weak causal inference.

Our next example connects to the more generally recognized empirical challenge, which is our 6th bias, or the issue of weak causal inference. In this case, we can already find gathering momentum for addressing this bias in recent editorials that call for addressing endogeneity (Li, Ding, Hu, & Wan, 2021) and correcting common research design deficiencies (Aguinis, Ramani, & Cascio, 2020). We likewise advocate for research on corruption to move from associational analysis as commonly implemented in single stage, multivariate models, to the implementation of techniques that allow for strong causal inference.

To draw strong causal inference, a researcher can refer to at least one of the five standard tools to address the endogeneity between corruption and potential outcomes. These five tools are (i) Experiments such as randomized control trials (or RCT), laboratory studies, or a survey experiment, (ii) Regression discontinuity, (iii) Propensity score matching or entropy balancing, (iv) Difference-in-Difference or generalized difference-in-difference using two-way fixed effects, and (v) Instrumental variables analysis (Angrist & Pischke, 2008; Cunningham, 2021). An alternative tool could exist if some form of natural experiment is found, such as in an oil for food program, where a counterfactual can be readily determined (Jeong & Weiner, 2012).

In studies of other phenomena in social science research, these tools are commonly employed. As well, as we have seen in the PE side of corruption research, research published since 2015 has moved

sharply to counter weak causal inference using these tools. That said, weak causal inference still permeates IB/M research at an uncomfortable level. This trend in IB/M should be reversed.

Objective 2: Measurement Considerations

Objective 2 is important, but we recognize it can be challenging to eliminate all measurement biases in corruption research. That said, we also deem it unacceptable to have measures of corruption that are constructed without consideration of the potential for bias or the explicit acknowledgement of the biases that exist in the measure that is being used to test a particular theory.

The issue of measurement becomes more important as nuanced conceptions of corruption increasingly populate the literature. With differences in conceptual definition, comes a need to develop measures that can discriminate between different definitions, such as we have discussed in terms of differentiating between frequency and scale, when more generally discussing the size or magnitude of a corruption event. The other related issue that is at the heart of this consideration is that defining nuanced conceptions of corruption in tandem with well-designed research, can create new and interesting research questions, which improves our understanding theories of corruption.

Good Measurement in Social Science Research

Previously we have discussed the need to develop valid measures of corruption. This need aligns with a basic tenet of social science theory, where we should understand what are the correspondence rules between our concepts and our measures. Bagozzi (1984) provided a concise explanation of the goals to be achieved when developing research designs that align theory and measurement. Our Figure 9 is a simplified representation of Bagozzi (1984: Figure 1, p. 12).

[Insert Figure 9 about here]

Figure 9 illustrates the correspondences that should exist for social science research to have empirics reflect accurately on theory. Research starts with a language that links concepts as guided by an underlying theory. Careful definitions of theoretical terms (concepts) allow for observational terms (measures) to be created and aligned with the concepts. Empirical generalizations are specifically implemented using the observational terms (measures).

Research on corruption has advanced its conceptions of corruption, a subset of which are exemplified in Figure 9. Theory has been called to develop around these conceptions, but often theory development is impeded by two features of research designs. First, researchers default to a conceptual gestalt of corruption. If we consider recent reviews to be representative of corruption research, the propositions advanced in the reviews refer generically to corruption or bribery (e.g. Bahoo et al., 2020; Judge et al., 2011), or the reviews discuss corruption and its implications for practice and theory building from a generic conception (Cuervo-Cazurra, 2016; Sun, Doh, Rajwani, & Siegel, 2021).

Second, given a lack of precision in the conception of corruption, it is not surprising the corruption measures carry the four measurement biases we have identified in this study. For research on corruption to progress, a lack of precision in theoretical language and conception and an expediency in measurement and research design, must be replaced with meticulouseness and care. The theoretical tools exist to better understand corruption. We have many interesting ideas developed on the theoretical language and the theoretical terms (e.g. Shleifer & Vishny, 1993). If empirical generalizations are to yield insight into theory, then the measurement criteria should not be ignored. But if we continue to define corruption loosely, both conceptually and empirically, we will not have

the correspondence across the four critical elements in Figure 9 required to execute good social science research.

Research Strategy: Implementing Objectives 1 and 2

Here we illustrate how theoretical and observational correspondence can be achieved using the example of a recent research design that implements Objectives 1 and 2. Our example comes from an application of shielded survey techniques (SSTs), which has become a common method for detecting and measuring corruption. We note that these techniques solve several key problems commonly faced by other survey-based measures, particularly social desirability bias, but they potentially suffer from flaws that limit their ability to accurately measure nuances in conceptions of corruption.

For example, these techniques allow for the detection of corruption *frequency*, but they are typically unable to measure the *scale* of corruption, violating Criterion 4. This violation causes a fundamental issue when using SSTs to test theories of corruption that emphasize not only how many actors are involved in corruption, but also the average cost of bribes and the total cost of corruption within a system. Additionally, SSTs are often used to measure petty forms of corruption, such as bribing police officers (Corbacho, Gingerich, Oliveros, & Ruiz-Vega, 2016), vote-buying (Gonzalez-Ocantos, De Jonge, Meléndez, Osorio, & Nickerson, 2012), or paying for permits (Jensen & Malesky, 2018). Until recently, "grander" forms of corruption were left out of list experiments.

We illustrate how SSTs can, however, meet all six measurement criteria. We provide an example of a recent business study in Myanmar that uses a list experiment to study both grand and petty corruption, while also allowing for the measurement of both bribe frequency and scale. SSTs' popularity as a survey method to measure corruption also connects to how their experimental features mitigate threats

of social desirability bias, while also avoiding perception biases by focusing on specific experiences with different types of corruption, rather than asking for general perceptions.

Many SSTs exist, but here we illustrate the application of the Unmatched Count Technique (UCT), also colloquially known as a "list experiment" (Ahart & Sackett, 2004; Coutts & Jann, 2011; Gonzalez-Ocantos et al., 2012). The technique involves randomly assigning two versions of the same survey instrument to participants, which aids in lowering the perceived risk of detection by individual respondents. The sample is thus randomly divided into two balanced groups, which become a "treatment" group and a "control" group.

Both groups are provided with a list of infrequent, yet non-sensitive activities, along with one other item. For the control group, this last item is a placebo, considered to have a near-zero probability of relevance in the local context. For the treatment group, this last item is a sensitive question, such as "paid informal charges to expedite application," which measures the incidence of bribery in that specific business activity. To shield respondents, they are instructed to mark down how many activities they have engaged in. Neither survey enumerators nor researchers can determine exactly whether a specific respondent included the sensitive item in their answer. However, when aggregating responses to the group level, analysts can calculate the frequency of bribery by comparing the difference in means between groups. By subtracting the average number of behaviors in the treatment group from the same measure in the control results in a direct estimate of the *frequency* of bribery within the sample.

Although this technique and its analogues allow for estimation of bribery at the respondent level (Blair & Imai, 2012) and identify incidence, it is challenging to identify scale and meet Criterion 4. If the

theory of corruption requires a distinction between frequency and scale or would be informed by a measure of scale to determine the cost of an average bribe or how costly corruption is within a given environment, then it requires modification to account explicitly for scale, rather than to allow for the conflation of incidence and scale.

Appendix I provides specific details on how the List experiment can be adapted and implemented to account for measuring scale and satisfying Criterion 4. This practical illustration provides tangibility to Objectives 1 and 2. This illustration is set in Myanmar, which can be considered a challenging research context. Yet, if this research can be completed in this environment to meet the six criteria, then we see little reason why similar designs cannot be implemented elsewhere to measure corruption without bias.

IMPLICATIONS FOR FUTURE RESEARCH

Corruption is a rich topic that has captivated the attention of researchers from a variety of disciplinary backgrounds. It is a phenomenon that challenges a nation's institutions and its policy makers. It is an aspect of business environments that perplexes businesspeople. The variety of disciplinary backgrounds from which corruption has been studied creates a rich literature and deep verticals of knowledge that can help inform research, public policy and the practice of business.

To advance an increasingly rich, but increasingly complex literature, our review has adopted a stance of focus rather than breadth. Stage 1 of our analysis illustrates the growth of complexity and the increased cognizance of increasingly fine-grained distinctions in conceptions of corruption, as well as opportunities to develop theories that have corruption as a focal concept. Our Stage 1 also identifies a

comparatively slow pace in improvements in the measurement of corruption, as well as persistent biases in research designs.

As such, we designed and implemented Stage 2 of our research to identify six common biases that exist in corruption research. Four biases are related to measurement. Two biases are related to research design. We document the incidence and trends in the frequency of these biases. We identify a modest time trend towards improvements, but these improvements are unbalanced in terms of the rate of improvement in papers published in IB/M and PE journals. Moreover, even in the most recent decade of research the frequency of emergence of one or more of these biases is disturbingly high.

As such, we propose two objectives for the empirical implementation of corruption research. The first objective calls for researchers to no longer develop and for editors to no longer publish research in which the measure of corruption is subject to social desirability bias via the method of data collection, or in which causal inference is weak. We provide clear examples of remedies, so as to embolden research to eliminate social desirability bias and causal inference bias.

The second objective calls for a strong consideration of the four measurement biases. We recognize deep, design rooted and data collection challenges to the elimination of these biases. But that said, the prevalence can certainly continue to be reduced. Accordingly, we highlight ways in which measurement can have strong alignment with increasingly nuanced conceptions of corruption, which yields benefits to theory development and to long-standing practical concerns about the incidence and costs of corruption. There are five related implications.

Implication 1: Heightened Opportunities for Theory Development

We have discussed how better research designs, such as firm-level surveys with shielded response questions, quasi-experimental designs, and randomized experiments, can be applied to test the theoretical relationships in which IB/M scholars are interested (Cuervo-Cazurra, 2016). Micro-level measures of a firm's bribery behaviour are well-suited for distinguishing bribe payers based on the sector in which they operate, the corporate culture, and the quality of managers. Quasi-experimental designs can isolate the effects of corruption from other business environment-related impediments to firm performance, such as bureaucratic capacity, property rights enforcement, and contracting institutions. Randomized experiments, such as those that focus on management skill and productivity (Bloom, Eifert, Mahajan, McKenzie, & Roberts, 2013), address the threat of reverse causality when testing relationships between management and bribery behaviour.

Putting these pieces together, our focus on emphasizing better measurement will ultimately help contribute to theoretical advances, because violations of the six criteria have been impeding our ability to empirically formulate and test more nuanced and precise hypotheses about the relationship between corruption and business performance, for example. The measurement advances we advocate exist as an essential complement to the reviews of corruption that have stressed opportunities for theory building (Bahoo et al., 2020; Cuervo-Cazurra, 2016).

Implication 2: Opportunities for Unique Contributions from IB/M Scholars

For IB/M scholars to contribute more deeply to this area of vital inquiry, foundational elements to the development of studies need to be reconsidered and improved. By building on the improvements that have been made in our conceptions of corruption with commensurate improvements in the measurement of corruption, researchers will be better equipped to dive deep into the connections

between business environments and corruption to develop a better understanding of firms' strategic behaviours with respect to corruption. We state clearly, if research ignores the potential for systematic biases in managers' responses when measuring corruption, or if research elects to make do with convenient but limited perceptual and simple response measures, it will either underestimate the prevalence of corruption, or have estimations biased by non-reports, incomplete reports, or inaccurate reports.

A simple illustration supports this implication. Better precision in the conceptualization and measurement of the types of corruption that firms face is critical for devising appropriate business strategies to reduce the cost and risks of these activities, and for states to devise anticorruption initiatives. Take for example the distinction between collusive and non-collusive bribery. Non-collusive bribes are bribes paid to obtain services that firms are eligible to receive by law, such as to complete standard administrative procedures (Argandoña, 2005; Bailes, 2006). This type of bribe adds to firm costs with minimal benefits in return, such as saving time or avoiding harassment. These services are non-exclusive in that a firm's access to the service through bribery does not exclude other firms' accesses to that same service.

Collusive bribes, by contrast, are bribes paid to a public official in exchange for (unfair) business advantages, such as to help a firm reduce its costs or access lucrative, limited business opportunities. These bribes can be thought of as investments in addition to adding direct costs. Collusive bribes are often embedded in legal and social relationships with some level of trust between bribe paying firms and public officials (Lambsdorff & Teksoz, 2004). Because non-collusive bribery is positively associated with relatively open competition in business sectors, while collusive bribe payments tend to

arise in business sectors where competition is more restricted (Malesky, Nguyen, Bach, & Ho, 2020), efforts to combat one may inadvertently shift corrupt activity into the other arena.

Building from this illustration, we can make these important empirical distinctions, if we can introduce novel and exciting ways to measure corruption, using new techniques to overcome seemingly intractable obstacles to effect measurement. As such, IB/M scholars can position their research on corruption in areas that involve managerial agency and firm level agency. Research in IB/M can work to identify more clearly the actions that managers can take to contend more effectively with corruption, or that all stakeholders can take to reduce highly inertial levels of corruption.

Implication 3: Stimulating Novel Research Design

Standard measures of corruption used in the literature, including the large indices developed by Transparency International and the World Bank's governance measures, are drawn from survey data that is prone to social desirability bias, specifically the reluctance to admit culpability to an illegal activity. Our review has shown how scholars are now making great progress in measuring actual experience with corruption through creative uses of administrative data (Fisman & Wei, 2004; Hough, 2017). Likewise, shielded response and list experiments have been developed for reducing social desirability bias when answering sensitive questions about bribe experiences (Corbacho et al., 2016; Coutts & Jann, 2011; Malesky et al., 2015). Our detailed depiction of the list experiment in Appendix I provides a tangible tool that can be readily incorporated into future research designs. Indeed, one of our clear intents is to provide direct and ready access to such tools and conceptions to help push research beyond the status quo to breed a new generation of questions and answers.

If researchers follow the intent of the ideas we advance here; namely that increased theoretical nuance must by matched by increasingly careful measurement, then there is opportunity to develop novel research designs. Some of the inspiration for research design can come from the various measurement techniques, such as SSTs, we have introduced here. As well, other social science research faces similar challenges to accurately measuring corruption, albeit with different research questions. Earlier we referenced a natural experiment or RCTs as a way to heighten the strength of causal inference. We can also see how experimental research has been used to evaluate corruption-centered research questions.

For example, from the field of psychology, a quasi-experiment was conducted by De Waele, Weißmüller, and van Witteloostuijn (2021). Their investigation was oriented towards understanding the causal mechanisms of bribery behavior. Hence their need for strong causal inference necessitated an experimental approach. By varying context, De Waele et al. (2021) developed insight into how corruption is influenced by context, while also understanding the limitations of the research to the conception of bribery investigated (pro-self versus pro-social). In economics, Olken (2007) performed a landmark study, where he randomized the type of oversight given to 600 local road construction projects in Indonesia. Some villages were assigned to oversight by a village council, but other villages were randomly assigned to the threat of an audit from central authorities. This random assignment allowed him to test a critical logic in decentralized governance reducing corruption. Critically, Olken (2007) found that the threat of audits reduced corruption in road products, as construction teams used the appropriate quality and quantities of labor and materials. Grassroots monitoring, however, was not significantly different from the control group regarding reducing theft in road building. The precision of the Olken (2007) analysis provided clear-cut evidence that the theoretical promise of decentralized monitored in reducing corruption was exaggerated.

Implication 4: Understanding Cross-National Variance in Corruption

Measurement issues directly affect how we test theoretical questions that are of great interest. For example, we know that factors such as political institutions, socioeconomic dimensions, and social capital, influence a respondent's perception of corruption (Jensen & Rahman, 2011; Olken, 2009; Treisman, 2007). Treisman (2007), for instance, finds that perceived corruption is thought to be lower in countries with democratic institutions, media freedom, and high economic development, while it is perceived to be worse in poor countries, with more intrusive regulations and less democratic protection (Gonzalez, Lopez-Cordova, & Valladares, 2007). These factors explain 90% of the variation of cross-national indices in perceived corruption. Nevertheless, actual corruption, measured by the proportion of respondents self-reporting bribe payments (in an unshielded question) is not associated with any of these political and economic factors (Treisman, 2007). This research emphasizes the challenges to untangling corruption from its associated institutional complexity.

Increasingly, research on market and non-market strategy understands the substantial challenges created to multinational management by institutional complexity, whether in the home country or in the host countries of a multinational firm (Sun et al., 2021). Corruption research is situated well in this research area, as reflected well by arguments about how corruption is an antecedent or consequence of numerous business environment features, such as the level of institutional development, the state of democratization, freedom of press and the type of electoral system. The confound in cross-national research has been the small number of countries that can be researched, alongside the moderate to high correlation aggregate measures of corruption have with other institutions (Cuervo-Cazurra & Genc, 2008). Refined measures of corruption will reduce this level of correlation, allowing for greater levels of discriminant validity between other institutions, and the corruption concept measured in the study,

facilitating better portrayals of cross-national variance in corruption. The contrasts we make between corruption in Myanmar and Vietnam in our example in Appendix I illustrate this point well.

Implication 5. Enhancing the Societal Impact of Corruption Research

To illustrate the societal impact of our review and to illustrate implementation of these points, we turn to an example of where IB scholars should aim to improve their research on corruption. Qualitatively, managers of multinational corporations often brag about their ability to limit their exposure to corruption by carefully organizing their supply chain, so that production processes and contractual relationships are matched to particular states in order to reduce the forms of corruption that are most pronounced in particular host countries. Other businesses argue that paying bribes to regulatory inspectors or when seeking government procurement are less necessary for well-managed companies with higher levels of productivity. Current theory and research tools in the IB/M literature are not yet capable of probing the speculations in these examples. We believe that they should be.

They should be because research in management is needed to help a firm's leaders tactically and strategically manage issues filled with ethical conundrums and legal ambiguities, as exemplified by corruption. Many of the standard tropes that one encounters in conventional discussions on corruption are reflected in the remarks made in two research briefs (Weber, 2007; 2008). Bribery is unethical. It is wrong. It is unfair. But it is necessary to engage with corruption when doing business in certain parts of the world. It is an inevitability. Moreover, engaging in bribery comes with a cost, in terms of compromises to one's morals and ethics and in terms of long-run company growth. The reason for these tongue-in-cheek remarks in Weber (2007, 2008) is the common observation that managers have a sense of fatalism and tacit compliance when faced with operating in a corrupt market. Yet, if we

understand the phenomenon better, managers need not be pessimistic about exacting greater levels of self-determinism in such markets.

Hence, a part of the value in our review is that it moves ideas on our measurement away from aggregate indexes to focused measures of corruption as connected to specific business activities. In the Myanmar example, for instance, we show how the list experiment allows us to identify corruption in the awarding of construction permits but not in operating licenses. Aggregate indices obscure improvements or worsening in a particular aspect of corruption,. Consequently, opportunities to understand how to strengthen aspects of the business environment to reduce corruption are muted, as we cannot measure the success of such initiatives. This point is particularly important given the resilience of corruption in most of the world's economies.

Our review aids management academics who struggle against these commonplace depictions as remedies for corruption. These struggles emerge in educational and other related situations where corruption can be a charged topic for discussion, leading to normative discussions about the costs and benefits of corruption, where data are largely absent but opinions are many. To progress beyond a normative stance, scholars needs to arm educators and managers with knowledge generated from research about what can be effective and appropriate strategies for managing specific types of corruption, and how some of the ethical, moral and legal knots can be untangled to allow progress to be made in reducing the personal, organizational and societal costs and risks associated with corruption.

CONCLUSION

Our review of the corruption research in the international business and management literatures as well as in political economy literature yields a series of actionable points about how research on corruption can advance. We propose a research agenda centered on clear and definitive advances in research design and the measurement of corruption, Although we have used guarded language, we regard it as essential for the research methods deployed in corruption studies to seek to be free of the six biases we have identified. In these ways, we foresee research on corruption as progressing in useful ways that cultivates and create ideas that improve our understanding of cross-national variances in the types of corruption, and improve the theories that underlay research with corruption as a central phenomenon. We also envision a better practical understanding of the agency that managers and policy makers have to reduce the prevalence of corruption and to reduce its costs.

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TABLE 1:
Journals Used in Recent Reviews Published in JIBS

Journals	**This Study** (Stage 1)	**This Study** (Stage 2)	**Luo et al (2019)** (Developed country MNEs investing in developing economies)	**Cuervo-Cazurra et al (2019)** (Pro-market institutions and firms' global strategy)	**Nippa & Reuer (2019)** (International joint ventures)	**Chi et al (2019)** (Real options theory)	**Aguilera et al (2019)** (International corporate governance)
JIBS	✓	✓	✓	✓	✓	✓	✓
JWB	✓	✓	✓	✓		✓	✓
GSJ	✓	✓	✓	✓		✓	
IBR	✓	✓	✓	✓		✓	✓
JIM	✓	✓	✓	✓		✓	✓
MIR	✓	✓	✓	✓		✓	✓
SMJ	✓	✓	✓	✓	✓	✓	✓
OS	✓	✓	✓	✓	✓		
AMJ	✓	✓	✓	✓	✓	✓	✓
AMR	✓	✓	✓	✓	✓		
JoM	✓	✓	✓			✓	✓
JMS	✓	✓	✓			✓	✓
JBE	✓						
APJM	✓			✓			
MOR	✓			✓			
JBR	✓						
AME	✓						
MS				✓	✓	✓	
ASQ			✓	✓	✓		
CGIR							✓
IJHR							✓
BJM							✓
MBR							✓
JOM			✓				
HBR			✓				
CMR			✓				
SMR			✓				
Number of journals reviewed	**17**	**12**	**17**	**14**	**7**	**11**	**13**

Note: (1) JIBS = Journals of International Business Studies, JWB = Journal of World Business, GSJ = Global Strategy Journal, IBR = International Business Review, JIM = Journal of International Management, MIR = Management International Review, SMJ = Strategic Management Journal, OS = Organization Science, AMJ = Academy of Management Journal, AMR = Academy of Management Review, JoM = Journal of Management, JMS = Journal of Management Studies, JBE = Journal of Business Ethics, APJM = Asia Pacific Journal of Management, MOR = Management and Organization Review, JBR = Journal of Business Research, AME = Academy of Management Executive, MS = Management Science, ASQ = Administrative Science Quarterly, CGIR = Corporate Governance: An International Review, IJHR = International Journal of Human Resources, BJM = British Journal of Management, MBR = Multinational Business Review, JOM = Journal of Operations Management, HBR = Harvard Business Review, CMR = California Management Review, SMR = MIT Sloan Management Review.

TABLE 2:
The Most Frequently Used Data Sources for Research on Corruption in IB/M

Data Source and URL	Description of Data	Study
Corruption Perceptions Index (CPI) by Transparency International https://www.transparency.org/en/cpi/2020/index/nzl	The CPI ranks 180 countries and territories by assessing the degree to which public officials and politicians are believed to accept bribes or engage in similar corruption-related activities. It incorporates expert surveys conducted by different organizations. The CPI is a continuous variable on a scale from 0 to 10.	Habib and Zurawicki (2002) Zhao et al. (2003) Robertson and Watson (2004) Brouthers et al. (2008)
World Business Environment Survey by World Bank URL N/A	These data come from a questionnaire (in local languages) administrated in different countries. The questionnaires were distributed to senior managers, who were interviewed face-to-face by trained interviewers. It surveyed senior managers' perceptions about key constraints in the business environment that affect their business decisions Given the sensitive nature of the research questions, written assurance of the confidentiality of their response from the World Bank was issued.	Uhlenbruck et al. (2006) Martin, Cullen, Johnson, and Parboteeah (2007) Cuervo-Cazurra (2008a) Petrou (2015)
Business Environment and Enterprise Performance Survey https://www.beeps-ebrd.com/data/	The EBRD implements the Business Environment and Enterprise Performance Survey (BEEPS) in partnership with the World Bank. This dataset surveyed firms with repeated observation years, compiled in five different rounds. Each firm's business owner or top manager responded to the survey. The main purpose of the survey is to compare business environments across the world. The survey includes several questions regarding firms' regulatory environments and infrastructure, as well as firm-level variables.	Spencer and Gomez (2011) Lee and Weng (2013) Krammer (2019) Eddleston, Banalieva, and Verbeke (2020)
World Bank's WGI database https://info.worldbank.org/governance/wgi/	The WGI indicators consist of six dimensions of governance: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption.	Jiménez, Russo, Kraak, and Jiang (2017) Lewellyn and Bao (2017) Rabbiosi and Santangelo (2019)
United Nations Conference on Trade and Development (UNCTAD) https://unctadstat.unctad.org/EN/	UNCTAD compiles, validates and processes a wide range of data collected from national and international sources. The time-series data cover extended periods of time, with some dating back to 1948, for many of the world's economies.	Cuervo-Cazurra (2006) Cuervo-Cazurra and Genc (2008) Cuervo-Cazurra (2008b)

TABLE 3:
Criteria for Measurement Assessment of Empirical Articles on Corruption

Criterion	Definition
1. Lack of Aggregation Bias	Aggregation bias occurs when researchers use an aggregated index to test a specific type of corruption. At time a theory can concern a specific variety of corruption, but the measurements were obtained from an aggregated index, which does not differentiate between varieties of corruption. For example, a researcher wants to investigate bribery in business registration but they captured the measurements using an aggregated index (composite figure) that also includes kickbacks on procurement. The consequence is what we call aggregation bias.
2. Measurement Appropriate for Actor Type	This situation occurs where data for measurements were captured from appropriate types of actors. This criteria is violated when there is a mismatch between the theory and the type of actors responding to a survey to measure corruption. For example, an index captured responses from individual citizens, SMEs, and large multinational firms. However, it does not make sense if the theory being tested on the relationship between FDI and corruption has data collected from the micro-level surveys concerning household bribery.
3. Match Between Perception and Experience	It is common for this bias to occur when scholars conduct research investigating business or firm behaviour and its related implications. To achieve the goals of their research, scholars would ideally rely on measures that draw from actual experience with corruption. However, a considerable amount of research related to firm behaviours was conducted based on measures that are based on perception of corruption, which introduces this particular bias in the consequent measure.
4. Match Between Frequency and Scale	There is a substantial difference between the frequency and size of corruption. Research might focus on theories or concepts connected to the scale of corruption, but if the measurement of corruption does not connect to clearly defined point about scale or the size of corruption, we see respondents reporting on frequency. High frequency need not positively correlate with high scale, and indeed there are important theoretical reasons why the two might be inversely correlated. Hence we need to be concerned about the emergence of this bias in measure.
5. Social Desirability	The researcher must recognize the bias that exists in self-reports of corruption and take steps to ensure accurate reporting of corruption in their research design. This can be done through their own original collection or by making an effort to find non-tainted data from other sources. We need to see techniques that shield respondents to reduce the possibility of this bias.
6. Causal Inference	Causal inference connects to emergent techniques in many fields. Authors should be aware of these tools and implement them in their research to facilitate stronger causal inference to be made. These tools include i) Experiment: RCT, laboratory, or survey experiment, (ii) Regression discontinuity, (iii) Propensity score matching or entropy balancing (iv) Difference-in-Difference or generalized difference-in-difference using two-way fixed effects, and (v) Instrumental variables analysis.

FIGURE 1:
Empirical Publications on Corruption in 24 Journals in IB/M and PE (1995-2021)

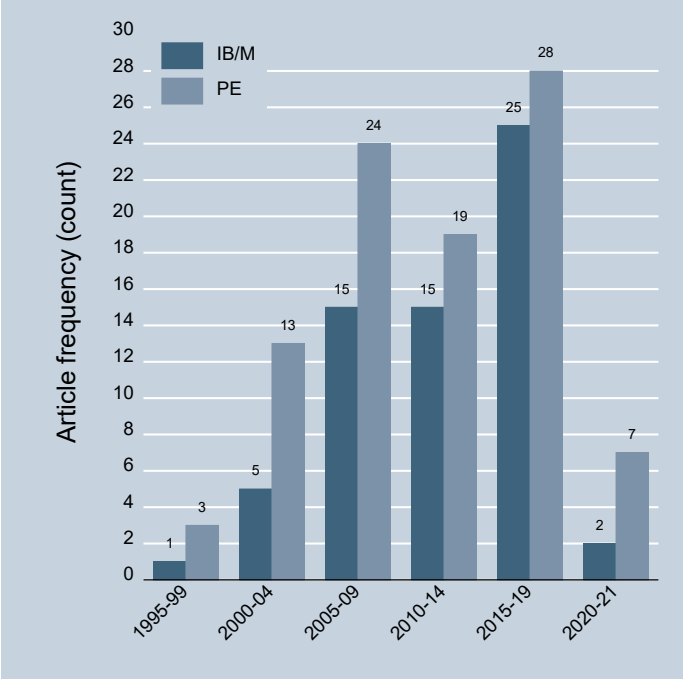


FIGURE 2:
Mean Total Scores by the 6 Criteria by Period and Journal Type (1995-2021)

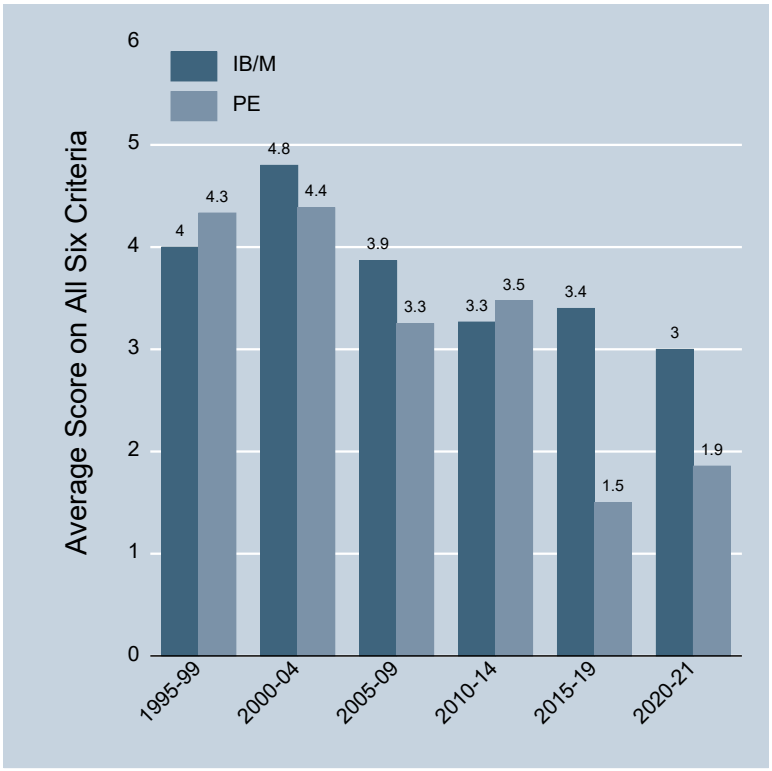


FIGURE 3:
Incidence of Criteria 1 – Aggregation Bias
(1995-2021)

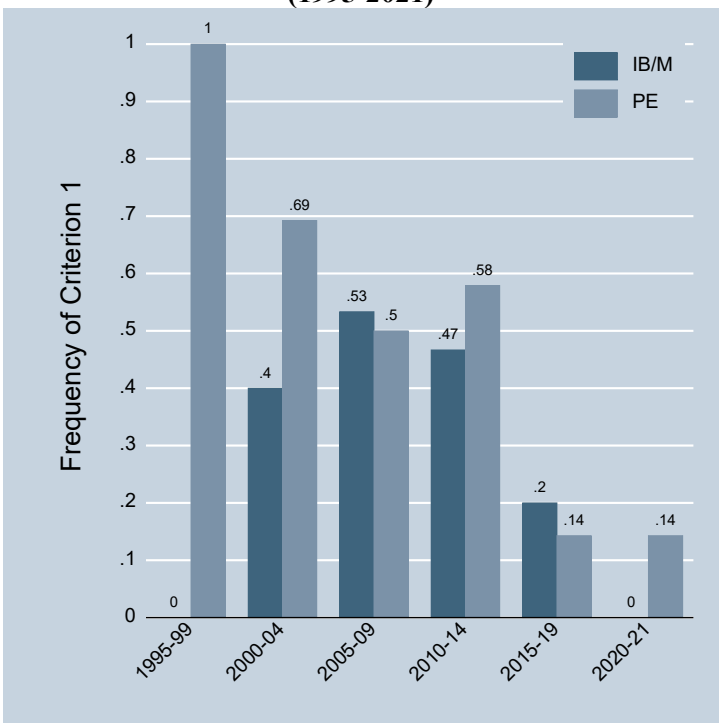


FIGURE 4:
Incidence of Criteria 2 – Inappropriate Types of Actors
(1995-2021)

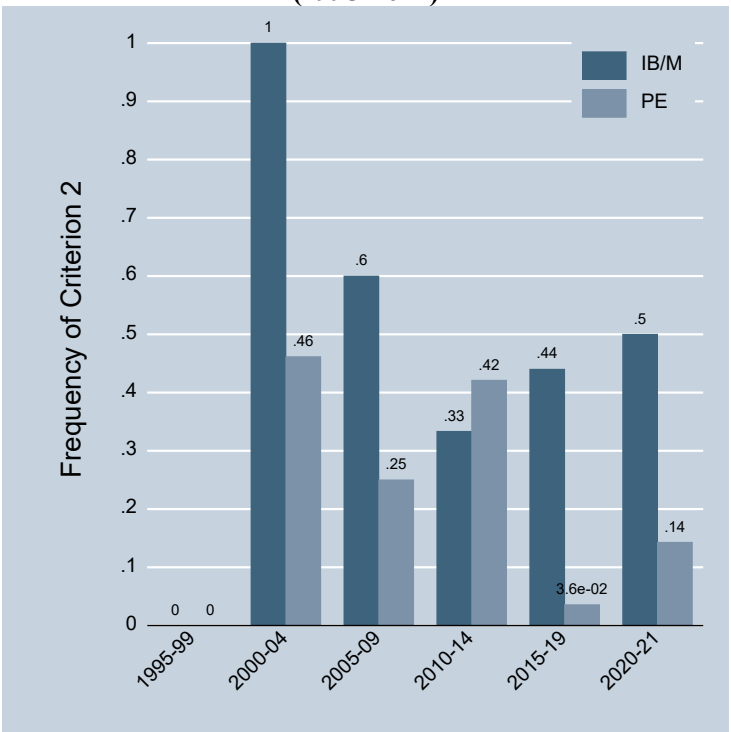


FIGURE 5:
Incidence of Criteria 3 – Mismatch Between Perception and Experience (1995-2019)

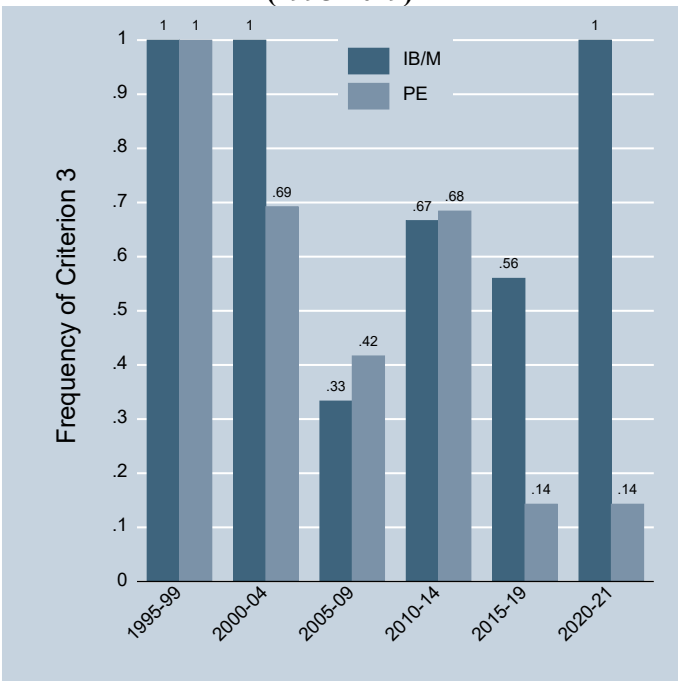


FIGURE 6:
Incidence of Criteria 4 – Mismatch Between Frequency and Scale (1995-2019)

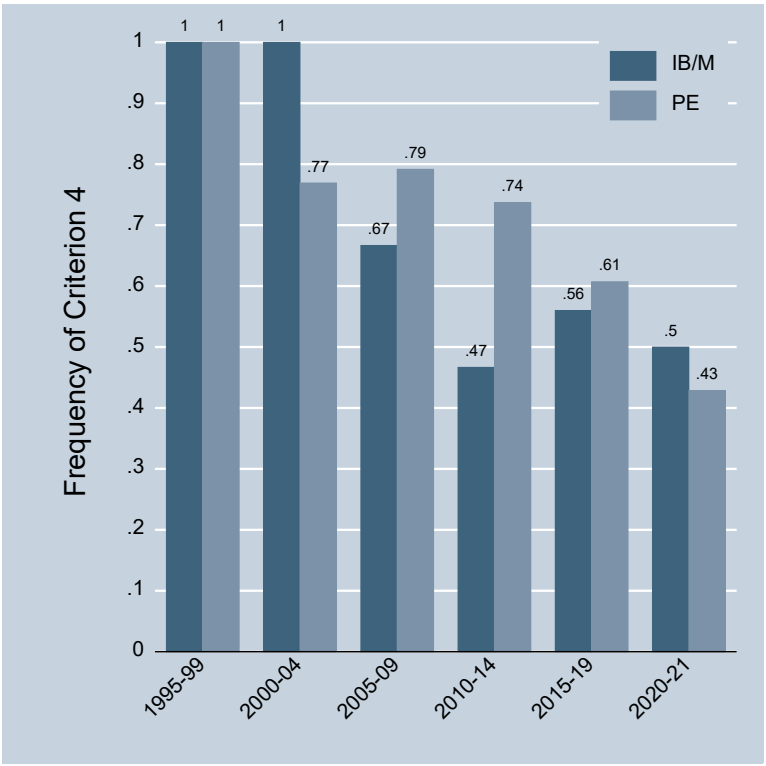


FIGURE 7:
Incidence of Criteria 5 – Social Desirability Bias
(1995-2021)

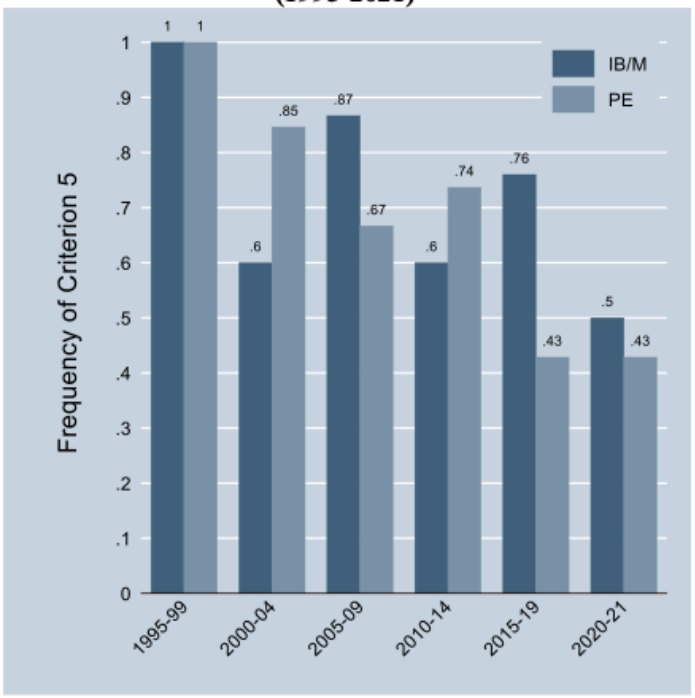


FIGURE 8:
Incidence of Criteria 6 – Lack of Causal Inference
(1995-2021)

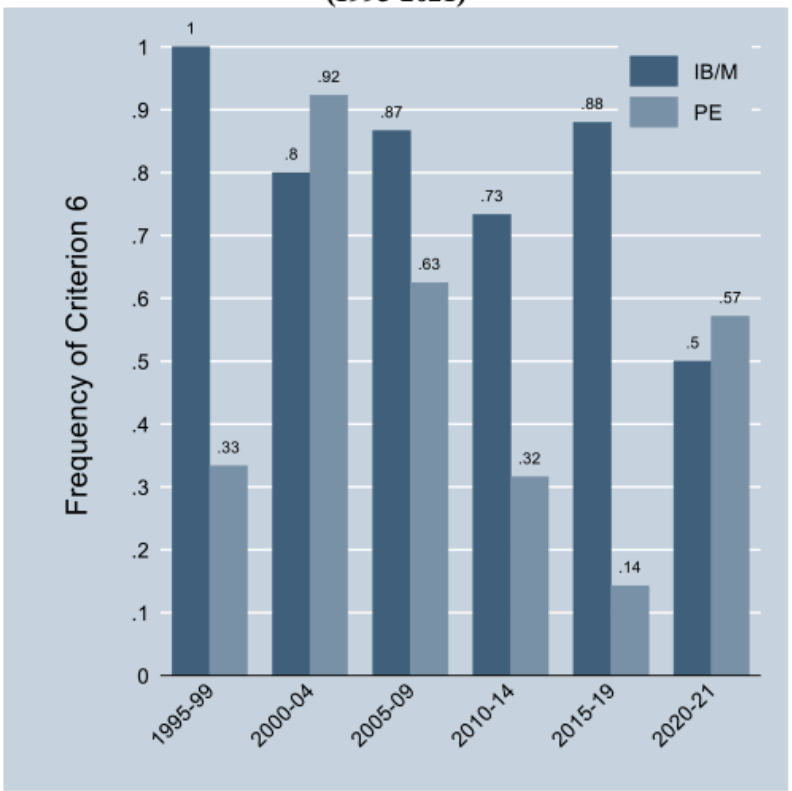
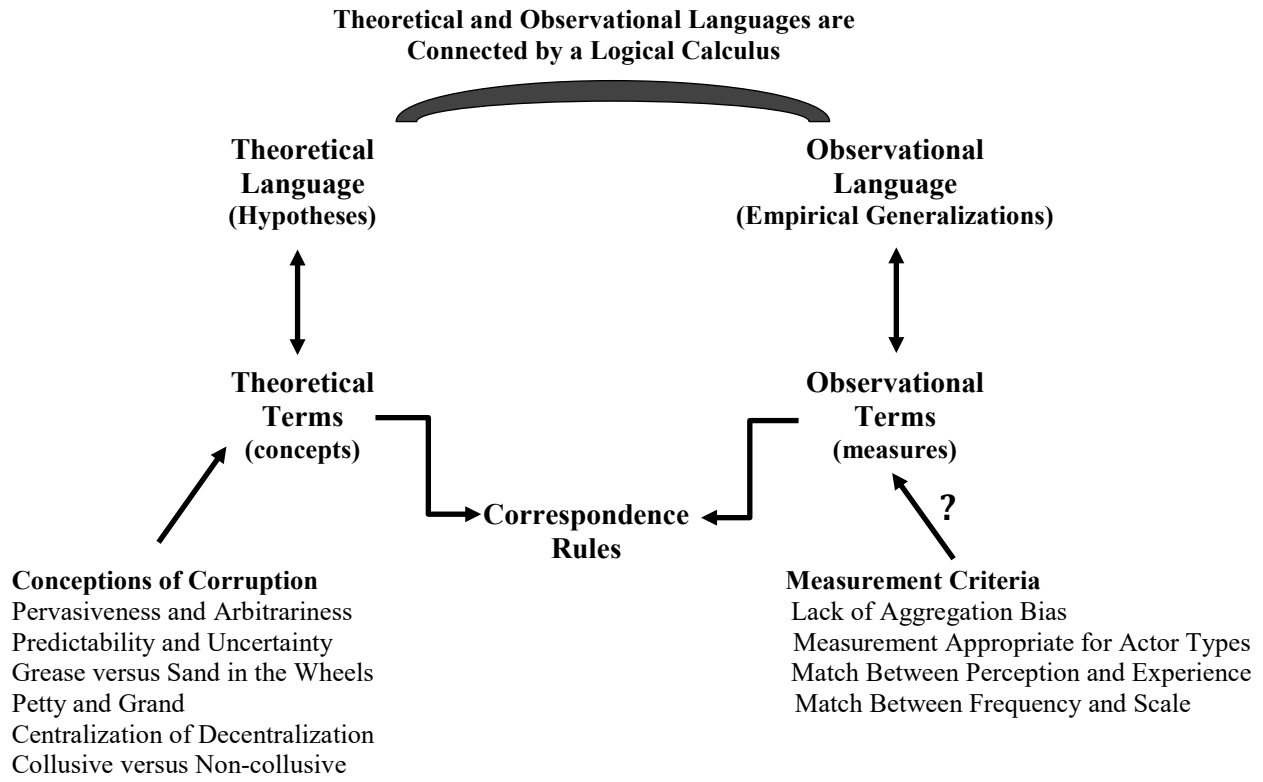


FIGURE 9:
Correspondence Rules to Link Concepts and Measurements



Note: Adapted from Bagozzi (1984: Figure 1)

APPENDIX I

List Experiment in Myanmar

In this Appendix, we illustrate how new modifications to the list experiment can help scholars measure corruption and adhere to the six measurement criteria we have identified. This list experiment was embedded in an original business survey in Myanmar. At the time of the 2018 and 2020 initial waves of data collection, Myanmar was a partial democracy, where concerns about self-incrimination were severe. This list experiment aimed to (1) solve the issue of social desirability bias, (2) accurately measure both petty and grand corruption, and (3) calculate the average cost of bribes paid out by firms (differentiate between the *incidence* of corruption and the *scale* corruption).

Although Myanmar scores poorly for corruption on both the CPI and CC datasets, survey work by the World Bank and The Asia Foundation (TAF) finds that petty corruption, as measured by direct questions about informal charges paid out by firms, has been low and declining over time. However, there are two obvious concerns with this conclusion. First, the questions used to measure corruption may only be capturing reductions in petty and non-collusive corruption. Grand and collusive corruption are less visible and harder to detect, and generally involve elite firms engaged in procurement, trying to enter restricted sectors, or pursuing large-scale business expansion. Second, corruption in Myanmar is an extremely sensitive topic. Punishments for corruption are heavy, and firms may fear retribution from bureaucrats for speaking honestly. Even though managers may want to report corruption so that it can be reduced, they certainly do not want to admit any culpability.

To address this severe form of social desirability bias, we report on two list experiment questions that were added to the Myanmar Business Environment Index (MBEI) survey[2] that were aimed at firms that had engaged in bribery during business entry (Figure A, Box 1) or at firms that had applied for construction licenses for projects on their business premises (Figure A, Box 2). As the wording of the questions in the two boxes suggests, respondents were randomly divided into two groups: those who were randomly assigned to the list of four activities in Form A, and those who were randomly assigned to Form B.

Form A and Form B both contain a list of three non-sensitive, ordinary activities, randomly ordered, that related to obtaining an operating license or a construction permit. For instance, in Box 1, one of the non-sensitive activities is "search for information about business registration procedures on the agency website." However, only Form A contains a sensitive activity related to bribery: "paid informal charge to expedite application." Form B contains a placebo clause, such as "travelled to Europe to observe business registration practices there" (in the case of an operating license) or "paid for 3D-printed model of planned construction project by foreign architectural firm" (in the case of a construction permit). Importantly, these placebo clauses have close to a zero probability of drawing an affirmative answer in the Myanmar context and therefore effectively do not increase the average number of items in the list.

Neither the respondent, nor the enumerators who interacted with the respondent or entered the data, knew which form the respondent received. The survey only asked the respondent to indicate the

[2] For more on the methodology and motivation of the MBEI survey see Malesky, Edmund J., Dean Dulay, and Ville Peltovuori. 2020. The Myanmar Business Environment Index: Measuring Economic Governance for Private Sector Development. The DaNa Facility and The Asia Foundation: Yangon, Myanmar.

number of activities they engaged in. This allowed respondents to reveal sensitive information without fear of incriminating themselves, thus removing the motivation to lie. As noted above, the analytical point of the list experiment is that the difference in mean scores between the forms is the share of firms that engaged in the sensitive activity —in this case, paying informal charges to obtain an operating license. For instance, in a similar question related to entry procedures in the Vietnamese Provincial Competitiveness Index, the average number of activities engaged in by those receiving Form A was 2.6, compared to 2.3 for Form B. The difference in means is 0.3, indicating that 30% of firms paid bribes during registration.

The Myanmar list experiment provides an excellent illustration of the list experiment in its measurement of corruption. In Figure B, we can see the results for operating licenses for the three groups of firms that were surveyed—2018 panel respondents (top), 2020 panel respondents (middle), and 2020 new respondents (bottom), had no statistically significant difference in activities during registration. For instance, among the 2020 panel firms, firms that received Form A reported engaging in 1.373 activities, compared to 1.407 activities among those that received Form B. The confidence intervals overlap, indicating that these differences are not statistically different from one another. In fact, those receiving the non-sensitive list actually completed slightly more activities. This is why the predicted bribe shares are actually -2% and -4%, respectively. In short, the statistical evidence indicates that firms made no additional cash gifts when licensing their operations.

However, informal charges to obtain construction permits are extremely common. Turning to bribes during construction licensing, Figure C tells a very different story. In 2019, 332 firms started a construction project, and 137 of them applied for construction permits for their planned buildings. Only three of those firms used brokers; the rest did it directly. Dropping these three firms and the five that refused to answer the question provides a sample size of 129 firms to determine whether informal charges are common in construction procedures.

There are three important takeaways from Figure C. First, the mean number of activities is higher for Form A, which contained the sensitive item about informal charges. Second, the mean of Form A (2.42) is 0.7 greater than the mean of Form B (1.72), indicating that the share of firms paying informal changes is 70%. Third, the confidence indices of Form A and Form B results do not overlap, indicating that the difference between the mean number of activities is statistically significant. In other words, seven out of every 10 firms that applied for construction permits paid an informal charge to obtain them. On a similar question in the Vietnamese Provincial Competitiveness Index, the analysis found that three out of every 10 of the 1,700 firms surveyed had made informal payments.

However, the true innovation of this study is in showing that list experiments can be modified to other purposes of investigation of corruption beyond the simple frequency of bribery. This list experiment includes a measurement of the average costs in bribes paid out by these sample firms, as shown in Figure D, Box 3. The exact same items were used for this question as in the construction question in Figure A, Box 2, but this time the firms were asked how much they paid in kyat (the local currency) for the activities listed. The distribution of the total cost (log) of administrative procedures necessary to obtain a construction permit is shown in Figure E for the 59 firms that answered the cost question. The mean natural log for firms answering Form B is 12.91, which, when exponentiated, equals 404,335 kyat (USD 289) for all construction-related activities. The mean for firms answering

Form A is 15.16, which is equivalent to 3,836,227 kyat (USD 2,742) for all construction activities. Figure E clearly shows that these means are significantly different from one another, as the confidence intervals do not overlap. Subtracting the results of Form B from the results of Form A gives us an average bribe size of 3.4 million kyat (USD 2,453) per firm to obtain a construction permit. This cost is a little over twice the size of the average construction-permit bribe in a similar study in Vietnam.[3] If one combines the average bribe cost with the frequency of bribes and the number of firms in that sector, it is possible to create a rough estimate of the total bribe costs for a particular sector.

Taken all of this information together, this Myanmar example illustrates that the techniques required are feasible, practical and implementable. The consequence is a measurement method that can meet all six criteria.

First, the measure aligns directly with theoretical concepts about firm-level bribery behavior, rather than relying on regional or national-level estimates. Second, by surveying businesses directly, the list experiment avoids the problem many common measures, such as the CPI, fall into where the measure of corruption includes information on other, non-relevant forms of corruption. For example, the Myanmar survey narrowly targets corruption done by firms, not including information on government agents or households.

Third, by focusing the question on actual activities undertaken by a firm, this measure avoids the problems of perception bias. This is relevant when we consider theories of petty corruption, where firms' actual bribery behavior, not perceptions of said behavior by observers, is the relevant theoretical construct. Fourth, by directly calculating the average cost of bribes paid for construction permits, the Myanmar example shows that list experiments can in fact measure both bribe *frequency* and *scale*.

Fifth, when using SSTs like list experiments, we gain more confidence in our conclusions about corruption, as the technique is less prone to social desirability bias. For example, the finding of zero corruption for operating license payments, as shown in Figure B, may have otherwise not been believable in the Myanmar setting. Sixth, because of the experimental nature of these surveys, it becomes easier to address causal inference concerns than when using traditional measures like the CPI.

[3] Malesky, Edmund J. and Pham Ngoc Thach, 2020. The Vietnam Provincial Competitiveness Index: Measuring Economic Governance for Private Sector Development, 2019 Final Report, Vietnam Chamber of Commerce and Industry and United States Agency for International Development: Hanoi, Vietnam.

FIGURE A:
Box 1 and Box 2 for List Myanmar Experiment to Measure Bribery in Business Entry (Box 1) and Construction Permits (Box 2)

<table>
<tr><th colspan="2">Box 1
Business Entry</th><th colspan="2">Box 2
Construction Permits</th></tr>
<tr><td colspan="2">Please take a look at the following list of things that firms normally need to do to apply for an operating license or register their business. Please tell us how many of these activities your own business engaged in when you last applied for or renewed these documents. Do not tell us which activities; we only need to know the total number of actions you engaged in.</td><td colspan="2">Please read this list of common activities that people normally engage in when applying for a construction permit. Please tell us how many of these activities your own business engaged in when you last applied for or renewed the documents. Do not tell us which activities; we only need to know the total number of actions you engaged in.</td></tr>
<tr><td>(Form A)
• Searched for information about business registration procedures on the agency website
• Hired a broker/facilitator to help complete procedures.
• Hired a lawyer / law firm to advise on procedures
• Paid informal charges to relevant officials to expedite the procedures

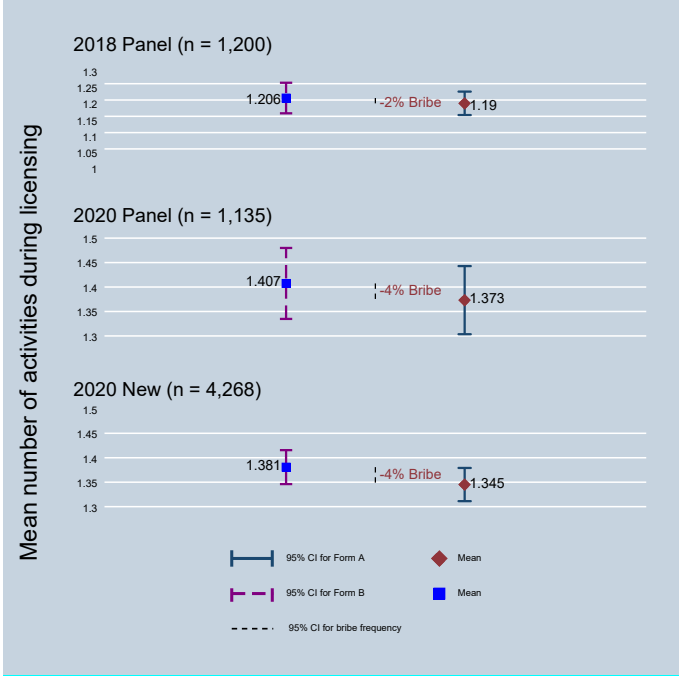
☐ 0 activities
☐ 1 activity
☐ 2 activities
☐ 3 activities
☐ 4 activities</td><td>(Form B)
• Searched for information about business registration procedures on the agency website
• Hired a broker/facilitator to help complete procedures.
• Hired a lawyer / law firm to advise on procedures
• Travelled to Europe to observe business registration practices there

☐ 0 activities
☐ 1 activity
☐ 2 activities
☐ 3 activities
☐ 4 activities</td><td>(Form A)
- Paid application fees
- Had legal documents certified
- Paid site-inspection fees
- Paid informal charges to expedite application

☐ 0 activities
☐ 1 activity
☐ 2 activities
☐ 3 activities
☐ 4 activities</td><td>(Form B)
- Paid application fees
- Had legal documents certified
- Paid site-inspection fees
- Paid for 3D-printed model of planned construction project by foreign architectural firm

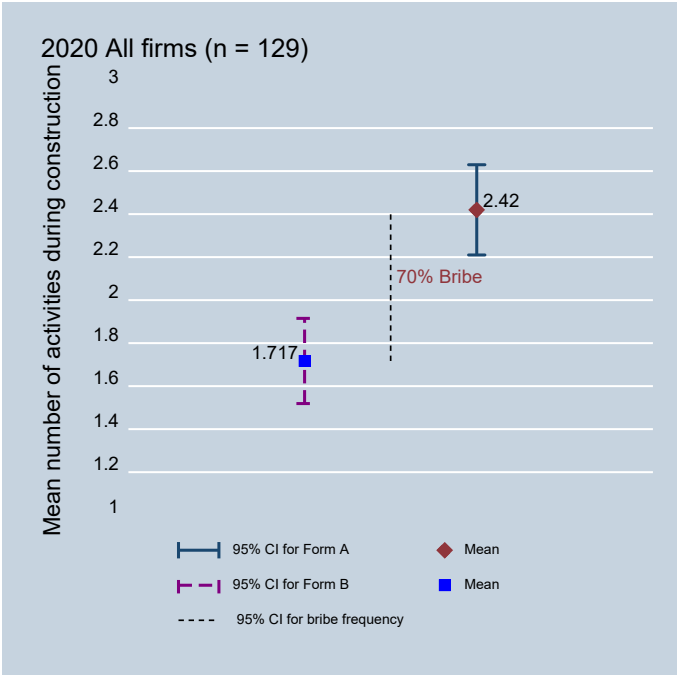
☐ 0 activities
☐ 1 activity
☐ 2 activities
☐ 3 activities
☐ 4 activities</td></tr>
</table>

FIGURE B:
Myanmar List Experiment Illustration
for Share of Firms Paying Bribes for Operating Licenses



Note: Bribe frequency is calculated as the difference between the mean scores of the two forms that ask *how many* of the listed activities the business engaged in as part of business entry procedures.

FIGURE C:
Myanmar List Experiment Illustration
for Share of Firms Paying Bribes for Construction Permits

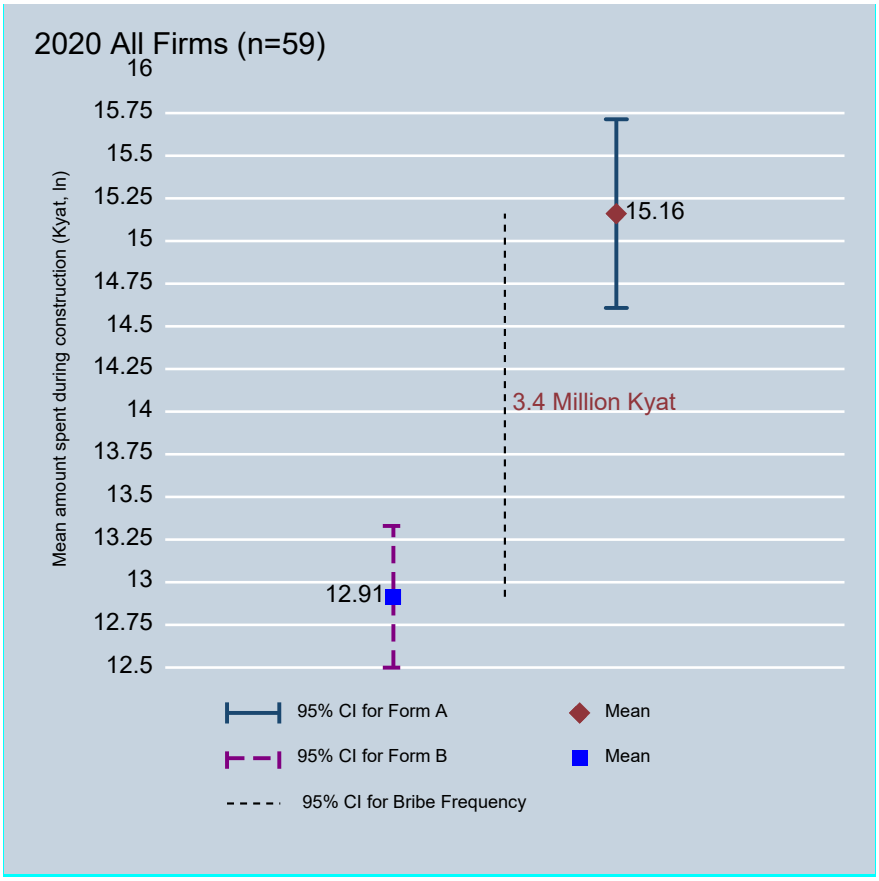


Note: Bribe frequency is calculated as the difference between the mean scores of the two forms that ask *how many* of the listed activities the business engaged in as part of procedures to receive a construction permit.

FIGURE D:
Box 3 for Myanmar List Experiment to Measure Size of Construction Bribes

Now, tell us the total cost of these activities for your business. Remember, we only need to know the total cost of all fees, not the cost of any individual fee.	
(Form A) - Paid application fees - Had legal documents certified - Paid site-inspection fees - Paid informal charges to expedite application Kyat	**(Form B)** - Paid application fees - Had legal documents certified - Paid site-inspection fees - Paid for construction project simulation by digital-modelling company Kyat

FIGURE E:
Myanmar List Experiment Illustration
for Cost of Bribes Paid for Construction Permits



Note: Bribe amount is calculated as the difference between the mean scores of the two forms that ask *how much* the firm paid when the business engaged in the listed activities for the construction permit.

APPENDIX II

Table S1:
Classification Table for Literature Reviewed from International Business/ Management (IB/M)

Title	Author	Journal, year published	Research Question	Data Source	Measure of Corruption	Analytical Method	Policy or business implication	Conclusion
Wealth, culture, and corruption	Husted, B. W.	JIBS, 1999	What are the economic, political, and cultural causes of corruption?	Transparency International • Archival data • Studies of 36 countries in the 1996 edition	The corruption perception index Dependent Variable	OLS multiple regression	• Policy: cultural features and cultural differences are important factors in the design of policy instruments and effective culture-specific strategies to combat corruption.	Corruption is significantly correlated to GNP per capita, power distance, masculinity, and uncertainty avoidance.
Country-level investments and the effect of corruption —some empirical evidence	Habib, M. & Zurawicki, L.	IBR, 2001	What is the impact of corruption on foreign and local direct investments?	- Transparency International - Political Risk Services • Archival data • 111 countries • Period: 1994–1998	- The corruption perception index - The corruption index (CORR) • Independent Variables	OLS multiple regression	• Policy: government must realize that corruption plays a critical role in FDI decisions, hence needs to know the relevance and importance of factors affecting its image building. • Business: international firms should accurately know the impact of corruption to develop a position from an ethical, competitive and risk-taking perspective.	Corruption negatively affects investments. ○ The impact of corruption on local direct investments is substantially weaker than the impact on its foreign counterpart. ○ The degree of international openness and the political stability of the host market moderate the influence of corruption.
Corruption and foreign direct investment	Habib, M. & Zurawicki, L.	JIBS, 2002	What is the impact of corruption on FDI?	Transparency International • Archival data • 89 countries • Period: 1996–1998	- The corruption perception index - The absolute difference in corruption between the host and the home country • Independent Variables	• OLS regression • PROBIT model	Business: • foreign investors should take an aggressive stance and combat corruption for their own long-term interest. • including corruption in the FDI model helps the companies with better site selection.	Both corruption level in the host country and the absolute difference in the corruption level between the host and home country are serious obstacles for FDI.

The impact of corruption and transparency on foreign direct investment: An empirical analysis	Zhao, J., Kim, S., & Du, J.	MIR, 2003	What is the impact of corruption and transparency on FDI?	Transparency International • Archival data • Cross-country data of 40 countries from 1991 to 1997	The corruption perception index • Independent Variable	OLS regression	• Business: international firms need to carefully examine the degrees of corruption in the target countries and formulate contingency strategies aimed at coping with corrupt bureaucracy.	The presence of high corruption significantly hindered the inflow of FDI to host countries.
Corruption and change: the impact of foreign direct investment	Robertson, C. J. & Watson, A.	SMJ, 2004	What is the impact on corruption of change in levels of FDI?	Transparency International • Archival data • Period:1998–1999	The corruption perception index • Dependent Variable	OLS hierarchical regression	• Business: managers need to rethink or adjust certain procedures and protocols for dealing with local contacts in countries that have experienced a massive influx of FDI or are in dire economic straits.	The more rapid the rate of change in FDI, the higher the level of corruption. Higher levels of perceived corruption are associated with each of two dimensions of national culture: uncertainty avoidance and masculinity.
Is globalization what it's cracked up to be? Economic freedom, corruption, and human development	Akhter, S. H.	JWB, 2004	If the relation between economic globalization and human development is mediated by corruption?	Transparency International • Archival data • Data on 75 countries in 1998	The corruption perception index • Mediating Variable	A covariance matrix (using a full-information maximum likelihood approach)	• Business: multinationals will still go to countries where corruption is high, but they will not operate there at the same level as they would in countries where corruption is low.	The relation between economic globalization and human development is mediated by corruption. o Economic globalization affects corruption negatively. o Corruption has a negative effect on human development.
Government corruption and the entry strategies of multinationals	Rodriguez, P., Uhlenbruck, K., & Eden, L.	AMR, 2005	How the pervasiveness and arbitrariness of corruption affect an MNE's organizational legitimacy and strategic decision making in the mode of entry?	—	—	Conceptual	—	The authors develop a two-dimensional framework to further the understanding of public sector corruption and identify its implications for MNEs.

Three lenses on the multinational enterprise: politics, corruption, and corporate social responsibility	Rodriguez, P., Siegel, D. S., Hillman, A., & Eden, L.	JIBS, 2006	Introduction of linkages across the three lenses on the MNE—politics, corruption and CSR. Also, an agenda for additional theoretical and empirical research.	—	—	Conceptual	• Business: MNEs must comprehend the non-market environment, manage the engagement with corrupt officials and/or private parties, and act in a socially responsible manner.	IB research on each of the three lenses has combined scholarship from a wide variety of disciplines to establish the identity. Despite their individual strengths, each of these areas of research is more closely tied to the others than the existing literatures acknowledge, and that the future research is expected with deeper connections.
The impact of corruption on entry strategy: Evidence from telecommunication projects in emerging economies	Uhlenbruck, K., Rodriguez, P., Doh, J., & Eden, L.	OS, 2006	• How firms adjust the foreign-market entry strategy in corrupt environments? • How different types of corruption affect firms' choices?	World Business Environment Survey • Archival data • Data on 220 telecommunications development projects in 64 emerging economies	- The pervasiveness of corruption - The arbitrariness of corruption • Independent Variables	Multinomial logistic regression analysis	—	• Companies adapt to the pressures of corruption by short-term contracting and entry into joint ventures with local firms. • The arbitrariness of corrupt transactions has a significant impac on firms' decisions.
Political behavior, social responsibility, and perceived corruption: a structuration perspective	Luo, Y.	JIBS, 2006	How an MNE's political behavior, CSR activities, and the corrupt environment the MNE perceives in a foreign emerging market influence one another?	Transparency International • Archival data • 126 sample MNEs in China	The corruption perception index • Independent Variable	Structural equation modeling (SEM) analysis	• Business: international executives may better integrate politics, corruption, and CSR, which are interlocked because government agencies are one key stakeholder and one major origin of widespread corruption.	• When perceived corruption in the business segment increases, an MNE's propensity to cooperate and be assertive with the government decreases. • When perceived corruption in the business segment increases, MNEs focusing more on ethics have a greater propensity to use arm's length bargaining to deal with the government. In contrast, those focusing less on ethics have a greater propensity to use social connections to deal with the government.

The MNC as an agent of change for host-country institutions: FDI and corruption	Kowk, C. CY. & Tadesse, S.	JIBS, 2006	What is the impact of the presence of MNCs on the institutional environment of corruption?	Transparency International • Archival data • Period:2000–2004	The corruption perception index • Dependent Variable	Multivariate empirical models	–	Current corruption levels are significantly lower in countries with high FDI flows in the past.
Cross-border takeovers, corruption, and related aspects of governance	Weitzel, U. & Berns, S.	JIBS, 2006	What is the relationship between host country corruption and premiums paid for local targets?	- Transparency International - Kaufmann et al (2005) • Archival data	- The corruption perception index - The indicator 'control of corruption' • Independent Variables	OLS	• Business: the level of corruption in the host country constitutes an important component in the estimation of joint synergies and target prices.	Host country corruption is negatively associated with target premiums.
Who cares about corruption?	Cuervo-Cazurra, A.	JIBS, 2006	What is the impact of corruption on FDI, depending on the characteristics of the country of origin of FDI?	Kaufmann et al (2003) • Archival data • Data on bilateral FDI inflows from 183 home economies to 106 host economies	The indicator 'control of corruption' • Independent Variable	Double-log model	–	• Corruption results in lower FDI from countries that have signed the Organization for Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. • Corruption results in higher FDI from countries with high levels of corruption.
Corruption and the role of information	DiRienzo, C. E., Das, J., Cort, K., Jr Burbridge, J.	JIBS, 2007	What is the impact of information and communication technology on corruption?	Transparency International • Archival data • A sample of 85 countries	The corruption perception index • Dependent Variable	OLS	• Business: the major task of firms operating internationally is to enhance digital access in countries where they are functioning, as digital access will reduce corruption.	The greater the access to information, the lower the corruption levels.

Deciding to bribe: A cross-level analysis of firm and home country influences on bribery activity	Martin, K. D., Cullen, J. B., Johnson, J. L., & Parboteeah, K. P.	AMJ, 2007	What is the impact of various cultural values and institutional characteristics on the bribery activities of local firms?	WBES • Archival data • A sample of 38 countries • Data on responses from nearly 4,000 firm	Bribery activity • Dependent Variable	Hierarchical linear modeling	• Business: understanding local cultural conditions and institutional forces will help firms diagnose the potential pressure to bribe they are likely to face in their home countries.	• More individualistic societies are likely to have more local bribery activities. • The greater the extent of welfare socialism, the less prevalent bribery is. • Stronger political constraints reduce bribery. • Greater perceived financial constraints relate positively to local firm bribery activity within countries. • Greater perceived competitive intensity relates positively to local firm bribery activity within countries.
Institutional Antecedents of Corporate Governance Legitimacy	Judge, W. Q., Douglas, T. J., & Kutan, A. M.	JOM, 2008	What is the impact of corruption on corporate governance legitimacy?	PRS Group's International country risk guide • Archival data • Period: 1997–2005 • A sample of 50 countries	Perceived level of corruption • Independent Variable	Generalized least squares random effects model	–	The less the prevalence of corruption, the higher the corporate governance legitimacy within a nation.
The effectiveness of laws against bribery abroad	Cuervo-Cazurra, A.	JIBS, 2008	What is the impact of laws against bribery abroad on inducing foreign investors to reduce their investments in corrupt countries?	- Transparency International - Kaufmann et al (2003) • Archival data • Data on bilateral FDI inflows to 103 host economies • Period: 1996–2002	- The corruption perception index - The indicator 'control of corruption' • Moderating Variable	Double-log model	Policy: • the laws against bribery should be present and coordinated across multiple countries. • cross-country collaboration is beneficial	• Investors from countries that implemented OECD Anti-Bribery Convention invested less in corrupt countries. • US investors invested less in corrupt countries, but only after the Convention was in place.

Corruption and market attractiveness influences on different types of FDI	Brouthers, L. E., Gao, Y., & Mcnicol, J. P.	SMJ, 2008	What is the impact of corruption on market-seeking and resource-seeking FDI?	Transparency International • Archival data • Period: 1996–2002	The corruption perception index • Independent Variable	Hierarchical regression models	• Policy: reducing corruption may be the key to attracting resource-seeking FDI.	• Greater market attractiveness mitigates the negative impact of corruption on market-seeking investment • The ability of market attractiveness to mitigate the negative impact of corruption on resource-seeking FDI quickly disappears as corruption levels increase.
Institutional context and the allocation of entrepreneurial effort	Bowen, H. P. & Clercq, D. D.	JIBS, 2008	What is the impact of corruption on the allocation of entrepreneurial effort?	WEF's Executive Opinion Survey • Archival data • A sample of 40 countries • Period: 2002–2004	Corruption of economic actors • Independent Variable	Logit model and OLS	–	• The allocation of entrepreneurial effort toward high-growth activities is negatively related to a country's level of corruption.
Transforming disadvantages into advantages: developing-country MNEs in the least developed countries	Cuervo-Cazurra, A. & Genc, M.	JIBS, 2008	If the disadvantage – having a home country with poorly developed institutions (including control of corruptions) – becomes an advantage when the MNE moves into other countries with poor institutional environments?	Kaufmann et al (2003) • Archival data • Period: 1999–2001 • A sample of 49 countries	The indicator 'control of corruption' • Independent Variable	Tobit model	–	• This disadvantage (poor control of corruption in home country) can become an advantage when the MNE operate in countries with ''difficult'' governance conditions, because developing-country MNEs are used to operating in such conditions.

Institutions and inflows of foreign direct investment: a fuzzy-set analysis	Pajunen, K.	JIBS, 2008	How and why countries with different degrees of membership in different institutional constraints either attract or do not attract FDI?	- Transparency International - World Competitiveness Yearbook (WCY) • Archival data • Period: 1999–2003 • A sample of 47 host countries	- The corruption perception index - Executive survey data on corruption in economies • One of the 7 Causal Factors	Fuzzy-set analysis	• Policy: a country may ensure FDI attractiveness by guaranteeing political rights and civil liberties, political stability, and at least one of the following conditions: just judicial system, favorable taxation, and property rights.	• In the context of less-developed countries, corruption is always necessary cause for the membership in the set of an FDI-unattractive country. • In a less-developed country corruption together with flexible labour regulation and political stability can be beneficially associated with investment inflows.
The changing Chinese culture and business behavior: The perspective of intertwinement between guanxi and corruption	Luo, Y.	IBR, 2008	Why and how guanxi and corruption are intertwined?	—	—	Conceptual	• Business: to foreign executives, they should know that long-term losses from engaging in intertwined guanxi and corruption could be far greater than short-term gains from this engagement.	• Although guanxi is not necessarily an origin or a source of corrupt behavior, it is a critical facilitator of corruption in a demoralized society. • The author further defined the weak form and strong form of this intertwineability.
Corrupt Organizations or Organizations of Corrupt Individuals? Two Types of Organization-Level Corruption	Pinto, J., Leana, C. R. & Pil, F. K.	AMR, 2008	• Whether the individual or the organization is the beneficiary of the corrupt activity? • Whether the corrupt behavior is undertaken by an individual actor or by two or more actors?	—	—	Conceptual	—	• Corruption at the organization level can manifest itself through two phenomena o An organization of corrupt individuals, in which a significant proportion of an organization's members act in a corrupt manner primarily for their personal benefit o A corrupt organization, in which a group collectively acts in a corrupt manner for the benefit of the organization.

Ending Corruption: The Interplay among Institutional Logics, Resources, and Institutional Entrepreneurs	Misangyi, V. F., Weaver, G. R., & Elms, H.	AMR, 2008	• How corrupt institutional orders may be changed by corruption's opponents? • How defenders of corrupt systems try to sustain them?	—	—	Conceptual	• Policy: anticorruption reforms must be championed by institutional entrepreneurs who possess the requisite capabilities for doing the institutional work necessary to successfully establish the new institutional order.	The authors draw from theories of institutions and collective identities to present a threefold framework of institutional change—involving institutional logics, resources, and social actors—that furthers the understanding of the mitigation of corruption.
Introduction to Special Topic Forum: Re-Viewing Organizational Corruption	Ashforth, B. E., Gioia, D. A., Robinson, S. L., & Treviño, L. K.	AMR, 2008	Introduction of the special topic forum to stimulate theory development on corruption in organizational life as a systemic and synergistic phenomenon.	—	—	Conceptual	—	The scholars of organization are responsible for suggesting ways of managing organizations to the overall benefit of larger societies. The visionary aspiration that business organizations ought to be instruments for creating the common wealth is not achievable with corruption as a component.
Better the devil you don't know: Types of corruption and FDI in transition economies	Cuervo-Cazurra, A.	JIM, 2008	What is the impact of corruption on FDI?	- Transparency International - WBES • Archival data • Time: 1999	- The corruption perception index - Pervasive corruption - Arbitrary corruption • Independent Variables	Double-log model	—	• Pervasive corruption is a deterrent to FDI. • Arbitrary corruption does not have such a deterring influence.

A Multidimensional Conceptualization of Organizational Corruption Control	Lange, D.	AMR, 2008	Introduction of a theoretical basis for considering a corruption control type in the context of other corruption control types.	—	—	Conceptual	—	The comprehensive look at corruption control in this paper facilitates consideration of control types as complex constructs in the context of other types, rather than as empirical artifacts or constructs in isolation—as has been the modal practice in the literature heretofore.
International joint venture partner selection: The role of the host-country legal environment	Roy, J. P, & Oliver, C.	JIBS, 2009	What is the impact of corruption on international joint venture (IJV) partner selection criteria?	WBES • Archival data • A sample of 169 IJVs	Control of corruption • Independent Variable	Hierarchical regressions	• Policy and Business: managers, strategists and policymakers must understand the key factors influencing the establishment of IJVs and develop better institutional context of IJV formation.	Corruption did not influence IJV partner selection criteria.
Perceptions of institutional environment and entry mode	Demirbag et al	MIR, 2010	What is the impact of pervasiveness of corruption on foreign investors' decision to enter with a joint venture or wholly owned subsidiary?	Transparency International • Archival data • A case study of Turkish MNEs • Period: 2004–2007	The bribe payers index • Independent Variable	Binomial logistic regression	—	The higher the pervasiveness of corruption, the more likely foreign investors will enter into a joint venture than a wholly owned subsidiary.

High-level politically connected firms, corruption, and analyst forecast accuracy around the world	Chen, C. JP., Ding, Y., & Kim, C.	JIBS, 2010	What is the impact of corruption on earnings forecasts made by financial analysts?	Transparency International • Archival data • Data on 114 politically connected firms with 349 firm–year observations in 17 jurisdictions • Period: 1997–2001	The corruption perception index • Independent Variable	Newey–West regression and Probit model	• Business: investors should differentiate target firms with political connections in countries with higher levels of corruption from those in countries with more developed institutions that can counter corruptive forces.	In jurisdictions in which corruption level is relatively high, earnings forecast accuracy is influenced more by a firm's political connections.
Why do firms bribe? Insights from residual control theory into firms' exposure and vulnerability to corruption	Lee, S., Oh, K., & Eden, L.	MIR, 2010	• Why firms bribe government officials? • Why some firms pay higher bribes than other firms?	WBES • Archival data • A sample of 61 countries	- Pervasive corruption - Arbitrary corruption • Independent Variables - Total amount of bribes paid annually by a firm • Dependent Variable	Heckman selection model and Hierarchical regression	• Business: understanding where the firm's threat point is – when should the firm walk away – is critical for managers in determining whether and how much they should pay in bribes.	• Greater international orientation of the firm, through foreign ownership or export orientation, is associated with lower bribes paid. • Higher state ownership is associated with lower bribe size. • Pervasive corruption is positively related, while arbitrary corruption is negatively related, to bribes paid.
Understanding corruption and firm responses in cross-national firm-level surveys	Jensen, N. M., Li, Q., & Rahman, A.	JIBS, 2010	Whether corruption is likely understated in such countries that are politically repressive?	Kaufmann et al (2007) • Archival data • A sample of 44,000 firms in 72 countries • Period: 2000–2005	Residuals (firm responses) from Kaufmann et al. measure of corruption • Dependent Variable	OLS	• Business: managers can learn not only from truthful responses to firm-level surveys, but also from the systematic patterns of nonresponses and potential false responses by firms that fear retribution from the governments.	Firms in countries with less press freedom are more likely to provide nonresponse and false response regarding the corruption.

The antecedents and effects of national corruption: A meta-analysis	Judge, W. Q., McNatt, D. B., & Xu, W.	JWB, 2011	A meta-analytic review and analysis of corruption literature.	—	—	Conceptual	—	• There were twice as many studies examining the causes of corruption than those that examine the effects of corruption. • Some measures of corruption are more robust than others. • The relationship between antecedents and effects of corruption are getting stronger in the studies which examined corruption after 2000, than before 2000.
The effect of corruption distance and market orientation on the ownership choice of MNEs: Evidence from China	Duanmu, J.	JIM, 2011	What is the impact of corruption distance on the choice between WOS and JV for MNEs operating in China?	PRS Group's International country risk guide • Archival data • Data on 9564 entries by foreign MNEs from 72 countries to the city of Suzhou • Period:1981–2005	Corruption distance • Independent Variable	Random effects logistic regressions	• Policy: reducing the prevailing corruption will help the Chinese government to attain its purpose to accelerate potential knowledge spillovers by encouraging the formation of joint ventures between foreign firms and indigenous Chinese firms.	• The higher corruption distance it is between these countries and China, the higher probability their MNEs choose WOS. • MNEs from equally and more corrupt countries do not prefer WOS.
MNEs and corruption: The impact of national institutions and subsidiary strategy	Spencer, J. & Gomez, C.	SMJ, 2011	What is the impact of institutionalizatio n of corrupt practices on the pressure MNE subsidiaries face to engage in corrupt practices?	- Transparency International - BEEPS • Archival data	The corruption perception index • Independent Variable The level of local pressure a firm faces to engage in corruption in host country • Dependent Variable	Hierarchical linear modeling	• Business: MNEs with strong CSR goals or a major concern about legitimacy spillovers may consider foregoing other strategic benefits from taking on local partners in more corrupt host countries.	There is a positive relationship between the host country corruption environment and the pressure subsidiaries face to engage in bribery locally.

National business ideology and employees' prosocial values	Muethel, M., Hoegl, M., & Parboteeah, K. P.	JIBS, 2011	What is the impact of corporate corruption on the national business ideology's stimulation of employees' prosocial values?	World Bank's Competitiveness Report 2004–5 • Archival data • Data on 9,026 individuals from 17 European countries	Corporate corruption • Independent Variable	Hierarchical linear modeling	–	Corporate corruption is not an impediment to the national business ideology's stimulation of employees' prosocial values.
Using private management standard certification to reduce information asymmetries in corrupt environments	Montiel, I., Husted, B. W., & Christmann, P.	SMJ, 2012	How corruption influences firms' decisions to obtain third-party certification to private management standards as signals of desirable conduct.	Tecnológico de Monterrey's Governance and Business Development Survey (EDGE) • Archival data • Data on 433 automotive plants in Mexico in 2004	- Policy-specific corruption - General corruption • Independent Variables	Logit regression model	• Business: firms should increase certification credibility by selecting reputable auditing firms from foreign countries with low general corruption as these auditors may be perceived as less susceptible to domestic corruption and more capable of detecting inaccurate information.	• Policy-specific corruption increases the signaling value of private certifications and the likelihood of certification. • Widespread corruption can extend distrust to private certification systems, thus decreasing the likelihood that firms obtain certification.
What drives corporate social performance? The role of nation-level institutions	Ioannis, I. & George, S.	JIBS, 2012	What is the impact of corruption on firms' corporate social performance (CSP)?	World Bank's corruption score • Archival data	Absence of corruption • Independent Variable	A variance of components analysis by a maximum likelihood methodology	• Business: managers should understand the key factors affecting their CSP, especially those outside their own firms.	Higher levels of corruption are related to lower scores of the CSP index.

Who bribes? Evidence from the United Nations' oil-for-food program	Jeong, Y. & Weiner, R. J.	SMJ, 2012	How do managers react in an environment where bribery is likely to bring high rewards, but also presents high risks?	Oil-for-Food Program (OFFP) from IIC Report • Archival data	Bribe paid • Dependent Variable	Tobit estimation and OLS	–	• Firms pay larger bribes when there are stronger financial and managerial incentives • Firms pay less when their home countries have implemented the OECD Anti-Bribery Convention.
Victim or Victimizer: Firm responses to government corruption	Galang, R. M. N.	JMS, 2012	What is the relationship between government corruption and firm performance?	—	—	Conceptual	—	• There is heterogeneous impact of government corruption on individual firm performance, driven by the strategic activities conducted by firms in response to corruption. • Overall, government corruption retains a substantial corrosive impact on the long-term health of the global economic system. • Given the effect of corruption is not uniform, any attempt to eliminate government corruption must be mindful of the reaction of the numerous public and private stakeholders that benefit from its illicit largesse.
Corruption Distance, Anti-corruption Laws and International Ownership Strategies in Russia	Karhunen, P. & Ledyaeva, S.	JIM, 2012	What is the impact of the corruption distance between the home country and Russia on foreign ownership strategies in Russia?	Index of Economic Freedom from the Heritage Foundation • Archival data • A sample of 1341 firms with foreign ownership registered in Russia	Corruption distance • Independent Variable	Binary logit models	• Business: not only the extent but also nature of corruption in the host country that matters. In Russia, where the arbitrariness of corruption is high, the benefits of a local partner often exceed the costs of monitoring its behavior.	Corruption distance and strict foreign corruption regulation in the home country cause foreign investors to choose joint venture, in the case of Russia.

Collectivism and corruption in bank lending	Zheng, X., Ghoul, S. EI, Guedhami, O., & Kwok, C. CY.	JIBS, 2013	What is the impact of national culture, and collectivism in particular, influences corruption in bank lending?	WBES • Archival data • A sample of 3835 firms across 38 countries	Bank corruption • Dependent Variable	Probit model	• Business: as culture remains stable, alleviating the adverse effects of corruption on a firm's access to external financing requires these organizations give particular attention to collectivist countries	Firms domiciled in collectivist countries perceive a higher level of lending corruption.
Institutions and the performance of politically connected M&As	Brockman, P., Rui, O. M., & Zou, H.	JIBS, 2013	What is the effect of corruption on merger and acquisition (M&A) performance?	Transparency International • Archival data	The corruption perception index • Independent Variable	Multivariate analysis	–	• In countries with poor institutions (high corruption) there is no difference between the post-M&A performance of connected and unconnected acquirers. • In countries with high institutional quality, connected firms experience significantly worse post-M&A performance.
Does bribery in the home country promote or dampen firm exports?	Lee, S. & Weng, D. H.	SMJ, 2013	What is the impact of bribery within the home country on firm exports?	BEEPS • Archival data	Firms' bribe amounts • Independent Variable	Simultaneous equations modeling	• Business: bribing firms bear a certain level of opportunity costs as these opportunities may not be fully exploited when they pay greater attention to the domestic market.	Bribery within home country decreases firm exports.
The "grabbing hand" or the "helping hand" view of corruption: Evidence from bank foreign market entries	Petrou, A. P. & Thanos, I. C.	JWB, 2014	What is the relationship between corruption and two measures of bank foreign market commitment, the capital invested and the share of equity?	Transparency International • Archival data	The corruption perception index • Independent Variable	Tobit regression	—	There is a U-shaped relationship between corruption and two measures of market commitment: the capital invested and share of equity. o At low to moderate levels of corruption, there is evidence of the ''grabbing hand'' view o At high levels of corruption there is support for the ''helping hand'' view

Predictors of various facets of sustainability of nations: The role of cultural and economic factors	Roy, A. & Goll, I.	IBR, 2014	What is the influence of national culture on corruption levels?	Transparency International • Archival data	The corruption perception index • Dependent Variable	Hierarchical regression	–	• Gender egalitarianism does not influence corruption. • Performance based culture negatively influences corruption.
The Emotion-Evoked Collective Corruption Model: The Role of Emotion in the Spread of Corruption Within Organizations	Smith-Crowe, K. & Warren, D. E.	OS, 2014	Introduction of a process model of collective corruption that centers on the role of moral emotions in the spread of corruption within organization.	—	—	Conceptual	• Business: it is not enough to motivate organizational members to be moral or to hire employees who are morally motivated since it is not only the thoughtless and the ill-intentioned who may act unethically. Those who are well-intentioned may be led astray by negative feed-back for "getting out of line."	• Moral emotions play a critical role in both the initial recruitment of a target individual (the direct process), as well as the spread of corruption to a broader group of nontargeted individuals through emotional contagion (the vicarious process). • Self-directed moral emotions (guilt, shame, embarrassment, and pride) facilitate the spread of corruption and other-directed moral emotions (anger and contempt) do not.
The Paradox of Corrupt Networks: An Analysis of Organizational Crime at Enron	Aven, B. L.	OS, 2015	What is the effect of corruption on communication behavior and the way individuals attempt to remain undetected while sharing information at Enron Corporation?	The Enron Email Corpus • Archival data • Period: 1998–2002	Corrupt information (if an individual was engaged in organizational crimes) • Independent Variable	Multilevel models	• Policy and Business: Understanding how corruption is coordinated is helpful to detect, intervene, and mitigate its occurrence.	• The members of corrupt projects communicate less and have fewer reciprocal relations than the noncorrupt project members. • As the corrupt project members' tenure on a project increases, their behavior will become more similar to the behavior of the noncorrupt project members.
Corruption distance and FDI flows into Latin America	Godinez, J. R. & Liu, L.	IBR, 2015	What is the impact of corruption distance between pairs of countries on the FDI?	Transparency International • Archival data	- The corruption perception index - Corruption distance • Independent Variables	Logistic regressions	• Policy: host countries authorities should improve the institutional environment in order to attract more FDI.	• Corruption distance negatively affects FDI when the home countries experience lower levels of corruption than the host countries. • Firms from highly corrupt countries were not affected by corruption distance.

Analysis of predictors of organizational losses due to occupational corruption	Timofeyev, Y.	IBR, 2015	• What are the predictors of organizational losses due to occupational corruption? • What are the effects of these predictors on losses due to occupational corruption?	Association of Certified Fraud Examiners by the certified fraud examiners (CFE) • Archival data	Organizational losses due to occupational corruption • Dependent Variable	Hierarchical linear analysis and OLS	• Policy: to prevent losses due to occupational corruption, firms should care more about individuals they employ rather than the country or industry they operate in or organization type they have.	Individual and organizational level (issue-specific or case-specific) predictors explain more than 92% of the variance of organizational losses due to occupational corruption regardless model specification.
Arbitrariness of corruption and foreign affiliate performance: A resource dependence perspective	Petrou, A. P.	JWB, 2015	How the arbitrariness of corruption in a host country affects subsidiary performance?	WBES • Archival data A sample of 169 IJVs	Arbitrariness of corruption • Independent Variable	Probit model	• Business: to deal with arbitrariness, banks may need to seek assistance from their network of operations.	The negative effect of arbitrariness of corruption on affiliate performance is positively moderated by the strength of the sub-unit's corporate link, and the average number of expatriate managers appointed at the sub-unit.
Formal and Informal Corruption Environments and Multinational Enterprise Social Irresponsibility	Keig, D. L., Brouthers, L. E., & Marshall, V. B.	JMS, 2015	What is the impact of corruption environments in which a multinational enterprise (MNE) operates on its tendency to engage in corporate social irresponsibility (CSiR)?	- Transparency International - The Worldwide Governance Indicators • Archival data	- Informal corruption ○ The corruption perception index ○ The global corruption barometer - Formal corruption ○ Control of corruption ○ Government effectiveness ○ Regulatory quality • Independent Variables	Negative binomial regression	• Busines: in addition to the formal corruption environment, firms also need to consider separate adverse impacts from their informal corruption environment, something previous efforts have neglected to consider.	Higher levels of formal and informal corruption environments are related to higher levels of firm's CSiR.

Bribery and investment: Firm-level evidence from Africa and Latin America	Birhanu, A. G., Gambardella, A., & Valentini, G.	SMJ, 2016	What is the effect of bribes on firm investments in fixed assets?	Enterprise Surveys from World Bank • Archival data	Firm level payment of bribes • Independent Variable	OLS and an instrumental variable (IV) approach	–	Short-term oriented firms prefer to bribe rather than invest in fixed assets, while the opposite is true for firms with a long-term orientation.
Playing dirty or building capability? Corruption and HR training as competitive actions to threats from informal and foreign firm rivals	Iriyama, A., Kishore, R., & Talukdar, D.	SMJ, 2016	What is the impact of threats from informal and foreign rival firms in an emerging market on a firm's engagement in corruption activities and its investments in HR training?	World Bank survey of Indian IT industry • Archival data	Firm's engagement in corruption activities • Dependent Variable	Probit model	• Business: multinational firms need to devise suitable strategies other than corruption to reduce the costs and time to market if they wish to compete with firms for customers who don't care about ethical issues and will buy a cheaper product/service that is delivered quickly.	• The greater the competitive threa a focal firm perceives from informal sector firms, the more likely it will engage in corruption activities.
Ownership control of foreign affiliates: A property rights theory perspective	Driffield, N., Mickiewicz, T., & Temouri, Y.	JWB, 2016	What is the effect of corruption on changes in foreign affiliates' ownership?	PRS Group's International country risk guide • Archival data	- Home corruption - Host corruption • Independent Variables	Multinomial logit model	–	• An increase in host country corruption is strongly associated with a lower likelihood of a shift towards minority ownership. • There is no effect of corruption on the likelihood of a move to majority holding.
Corruption in international business	Cuervo-Cazurra, A.	JWB, 2016	A review paper of literatures of corruption in international business field.	—	—	Conceptual	–	The authors presented a critical assessment of topics in corruption research and suggested for future research directions.

Location Advantages, Governance Quality, Stock Market Development and Firm Characteristics as Antecedents of African M&As	Tunyi, A.A., & Ntim, C.G.	JIM, 2016	What is the impact of corruption on African M&As volume?	Transparency International • Archival data	The corruption perception index • Independent Variable	Logit model	—	Better institutional environments (lower corruption) attract higher levels of FDI through M&A.
Home Country Institutional Effects on the Multinationality–Performance Relationship: A Comparison Between Emerging and Developed Market Multinationals	Geleilate, J.M.G., Magnusson, P., Parente, R.C., & Alvarado-Vargas, M.J.	JIM, 2016	What is the effect of corruption on MNEs' multinationality–performance?	The Worldwide Governance Indicators • Archival data	Control of corruption • Independent Variable	Multilevel regression	—	MNEs' multinationality–performance relationship is weaker in cases of higher levels of home country labor flexibility and control of corruption.
Corruption and Private Participation Projects in Central and Eastern Europe	Jimenez, A., Russo, M., Kraak, J. M., & Jiang, G. F.	MIR, 2017	What is the effect of host-country corruption in private participation projects in emerging markets?	The Worldwide Governance Indicators • Archival data	Control of corruption • Independent Variable	Logistic models	• Policy: policy-makers should try to implement measures to reduce the levels of corruption to make projects more attractive for investors. • Business: managers should be aware of the difficulties that corruption adds to the management of a private participation project both in terms of extra costs and uncertainty.	• Higher levels of host-country corruption are associated with greater probabilities of failure. • Including local investors in the ownership structure weakens the negative effect of corruption.

Trojan Horses or Local Allies: Host-country National Managers in Developing Market Subsidiaries	Muellner, J., Klopf, P., & Nell, P.C.	JIM, 2017	What is the impact of corruption on MNC's decision to appoint host-country national (HCN) managers?	Transparency International • Archival data	The corruption perception index • Independent Variable	Heteroskedastic fractional response models (GLM) with a probit link and robust standard errors	—	The relationship between the proportion of HCN subsidiary managers and corruption in the host country is inversely u-shaped.
Corruption's impact on foreign portfolio investment	Jain, P. K., Kuvvet, E., & Pagano, M. S.	IBR, 2017	What is the impact of corruption on the foreign equity and total portfolio investment?	Transparency International • Archival data	The corruption perception index • Independent Variable	OLS and two-stage least squares (2SLS)	—	The negative effects of corruption on FPI are nonlinear and reverse J-shaped, with intermediate levels of corruption yielding the most negative effects. o Highly transparent nations attract the most foreign investment. o Very corrupt countries attract more investment than moderately corrupt countries because a "perverse level playing field" in the former countries may put foreigners and locals on an even footing in terms of resolving asymmetric information problems.
The role of national culture and corruption on managing earnings around the world	Lewellyn, K. B. & Bao, S. R.	JWB, 2017	What is the impact of corruption on that managers exercise their discretion with respect to managing earning?	The Worldwide Governance Indicators • Archival data	Control of corruption • Independent Variable	Hierarchical linear modeling and intercept-as-outcomes mixed effects modeling (STATA 12 xtmixed)	• Business: foreign investors and managers may find it beneficial to consider the values and norms embedded in each country, such as dimensions of national culture and corruption, play important roles in encouraging or restraining managers' discretion in managing earnings.	Corruption pervasiveness is positively related to earnings management. o Power distance negatively moderates the effects of corruption pervasiveness on earnings management

Seizing the Ethical High Ground: Ethical Reputation Building in Corrupt Environments	Velamuri, S. R., Venkataraman. S., & Harvey, W. S.	JMS, 2017	How ethical behaviour by firms leads to ethical reputation building?	- Semi-structured interviews with the founders of both companies, and with managers, former managers, employees, etc. - Company documents (annual reports, internal circulars, and market report) - Press reports - World Bank - Transparency International • Archival data • Survey data	Econet and Alacrity cases	In-depth case studies	—	Strength of stakeholder responses to ethical behaviour is moderated by high status affiliations, industry characteristics, the nature of corruption resisted, the presence of a plural press, the potential for collective action, and the presence of an independent judiciary.
Threat of falling high status and corporate bribery: Evidence from the revealed accounting records of two South Korean presidents	Jeong, Y. & Siegel, J. I.	SMJ, 2018	What leads companies to engage in large-scale bribery of senior politicians?	- South Korea's court verdicts - The National Assembly of the Republic of Korea • Archival data • Data on 40 business groups with 237 group-year observations • Period: 1987–1992	Yearly bribe paid by business group • Dependent Variable	Fixed-effects Poisson quasi-maximum likelihood estimator (QMLE) panel regression	• Business: firms can strengthen internal control systems to avoid any large-scale illegal activities at a higher level.	The threat of falling high status—that is, the combination of longstanding high social status with current-period mediocre economic performance relative to that of industry peers— is a meaningful predictor of increases in the amount o large-scale corporate bribery.

Foreign ownership and bribery: Agency and institutional perspectives	Yi, J., Teng, D., & Meng, S.	IBR, 2018	What is the effect of the formal institutions and external auditing on controlling multinational firms' engagement in bribery?	Enterprise Surveys from World Bank • Archival data • A sample of 38,673 firms across 113 countries	Bribery intensity • Dependent Variable	Tobit model	• Business: awareness of foreign subsidiaries' attitudes towards corruptions is pre-condition to develop ethical conducts. Effective communication and monitoring processes are viable mechanisms to counterbalance the managerial opportunism.	Engagement in bribery is positively related to its foreign ownership.
The export performance of emerging economy firms: The influence of firm capabilities and institutional environments	Krammer, S. M. S., Strange. R., & Lashitew, A.	IBR, 2018	What is the effect of corruption on the export performance of emerging economy?	WBES • Archival data • A sample of 16,000 firms from the four BRIC economies.	Bribes paid • Independent Variable	Probit model	• Policy: policy makers should improve the institutional environments at home so that the best firms are able to prosper both at home and overseas.	Corruption is not a significant determinant of the export decisions.
Home country uncertainty and the internationalization-performance relationship: Building an uncertainty management capability	Cazurra, A. C., Ciravegna, L., Melgarejo, M., & Lopez, L.	JWB, 2018	What is the impact of corruption on the relationship between internationalization and firm performance?	Transparency International • Archival data	The corruption perception index • Independent Variable	Generalized least squares (GLS) models	• Business: manager should actively learn from the uncertainty coming from political risk and corruption at home and use this uncertainty management capability to address the differences across countries in which their firms internationalize.	Internationalization has a positive impact on the performance of emerging market firms, and that this relationship is strengthened for firms based in emerging countries with higher corruption and political risk.

Host market government corruption and the equity-based foreign entry strategies of multinational enterprises	Sartor & Beamish	JIBS, 2018	What is the impact of host market government corruption on the equity-based entry strategies of MNEs?	The Global Competitiveness Reports • 643 Japanese investments in 30 countries • Period: 2004–2007	- Petty corruption - Grand corruption • Independent Variables	Binary logistic regression model	—	• More pervasive grand corruption increases the likelihood of MNEs to enter into joint venture. • More petty corruption precipitates a MNE's preference to invest with a home country partner.
Effects of subnational regional corruption on growth strategies in emerging economies: Evidence from Russian domestic and international M&A activity	Bertrand, O., Betschinger, M., & Laamanen, T.	GSJ, 2018	What is the effect of corrupt regional home context on firms' acquisition behaviors?	- Transparency International - INDEM Foundation • Archival data	- Pervasiveness of corruption - Arbitrariness of corruption • Independent Variables	Ordinary probit estimations and a multivariate probit model	−	Corrupt practices are positively related to the likelihood of acquisitions
The impact of family ownership on establishment and ownership modes in foreign direct investment: The moderating role of corruption in host countries	Yamanoi, J. & Asaba, S.	GSJ, 2018	What is the effect of corruption on the relationship between the family ownership and FDI?	PRS Group's International country risk guide • Archival data • Period: 1996–2007 • A sample of 770 foreign subsidiaries by 117 Japanese public firms in the electronic machinery industry	Level of corruption • Independent Variable	Probit model	−	• Corruption strengthens the positive association between family ownership and greenfield investment.

Host country corruption and the organization of HQ-subsidiary relationships	Rabbiosi, L. & Santangelo, G. D.	JIBS, 2019	If greater subsidiary autonomy helps minimize these costs related to corruption?	The Worldwide Governance Indicators • Archival data • 261 Italian foreign subsidiaries • Period: 2004–2005	Control of corruption	OLS	–	Greater subsidiary autonomy minimizes the costs related to operating in more corrupt host (than home) countries.
An audit of received international business corruption literature for logic, consistency, completeness of coverage	Kouznetsov, A., Kim, S., & Wright, C.	JIM, 2019	This paper identifies gaps and inconsistencies in how corruption is perceived or deliberated in top IB journals.	—	—	Conceptual	—	The totality of IB corruption research has serious weaknesses. The siloing of research by theme puts IB corruption research at risk of being insular in thinking and ignoring supportive and contrary work in related areas.
Political party tenure and MNE location choices	Cordero, A. M. & Miller, S. R.	JIBS, 2019	What is the effect of government corruption and bureaucratic responsiveness on the relationship between political party tenure and MNE location choice?	The Research Center for Development (CIDAC) • Archival data • Period: 1997–2006	Government corruption • Mediator Variable	Negative binomial model	• Policy: political party tenure has a “dark side” for MNE location choice.	Government corruption and bureaucratic responsiveness mediate the curvilinear relationship between political party tenure and MNE entries.

Greasing the Wheels of Change: Bribery, Institutions, and New Product Introductions in Emerging markets	Krammer, S. M. S.	JOM, 2019	What is the effect of bribery on the innovative performance of firms in emerging markets as reflected by new product introductions?	BEEPS Archival data	Intensity of bribing Independent Variable	Probit model	• Policy: considering the importance of new products for both firms and consumers, governments should focus on reducing the appeal of, and the opportunities for, greasing bribes by improving the existing system.	Bribery helps innovators to introduce new products by overcoming bureaucratic obstacles, compensating for the lack of kinship or political affiliations, and hedging against political risk. This relationship will be further negatively moderated by the quality of the formal and informal institutions in place.
Deviant versus Aspirational Risk Taking: The Effects of Performance Feedback on Bribery Expenditure and R&D Intensity	Xu, D., Zhou, K. Z., & Du, F.	AMJ, 2019	Whether low- and high- performing firms differ in their risk-taking orientations (bribery)?	Sampled firms' annual reports • Archival data • A sample of 9,633 firm-year observations covering 2,224 listed companies in China.	Bribery expenditure • Dependent Variable	Panel analysis with standard errors	• Policy: regulators should pay close attention to low-performing firms, which have a higher tendency to engage in bribery, especially where legal development is weak or competition level is high.	• As a firm's performance falls further below its aspiration level, it has larger bribery expenditure, but not higher R&D intensity. • As a firm's performance rises further above its aspiration level, it has greater R&D intensity, but not more bribery expenses.

The Bribery Paradox in Transition Economies and the Enactment of 'New Normal' Business Environments	Eddleston, K. A., Banalieva, E. R., & Verbeke, A.	JMS, 2020	If entrepreneurs who frequently pay bribes may in the longer run be enacting a 'new normal' business environment perceived as high in obstacles, beyond gaining an immediate benefit from bribing?	BEEPS • Archival data • A sample of 310 privately held SMEs from 22 transition economies.	Frequency of bribery • Independent Variable	Tobit Regression	• Business: entrepreneurs should limit their bribery activity. Otherwise, they will need to contend with a 'new normal' business environment of increased obstacles that will likely hamper their ability to manage their business. • Policy: policy makers should increase punishment and amplify the monitoring of both the supply-side and demand-side of bribery.	Entrepreneurs may pay bribes in order to reduce perceived obstacles in the business environment, bu the end result may be an enacted, 'new normal' environment rich in institutional impediments to their business.
Integration-oriented strategies, host market corruption and the likelihood of foreign subsidiary exit from emerging markets	Sartor, M. A., & Beamish, P. W.	JIBS, 2020	If integration-oriented strategies will weaken the positive relationship between corruption and the likelihood of exit?	Transparency International • Archival data	The corruption perception index • Dependent Variable	Cox hazard model and probit regression	–	An increase in the foreign-investing MNE's equity ownership share negatively moderates the positive relationship between corruption and the likelihood that foreign subsidiaries established by developed market MNEs will exit host emerging markets when corruption is high.
Corruption in international business: A review and research agenda	Bahoo, S., Alon, I., & Paltrinieri, A.	IBR, 2020	A systematical review of the literature on corruption in international business (137 articles) for the last 17 years between 1992 and 2019.	—	—	Conceptual	• Policy: strong international laws are needed to minimize the negative impact of corruption on international business. • Business: firms must also consider corruption when formulating strategies to increase operational efficiency and performance.	• Most studies used data about corruption from country-level indexes such as Transparency International, World Governance Indicators, and the International Country Risk Guide. • Firm-level surveys and interviews about corruption will be useful in identifying anti-corruption measures in international business.

Government connections and credit access around the world: Evidence from discouraged borrowers	Qi, S.& Nguyen, D. D.	JIBS, 2021	The paper examined the moderating effect of corruption on the relationship between government connections and small and medium-sized enterprises' (SMEs) credit access around the world.	Transparency International • Archival data • A sample of SMEs across 30 developing countries	The corruption perception index • Moderating Variable	Probit Model	• Policy: improving the quality of governance and accountability would give firms confidence in the financial systems of the host country.	The relationship becomes stronger in countries with high levels of corruption.
Avoid, acquiesce ... or engage? New insights from sub-Saharan Africa on MNE strategies for managing corruption	Stevens, C. E., & Newenham-Kahindi. A.	SMJ, 2021	A qualitative research to compare developed country and developing country MNEs' approaches for managing corruption in sub-Saharan Africa.	—	—	Conceptual	–	MNEs have more room for active agency and more proactive strategies for managing corruption than has typically been assumed in the literature.

Table S2:
Classification Table for Literature Reviewed from Political Economy (PE)

Title	Author	Journal, year published	Research Question	Data Source	Measure of Corruption	Analytical Method	Political or economic implication	Conclusion
Rents, competition, and corruption	Ades, A., & Di Tella, R.	AER, 1999	How does market competition (i.e. supply-side of bribery market) affect corruption?	- Business International - World Competitiveness Report • Country-level economic + political variables • 51 countries • Period: 1980s-1990s	- Corruption Indicator (expert surveys) - Corruption Index (manager surveys) • Dependent Variable	Formal model + OLS multiple regression; instrumental variables (2SLS regression)	• Political: In order to cut down on potential rents for corrupt bureaucrats, governments can adopt policies aimed at fostering market competition.	Rents, either from natural resources or from monopolies, increase corruption. In countries where domestic firms are sheltered from foreign competition, and where a few large firms dominate the market, corruption is found to be greater.
The choice between market failure and corruption	Acemoglu, D., & Verdier, T.	AER, 2000	How do governments decide to intervene in the economy to correct market failures, and how does this decision affect corruption and economic performance?	—	—	Formal model	• Political: If preventing all corruption is too costly, it may be beneficial for governments to allow for some corruption in order to implement programs.	When governments have more difficulty preventing corruption, the outcome may be both higher levels of corruption and public sector wages. The level of optimal intervention is likely nonmontonic; it will first increase, then decrease as countries get richer.

Do corrupt governments receive less foreign aid?	Alesina, A., & Weder, B.	AER, 2002	How does domestic corruption affect foreign aid?	- Business International - International Country Risk Guide - World Competitiveness Yearbook - Standard and Poors - Transparency International - World Development Report • Country-level economic + political variables • Period: 1975-1995	- Corruption Indicator (expert surveys) - 6-point corruption risk scale - Improper practices such as bribing and corruption - Losses and costs of corruption - Corruption Perceptions Index - (1) Level of corruption index; (2) Corruption as a business obstacle • Independent & Dependent Variable	OLS multiple regression (cross-sectional time-series)	• Political: Increases in foreign aid, while targeted to improve economic outcomes, can lead to increased corruption as a negative side effect.	Corruption does not affect overall aid flows. Certain donor countries give more or less to corrupt countries. Increases in aid appear to increase corruption.
Handcuffs for the grabbing hand? Media capture and government accountability	Besley, T., & Prat, A.	AER, 2006	How does state ownership and capture of media subsequently affect those organizations' ability to hold government accountable?	- International Country Risk Guide • Country-level economic + political variables • 88 countries	- 6-point corruption risk scale • Dependent Variable	Formal model + suggestive regressions (difference of means tests)	• Political: Capture of the media by governments leads to weaker accountability of the government by the media, which leads to greater corruption.	Higher levels of state ownership of media leads to greater tenure in office for chief executives and higher levels
Inequality, lobbying, and resource allocation	Esteban, J., & Ray, D.	AER, 2006	How does wealth inequality impact public resource allocation?	—	—	Formal model	• Political: It is entirely possible for benevolent governments to nevertheless preside over an unequal allocation of public resources.	When government has imperfect information about sectoral productivity, wealthier sectors are more able to lobby for scarce public resources. This leads to unequal allocation of public resources.

Politically connected firms	Faccio, M.	AER, 2006	What determines political connections between firms and political officials?	- World Governance Indicators - German exporters [Neumann 1994] - International Country Risk Guide • Country-level economic + political variables • 47 countries	- "Control of corruption" indicator - Corruption index (proportion of transactions involving bribes) - 6-point corruption risk scale • Independent Variable	OLS multiple regression	• Economic: Firm value does not increase when politicians make connections with a firm, but firm value does increase when businesspeople enter politics, indicating a one-way door for firm benefits.	Political connections (firms that have political officials and MPs on their board) are more common in countries with higher corruption, those that impose restrictions on outbound foreign investments, and those that have more regulations on transparency.
Active and passive waste in government spending: evidence from a policy experiment	Bandiera, O., Prat, A., & Valletti, T.	AER, 2009	Proposes a distinction between active waste, which benefits the bureaucrat, and passive waste, which is just inefficiency	- Italian Statistical Agency • 208 Italian public bodies • Period: 2000-2005	- Procurement purchases of generic goods - Whether or not public bodies purchase from central procurement agency during available periods or stick with original supplier • Dependent Variable	Quasi-experiment (OLS multiple regression)	• Political: While corruption does lead to inefficient allocation of resources, it is entirely possible for a benevolent government to engage in massive waste due to its institutional framework.	By exploiting a policy experiment, the authors find that some public bodies systematically pay more than others for the same goods, but that this difference is related to governance structures. The variation in price is mostly due to passive, not active, waste.
Segregation and the quality of government in a cross section of countries	Alesina, A., & Zhuravskaya, E.	AER, 2011	How does ethnic and linguistic segregation affect the quality of government?	- World Governance Indicators • Country-level political + economic variables • 97 countries	- "Control of corruption" indicator • Dependent Variable	Instrumental variables (2SLS regression)	• Political: Building new identities that unify people across ethnic and linguistic divides may be a necessary condition for long-lasting regime stability and good governance.	Using an instrumental variables analysis and new measures of ethnic, linguistic, and religious segregation, the authors find that ethnic and linguistic segregation are associated with worse quality of governance, one indicator being higher levels of corruption.

Electoral accountability and corruption: evidence from the audits of local governments	Ferraz, C., & Finan, F.	AER, 2011	How do electoral institutions impact corruption levels?	- Audit data on Brazilian municipalities • Municipality-level economic + electoral data in 2000	- Total amount of resources used in corruption relative to total amount audited - Number of irregularities listed in report • Dependent Variable	Regression discontinuity design (RDD)	• Political: While term-limited mayors are more likely to engage in greater corruption, removing term-limits may not lead to more beneficial outcomes. Improving the chances of corrupt behavior being observed by the judiciary and media will always reduce corruption.	Officials facing re-election incentives engage in less corruption. The analysis compares term-limited mayors to those with reelection incentives.
The political resource curse	Brollo, F., Nannicini, T., Perotti, R., & Tabellini, G.	AER, 2013	What is the effect of increases in government revenues on corruption and quality of officials?	- Audit data on Brazilian municipalities • Municipality-level economic + political data	- Total amount of resources used in corruption relative to total amount audited - Number of irregularities listed in report • Dependent Variable	Regression discontinuity design (RDD)	• Political: Resources given to places with weak institutions for the purposes of political and economic development can actually lead to the further deterioration of those institutions.	Fiscal transfers follow a similar pattern to the "Dutch disease" – they increase corruption and reduce the quality of officials (proxied by corruption).
The transmission of democracy: from the village to the nation-state	Guiliano, P., & Nunn, N.	AER, 2013	What are the effects of persistent village-level democratic institutions on national outcomes?	- World Governance Indicators • Country-level political + economic variables	- "Control of corruption" indicator • Dependent Variable	OLS multiple regression	• Political: Village-level democratic institutions help condition individual beliefs about governance structures, which then serve as an important foundation for democratic stability.	Past experience with village-level democratic institutions is associated with more supportive beliefs about democracy, stronger rule of law, lower levels of corruption, and higher present per capita income
Isolated capital cities, accountability, and corruption: evidence from US states	Campante, F. R., & Do, Q-A.	AER, 2014	How does the isolation of capital cities from other population centers affect corruption and government accountability?	- U.S. federal court cases • State-level geographic + political data	- Average number of convictions of public officials for corruption-related crimes from 1976-2002 • Dependent Variable	Instrumental variables (2SLS regression)	• Political: It may be important to move political centers closer to major population centers in order to make governments more accountable and less likely to engage in corruption.	More isolated state capitals, instrumented by distance to the geographic centroid, are associated with greater levels of corruption. This operates through a mechanism of reduced accountability due to monitoring costs rising with distance.

Monitoring corruptible politicians	Bobonis, G. J., Fuertes, L. R. C., & Schwabe, R.	AER, 2016	How does the timing of anticorruption monitoring efforts impact corrupt behavior by elected officials?	- Audit data on Puerto Rican municipalities • Municipal election + financial data • Period: 1987-2005	- Sum of instances where official acted in a way to secure personal benefit • Dependent Variable	OLS multiple regression	• Political: Audits must come right before elections and be paired with longer-term efforts to expose corruption by officials in order to have a sustained impact.	Audits from before elections show reduced corrupt behavior, but same mayors or officials do not show decreased corruption levels later on Audits allow voters to vote for responsive but corruptible politicians.
Building state capacity: evidence from biometric smartcards in India	Muralihar an, K., Niehaus, P., & Sukhtanka r, S.	AER, 2016	What is the effectiveness of assigning new biometric ID cards to citizens?	- Survey of respondents following large-scale experiment in India • Randomized rollout of biometric Smartcards over 157 subdistricts and 19 million people	- "Do you have to pay bribe to receive benefit X?" • Dependent Variable	Policy experiment	• Political: Investing in new technological infrastructure will aid in better provision of social welfare, without significant social costs like corruption.	The policy improved collection of benefits, reduced corruption, and broadened access without significantly increased costs.
Corruption, trade costs, and gains from tariff liberalization : evidence from southern Africa	Sequeira, S.	AER, 2016	How does corruption impact trade elasticities?	- UN COMTRADE - Audit study of 1000 randomly selected shipments • Trade between South Africa and Mozambique	- Trade gaps (declared exports by sender minus declared imports by receiver) - Probability of bribery and average bribe amount per ton • Dependent Variable	Difference-in-differences	• Economic: Corruption may work to promote free trade, as it allows exporters and importers to circumvent high tariffs.	Utilizing the imposition of a new trade agreement between South African and Mozambique, the authors estimate trade elasticities. They find that where corruption is pervasive, small bribes can reduce high tariffs, making liberalization o trade policy not very effective in increasing volume.
Hayek, local information, and commanding heights: decentralizin g state-owned enterprises in China	Huang, Z., Li, L., Ma, G., & Xu, L. C.	AER, 2017	How does local information act to determine decentralization of SOEs in China?	- World Bank Enterprises Survey for China, 2005 - Procuratorial Yearbooks of China	- Entertainment and travel costs - Number of corruption cases per 1000 people • Control Variable	OLS multiple regression + instrumental variables (2SLS regression)	• Political: In sectors not considered essential for a regime's political objectives, decentralization is necessary to allow for the proper use of "local information."	When the distance between the controlling government and the SOE is greater, there is a greater likelihood of decentralization, i.e. shifting oversight of the SOE to a lower level of government. Corruption, as a proxy for SOE rents, is not found to be a good determinant of decentralization.

Corruption, political allegiances, and attitudes toward government in contemporary democracies	Anderson, C. J., & Tverdova, Y. V.	AJPS, 2003	What is the effect of corruption on attitudes toward government?	Transparency International • Surveys of citizens in 16 democracies	Corruption Perceptions Index • Independent Variable	Multilevel maximum likelihood IGLS models	• Political: Political systems dominated by corruption may lead to long-term instability in democracies. Outside pressures or exogeneous shocks may play a critical role in reducing corruption.	Higher corruption leads to reductions in trust in government. However, this effect is mediated by support for political incumbents.
Clientelism, credibility, and the policy choices of young democracies	Keefer, P.	AJPS, 2007	Why is there a systematic performance difference between younger and older democracies?	- International Country Risk Guide • 133 democratic episodes in 113 countries • Period: 1975-2000	- "Rent seeking" indicator • Dependent Variable	OLS multiple regression	• Political: While democratic experience is important in developing strong institutions to constrain the actions of political officials, more work is needed to understand what must be done to address problems with clientelist preferences held by voters and politicians.	These systematic differences are driven by the inability of political competitors to make credible promises to voters. This leads to clientelist preferences for both voters and politicians.
Clarity of responsibility and corruption	Tavits, M.	AJPS, 2007	Why are some democracies more corrupt than others?	- Transparency International - World Governance Indicators • Country-level study of 39 democracies • Period: 1994-2004	- Corruption Perceptions Index - "Control of corruption" indicator • Dependent Variable	OLS multiple regression	• Political: Electoral sanctions and accountability for corruption by politicians is conditional on the institutional framework which allows voters to identify who is to blame for particular outcomes. Improving clarity of responsibility is key to allow for voters to effectively sanction corrupt officials.	When political institutions provide high clarity of responsibility (who is responsible for government actions), corruption is low. If voters can clearly identify who to reward or punish at the voting booths, the threat of retrospective voting disciplines incumbents.

Who cheats? Who loots? Political competition and corruption in Japan, 1947-1993	Nyblade, B., & Reed, S. R.	AJPS, 2008	What are the determinants of different kinds of corruption?	- Japanese newspapers - Individual-level data for all candidates for Japan House of Representatives - Period: 1947-1993	- Incidence of vote buying (illegal electoral competition) - Incidence of "looting" (illegal receipt of money) • Dependent Variable	Rare-events corrected logit models	• Political: When considering the political determinants of corruption, it is important to consider both the relevant types of corruption and the types of political competition present within a political system.	The individual-level determinants of "looting" differ from those of "cheating." Those candidates with greater political influence (conservatives & cabinet members) and more secure from electoral challenges are more likely to "loot." Meanwhile, candidates operating closer to the electoral margin of victory and subject to greater intraparty competition are more likely to "cheat."
Tax toleration and tax compliance: how government affects the propensity of firms to enter the unofficial economy	Hibbs, D. A., & Piculescu, V.	AJPS, 2010	What drives firms to enter the unofficial economy and evade taxation?	—	—	Formal model	• Political: Markets for corruption can also emerge because of demand from firms to avoid taxes, not just officials seeking to extort economic actors. Improving the quality of governance will lead to heterogeneous decreases in corruption and firms operating within the "shadow economy."	The incentive of firms depends on firm-specific thresholds of tax toleration, stemming from quality of governance.
Vote buying and social desirability bias: experimental evidence from Nicaragua	Gonzalez-Ocantos, E., De Jonge, C. K., Meléndez, C., Osorio, J., & Nickerson, D. W.	AJPS, 2012	How does one accurately measure vote-buying?	- Nationally representative survey in Nicaragua following 2008 municipal elections	- List of common election behaviors; treatment group adds fifth item about vote-buying • Dependent Variable	Survey experiment	• Political: Vote-buying is likely far more prevalent than it seems based on previous direct estimates. Sensitive questions ought to be studied by list experiments and other shielded survey techniques (SSTs).	Using this novel method, 24 percen of voters admit to vote-buying, as opposed to the 2 percent who admit when directly asked in survey questions.

Causes of noncompliance with international law: a field experiment on anonymous incorporation	Findley, M. G., Nielson, D. L., & Sharman, J. C.	AJPS, 2015	Are laws mandating that incorporation services establish customers' true identities effective?	- Transparency International • Field experiment with 1793 incorporation services in 177 countries, and 1722 U.S. firms • Emails sent with various treatments to incorporation services in different countries	- Corruption Perceptions Index (8 highest on CPI measure) • Treatment (email originated from "high-risk" country)	Field experiment	• Political: Typical assumptions about the compliance of providers in developed countries are reversed: developing countries and tax havens are actually more likely to see compliance.	Providers in tax havens are more likely to comply than those in OECD countries, and those operating in developing countries often outperform those in developed countries. Terrorism and corruption treatments have opposite effects on different subgroups within the sample.
Monopoly money: foreign investment and bribery in Vietnam, a survey experiment	Malesky, E. J., Gueorguiev, D. D., & Jensen, N. M.	AJPS, 2015	What is the effect of foreign investment on corruption?	- List experiment • Embedded in three waves of business survey in Vietnam	- List of three behaviors; fourth added to treatment group asking about "informal charge to expedite procedures" • Dependent Variable	Survey experiment	• Political: Entry barriers to investment may actually lead to higher corruption. • Economic: Corruption, like other business activities, is determined by the behavior of both bribe-takers and bribe-makers; government officials are not the only relevant actors,	Foreign firms use bribes to enter protected sectors, so there is variation across sectors due to profitability. The effect of economic openness on the likelihood of bribery behavior is conditional on policies that restrict investment.
Regulation of speech and media coverage: an empirical analysis of the Mexican press	Stanig, P.	AJPS, 2015	Do restrictions on media freedom affect the reporting of corruption?	- Mexican newspaper articles • Content analysis of 54 local daily newspapers in Mexico; variation across Mexican states in defamation laws • Period: 2001; reconstructed weeks	- Number of articles mentioning attributable acts of corruption by specific government agents • Dependent Variable	Instrumental variables (2SLS regression)	• Political: Press freedoms are not just essential for political freedoms, but for the suppression of poor governance and subsequent improvements in economic development.	Corruption receives less press attention in states with more repressive defamation laws.

Corruption as a self-fulfilling prophecy: evidence from a survey experiment in Costa Rica	Corbacho, A., Gingerich, D. W., Oliveros, V., & Ruiz-Vega, M.	AJPS, 2016	Does the level of perceived corruption in society affect a person's willingness to engage in corrupt behavior?	- Information experiment • Embedded in Costa Rica GAM survey	- List experiment question regarding bribery of policy officer + direct questioning • Dependent Variable	Survey experiment	• Political: Widespread information campaigns designed to highlight the level of corruption in a society may in fact increase corruption, as people now expect to engage in corruption.	Respondents given the corruption treatment, showing that corruption in Costa Rica has increased, are more likely to admit a willingness to bribe a police officer. Individual returns to corruption are a function of perceived corruptibility of other people in one's society.
Mining and local corruption in Africa	Knutsen, C. H., Kotsadam, A., Olsen, E. H., & Wig, T.	AJPS, 2017	Do mining projects increase localized corruption in Africa?	- Afrobarometer • 92,762 respondents linked to spatial data on 496 industrial mines	- Questions about bribe experiences to police and for permits • Dependent Variable	Difference-in-differences	• Economic: While mines provide short-term economic boosts, long-term growth may be impeded by heightened corruption and poor governance.	Mines do increase bribe payments, and mines are located in previously less corrupt areas. However, the mechanisms through which this occurs are unclear, but mining appears to have industry-specific deleterious effects on political institutions.
Politics and administration	Ting, M. M.	AJPS, 2017	What determines the quality of public administration?	—	—	Formal model	• Political: This model ties the problems of public administration to the issue of how much political control should exist over the bureaucracy.	By developing a model for determining administration, the authors predict the incidence of common administrative problems and determines what mechanism bureaucrats choose for assigning goods.
MNCs, rents, and corruption: evidence from China	Zhu, B.	AJPS, 2017	How does MNC activity affect corruption in developing countries?	- Chinese court documents - China National Bureau of Statistics firm survey • Original data • Case study of Chinese provinces	- Corrupt funds recovered per filed case - Total recovered corrupt funds - Number of senior cadres disciplined per 10,000 public employees - Entertainment and travel costs (ETC) • Dependent Variable	Instrumental variables (2SLS regression)	• Political: Current efforts to "level" the playing field for all firms in China will not be enough to stop the growth in corruption due to MNC entry. • Economic: All MNCs, not just those from Hong Kong, Macao and Taiwan, are found to lead to rent creation and greater corruption.	The entry and presence of MNCs may actually lead to rent creation and higher levels of corruption. This occurs either through the exploitation of high-entry-barrier markets or increasing market concentration by pushing less efficient domestic firms out of business.

Norms versus action: why voters fail to sanction malfeasance in Brazil	Boas, T. C., Hidalgo, F. D., & Melo, M. A.	AJPS, 2019	Why do voters fail to sanction corrupt officials?	- Brazil municipality audits • Field (vignette) experiment during 2016 Brazilian municipality elections	- Indicator for whether the audit agency had rejected the mayor's accounts • Treatment	Survey experiment	• Political: Information on politicians' behavior can improve electoral accountability, but only among those for which that particular issue is important. As corruption imposes diffuse costs on society, it is harder to convince voters at large to change votes over it.	While the corruption treatment embedded in the vignette experiment exhibits a strong negative effect on the probability of voting for the incumbent mayor, that same information has no effect on self-reported actual voting behavior. This disconnect shows that voting behavior is often constrained by other factors not accounted for survey experiments.
Unprincipled principals: co-opted bureaucrats and corruption in Ghana	Brierley, S.	AJPS, 2020	How does political control of bureaucrats affect administrative corruption?	- Survey of bureaucrats in Ghana	- Randomized response measure; asked whether or not contracts are given to those likely to give money to incumbent	Survey experiment	• Political: In order to prevent facilitation of corruption by bureaucrats, greater efforts must be made to improve predictability in bureaucrats' future careers, removing them more from potential retribution by elected politicians.	Political control of bureaucrats increases corruption when politicians need money for election campaigns and face limited constraints. Bureaucrats are more likely to facilitate corrupt behavior when politicians are perceived to have more discretionary control.
The real winner's curse	Fergusson, L., Querubin, P., Ruiz, N. A., & Vargas, J. F.	AJPS, 2021	What is the response of established elites to previously excluded groups?	- Government watchdog reports of mayors and municipal officials • Study of local elections in Colombia	- Incidence of (1) investigation, (2) guilty verdicts, (3) removal from post • Control variable	Regression discontinuity design (RDD)	• Political: In order for democracy to properly function, open elections must be accompanied by a state monopoly on violence in order to prevent elites from turning to violent means to preserve power after losing elections.	The narrow election of left-wing parties to local office in Colombia leads to a noted increase in violence by right-wing paramilitaries, caused by traditional elites reacting to former outsiders' political gains. Corruption and changes in governance quality are not mechanisms for this pattern.
"Plata o plomo?": bribe and punishment in a theory of political influence	Dal Bó, E., Dal Bó, P., & Di Tella, R.	APSR, 2006	How do groups decide whether to use bribes or the threat of punishment to influence policies?	—	—	Formal model	• Political: Restricting the scope for private groups' use of coercion will help to reduce corruption over time and lead to "better" politicians being selected.	"Cheaper" punishment and more resources at the state's discretion leads to more frequent corruption and "less able" politicians. Violence in a country will be strongly associated with corruption and worse officials.

Helping hand or grabbing hand? State bureaucracy and privatization effectiveness	Brown, J. D., Earle, J. S., & Gehlbach, S.	APSR, 2009	Why are liberal economic reforms more successful in some places than in others?	- World Bank BEEPS survey of Russian regions • Panel data on manufacturing enterprises and government data	- Bribes as percentage of sales value - Kickbacks as percentage of contract value • Independent Variable	OLS multiple regression & instrumental variable (2SLS regression)	• Political: Significantly dismantling bureaucracy in conjunction with privatization reforms may actually lead to the failure of such reforms to improve productivity.	Privatization is more effective in regions with large bureaucracies. These provide more institutional support and lead to less corruption.
Who wants to revise privatization ? The complementarity of market skills and institutions	Denisova, I., Eller, M., Frye, T., & Zhuravskaya, E.	APSR, 2009	Do the effects of market-relevant skills on support for revising privatization depend on institutions?	- World Governance Indicators • Survey data from 28 transition economies	- "Control of corruption" indicator • Independent Variable	OLS multiple regression	• Political: Constituencies that support economic reform will likely differ under democracy versus under autocracy. Pre-existing institutions must be considered when implementing these reforms.	Democracy and good governance complement market skills in transition economies.
Bribes, lobbying, and development	Harstad, B., & Svensson, J.	APSR, 2011	What determines the choice of firms' strategies for engaging with the government to obtain preferred policies?	—	—	Formal model	• Economic: As corruption is associated with lower investment, aggregate development may stall, leaving the country within a poverty trap and firms continuing to rely on corruption over lobbying.	Firms' choice of bribery or lobbying depends on the level of development. Lower levels of development favor bribery, while higher levels favor lobbying.
The impact of recentralization on public services: a difference-in-differences analysis of the abolition of elected councils in Vietnam	Malesky, E. J., Nguyen, C. V., & Tran, A.	APSR, 2014	What is the impact of recentralizing control over public services?	- UNDP-PAPI survey 2011 • Commune data from Vietnam Household Living Standard Surveys (VHLSSs) in 2006, 2008, and 2010 • Study of pilot removal of 99 district councils in Vietnam	- 3 binary indicators of peoples' perceptions of (a) officials diverting funds, (b) construction kickbacks, (c) bribes for government jobs • Dependent Variable	Difference-in-differences/quasi-experiment	• Political: Under an authoritarian political system, recentralization may improve public services delivery in areas deemed essential by the upper-level government, but it likely will not improve public services desired by voters alone.	Recentralization significantly improves delivery of public services in areas important to central decision-makers. This process unblocks elite capture of policy-making, leading to lower corruption in treatment provinces.

Competing for transparency : political competition and institutional reform in Mexican states	Berliner, D., & Erlich, A.	APSR, 2015	Why do political actors undertake reforms that constrain own discretion?	- Transparencia Mexicana National Index of Corruption and Good Government • Data on 31 Mexican states, plus Federal District, on statewide adoption of access to information (ATI) laws	- Index based on survey of household heads based on use of 35 bureaucratic and public services; number of times respondent gives a bribe divided by total number of times those services are used • Control Variable	OLS multiple regression	• Political: Improving horizontal forms of political competition, particularly inter-party competition, may ultimately improve vertical accountability of politicians by voters.	Political competition leads to uncertainty, which incentivizes incumbents to undertake reforms that constrain discretion, in case they ever lose power.
International knowledge and domestic evaluations in a changing society: the case of China	Huang, H.	APSR, 2015	Does knowledge and information about foreign countries affect evaluations of domestic situations?	- Original survey measure • 2 studies: (1) observational study of Chinese university students; (2) online survey experiment in China	- Asks respondents to place China within annual ranking of countries by corruption levels • Dependent Variable	Ordered logit model	• Political: When learning about foreign political developments, such as political crises and social unrest, Chinese citizens have more positive evaluations of China and its government; therefore, Chinese citizens currently prioritize socioeconomic over political development.	Chinese citizens with more positive perceptions (overestimation) of foreign socioeconomic conditions have more negative evaluations of China and its government.
Clan governance and state stability: the relationship between female subordination and political order	Hudson, V. M., Bowen, D. L., & Nielsen, P. L.	APSR, 2015	How does the influence of clan governance affect state stability or security?	- Transparency International • Cross-national study; incorporates a number of conventional explanatory variables regarding state stability and security	- Corruption Perceptions Index • Dependent Variable	General linear model	• Political: Improving the situation of women in marriage will likely aid in transitioning away from more clan-based systems of governance, and therefore improve state security and social stability.	The relative influence of clans, i.e. female subordination, patriarchal descent, explains significant variation in state stability and security, acting through the particular political and social institutions necessary to maintain particular types of marriage practices.

Demand for law and the security of property rights: the case of post-Soviet Russia	Gans-Morse, J.	APSR, 2017	How does an inadequate supply of formal legal institutions affect firm strategies?	- Original survey of Russian firms • Study of evolution of property rights, rule of law in Russia using interviews + surveys	- Likert scale questions on likelihood of pursuing different corruption strategies (in courts, law enforcement, bureaucrats) • Dependent Variable	OLS multiple regression	• Political: Societal agents, by utilizing state institutions, help with state-building; removing demand-side barriers to the use of formal institutions is critical to improving state capacity.	In the absence of good formal legal institutions, firms rely more on illegal strategies, dependent on firm-level beliefs, the effectiveness of illegal strategies, and coordination problems between firms.
The political economy of unfinished development projects: corruption, clientelism, or collective choice?	Williams, M. J.	APSR, 2017	Why are so many development projects left half-finished?	- Annual Progress Reports of development projects in Ghana • Original database of over 14,000 small development projects in Ghana, and electoral and political data	- Percent funds disbursed minus percent work completed - Corruption as "missing expenditures" (overpayment of contractors relative to physical progress) • Dependent Variable	OLS multiple regression (linear probability model)	• Political: As development projects suffer from collective choice problems, several policy interventions would aid in improving public goods delivery: (1) investments in expenditure monitoring, and (2) greater direct donor involvement.	So many development projects are left half-finished due to collective choice problems among political actors, contrasted with typical explanations of corruption or clientelism.
Preventive repression: two types of moral hazard	Dragu, T., & Przeworski, A.	APSR, 2019	What determines the relationship between an authoritarian ruler and his security services?	—	—	Formal model	• Political: Corruption by security agents is a more significant threat to autocratic survival than the potential political influence of security services.	In the principal-agent relationship between a ruler and his security agents, two types of moral hazard exist: "politics," through which security services exert political power on ruler to increase their payoffs and reduce the ruler's rents. & "corruption," where agents engaged in rent-seeking behavior that does not decrease ruler's rents. The equilibrium probability of authoritarian survival is higher when "politics" is the only moral hazard available to agents.

Signaling with reform: how the threat of corruption prevents informed policy-making	Schnakenberg, K. E., & Turner, I. R.	APSR, 2019	How does the threat of corruption affect politicians' incentives to seek out lobbyists for information?	—	—	Formal model	• Political: To avoid perceptions of corruption, officials may avoid productive relationships with interest groups, in favor of a positive signal to voters.	Noncorrupt politicians may deny access to lobbyists to signal voters, but this may decrease voter welfare in turn due to reduced information flow to the politician when crafting policies.
Does trust in government increase support for redistribution? Evidence from randomized survey experiments	Peyton, K.	APSR, 2020	Does trust in government affect support for redistribution?	- 3 M-Turk surveys • 3 waves of surveys, conducted from 2014 to 2017; total of 3,837 participants	- 3 "Op-Ed" treatments: formatted as NYT Op-Eds by former DOJ prosecutor; emphasizes either "Honest" (integrity + low levels) or "Corrupt" (no integrity + high levels) • Treatment	Survey experiment	• Political: Even large increases in trust may not be enough to increase support for redistribution; especially if these preferences are determined by partisan and ideological convictions.	The estimated effects from the survey experiments are negligible in both magnitude and significance. This suggests that traditional theories about trust in government moderating preferences for redistribution must be revisited.
The influence of party systems on citizens' perceptions of corruption and electoral response in Latin America	Davis, C. L., Camp, R. A., & Coleman, K. M.	CPS, 2004	How do different party systems in Latin America affect the capability of opposition parties to mobilize voters using concerns about corruption?	- Hewlett Foundation household surveys in Chile, Mexico, & Costa Rica • Individual data on partisan affiliation and demographics; country-level political and economic indicators	- Standardized factor scale of corruption perceptions, based on 3 questions: (a) corruption as "principal obstacle to democracy," (b) whether elections are "clean," (c) proportion of officials who are corrupt • Dependent Variable	OLS multiple regression	• Political: Continuing perceptions of widespread government corruption may hamper democratic consolidation, as citizens become disillusioned and withdraw from the political system.	Opposition partisanship is more closely linked to corruption perceptions within polarized party systems.

Why do corrupt governments maintain public support?	Manzetti, L., & Wilson, C. J.	CPS, 2007	Why do citizens support corrupt governments?	- World Values Survey • Cross-national analysis of citizens in 14 countries	- Question on perceptions of how widespread corruption and bribe-taking is within government • Independent Variable	Probit regression	• Political: Administrative anticorruption reforms may be ineffectual in weeding out corruption, especially if patron-client relationships are very strong.	When institutions are weak, and patron-client relationships are strong, citizens will support corrupt leaders in exchange for expected benefits.
The local connection: local government performance and satisfaction with democracy in Argentina	Weitz-Shapiro, R.	CPS, 2008	What is the relationship between local government performance and citizen attitudes towards government and democracy?	- Citizens' Audit survey of citizens in 10 Argentinian cities • 3600 respondents in 9 cities	- 7-point Likert scale: respondents' personal assessment of the degree of corruption in the municipal government • Independent Variable	Ordered logit regression	• Political: Citizens make nuanced considerations of government performance. Thus, decentralization reforms must be considered in this light; potential for increased corruption should be assessed as part of this decision-making process.	Citizens do distinguish between different types of government and outcomes. Some types of outcomes (such as corruption) affect trust in the national system or democracy in general, but other types (such as local inefficiency) do not.
Crafting trust: the role of political institutions in a comparative perspective	Freitag, M., & Bühlmann, M.	CPS, 2009	Which individual- and societal-level characteristics, attitudes, and circumstances promote the development of trust?	- International Country Risk Guide - World Governance Indicators • World Values Survey: respondents in 58 countries • Period: 1995-1997; 1999-2001	- 6-point corruption risk scale - "Control of corruption" indicator • Independent Variable	Hierarchical linear model	• Political: Institutions designed to promote consensual power-sharing lead to greater levels of social trust. Reforms to electoral systems may lead to significant shifts in social trust.	Countries with lower levels of corruption, strong welfare states, and proportional representation all have greater levels of social trust.
Market reform as a stimulus to particularistic policies	McMann, K. M.	CPS, 2009	How do market-oriented reforms affect citizens' political behavior?	- Transparency International • 3 mass surveys and 232 interviews in Central Asia • Data on 24 postcommunist countries	- Corruption Perceptions Index • Dependent Variable	Survey analysis + interviews; OLS multiple regression	• Political: Developing market-based institutions will help reduce corruption by providing citizens with other alternatives to particularistic policy demands.	These reforms may stimulate particularistic politics, where citizens make specific asks from officials.

Why get technical? Corruption and the politics of public service reform in the Indian states	Bussell, J. L.	CPS, 2010	What determines the choice by governments to implement new technologies in public service delivery?	- Transparency International • Analysis of technology policy adoption by Indian states	- State index of corruption across 11 departments • Independent Variable	Cox proportional hazards model (event history)	• Political: The implementation of policies designed to reduce corruption are least likely to take place in places with high pre-existing levels of corruption.	Political calculations drive the choice to implement new technologies in government. Officials weigh the electoral benefits of providing new goods versus the costs of increased transparency, i.e. less corruption.
Corruption and trust: theoretical considerations and evidence from Mexico	Morris, S. D., & Klesner, J. L.	CPS, 2010	How does corruption influence trust in government, and vice versa?	- Americas Barometer • Study of respondents in Mexico 2004	- Index of perception of corruption: sums answers to questions about perceptions of corruption of different classes of officials - Index of participation in corruption: sums answers to questions about experience of bribing different classes of officials • Dependent Variable • Independent Variable	Simultaneous equations model (SEM)	• Political: Breaking this feedback loop between corruption and lack of trust should be of prime importance for reformers.	Trust and perceptions of corruption are deeply intertwined – thus, they are hard to study in isolation.
Legislative institutions and corruption in developing country democracies	Yadav, V.	CPS, 2012	Why do some developing country democracies experience more corruption than others?	- International Country Risk Guide - Transparency International • Cross-national data on 64 developing democracies • Period: 1984-2004	- 6-point corruption risk scale - Corruption Perceptions Index • Dependent Variable	Tobit model; fixed effects vector decomposition (FEVD) model	• Political: To reduce party-based legislative corruption, reforms allowing for greater independence from the party line should be introduced. Nonpartisan legislative institutions should be cultivated.	When legislative rules allow for (1) partisan agenda setting and (2) retaliation against those who deviate from party line, parties can influence legislation; this leads to higher levels of corruption.

Turning a blind eye: experimental evidence of partisan bias in attitudes toward corruption	Anduiza, E., Gallego, A., & Muñoz, J.	CPS, 2013	How does partisanship condition attitudes towards incumbent corruption?	- Original survey • 2300 respondents; Spanish citizens with internet access, older than 15 and younger than 45 • Period: Nov 2010	- Respondent told in survey vignette that mayor has been accused of "influence peddling" • Treatment	Survey experiment	• Political: Partisan-induced tolerance for same-party corruption can be diminished if initiatives are taken to increase political awareness among the populace.	Partisanship may induce higher tolerance for same-party corruption but this bias disappears as political awareness increases.
Buying war not peace: the influence of corruption on the risk of ethnic war	Neudorfer, N. S., & Theuerkauf, U. G.	CPS, 2014	How does corruption impact the incidence of ethnic warfare?	- International Country Risk Guide • Time-series cross-sectional analysis of all internationally recognized states in POLITY IV data • Period: 1984-2007	- 6-point corruption risk scale • Independent Variable	Instrumental variable probit model	• Political: Anticorruption is necessary not only to make governance more efficient, but to prevent potentially devastating ethnic conflict.	Corruption leads to distortions in political decision-making, widening intergroup divides and creating higher risk for conflict.
Deliberate indiscretion? How political corruption encourages discretionary policy making	Loftis, M. W.	CPS, 2015	Why do political leaders delegate authority to bureaucrats?	- Hellman et al. (2003) index of state capture (derived from World Bank BEEPS survey) • Analysis of large sample of policies passed in 10 former communist states now in the EU • Period: 1998-2006	- Index measures extent to which votes for sale affect business of firms • Independent Variable	Random effects Poisson model	• Political: In order to prevent this type of diffusion of responsibility, reforms should be introduced to grant bureaucracies more independence.	Politicians can, particularly in younger democracies with weaker institutions, delegate to bureaucrats in order to diffuse responsibility and facilitate rent-seeking. Higher levels of political-level corruption (as opposed to lower-level "bureaucratic" corruption) leads to more delegation.

Do public fund windfalls increase corruption? Evidence from a natural disaster	Nikolova, E., & Marinov, N.	CPS, 2017	How do unexpected nonresource windfalls, such as disaster relief funds, affect local governance?	- Bulgarian municipal audits • Analysis of central government transfers in wake of 2004-2005 floods in Bulgaria • Uses rainfall to isolate exogenous variation in flood funds to municipalities	- Sum of all recorded infractions • Dependent Variable	Instrumental variables (2SLS regression)	• Political: Governments should strengthen monitoring mechanisms, such as legal enforcement, in order to prevent local officials from cutting into needed disaster funds.	Unexpected financial windfalls, in this case central government transfers, increase corruption in local government.
Insider or outsider? Grand corruption and electoral accountability	Bauhr, M., & Charron, N.	CPS, 2018	How does grand corruption affect citizens' willingness to sanction corrupt incumbents?	- Public procurement data on contracts in European regions • Survey of 85,000 individuals from 24 European countries	- Percentage of single-bidder contracts • Independent Variable	Hierarchical logit model	Political: Increasing transparency, political competition, and implementing laws meant to restrict preferential treatment of firms in contracting will increase both horizontal accountability among elites and vertical accountability of elites to voters.	Systemic grand corruption decreases the likelihood that corrup politicians are electorally sanctioned, as voters instead choose to "exit" rather than exercise "voice." Deep social divides appear between "insiders," beneficiaries of the current system, and "outsiders."

Estimating causal relationships between women's representation in government and corruption	Esarey, J., & Schwindt-Bayer, L. A.	CPS, 2019	Does increasing representation of women in government decrease corruption?	- International Country Risk Guide - Transparency International • Study of 76 democratic-leaning countries • Period: 1990-2010	- 6-point corruption risk scale - Corruption Perceptions Index • Dependent Variable • Independent Variable	Instrumental variables (2SLS regression; GMM2S model)	Political: Further research should focus on specific causal mechanisms through which women's representation affects corruption.	There is strong evidence that increasing representation of women in government decreases corruption. However, the authors also find that corruption decreases women's participation in government.
Institutions and the "resource curse": evidence from cases of oil-related bribery	Mahdavi, P.	CPS, 2020	Why do some resource-rich countries suffer from ill-functioning governments while others do not?	- Foreign Corrupt Practices Act case information - Transparency International • Study of 59 countries	- Aggregate of all bribe amounts reported in oil-related prosecutions - Corruption Perceptions Index • Dependent Variable	OLS multiple regression; Bayesian analysis	Political: Reforming SOEs into non-regulatory entities should decrease corruption.	The "resource curse" depends on institutions that regulate resource extraction. If SOEs lead the process, it is more opaque and leads to more corruption.
Political corruption cycles: high-frequency evidence from Argentina's notebooks scandal	Figueroa, V.	CPS, 2021	Does corruption decrease in the period just before an election?	- Set of notebooks by bribe-taking bureaucrats in Argentina who focused on construction companies • 400 pages of daily reports; covers 1043 days between 2009 and 2015	- Binary indicator for whether bribe is collected that day - Size of kickback per day • Dependent Variable	OLS multiple regression	• Political: These results tracks with a theory of corruption that is primarily motivated by political goals, where bribes are needed to finance campaigns. Breaking that corruption-financing link is key to anticorruption initiatives.	Bureaucrats collect and pass on more bribes to party leaders in the two weeks before elections than in the two weeks following. This conflicts with the theoretical prediction that bribes should decrease with election proximity.
Do political institutions shape economic policy?	Persson, T.	ECTA, 2002	What systematic effects do institutions governing electoral rules and political regimes have on fiscal policy?	- Transparency International • Panel data of 61 countries' institutional setup • Period: 1960-1998	- Corruption Perceptions Index • Dependent Variable	OLS multiple regression	• Political: The timing and nature of election cycles, along with other specific institutions, likely have an important impact on reactions to economic events.	Presidential regimes tend to have smaller governments. Majoritarian electoral systems tend to have both smaller welfare-state programs, and less corruption.

International integration and national corruption	Sandholtz, W., & Gray, M. M.	IO, 2003	What is the effect of international influences on a country's level of corruption?	- Transparency International • Cross-national analysis of approximately 150 countries	- Corruption Perceptions Index • Dependent Variable	OLS multiple regression	• Political: Participation in IOs leads to lowered corruption levels, thanks to their diffusion of anticorruption norms.	Greater degrees of international integration lowers the level of corruption within a country. Two channels are theorized: the first is economic, where integration alters the cost-benefit analysis of engaging in corrupt behavior; the second is cultural, where norms delegitimizing corruption diffuse across borders and into societies.
Do neoliberal policies deter political corruption?	Gerring, J., & Thacker, S. C.	IO, 2005	Do different neoliberal economic policies lead to decreases in corruption?	- World Governance Indicators • Cross-national analysis of 180 countries in 1997-98	- "Control of corruption" indicator	Weighted least squares (WLS) regression	• Political: Policymakers should consider the potential differential effects of components of larger neoliberal reform "packages" rather than just implement them wholesale. • Economic: Interventionist governments are not necessarily more corrupt.	Market-oriented reforms, such as open trade and investment policies and relaxed regulations, are correlated with lower levels of political corruption. However, there is no significant association between state intervention, proxied by aggregate size of the government, and corruption.
Competing for capital: the diffusion of bilateral investment treaties, 1960-2000	Elkins, Z., Guzman, A. T., & Simmons, B. A.	IO, 2006	What drives the spread of bilateral investment treaties (BITs)?	- International Country Risk Guide • Analysis of country dyad-year: potential "home" and potential "host" • Period: 1958-2000	- 6-point corruption risk scale • Independent Variable	Event history model	• Political: The adoption of BITs is driven by international competition among potential host countries for FDI.	Potential hosts are more likely to sign BITs when competitors already have. Corruption is not a significant determinant of BIT adoption.

The politics of private foreign aid: humanitarian principles, economic development objectives, and organizational interests in NGO private aid allocation	Büthe, T., Major, S., & de Mello e Souza, A.	IO, 2012	What are the determinants of "private" foreign aid, that is aid raised and distributed by NGOs?	- World Governance Indicators - International Country Risk Guide - Transparency International • Detailed financial records from most US-based major NGOs	- "Control of corruption" indicator - 6-point corruption risk scale - Corruption Perceptions Index • Independent Variable	OLS multiple regression	• Political: Humanitarian need determines aid distribution.	There is little evidence for materialist concerns with aid targeting, namely self-interest or expected aid effectiveness. Corruption does not appear to be a significant determinant of private aid flows.
Nonstate actors and compliance with international agreements: an empirical analysis of the OECD Anti-Bribery Convention	Jensen, N. M., & Malesky, E. J.	IO, 2018	Can international agreements around anti-corruption reduce the propensity to bribe among MNCs of home country signatories?	- List experiment • Seven waves of the Vietnam Province Competitiveness Index (PCI) survey • Period: 2009-2016	- List of three behaviors; fourth added to treatment group asking about "informal charge to expedite procedures" • Dependent Variable	Difference-in-differences	• Economic: Even if home countries do not expend significant resources enforcing the agreement, reputational mechanisms, specifically the fear of retaliation by other signatory states and firms, still leads to reduced bribery behavior.	The OECD Anti-Bribery Convention successfully reduced bribery propensity among home country MNCs.
International intervention and the rule of law after civil war: evidence from Liberia	Blair, R. A.	IO, 2019	What are the effects of international intervention on post-civil war rule of law?	- Survey question • Original survey of communities in Liberia; analysis of exposure to UNMIL patrols & variety of outcomes	- Does respondent view state institutions as corrupt? • Dependent Variable	Instrumental variables; multinominal logit model	• Political: The beneficial effects of peacekeeping operations may only be observable in the long-term, while short-term costs are more immediately observable but ultimately dissipate.	Exposure to UNMIL increased reliance on state authorities, but did lead to a short-term increase in perceptions of corruption.

Concession stands: how mining investments incite protest in Africa	Christensen, D.	IO, 2019	Do foreign investments in commercial mining in Africa increase social conflict?	- World Governance Indicators • Geo-spatial data on mines & social conflicts in Africa; unit is 5x5 kilometer grid cells	- "Control of corruption" indicator • Dependent Variable	Difference-in-differences	• Political: Transparency initiatives could dampen the link between investment and protests.	Investments in mining do increase social conflict. The main argument centers on incomplete information about project profitability driving this conflict. Perceptions of corruption is not a mechanism.
Does competition kill corruption?	Bliss, C., & Di Tella, R.	JPE, 1997	How does product market competition affect the level of corruption?	—	—	Formal model	• Economic: A fully rational corrupt bureaucrat may actually force his source of corrupt income, a firm, to exit the market.	Corruption may cause exit from the market. Increases in competition do not translate immediately to lowered levels of corruption – this relationship depends on the type of uncertainty faced by officials.
Bureaucratic corruption and endogenous economic growth	Ehrlich, I., & Lui, F. T.	JPE, 1999	How does development affect both the level of corruption and the types of political regimes, and how do those outcomes then affect corruption?	- Business International • Sample of 152 countries • Period: 1960-1992	- REDTAPE: measures the regulatory environment faced by foreign firms when seeking approval and permits - CORRUPT: degree to which transactions involve corruption • Independent Variable	Formal model + OLS multiple regression	• Political: Centralized autocratic regimes could match high rates of growth typically seen in democracies, if they constrain corruption to a necessary degree to encourage development of individuals' economic potential.	Corruption, modeled as dependent on investment in "political capital," is found to be negatively associated with per capita income levels. The relationship between corruption and the economy at large is an outcome of decisions to invest in growth-enhancing human capital or in socially unproductive political capital.
Tax rates and tax evasion: evidence from "missing imports" in China	Fisman, R., & Wei, S. J.	JPE, 2004	How do tariffs on imports and exports affect corruption in foreign trade?	- World Bank World Integrated Trade Solution (WITS) • Product-level tax and tariff data at the six-digit level • Period: 1996-1998	- "Evasion gap": difference between Hong Kong's reported exports to China and China's reported imports from Hong Kong; calculated at product level	OLS multiple regression	• Economic: Any increase within China on import tax rates will likely produce a reduction rather than an increase in tax revenue.	Evasion increases with tax and tariff rates. Additionally, there is strong evidence of both underreporting of unit values and mislabeling higher-tax products to pay lower tax rates.

Corruption, norms, and legal enforcement: evidence from diplomatic parking tickets	Fisman, R., & Miguel, E.	JPE, 2007	How do different cultural norms and legal enforcement practices lead to differential corruption outcomes?	- World Governance Indicators - New York City parking violations • Data on individual diplomats' violations of parking regulations • Period: 1997-2005	- "Control of corruption" indicator - Number of parking violations	Quasi-experiment (OLS multiple regression)	• Political: Norms surrounding corruption are deeply ingrained; in order for anticorruption efforts to succeed, a change in both legal enforcement regimes and social norms must be affected.	In the absence of legal enforcement cultural norms related to corruption are quite persistent; officials from high-corruption countries accumulated more tickets. Following the change in legal enforcement in 2002, parking violations fell sharply, indicating an equally important role in curbing corruption.
Monitoring corruption: evidence from a field experiment in Indonesia	Olken, B. A.	JPE, 2007	What effect do different types of monitoring programs have on corruption?	- Indonesia KDP village project reports & independent estimates • Field experiment of development projects in 600 Indonesian villages	- Discrepancy between official project costs and independent cost estimates from experts • Dependent Variable	Field experiment	• Political: Audits should be paired with dissemination to the public so as to improve the chances of electoral sanctions, and with frequent rotations of auditors to prevent collusion with local officials.	Top-down monitoring, conducted by higher levels of government, are more effective than bottom-up, grassroots monitoring efforts in curbing petty corruption by local officials.
The simple economics of extortion: evidence from trucking in Aceh	Olken, B. A., & Barron, P.	JPE, 2009	Does industrial organization theory predict the behavior of corrupt officials?	- Surveyors reports from journeys with truck drivers • 304 trips • Period: November 2005-July 2006	- Indicator for whether bribes were collected at a particular checkpoint - Costs for each bribe paid • Dependent Variable	Quasi-experiment	• Economic: Markets for bribery follow similar patterns to markets for other goods. • Political: When designing anticorruption policies, one must consider the market structure for bribes in that particular context.	Average bribes increased significantly with the closure of checkpoints (as a result of peace agreements). Officials at checkpoints closer to the final destination receive higher bribes than those closer to the origin. Officials also employ several types of price discrimination, implying complex markets for bribes.

The private returns to public office	Fisman, R., Schulz, F., & Vig, V.	JPE, 2014	What mechanisms drive trends of high wealth accumulation among political officials?	- Transparency International • Financial disclosures of "close" winners of elections compared to runner-ups	- Index of corruption in Indian states; survey of perceived corruption in public services • Independent Variable	Regression discontinuity design (RDD)	• Political: Scholars can utilize public disclosures and innovative research designs to explore the mechanisms behind private returns to public office.	Winning politicians' assets grow at 3-4 percent per year faster than those of runner-ups. This phenomenon is driven by rent-seeking: asset growth is greater in states with higher corruption and for those politicians holding ministerial positions.
Do government audits reduce corruption? Estimating the impacts of exposing corrupt politicians	Avis, E., Ferraz, C., & Finan, F.	JPE, 2018	To what extents do government audits deter future corruption by officials?	- Audit data on Brazilian municipalities • Data on audits and federal legal crackdowns on municipal officials	- Sum of incidences classified as moderate or severe in audit • Dependent Variable	Quasi-experiment	• Political: The results suggest that the reduction in corruption comes from increased *nonelectoral* costs of corruption.	Past audits leads to less corruption in the future, as well as a greatly increased likelihood of legal action being taken against the corrupt official.
The impact of corruption on regime legitimacy: a comparative study of four Latin American countries	Seligson, M. A.	JOP, 2002	Does corruption help or hinder political development and regime legitimacy?	- UN International Crime Victim Survey • National survey data from 4 Latin American countries	- 8-question index measuring day-to-day experiences with corruption • Dependent Variable	OLS multiple regression	• Political: To improve regime legitimacy, significant strides must be made in reducing corruption.	This article opposes the functionalist argument that corruption has positive effects, by allowing citizens to circumvent inefficient bureaucracies, and shows that corruption has deleterious effects on both interpersonal trust and belief in the political system.
Corruption and trust: exceptionalism in Asian democracies?	Chang, E. C. C., & Chu, Y.	JOP, 2006	Do contextual factors, such as political culture and electoral politics, lessen the negative effects of corruption on trust in Asian democracies?	- East Asian Barometer • Survey of citizens in established or emerging Asian democracies (Japan, the Philippines, South Korea, Taiwan, Japan)	- Citizens' perceptions of high-level corruption - Citizens' perceptions of local government corruption • Independent Variable	OLS multiple regression	• Political: While corruption may reduce trust in institutions, political cultures and social norms regarding corruption may be hard to combat.	The strong link between corruption and lack of trust in political institutions holds even in Asian democracies.

Institutional trust, education, and corruption: a micro-macro interactive approach	Hakhverdian, A., & Mayne, Q.	JOP, 2012	How does corruption mediate the effect of education on trust in institutions?	- Transparency International • European Social Survey; respondents in 21 countries • Period: 2008-2009	- Corruption Perceptions Index • Dependent Variable	Hierarchical model	• Political: As more countries continue to invest in education to spur development, this will likely have a deleterious effect on trust in the medium-term, particularly in more corrupt countries.	Education has both a conditioning and conditional effect on trust. In corrupt (clean) societies, education is negatively (positively) related to trust. Meanwhile, as education increase, corruption becomes more associated with decreases in trust.
The political origins of transparency	Berliner, D.	JOP, 2014	Why do politicians constrain their own ability to act for private gain by passing freedom of information (FOI) laws?	- Transparency International • Countries outside Western Europe, the US, Canada, Australia, New Zealand • Period: 1990-2008	- Corruption Perceptions Index • Control Variable	Event history model	• Political: Often, incumbents will undertake actions that seemingly increases their own political costs in order to more credibly bind their opponents in the future.	FOI laws are driven by concerns around political competition. Incumbents pass FOI laws to ensure future access to information and credible commitments to transparency.
Who benefits from economic reform? Firms and distributive politics	Szakonyi, D., & Urpelainen, J.	JOP, 2014	What kind of firms benefit from economic liberalization?	- World Bank Enterprise Survey • Survey of 1094 manufacturing firms in India • Period: post-2003 national electricity reform	- How much does firm pay in response to officials' demands during visits? • Independent Variable	OLS multiple regression	• Political: Liberalization does not necessarily reduce the importance of the state in questions regarding distribution.	Contrary to previous theories, firms not vulnerable to extortion by the state and those with past experience lobbying through business associations stand to gain the most from liberalizing reforms. Because of this, liberalization can produce highly skewed benefits across firms.
Curse or cure? Migrant remittances and corruption	Tyburski, M. D.	JOP, 2014	How does the domestic political environment condition the effect of migrant remittances on corruption?	- World Governance Indicators • Panel data of 127 developing countries • Period: 2000-2010	- "Control of corruption" indicator • Dependent Variable	Instrumental variables (2SLS regression)	• Political: The nature of domestic political regimes matters in determining how the effects of globalization are distributed among the populace.	Remittances are more likely to increase corruption within autocracies, and more likely to decrease corruption within democracies.

Careers, connections, and corruption risks: investigating the impact of bureaucratic meritocracy on public procurement processes	Charron, N., Dahlström, C., Fazekas, M., & Lapuente, V.	JOP, 2016	How do bureaucrats' career incentives affect corruption risks in public procurement?	- European Union Tenders Electronic Daily (public procurement data) • Survey of over 18,000 public employees in 212 European regions	- Percent of single-bidder contracts - Corruption risk index (multi-factor; ranges from 0-1) • Dependent Variable	Instrumental variables (2SLS regression)	• Political: Anticorruption reforms should focus on making bureaucrats more autonomous from elected officials.	When bureaucrats are evaluated based on professionalized criteria, corruption risks are lower.
Greasing the wheels of commerce? Corruption and foreign investment	Zhu, B., & Shi, W.	JOP, 2019	Does "predictable" corruption induce more regular behavior by businesspeople?	- 2014 China Outward Direct Investment Survey (CODIS) • Survey of 601 MNCs in China	- 2x2 vignette design for type of government preferred by investors: (1) clean, efficient; (2) clean, inefficient; (3) corrupt, efficient (predictable); (4) corrupt, inefficient (arbitrary)	Survey experiment	• Economic: Overseas investors typically view all forms of corruption as detrimental to investment.	There is not good evidence for better views of "predictable" corruption as compared to either the clean, inefficient option or the "arbitrary" corruption option. There may be greater limits to the effects of "predictable" corruption than previously theorized.
Understanding journalist killings	Carey, S. C., & Gohdes, A. R.	JOP, Forthcoming	Why do state authorities, particularly in democracies, murder journalists?	- VDEM • Global dataset of journalist killings, election data, and other indicators	- Public sector and judicial corruption indices • Independent Variable	OLS multiple regression	• Political: In democracies, journalists will be killed by local officials, who, lacking avenues for general restrictions on press freedom, turn to more violent methods of suppression.	Killings are more common in democracies with local-level elected officials. Corruption, both in the public sector and in the judiciary, also leads to a greater likelihood of journalist killings.

Corruption	Shleifer, A., & Vishny, R.	QJE, 1993	What are the consequences of corruption for resource allocation?	—	—	Formal model	• Political: "Monopolist" regimes that are able to coordinate bribes across government departments should experience lower levels of corruption. • Economic: Because corruption is more distortionary than taxation, this explains why developing countries can experience lower growth rates.	Weak governments that cannot coordinate bribe-taking behavior among agencies experience higher levels of corruption, and therefore firms can be priced out through a "tragedy of the commons" effect. Due to its secrecy and illegality, corruption is more distortionary than taxation.
Politicians and firms	Shleifer, A., & Vishny, R.	QJE, 1994	How do political incentives affect the behavior of public enterprises?	—	—	Formal model	• Political: Potentially profitable firms are the best candidates for privatization.	When managers control enterprises, politicians use subsidies and bribes to encourage them to pursue political objectives; when politicians control enterprises, managers use bribes to encourage them not to pursue political objectives.
Corruption and growth	Mauro, P.	QJE, 1995	Do non-functioning government institutions impede investment?	- Business International	- Corruption Indicator (expert surveys)	Instrumental variables (2SLS regression)	• Political: Bureaucratic efficiency actually aids in increasing investment and growth.	Corruption impedes growth through reductions in investment. This contrasts with "speed money" and "effort-inducing corruption" arguments made by other scholars.

A theory of misgovernance	Banerjee, A. V.	QJE, 1997	Why are bureaucracies often associated with red tape and corruption?	—	—	Formal model	• Political: Even a government assumed to be benevolent can be plagued by constituencies within it that are more concerned with their own welfare than social welfare. • Economic: Government failures are more likely in agencies dealing with poorer individuals or in poor countries overall.	Corruption and red tape are associated with bureaucracy because governments often act in situations where markets have already failed. Additionally, agency problems within government help create the conditions for corruption and red tape.
The regulation of entry	Djankov, S., La Porta, R., Lopez-de-Silanes, F., & Shleifer, A.	QJE, 2002	What are the effects of regulations on the entry of start-up firms?	- Transparency International • Data on regulation of entry of start-up firms in 85 countries	- Corruption Perceptions Index • Dependent Variable	OLS multiple regression	• Political: Regulations to business entry appear to have no social benefits; the primary beneficiaries are instead politicians and bureaucrats.	Countries with high barriers to entry typically also have higher corruption and larger unofficial economies. Democracies and more limited governments are associated with reduced barriers to entry.
Courts	Djankov, S., La Porta, R., Lopez-de-Silanes, F., & Shleifer, A.	QJE, 2003	What explains variations in the speed and quality of courts as mechanisms of resolving simple disputes?	- Transparency International • Legal and economic data on 109 countries	- Corruption Perceptions Index • Dependent Variable	Instrumental variables (2SLS regression)	• Political: Transplanted legal systems, as legacies of previous colonization, lead to efficiency loss through heavy procedural formalism which increases costs to using the courts.	Legal formalism is systematically higher in civil-law systems. It is also associated with longer expected time to resolution, less consistency, less honesty, and higher levels of corruption.
Who must pay bribes and how much? Evidence from a cross section of firms	Svensson, J.	QJE, 2003	What are the firm-level determinants of bribery behavior?	- 1998 Ugandan enterprise survey (World Bank & Uganda Private Sector Foundation) • 250 industrial enterprises	- Indirect questions about (1) the incidence of bribery and (2) how much they have in bribe-related costs • Dependent Variable	OLS multiple regression	• Economic: Officials appear to be price discriminators, implying sophisticated markets for bribery.	Not all firms report a need to pay bribes, and for those that do, considerable variation in bribe amounts exist, even when facing similar policies. Firms' "ability to pay" and "refusal power" explains a large part of this variation.

Local capture: evidence from a central government transfer program in Uganda	Reinikka, R., & Svensson, J.	QJE, 2004	How do local officials capture central government expenditures for local projects?	- Public expenditure tracking survey (PETS) of Ugandan central government transfers to localities for education • Survey of 250 primary schools • Period: 1991-1995	- "Leakage": grants received as percentage of grants disbursed • Dependent Variable	OLS multiple regression	• Political: Central governments should take more efforts to inform local residents of the resources that they are entitled to, in order to reduce potential corruption.	Schools in better-off communities manage to claim higher share of grants. These education grants are effectively regressive transfers.
Did Iraq cheat the United Nations? Underpricing, bribes, and the oil for food program	Hsieh, CT., & Moretti, E.	QJE, 2006	How much did Iraq receive in bribes for oil during the Oil for Food program in the 1990s?	- Price & oil sales data from UN Oil for Food program • Period: 1997-2003	- Quantity sold * (weekly price gap – baseline price gap) • Dependent Variable	OLS multiple regression	• Political: In order to minimize waste and corruption in international humanitarian efforts, careful considerations must be made concerning institutional design.	Iraq deliberately set prices below the oil market level, in order to solicit bribes from potential buyers. Underpricing is more prevalent during periods of volatility in the world oil market. The total estimate is found to be around $1.3 billion during this period.
Obtaining a driver's license in India: an experimental approach to studying corruption	Bertrand, M., Djankov, S., Hanna, R., & Mullainathan, S.	QJE, 2007	How does corruption disrupt allocation of basic public services?	- Survey of Indian driver license applicants • Two-part experimental study of how to obtain a driver's license in India; looking first at drivers then at "agents" who help drivers get licenses	- Direct questions about extralegal payments required by either individuals or agents to obtain licenses • Dependent Variable	Field experiment	• Political: How easily compliance with regulation is verifiable by bureaucrats' principals helps to determine the equilibrium level of corruption with regards to accessing particular public services.	Groups offered a bonus for obtaining a license quickly are more likely to pay bribes and obtain licenses without knowing how to drive. Agents acted as the channel for bribery of bureaucrats, and helped drivers circumvent driving tests.

Exposing corruption politicians: the effects of Brazil's publicly released audits on electoral outcomes	Ferraz, C., & Finan, F.	QJE, 2008	What are the effects of disclosing information about corrupt practices on electoral outcomes?	- Audit data on Brazilian municipalities • Municipality-level economic + electoral data in 2000	- Number of irregularities listed in audit report • Independent Variable	Quasi-experiment	• Political: The disclosure of corruption information improves electoral accountability, especially when local media can amplify and spread the findings. This allows voters to select better politicians.	By comparing electoral outcomes in those Brazilian municipalities audited before vs after 2004 elections with same reported level of corruption, the authors find that the release of audit outcomes beforehand has a significant effect on re-election likelihood. This effect is more pronounced in areas with strong local radio presence.
National institutions and subnational development in Africa	Michalopoulos, S., & Papaioannou, E.	QJE, 2014	What are the roles of national institutions on subnational development, specifically among different ethnicities?	- World Governance Indicators • Spatial data on ethnic distribution & subnational economic development in Africa	- "Control of corruption" indicator • Independent Variable	Matching; regression discontinuity design (RDD)	• Political: The impact of national institutions on subnational development appears to decrease with distance from the capital city. • Economic: This fits into literature on persistent effects from geography, cultural and ethnic norms, epidemiological traits, and history on long-term development.	The authors exploit quasi-random division of ethnicities across national borders during colonial/post-colonial era in Africa. They use an index of national institutions, including corruption, and finds no evidence that national institutions explain within-ethnicity differences in development.
Busting the "Princelings" : the campaign against corruption in China's primary land market	Chen, T., & Kung, J. K.	QJE, 2019	How has Xi Jinping's anticorruption campaign affected corruption in China's land markets?	- Land Transaction Monitoring System • Over a million land transactions; firm-level data • Period: 2004-2016	- Prices paid by connected vs unconnected firms for similar land – difference in prices = corruption (level of discount) • Dependent Variable	Spatial matching design	• Political: Prior to the campaign, beneficial land deals were linked with higher chances of promotion for local officials. After the campaign, that benefit decreased along with the corruption. • Economic: The anticorruption campaign cut potential rents from corrupt land deals in half.	Prior to the campaign, firms connected to Politburo members received significant discounts (55-60%). After Xi's anti-corruption campaign begins, this discount is greatly reduced in areas targeted by the centrally administered campaign.

Predictable corruption and firm investment: evidence from a natural experiment and survey of Cambodian entrepreneurs	Malesky, E. J., & Samaphantharak, K.	QJPS, 2008	Does the predictability of corruption play into firms' bribery decisions?	- Data on commercial sex workers in Cambodia • Business survey of 500 firms in Cambodia • Period: 2004-2006	- Number of commercial sex workers per 1000 people • Dependent Variable	Natural experiment	• Political: In the short term, it may be more beneficial for social welfare for governments to keep corrupt officials in place, rather than disrupt more predictable corruption patterns and thereby reduce investment by firms.	This study exploits the sudden removal of governors in 10 Cambodian provinces as a natural experiment. Sudden shocks to political system leads to a less predictable corruption environment this then leads to reductions in investment and corruption in subsequent periods.
Corruption and political decay: evidence from Bolivia	Gingerich, D. W.	QJPS, 2009	How does corruption victimization impact the choice of citizens engaging in anti-government protest?	- 2004 Bolivia Democracy Audit • Multi-stage stratified probability sample of voting age Bolivians • 3073 respondents	- Questions about (1) whether they have bribed a list of public official types (intensity measured by # of types needed to be bribed), (2) whether those officials connected to patronage networks • Independent Variable	Propensity score matching (PSM)	• Political: When scholars analyze the link between corruption and trust in the present government, they need to consider both the costs imposed by citizens being forced to engage in corruption, and whether they can attribute the corruption environment to elected officials through patronage networks.	Two features of experiences with corruption matter when spurring protests. First, the intensity of corruption matters; higher levels of victimization are strongly associated with anti-government protest. Second, when corruption is attributable to the ruling government through patronage networks, protest becomes much more likely.
Who is targeted in corruption? Disentangling the effects of wealth and power on exposure to bribery	Robinson, A. L., & Seim, B.	QJPS, 2018	How do officials make decisions about who to target for bribe solicitation?	- Field experiment in Malawi • 8 confederates sent through Malawi traffic checkpoints in different clothes & car	- Likelihood of being stopped and asked for a bribe - Costs of bribes paid at checkpoint	Field experiment	• Political: The insulating effects of political connections appear when dealing with poorer citizens; when encountering a wealthier citizen, the decision calculus of officials is more unclear, as the benefits of higher bribes received must be weighed against the potential costs of being sanctioned.	The authors deploy two main treatments: whether confederates are driving expensive cars (high socioeconomic status) or not, and whether or not they are wearing a ruling party pin (political connections). The connections treatment is significant, but concentrated among the "poor" part of the sample. The status treatment is not significant on its own.

Geographic diffusion and the transformation of the postcommunist world	Kopstein, J. S., & Reilly, D. A.	WP, 2000	What explains the variation in reform outcomes in the post-communist world?	- Heritage Foundation Index of Economic Freedom • Economic and political data on postcommunist countries • Period: 1993-1998	- "Bureaucratic rectitude" composite measure • Independent Variable	OLS multiple regression	• Political: Scholars should pay more attention to spatial factors when analyzing the diffusion of democracy and other political norms from one region to another.	The authors test three competing explanations for the variation in reform outcomes. They find the strongest evidence for the "spatial dependence" hypothesis, where distance to the noncommunist west is important, as well as evidence that corruption is associated with lower levels of democracy.
Political manipulations and market reforms failures	Manzetti, L.	WP, 2003	How do political environments condition the effectiveness of market reforms?	- World Governance Indicators • Cross-national study of 16 countries, supplemented by 5 case studies	- "Control of corruption" indicator • Dependent Variable	OLS multiple regression	• Political: If market reforms are undertaken in political environments characterized by weak accountability, then reforms should be expected to be in service of existing corruption and patronage practices.	Lack of accountability in government action is associated with countries suffering severe economic crises. Lack of accountability leads to corruption, cronyism, and political patronage, which undermines market reforms.
Explaining patterns of corruption in the Russian regions	Dininio, P., & Orttung, R.	WP, 2005	What are the determinants of corruption?	- Transparency International and INDEM 2002 survey • 40 Russian regions	- Index of corruption experiences • Dependent Variable	OLS multiple regression	• Economic: Encouraging regional development will also likely lead to decreases in local corruption.	Levels of corruption are associated with, first, the size of the regional bureaucracy, and second, the level of economic development, as proxied by per capita income.
Local order, policing, and bribes: evidence from India	Tellez, J. F., Wibbels, E., & Krishna, A.	WP, 2020	What drives variation in local policing across communities?	- Survey question • Original survey data + interviews on local policing in 160+ slums in India	- Expected bribe needed to be paid for police to investigate theft (of motorcycles) • Dependent Variable	OLS multiple regression	• Political: Future work should explicitly conceptualize individuals and communities in terms of networks.	Well-connected individuals and communities with more dense social networks have greater confidence in police and expect to pay less in bribes to investigate thefts.

Table S3:
Classification Table for Assessment of Six Measurement Criteria in International Business/ Management (IB/M)

Title	Author	Journal, year published	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criteria not met (Total)	Summary of mismatch
Wealth, culture, and corruption	Husted, B. W.	JIBS, 1999	0	0	1	1	1	1	4	Corruption is measured by CPI. 3—The paper tested what affected corrupt practices, but CPI is not an experience measure. 4—Unclear about frequency and scale. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Country-level investments and the effect of corruption —some empirical evidence	Habib, M. & Zurawicki, L.	IBR, 2001	1	1	1	1	0	1	5	Corruption is measured by CPI and corruption index (CORR). 1—Theory is based on specific type of corruption, but data is aggregated. 2—Theory examined firms making investment decisions, but the paper used an index that has a significant weight towards instances of household bribery. 3—Not an experience measure. 4— Unclear about frequency and scale. 6—No steps to address the endogeneity and causal inference.
Corruption and foreign direct investment	Habib, M. & Zurawicki, L.	JIBS, 2002	0	1	1	1	1	1	5	Corruption is measured by CPI. 2—Theory examined firms making investment decisions, but the paper used an index that has a significant weight towards instances of household bribery 3—Not an experience measure. 4—No scale measure.

										5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
The impact of corruption and transparency on foreign direct investment: An empirical analysis	Zhao, J., Kim, S., & Du, J.	MIR, 2003	1	1	1	1	0	0	4	Corruption is measured by CPI. 1—Theory is based on specific type of corruption, but data is aggregated 2—Theory examined firms making investment decisions, but the paper used an index that has a significant weight towards instances of household bribery. 3—Not an experience measure. 4—No scale measure.
Corruption and change: the impact of foreign direct investment	Robertson, C. J. & Watson, A.	SMJ, 2004	0	1	1	1	1	1	5	Corruption is measured by CPI. 2—Theory examined firms making business decisions, but the paper used an index that has a significant weight towards instances of household bribery 3—Not an experience measure. 4—No scale measure. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Is globalization what it's cracked up to be? Economic freedom, corruption, and human development	Akhter, S. H.	JWB, 2004	0	1	1	1	1	1	5	Corruption is measured by CPI. 2—Theory examined firms making investment decisions, but the paper used an index that has a significant weight towards instances of household bribery. 3—Unclear about experience and perception. 4—No scale measure. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.

The impact of corruption on entry strategy: Evidence from telecommunication projects in emerging economies	Uhlenbruck, K., Rodriguez, P., Doh, J., & Eden, L.	OS, 2006	0	0	1	0	1	1	3	Corruption is measured by World Business Environment Survey. 3—No experience measure. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Political behavior, social responsibility, and perceived corruption: a structuration perspective	Luo, Y.	JIBS, 2006	1	1	0	1	1	1	5	Corruption is measured by CPI. 1—Theory is based on specific type of corruption, but data is aggregated 2—Theory examined firms making decisions, but the paper used an index that has a significant weight towards instances of household bribery. 4—Unclear about frequency and scale 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
The MNC as an agent of change for host-country institutions: FDI and corruption	Kowk, C. CY. & Tadesse, S.	JIBS, 2006	1	1	0	1	1	1	5	Corruption is measured by CPI. 1—Theory is based on specific type of corruption, but data is aggregated 2—Theory examined firms making decisions, but the paper used an index that has a significant weight towards instances of household bribery. 4—No scale measure. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.

Cross-border takeovers, corruption, and related aspects of governance	Weitzel, U. & Berns, S.	JIBS, 2006	1	1	0	1	1	1	5	Corruption measured is by CPI and Kaufmann et al (2005). 1— Theory is based on specific type of corruption, but data is aggregated 2— Theory examined firms making business decisions, but the paper used an index that has a significant weight towards instances of household bribery. 4—No scale measure. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Who cares about corruption?	Cuervo-Cazurra, A.	JIBS, 2006	1	1	0	1	1	1	5	Corruption is measured by Kaufmann et al (2003). 1—Theory is based on specific type of corruption, but data is aggregated 2—Theory examined firms making business decisions, but the paper used an index that is not fully representative of business corruption. 4—No scale measure. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Corruption and the role of information	DiRienzo, C. E., Das, J., Cort, K., Jr Burbridge, J.	JIBS, 2007	1	0	0	0	1	1	3	Corruption measured by CPI. 1—Theory is based on specific type of corruption, but data is aggregated. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.

Deciding to bribe: A cross-level analysis of firm and home country influences on bribery activity	Martin, K. D., Cullen, J. B., Johnson, J. L., & Parboteeah, K. P.	AMJ, 2007	0	0	0	0	1	1	2	Corruption is measured by WBES. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Institutional Antecedents of Corporate Governance Legitimacy	Judge, W. Q., Douglas, T. J., & Kutan, A. M.	JOM, 2008	1	0	0	0	1	1	3	Corruption is measured by PRS Group's International country risk guide. 1—The authors conceptualized their arguments on a very broad definition of corruption. However, they used ICRG, which only focused on corruption inside the political system. Hence, there was an aggression bias. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
The effectiveness of laws against bribery abroad	Cuervo-Cazurra, A.	JIBS, 2008	1	1	0	1	1	0	4	Corruption is measured by Transparency International and Kaufmann et al (2003). 1— Theory is based on specific type of corruption, but data is aggregated. 2— Theory examined firms making business decisions, but the paper used an index that has a significant weight towards instances of household bribery. 4— Unclear about scale and frequency. 5—No measures to ensure accurate reporting and shield against social desirability bias.

Corruption and market attractiveness influences on different types of FDI	Brouthers, L. E., Gao, Y., & Mcnicol, J. P.	SMJ, 2008	0	1	1	1	1	1	5	Corruption is measured by CPI. 2—Theory examined firms making business decisions, but the paper used an index that has a significant weight towards instances of household bribery. 3—No experience measure to reflect firm's decision. 4— No scale measure. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Institutional context and the allocation of entrepreneurial effort	Bowen, H. P. & Clercq, D. D.	JIBS, 2008	0	0	1	0	1	1	3	Corruption is measured by WEF survey. 3—To test the relationship between entrepreneurship directed toward high-growth activities and the level of corruption, the measure of corruption should offer information on the real experience. In contrast, WEF survey is purely perception based so that it cannot provide the relevant measurements for the empirical analysis. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.

Transforming disadvantages into advantages: developing-country MNEs in the least developed countries	Cuervo-Cazurra, A. & Genc, M.	JIBS, 2008	1	1	1	1	0	0	4	Corruption is measured by Kaufmann et al (2003). 1—Theory is based on specific type of corruption, but data is aggregated. 2— Theory examined firms making business decisions, but the paper used an aggregated index that is not fully focused on business corruption. 3— The data is perception-based, and cannot provide information on real practices mentioned by the authors 4—Unclear about scale and frequency.
Institutions and inflows of foreign direct investment: a fuzzy-set analysis	Pajunen, K.	JIBS, 2008	0	1	1	1	1	1	5	Corruption is measured by CPI and World Competitiveness Yearbook. 2—Theory examined firms making business decisions, but the paper used an aggregated index that is not fully focused on business corruption. 3—No experience measure 4— Unclear about scale and frequency. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Better the devil you don't know: Types of corruption and FDI in transition economies	Cuervo-Cazurra, A.	JIM, 2008	0	1	0	1	1	1	4	Corruption is measured by CPI and WBES. 2—Theory examined firms making business decisions, but the paper used CPI, an aggregated index that are not fully focused on business corruption. 4— No scale measure.

										5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
International joint venture partner selection: The role of the host-country legal environment	Roy, J. P, & Oliver, C.	JIBS, 2009	0	0	0	1	0	1	2	Corruption is measured by WBES. 4— No scale measure. 6—No steps to address the endogeneity and causal inference.
Perceptions of institutional environment and entry mode	Demirbag et al	MIR, 2010	1	0	1	1	0	1	4	Corruption is measured by BPI. 1— The theory is aggregated (corruption), but the measurement is specific (bribery). 3— No experience measure. 4— No scale measure. 6—No steps to address the endogeneity and causal inference.
High-level politically connected firms, corruption, and analyst forecast accuracy around the world	Chen, C. JP., Ding, Y., & Kim, C.	JIBS, 2010	1	1	1	1	0	0	4	Corruption is measured by CPI. 1—The authors conceptualized very specifically in terms of how corruption would influence the political favor and financial analysis error. CPI, however, cannot provide such specific measure. 2—Theory examined financial analysts' business behavior, but the paper used CPI, an aggregated index that are not fully focused on business corruption.

										3— No experience measure. 4—Unclear about scale and frequency.
Why do firms bribe? Insights from residual control theory into firms' exposure and vulnerability to corruption	Lee, S., Oh, K., & Eden, L.	MIR, 2010	0	0	1	0	1	1	3	Corruption is measured by WBES. 3—The measures of corruption should be based on real experience, which would then let the actors to pay bribes accordingly. However, WBES is not based on experience. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Understanding corruption and firm responses in cross-national firm-level surveys	Jensen, N. M., Li, Q., & Rahman, A.	JIBS, 2010	0	1	1	1	0	1	4	Corruption is measured by Kaufmann et al (2007). 2—Theory examined firms' responses to corruption rating, but the paper used an aggregated index that is not fully focused on business corruption. 3—No experience measure. 4— Unclear about scale and frequency. 6—No steps to address the endogeneity and causal inference.

The effect of corruption distance and market orientation on the ownership choice of MNEs: Evidence from China	Duanmu, J.	JIM, 2011	0	0	0	1	1	0	2	Corruption is measured by PRS Group's International country risk guide. 4—Unclear about scale and frequency. 5—No measures to ensure accurate reporting and shield against social desirability bias.
MNEs and corruption: The impact of national institutions and subsidiary strategy	Spencer, J. & Gomez, C.	SMJ, 2011	1	1	1	0	1	1	5	Corruption is measured by CPI and BEEPS. 1—Theory is based on specific type of corruption, but data is aggregated. 2— Theory examined firms making business decisions, but the paper used an aggregated index that is not fully focused on business corruption. 3—No experience measure. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
National business ideology and employees' prosocial values	Muethel, M., Hoegl, M., & Parboteeah, K. P.	JIBS, 2011	1	0	1	0	1	1	4	Corruption is measured by World Bank's Competitiveness Report. 1—Theory is based on specific type of corruption, but data is aggregated. 3—No experience measure. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.

Using private management standard certification to reduce information asymmetries in corrupt environments	Montiel, I., Husted, B. W., & Christmann, P.	SMJ, 2012	0	0	0	0	1	1	2	Corruption is measured by Governance and Business Development Survey (EDGE). 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Who bribes? Evidence from the United Nations' oil-for-food program	Jeong, Y. & Weiner, R. J.	SMJ, 2012	0	0	0	0	0	1	1	Corruption is measured by Oil-for- Food Program (OFFP) from IIC Report. 6—No steps to address the endogeneity and causal inference.
Corruption Distance, Anti-corruption Laws and International Ownership Strategies in Russia	Karhunen, P. & Ledyaeva, S.	JIM, 2012	1	0	1	1	0	1	4	Corruption is measured by Index of Economic Freedom from the Heritage Foundation. 1—Theory is based on specific type of corruption, but data is aggregated. 3—No experience measure. 4—No scale measure. 6—No steps to address the endogeneity and causal inference.
Collectivism and corruption in bank lending	Zheng, X., Ghoul, S. EI, Guedhami, O., & Kwok, C. CY.	JIBS, 2013	0	0	1	0	1	1	3	Corruption is measured by WBES. 3—No experience measure. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.

Institutions and the performance of politically connected M&As	Brockman, P., Rui, O. M., & Zou, H.	JIBS, 2013	1	1	0	1	1	0	4	Corruption is measured by CPI. 1—Theory is based on specific type of corruption, but data is aggregated. 2— Theory examined firms making business decisions, but the paper used an aggregated index that is not fully focused on business corruption. 4—Unclear about scale and frequency. 5—No measures to ensure accurate reporting and shield against social desirability bias.
Does bribery in the home country promote or dampen firm exports?	Lee, S. & Weng, D. H.	SMJ, 2013	0	0	0	0	1	0	1	Corruption is measured by BEEPS. 5—No measures to ensure accurate reporting and shield against social desirability bias.
The "grabbing hand" or the "helping hand" view of corruption: Evidence from bank foreign market entries	Petrou, A. P. & Thanos, I. C.	JWB, 2014	1	1	1	1	0	1	5	Corruption is measured by CPI. 1—Theory is based on specific type of corruption, but data is aggregated. 2— Theory examined firms making business decisions, but the paper used an aggregated index that is not fully focused on business corruption. 3—No experience measure. 4—No scale measure. 6—No steps to address the endogeneity and causal inference.

Predictors of various facets of sustainability of nations: The role of cultural and economic factors	Roy, A. & Goll, I.	2014, IBR	0	0	1	0	1	1	3	Corruption is measured by CPI. 3—No experience measure. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
The Paradox of Corrupt Networks: An Analysis of Organizational Crime at Enron	Aven, B. L.	OS, 2015	0	0	0	0	0	1	1	Corruption is measured by The Enron Email Corpus. 6—No steps to address the endogeneity and causal inference.
Corruption distance and FDI flows into Latin America	Godinez, J. R. & Liu, L.	IBR, 2015	1	1	1	1	1	1	6	Corruption is measured by CPI. 1—Theory is based on specific type of corruption, but data is aggregated. 2— Theory examined firms making business decisions, but the paper used an aggregated index that is not fully focused on business corruption. 3—No experience measure. 4—No scale measure. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Analysis of predictors of organizational losses due to occupational corruption	Timofeyev, Y.	IBR, 2015	0	0	0	0	0	1	1	Corruption is measured by Association of Certified Fraud Examiners by the certified fraud examiners (CFE). 6—No steps to address the endogeneity and causal inference.

Arbitrariness of corruption and foreign affiliate performance: A resource dependence perspective	Petrou, A. P.	JWB, 2015	0	0	1	1	1	1	4	Corruption is measured by WBES. 3—No experience measure. 4—Unclear about scale and frequency. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Formal and Informal Corruption Environments and Multinational Enterprise Social Irresponsibility	Keig, D. L., Brouthers, L. E., & Marshall, V. B.	JMS, 2015	0	1	0	0	1	1	3	Corruption is measured by CPI, the global corruption barometer, and Worldwide Governance Indicators. 2—Theory examined firms making business decisions, but the paper used an aggregated index (CPI) that is not fully focused on business corruption. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Bribery and investment: Firm-level evidence from Africa and Latin America	Birhanu, A. G., Gambardella, A., & Valentini, G.	SMJ, 2016	0	0	0	0	1	0	1	Corruption is measured by Enterprise Surveys from World Bank. 5—No measures to ensure accurate reporting and shield against social desirability bias.

Playing dirty or building capability? Corruption and HR training as competitive actions to threats from informal and foreign firm rivals	Iriyama, A., Kishore, R., & Talukdar, D.	SMJ, 2016	0	0	0	0	1	1	2	Corruption is measured by World Bank survey of Indian IT industry. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Ownership control of foreign affiliates: A property rights theory perspective	Driffield, N., Mickiewicz, T., & Temouri, Y.	JWB, 2016	1	0	1	1	0	1	4	Corruption is measured by PRS Group's International country risk guide. 1—Theory is based on specific type of corruption, but data is aggregated. 3—No experience measure. 4—Unclear about scale and frequency. 6—No steps to address the endogeneity and causal inference.
Location Advantages, Governance Quality, Stock Market Development and Firm Characteristics as Antecedents of African M&As	Tunyi, A.A., & Ntim, C.G.	JIM, 2016	0	1	1	1	1	1	5	Corruption is measured by CPI. 2—Theory examined firms making investment decisions, but the paper used an index that has a significant weight towards instances of household bribery. 3—No experience measure. 4—Unclear about scale and frequency. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.

Home Country Institutional Effects on the Multinationality–Performance Relationship: A Comparison Between Emerging and Developed Market Multinationals	Geleilate, J.M.G., Magnusson, P., Parente, R.C., & Alvarado-Vargas, M.J.	JIM, 2016	1	1	1	1	1	1	6	Corruption is measured by Worldwide Governance Indicators. 1—Theory is based on specific type of corruption, but data is aggregated. 2—Theory about firms making business decisions, but the paper used an aggregated index, not focused on business corruption. 3—No experience measure. 4—Unclear about scale and frequency. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address endogeneity.
Corruption and Private Participation Projects in Central and Eastern Europe	Jimenez, A., Russo, M., Kraak, J. M., & Jiang, G. F.	MIR, 2017	1	1	1	1	1	1	6	Corruption is measured by Worldwide Governance Indicators. 1—Theory is based on specific type of corruption, but data is aggregated. 2—Theory examined firms making business decisions, but the paper used an aggregated index that is not fully focused on business corruption. 3—No experience measure. 4—No scale measure. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.

Trojan Horses or Local Allies: Host-country National Managers in Developing Market Subsidiaries	Muellner, J., Klopf, P., & Nell, P.C.	JIM, 2017	0	1	1	1	1	1	5	Corruption is measured by CPI. 2—Theory examined firms making business decisions, but the paper used an aggregated index that is not fully focused on business corruption. 3—No experience measure. 4—Unclear about scale and frequency. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Corruption's impact on foreign portfolio investment	Jain, P. K., Kuvvet, E., & Pagano, M. S.	IBR, 2017	0	1	1	1	1	0	4	Corruption is measured by CPI. 2—Theory examined firms making business decisions, but the paper used an aggregated index that is not fully focused on business corruption. 3—No experience measure. 4—Unclear about scale and frequency. 5—No measures to ensure accurate reporting and shield against social desirability bias.
The role of national culture and corruption on managing earnings around the world	Lewellyn, K. B. & Bao, S. R.	JWB, 2017	0	1	1	1	1	1	5	Corruption is measured by Worldwide Governance Indicators. 2—Theory examined firms making business decisions, but the paper used an aggregated index that is not fully focused on business corruption. 3—No experience measure. 4—Unclear about scale and frequency. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.

Threat of falling high status and corporate bribery: Evidence from the revealed accounting records of two South Korean presidents	Jeong, Y. & Siegel, J. I.	SMJ, 2018	0	0	0	0	0	1	1	Corruption information is obtained from South Korea's court verdicts and The National Assembly of the Republic of Korea. 6—No steps to address the endogeneity and causal inference.
Foreign ownership and bribery: Agency and institutional perspectives	Yi, J., Teng, D., & Meng, S.	IBR, 2018	0	0	0	0	1	1	2	Corruption is measured by Enterprise Surveys from World Bank. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
The export performance of emerging economy firms: The influence of firm capabilities and institutional environments	Krammer, S. M. S., Strange. R., & Lashitew, A.	IBR, 2018	0	0	0	0	1	1	2	Corruption is measured by WBES. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.

Home country uncertainty and the internationalization-performance relationship: Building an uncertainty management capability	Cazurra, A. C., Ciravegna, L., Melgarejo, M., & Lopez, L.	JWB, 2018	1	1	1	1	1	1	6	Corruption is measured by CPI. 1—Theory is based on specific type of corruption, but data is aggregated. 2—Theory examined firms making business decisions, but the paper used an aggregated index that is not fully focused on business corruption. 3—No experience measure. 4—No scale measure. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Host market government corruption and the equity-based foreign entry strategies of multinational enterprises	Sartor & Beamish	JIBS, 2018	0	0	1	1	1	1	4	Corruption is measured by the Global Competitiveness Reports. 3—No experience measure. 4—No scale measure. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Greasing the Wheels of Change: Bribery, Institutions, and New Product Introductions in Emerging markets	Krammer, S. M. S.	JOM, 2018	0	0	0	0	1	0	1	Corruption is measured by BEEPS. 5—No measures to ensure accurate reporting and shield against social desirability bias.

Effects of subnational regional corruption on growth strategies in emerging economies: Evidence from Russian domestic and international M&A activity	Bertrand, O., Betschinger, M., & Laamanen, T.	GSJ, 2018	0	1	1	1	1	1	5	Corruption is measured by CPI and INDEM Foundation. 2—Theory examined firms making business decisions, but the paper used an aggregated index that is not fully focused on business corruption. 3—No experience measure. 4—Unclear about scale and frequency. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
The impact of family ownership on establishment and ownership modes in foreign direct investment: The moderating role of corruption in host countries	Yamanoi, J. & Asaba, S.	GSJ, 2018	0	0	1	1	1	1	4	Corruption is measured by PRS Group's International country risk guide. 3—No experience measure. 4—Unclear about scale and frequency. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Host country corruption and the organization of HQ-subsidiary relationships	Rabbiosi, L. & Santangelo, G. D.	JIBS, 2019	0	1	1	1	1	1	5	Corruption is measured by Worldwide Governance Indicators. 2—Theory examined firms making business decisions, but the paper used an aggregated index that is not fully focused on business corruption. 3—No experience measure. 4—No scale measure.

										5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.
Political party tenure and MNE location choices	Cordero, A. M. & Miller, S. R.	JIBS, 2019	0	0	0	0	0	1	1	Corruption is measured by The Research Center for Development (CIDAC). 6—No steps to address the endogeneity and causal inference.
Deviant versus Aspirational Risk Taking: The Effects of Performance Feedback on Bribery Expenditure and R&D Intensity	Xu, D., Zhou, K. Z., & Du, F.	AMJ, 2019	0	0	0	0	0	1	1	The bribery information is captured from sampled firms' annual reports. 6—No steps to address the endogeneity and causal inference.
The Bribery Paradox in Transition Economies and the Enactment of 'New Normal' Business Environments	Eddleston, K. A., Banalieva, E. R., & Verbeke, A.	JMS, 2020	0	0	1	0	1	1	3	Corruption is measured by BEEPS. 3—No experience measure. 5—No measures to ensure accurate reporting and shield against social desirability bias. 6—No steps to address the endogeneity and causal inference.

Integration-oriented strategies, host market corruption and the likelihood of foreign subsidiary exit from emerging markets	Sartor, M. A., & Beamish, P. W.	JIBS, 2020	0	1	1	1	0	0	3	Corruption is measured by CPI. 2—Theory examined firms making investment decisions, but the paper used an index that has a significant weight towards instances of household bribery 3—No an experience measure. 4— Unclear about frequency and scale.
Government connections and credit access around the world: Evidence from discouraged borrowers	Qi, S.& Nguyen, D. D.	JIBS, 2021	1	1	1	1	1	0	5	Corruption is measured by CPI. 1—Theory is based on specific type of corruption, but data is aggregated. 2—Theory examined firms making investment decisions, but the paper used an index that has a significant weight towards instances of household bribery 3—No experience measure. 4— Unclear about frequency and scale. 5—No measures to ensure accurate reporting and shield against social desirability bias.

Table S4:
Classification Table for Assessment of Six Measurement Criteria in Political Economy (PE)

Title	Author	Journal, year published	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criteria not met (Total)	Summary of mismatch
Corruption and growth	Mauro, P.	QJE, 1995	1	0	1	1	1	0	4	Corruption is measured by the Business International Corruption Index (expert surveys). 1 – The authors theorize a link between investment and corruption, but then do not test it at a micro-level (p. 686), instead conducting their analysis at the country-level. 3 – The corruption index emphasizes perceptions over experience that opens the measure to perception bias problems. 4 – The index also conflates frequency and scale; it does not accurately measure "levels of corruption." 5 – The index relies on surveys that do not properly shield respondents.
Rents, competition, and corruption	Ades, A., & Di Tella, R.	AER, 1999	1	0	1	1	1	0	4	Corruption is measured by the Business International Corruption Index (expert surveys) and the World Competitiveness Report (manager surveys). 1 - The theory takes the market as the relevant unit of analysis (p. 983), but the data used in the empirics are measured all at the country level. 3 – Both measures suffer from perception bias, as many component questions ask for respondents' perceptions of corruption. 4 – Both indices conflate frequency with scale; there is no accurate measure of "levels of corruption." 5 – The indices rely on surveys that do not properly shield respondents.

Bureaucratic corruption and endogenous economic growth	Ehrlich, I., & Lui, F. T.	JPE, 1999	1	0	1	1	1	1	5	Corruption is measured by Business International's Corruption and Red Tape indices. 1 – The corruption index aggregates many different corrupt behaviors, while the theory focuses on bureaucratic corruption (p. S272). 3 – Both measures focus on respondents' perceptions of corruption, not actual experiences. 4 – Neither measure properly addresses scale, yet the paper emphasizes "levels of investment in political capital (hence corruption)" (p. S277). 5 – Both measures do not properly shield survey respondents. 6 – The research design is a simple OLS framework, with no attempt to provide causal identification (p. S286).
Geographic diffusion and the transformation of the postcommunist world	Kopstein, J. S., & Reilly, D. A.	WP, 2000	1	1	1	1	1	1	6	Corruption is measured by the Heritage Foundation Index of Economic Freedom's "bureaucratic rectitude" composite measure. 1 – The measure aggregates many corrupt behaviors; it is unclear how it relates to the theory. 2 – Both the theory and empirical measure is unclear as to what type of corrupt actors are relevant. 3 – This measure is perceptions-based. 4 – This measure does not properly address scale (how to calculate the costs of corruption). 5 – The measure does not properly shield survey respondents. 6 – The research design is a simple OLS framework; the authors report only very basic regression tables (pp. 10-11).

Do corrupt governments receive less foreign aid?	Alesina, A., & Weder, B.	AER, 2002	1	0	1	1	1	1	5	The corruption measures are: Business International corruption index; ICRG corruption risk scale; World Competitiveness Yearbook; Standard and Poors; Transparency International CPI; World Development Report. 1 – Many of these measure mix up different types of corruption, such as grand corruption and petty corruption, into one national measure of "corruption." 3 – Many of these measures also rely on perceptions of corruption, while the theory appears to focus on actual corruption levels (p. 1127). 4 – Most, if not all, of these measures are unclear about how they measure frequency and/or scale; it makes comparing countries along those two dimensions difficult. 5 – Several of the indices rely on surveys that do not properly shield respondents. 6 – The research design is a simple OLS framework; the only mention of endogeneity is when justifying a lag of the dependent variable as a control (p. 1131).
The regulation of entry	Djankov, S., La Porta, R., Lopez-de-Silanes, F., & Shleifer, A.	QJE, 2002	1	1	1	1	1	1	6	Corruption is measured by the Transparency International CPI. 1 – The CPI aggregates multiple types of corruption into one measure, whereas the authors focus primarily on petty corruption; that is, bribes paid by firms to bureaucrats in exchange for operating licenses (pp. 3-4). 2 – The theory implies that greater regulations on entry would increase the incentives for firms to bribe bureaucrats, but the CPI does not

										focus solely on firm-bureaucrat corruption relations (p. 3). 3 – The CPI asks about perceptions of corruption, but the study claims that actual levels of corruption increase with stricter entry regulations (p. 4). 4 – The CPI merges estimations of frequency and scale; it cannot accurately measure "revenues of corruption" (p. 26), and thus the claim that stricter regulations are associated with "strictly higher levels of corruption" (p. 4) cannot be empirically verified. 5 – The CPI relies on surveys that do not shield respondents. 6 – The study does not explicitly consider questions of endogeneity in their empirics, just using a series of OLS regressions (pp. 24-28).
Do political institutions shape economic policy?	Persson, T.	ECTA, 2002	1	1	1	1	1	1	6	Corruption is measured by the Transparency International CPI. 1 – The theory is primarily focused on rent extraction by politicians (i.e. grand corruption) (pp. 885-86), but the CPI aggregates many types of corruption beyond just grand corruption. 2 – Again, the theory focuses on rent extraction by government officials (p. 885), but it is unclear from who those rents are extracted: firms, households, or both? Thus, the CPI is not a good measure for rent extraction. 3 – The CPI measures perceptions, but the study claims that different types of institutions lower actual corruption (pp. 901-902). 4 – The CPI merges estimations of frequency and scale; it cannot provide accurate information on the

										"extent of corruption" within a country (p. 901). 5 – The CPI relies on surveys that do not shield respondents. 6 – The empirical specifications are just OLS multiple regressions, without any identification strategy (p. 893).
The impact of corruption on regime legitimacy: a comparative study of four Latin American countries	Seligson, M. A.	JOP, 2002	0	0	0	1	1	1	3	Corruption is measured through questions on the UN International Crime Victim Survey. 4 – The index is based on questions "recording their experience with corruption over the year prior to the survey" (p. 419), measuring the frequency but not the scale. 5 – The index component questions are all direct questions regarding experiences with corruption, with little done to shield respondents from social desirability bias (pp. 419-420). 6 – The study uses an OLS framework (pp. 422-423), but in a discussion of potential limitations, does not mention endogeneity concerns (pp. 424-426).
Corruption, political allegiances, and attitudes toward government in contemporary democracies	Anderson, C. J., & Tverdova, Y. V.	AJPS, 2003	1	1	1	1	1	1	6	Corruption is measured by the Transparency International CPI. 1 – The theory defines corruption as "the misuse of public office for private gain," but also then implies that by focusing on corruption in democracy, they are interested in grand corruption by politicians (pp. 92-93); the CPI aggregates many types of corruption beyond just grand corruption. 2 – The theory focuses on voters' perceptions of corruption (p. 91), but as stated before, the CPI includes more than that, from "experts" to businesspeople.

										3 – The study argues that "high levels of corruption reduce citizen support for democratic political institutions" (p. 91); that requires a measure of actual corruption, not a perceptions-based one like the CPI. 4 – The CPI merges estimations of frequency and scale; it does not provide accurate estimates of "levels of corruption" needed to test this theory (p. 96). 5 – The CPI relies on surveys that do not shield respondents. 6 – The authors adopt multilevel maximum likelihood models, but do not account for endogeneity concerns in any way.
Courts	Djankov, S., La Porta, R., Lopez-de-Silanes, F., & Shleifer, A.	QJE, 2003	1	1	1	1	1	0	5	Corruption is measured by the Transparency International CPI. 1 – The theory implies that greater procedural formalism would lead to greater corruption as people circumvent excessive legal procedures through bribes to bureaucrats (p. 511); however, the CPI aggregates multiple types of corruption in its measure, which does not align with the theory. 2 – Additionally, it becomes unclear what actors would be relevant in driving this "increase in corruption"; the CPI measure derives from surveys of businessmen and experts, and comments on bribe behavior from a myriad of social actors. 3 – The CPI asks about perceptions of corruption, but the study claims that actual levels of corruption change with the level of formalism (p. 456). 4 – The CPI merges estimations of frequency and scale; it cannot

										accurately measure "levels of corruption." 5 – The CPI relies on surveys that do not shield respondents.
Political manipulations and market reforms failures	Manzetti, L.	WP, 2003	1	0	1	1	1	1	5	Corruption is measured by the World Governance Indicators "control of corruption" indicator. 1 – The indicator aggregates information on multiple types of corruption; the theory seems to focus on corruption behavior of higher-level officials (p. 322). 3 – The indicator conflates perception and experience in its aggregation; thus, it suffers from index bias and cannot be used to compare different countries by corruption levels (pp. 327-29). 4 – The indicator conflates frequency and scale; it cannot then be used to compare countries (pp. 327-329), because one country may suffer from high frequency but low scale, and another may suffer the reverse, but the scores wash out that variation. 5 – The indicator builds on surveys that do not shield respondents. 6 – The study does not account for causal identification or endogeneity in any way.
International integration and national corruption	Sandholtz, W., & Gray, M. M.	IO, 2003	1	1	1	1	1	1	6	Corruption is measured by the Transparency International CPI. 1 – It is unclear what type of corruption is most relevant to theory beyond a focus on national "levels of corruption" (p. 765); the CPI aggregates the measure of many different types of corruption. 2 – The theory implies that actors more engaged in transnational activities would be less corrupt (p. 765); however, the CPI measures

										corruption across a wide range of societal actors, including households and small firms more isolated from international integration. 3 – The study argues that "The more a country is tied into international networks of exchange, communication, and organization, the lower its level of corruption is likely to be" (p. 762); empirical tests require a measure of actual corruption, not a perceptions-based one like the CPI. 4 – The CPI merges estimations of frequency and scale; it cannot accurately measure "levels of corruption." 5 – The CPI relies on surveys that do not shield respondents. 6 – The only stated attempt to deal with endogeneity is to average independent variables over a non-overlapping period (p. 777).
Who must pay bribes and how much? Evidence from a cross section of firms	Svensson, J.	QJE, 2003	0	0	0	0	1	1	2	Corruption is measured by questions on a 1998 World Bank survey of Ugandan firms. 5 – The survey does ask indirect questions, but it does not utilize formal shielding techniques when measuring bribery (pp. 212-213). 6 – The specifications used are OLS models with no causal identification strategy (p. 214).
The influence of party systems on citizens' perceptions of corruption and electoral response in Latin America	Davis, C. L., Camp, R. A., & Coleman, K. M.	CPS, 2004	1	0	1	1	1	1	5	Corruption is measured by a scale of corruption perceptions from the Hewlett Foundation household surveys. 1 – The measure of corruption aggregates perceptions about corruption in elections and corruption in government (p. 685); this aggregates two distinct types of corruption that may have different

										determinants and effects on voter mobilization. 3 – The measure focuses on perceptions of corruption (p. 685), but as stated before, these measures suffer from perception bias, limiting the ability to study how the "ongoing pattern of public corruption" affects voter behavior in Latin America (p. 678). 4 – The component questions ask about (a) whether elections are clean or corrupt, and (b) the proportion of those in government who are corrupt (p. 685); neither component addresses the scale or costs of corruption, but the study then talks about levels of corruption. 5 – The corruption questions are all directly asked, with no formal shielding of respondents (p. 685). 6 – All specifications are done using the OLS method, with no specific measures taken to deal with endogeneity concerns.
Tax rates and tax evasion: evidence from "missing imports" in China	Fisman, R., & Wei, S. J.	JPE, 2004	0	0	0	0	0	1	1	Corruption is measured by World Bank WITS product-level trade data. 6 – The study utilizes OLS multiple regressions to conduct analysis, with no causal identification strategy.
Local capture: evidence from a central government transfer program in Uganda	Reinikka, R., & Svensson, J.	QJE, 2004	0	0	0	0	0	1	1	Corruption is measured by a public expenditure tracking survey (PETS) of Ugandan education funds. 6 – The primary empirical specifications are either OLS regressions or maximum likelihood models (pp. 689-692).
Explaining patterns of corruption in the Russian regions	Dininio, P., & Orttung, R.	WP, 2005	1	0	0	1	1	1	4	Corruption is measured by an index of corruption experiences by Transparency International and INDEM.

										1 – The index is a composite measure drawn from different questions, each of which discuss a different aspect or type of corruption (p. 515). The theory is likewise vague about the relevant type of corruption, although it implies that it focuses on bureaucratic corruption. 4 – The measure merges questions about the frequency of bribes and the average cost (scale) of bribes; by conflating the two, it introduces index bias and makes it difficult to assess how accurately it measures "levels of corruption" (p. 516). 5 – The questions asked of respondents are either direct or improperly shielded indirect questions about experiences with corruption (p. 515). 6 – The analysis uses OLS estimates to test its theories; no causal identification is utilized (p. 520).
Do neoliberal policies deter political corruption?	Gerring, J., & Thacker, S. C.	IO, 2005	1	0	1	1	1	1	5	Corruption is measured by the World Governance Indicators "control of corruption" indicator. 1 – The theory states that it focuses on "political corruption," but the definition seems to merge low-level petty corruption with higher-level grand corruption (p. 235). The indicator aggregates information on multiple types of corruption; it is unclear how well it matches with the definition of "political corruption." 3 – The indicator conflates perception and experience in its aggregation; thus, it suffers from index bias and cannot be used to compare different countries by corruption levels (pp. 240-41). 4 – The indicator conflates frequency and scale; it cannot then

										be used to compare countries (pp. 240-41), because one country may suffer from high frequency but low scale, and another may suffer the reverse, but the scores wash out that variation. 5 – The indicator builds on surveys that do not shield respondents. 6 – The authors use weighted least squares (WLS) regressions without causal identification strategies.
Handcuffs for the grabbing hand? Media capture and government accountability	Besley, T., & Prat, A.	AER, 2006	1	1	1	1	1	1	6	Corruption is measured by the ICRG corruption risk scale. 1 – The corruption risk scale mashes together different corrupt behaviors into one index; the theory focuses on corruption as a symptom of "government accountability," suggesting a need to focus more on grand political corruption (p. 722). 2 – If the theory focuses on "government accountability," corruption measures should focus solely on corruption by higher-level officials. The ICRG scale aggregates information on corruption at all levels of the public sector, making it unsuitable for this study. 3 – The ICRG scale is subject to perception bias because it is compiled by experts through "subjective analysis of materials at hand." 4 – The authors claim that the ICRG scale measures "levels of corruption" (p. 726), but the ICRG scale makes no mention of frequency and scale as separate dimensions of corruption. 5 – The corruption risk scale is developed through subjective analysis by editors using opaque criteria.

										6 – The empirical findings are merely suggestive difference of means tests rather than a specified and identified model (p. 726).
Corruption and trust: exceptionalism in Asian democracies?	Chang, E. C. C., & Chu, Y.	JOP, 2006	0	0	1	1	1	0	3	Corruption is measured by two measures of perceptions from the East Asian Barometer. 3 – The theory switches back and forth between using actual corruption and perceptions of corruption as the primary explanatory variable (pp. 259-60); the Barometer questions are both about respondents' perceptions of corruption (p. 264). 4 – The questions simply ask "how widespread" corruption at the local and national levels are (p. 264); this conflates frequency and scale, making it difficult to gauge levels of either perceived or actual corruption. 5 – Both measures derive from direct questions asking respondents about their perceptions of corruption; both lack formal shielding techniques (p. 264).
Competing for capital: The diffusion of bilateral investment treaties, 1960-2000	Elkins, Z., Guzman, A. T., & Simmons, B. A.	IO, 2006	1	1	0	1	1	1	5	Corruption is measured by the ICRG corruption risk scale. 1 – The corruption risk scale mashes together different corrupt behaviors into one index; the theory focuses on corruption in relation to FDI, so the focus should be on "bigger" types of corruption (p. 834). 2 – As the theory focuses on the signing of BITs and FDI flows, the relevant actors are MNCs and government officials. The ICRG scale aggregates information on corruption involving all kinds of officials and private actors, not just MNCs.

										4 – The ICRG scale makes no mention of frequency and scale as separate dimensions of corruption. This creates index bias and difficulties in accurately comparing countries. 5 – The corruption risk scale is developed through subjective analysis by editors using opaque criteria. 6 – The only discussion of endogeneity is when setting up their spatial lag model (p. 829), but the empirics do not address causal identification.
Politically connected firms	Faccio, M.	AER, 2006	1	0	1	1	1	1	5	Corruption measures are: World Governance Indicators "control of corruption"; corruption index from German exporters [Neumann 1994]; ICRG corruption risk scale. 1 – These measures mix up different types of corruption, such as grand corruption and petty corruption, into one national measure of "corruption." The theory focuses on connections between firms and high-level public officials, so the measure should be more focused on grand corruption (p. 373). 3 – It is unclear whether the study wishes to explore perceptions or actual corruption as a determinant of political connections (p. 377), but several of the measures suffer from perception bias, particularly the ICRG scale. 4 – The measures seem to merge frequency and scale, making it difficult to parse the effect of differentially constituted corruption regimes on political connections. 5 – Several of the measures either build on unshielded survey

										questions or on “expert valuations” subject to social desirability bias. 6 – The analysis centers on OLS regressions without identification strategies.
Did Iraq cheat the United Nations? Underpricing, bribes, and the oil for food program	Hsieh, CT., & Moretti, E.	QJE, 2006	0	0	0	0	0	0	0	Corruption is measured by sales data from the UN Oil for Food program.
Obtaining a driver's license in India: an experimental approach to studying corruption	Bertrand, M., Djankov, S., Hanna, R., & Mullainathan, S.	QJE, 2007	0	0	0	0	1	0	1	Corruption is measured by a survey of Indian driver license applicants involved in a field experiment. 5 – The measure is derived from direct questions about extralegal payments required to obtain driver’s licenses (pp. 1659-1661).
Corruption, norms, and legal enforcement: evidence from diplomatic parking tickets	Fisman, R., & Miguel, E.	JPE, 2007	0	1	0	1	1	0	3	Corruption measures are: World Governance Indicators “control of corruption”; number of NYC parking violations by diplomats. 2 – The theory focuses on high-level officials as corrupt actors, but the WGI indicator used aggregates information on corruption in the business environment interacting with all levels of public officials. 4 – The indicator conflates frequency and scale; it cannot be used to measure “country corruption levels” (p. 1033). 5 – The indicator builds on surveys that do not shield respondents.
Clientelism, credibility, and the policy choices of young democracies	Keefer, P.	AJPS, 2007	1	0	1	1	1	0	4	Corruption is measured by the ICRG “rent seeking” indicator. 1 – The indicator is meant to measure many more things beyond rent seeking, but the study uses it as a measure of rent seeking by high-level officials (p. 808).

										3 – The indicator is a "subjective measure of the extent to which bribes are a significant determinant of government decision making" (p. 808); as such, it suffers from perception bias. 4 – The authors claim that "higher values of the corruption variable signify reductions in corruption" (p. 808), but the indicator makes no mention of frequency and scale as separate dimensions of corruption. 5 – The indicator is developed through subjective analysis by editors using opaque criteria.
Why do corrupt governments maintain public support?	Manzetti, L, & Wilson, C. J.	CPS, 2007	1	1	1	1	1	1	6	Corruption is measured by a question on corruption perceptions in the World Values Survey. 1 – The main question asked is "why do citizens support corrupt governments and their leaders" (p. 950), implying a focus on grand corruption (done by political leaders), but the subjective measure aggregates different types of corruption, including bureaucratic or petty corruption that may not be relevant to the theory. 2 – As mentioned above, the relevant actors seem to be high-level political officials (elected in most cases) (p. 950), but the measure does not align completely with this theoretical concept; it seeks to capture overall corruption. 3 – The measure is entirely subjective and based on perceptions (p. 958), rendering it vulnerable to perception bias. 4 – The measure does not specifically ask about frequency and scale separately, leaving its

										definition of "corruption levels" vague and empirically unreliable. 5 – The survey question directly asks respondents about the level of corruption in their country (p. 958). 6 – The study uses probit regressions without causal identification (pp. 957-960).
Monitoring corruption: evidence from a field experiment in Indonesia	Olken, B. A.	JPE, 2007	0	0	0	0	0	0	0	Corruption is measured by the discrepancy between official project costs and independent cost estimates from experts.
Clarity of responsibility and corruption	Tavits, M.	AJPS, 2007	1	0	1	1	1	1	5	Corruption measures are: Transparency International CPI; World Governance Indicators "control of corruption". 1 – The theory states that "politicians are responsible for not only their own corrupt activities but also for the failure to combat bureaucratic corruption" (p. 220). However, it is unclear how effectively both indices can synthesize a measure of both grand and petty corruption, and whether or not it would be better to separate the two types into different measures. 3 – Both indices conflate perception and experience in its aggregation; thus, it suffers from index bias and cannot be used to compare different countries by corruption levels. 4 – Both indices conflate frequency and scale; it cannot then be used to compare countries, because one country may suffer from high frequency but low scale, and another may suffer the reverse, but the scores wash out that variation. 5 – The indices rely on surveys that do not properly shield respondents.

										6 – The authors do not employ causally identified models, instead arguing that we should consider institutions governing "clarity of responsibility" exogenous to contemporary corruption (p. 225).
Exposing corruption politicians: the effects of Brazil's publicly released audits on electoral outcomes	Ferraz, C., & Finan, F.	QJE, 2008	0	0	0	1	0	0	1	Corruption is measured by the number of irregularities in audits of Brazilian municipalities. 4 – The measure only addresses frequency, but the paper claims to measure "reported levels of corruption" (p. 705). There is no measure of scale (the amount of money involved in corruption).
Predictable corruption and firm investment: evidence from a natural experiment and survey of Cambodian entrepreneurs	Malesky, E. J., & Samaphan tharak, K.	QJPS, 2008	0	0	0	1	0	0	1	Corruption is measured by the number of commercial sex workers per 1000 people. 4 – One implication is that political shocks forces "firms to learn an entirely new bribe schedule" (p. 231). However, the corruption variable cannot measure scale (average bribe costs) and thus cannot test this implication.
Who cheats? Who loots? Political competition and corruption in Japan, 1947-1993	Nyblade, B., & Reed, S. R.	AJPS, 2008	0	0	0	1	0	1	2	Corruption is measured by Japanese newspaper articles mentioning corruption. 4 – The measure does not contain information about the scale, or amount of money involved, in each scandal, other than the implicit requirement that it must be "newsworthy" (p. 932). 6 – The authors do not discuss potential issues of endogeneity or causality in their empirical framework (p. .935).
The local connection: local government	Weitz-Shapiro, R.	CPS, 2008	1	0	0	1	1	1	4	Corruption is measured by a Citizens' Audit survey question of corruption perceptions.

performance and satisfaction with democracy in Argentina										1 – As corruption is measured as "each respondent's assessment of the degree of corruption in the municipal government" (p. 294), it could potentially aggregate different types of corruption: bribes for driver's licenses versus bribes by businessmen to get contracts). 4 – The question measures "the degree of corruption" (p. 294) on a 7-point Likert scale, but this does not give a good sense of frequency and scale as separate dimensions of corruption. 5 – The question directly asks respondents to evaluate the level of corruption in their city without shielding (p. 295). 6 – The primary specifications are ordered logit regressions without causal identification.
Active and passive waste in government spending: evidence from a policy experiment	Bandiera, O., Prat, A., & Valletti, T.	AER, 2009	0	0	0	1	0	0	1	Corruption is measured by procurement data from the Italian Statistical Agency. 4 – The measure does not really address scale, as it relies on defining "active waste" as a binary decision of purchasing from the central procurement agency or staying with original suppliers.
Helping hand or grabbing hand? State bureaucracy and privatization effectiveness	Brown, J. D., Earle, J. S., & Gehlbach, S.	APSR, 2009	0	0	0	0	0	0	0	Corruption is measured by the World Bank BEEPS survey questions on bribes and kickbacks.
Who wants to revise privatization? The complementarity of market	Denisova, I., Eller, M., Frye, T., & Zhuravskaya, E.	APSR, 2009	1	0	1	1	1	1	5	Corruption is measured by the World Governance Indicators "control of corruption" indicator. 1 – The focus is on "good governance," but it is unclear what types of corruption are relevant to

skills and institutions										that definition (p. 289). The indicator aggregates information on multiple types of corruption; it is unclear how well it matches with the definition of "good governance" and at relevant levels of government. 3 – The indicator conflates perception and experience in its aggregation; thus, it suffers from perception bias, and likely does not accurately capture the quality of governance (p. 289). 4 – The indicator conflates frequency and scale; it cannot then be used to compare the quality of governance across countries. 5 – The indicator builds on surveys that do not shield respondents. 6 – The authors do not adequately address endogeneity concerns with a proper strategy of causal identification (p. 291).
Crafting trust: the role of political institutions in a comparative perspective	Freitag, M., & Bühlmann, M.	CPS, 2009	1	1	1	1	1	1	6	Corruption measures are: ICRG corruption risk scale; World Governance Indicators "control of corruption". 1 – The corruption risk scale mashes together different corrupt behaviors into one index; the theory focuses on corruption as part of a broader institutional matrix feeding into trust (pp. 1544-45). The measure risks not capturing relevant variation in different types of corruption that touch on trust in different ways. 2 – As with criterion 1, the measure risks not capturing variation in how corruption affects trust along different relational lines between social actors. 3 – The ICRG scale is subject to perception bias because it is compiled by experts through

										"subjective analysis of materials at hand." 4 – The authors claim that the ICRG scale measures "levels of corruption" (p. 1556), but the ICRG scale makes no mention of frequency and scale as separate dimensions of corruption. 5 – Both measures build either on unshielded survey questions or on "expert valuations" subject to social desirability bias. 6 – The study does not utilize any of the commonly accepted methods of causal identification (pp. 1553-54).
Corruption and political decay: evidence from Bolivia	Gingerich, D. W.	QJPS, 2009	0	0	0	1	1	0	2	Corruption is measured by direct questions on the 2004 Bolivia Democracy Audit. 4 – The study focuses on "intensity of exposure to corruption" (p. 17). This evokes connotations of scale, but the measure does not capture how much one pays in bribes in these corrupt exchanges. 5 – The survey does not shield respondents when asking a battery of questions about corruption experiences in dealing with government officials (p. 17).
Market reform as a stimulus to particularistic politics	McMann, K. M.	CPS, 2009	1	1	1	1	1	1	6	Corruption is measured by the Transparency International CPI. 1 – The theory focuses on how market reforms stimulate "particularistic politics," i.e. making specific asks from officials. However, the CPI aggregates different types of corruption, washing out any differences found when talking about street-level bureaucrats versus high-level politicians. 2 – The CPI mashes together corruption by many different actors.

										The authors are more narrowly interested in how citizens engage with the government (p. 972). 3 – The CPI measures perceptions, but the study claims that it measures actual levels of corruption (p. 987). 4 – The CPI merges estimations of frequency and scale; it cannot provide accurate information on whether a score of 10 indicates the least corruption (p. 987). 5 – The CPI relies on surveys that do not shield respondents. 6 – The author conducts OLS multiple regressions of survey data with no discussion of endogeneity concerns.
The simple economics of extortion: evidence from trucking in Aceh	Olken, B. A., & Barron, P.	JPE, 2009	0	0	0	0	0	0	0	Corruption is measured through surveyors' reports from journeys accompanying truck drivers.
Why get technical? Corruption and the politics of public service reform in the Indian states	Bussell, J. L.	CPS, 2010	1	0	1	1	1	1	5	Corruption is measured by Transparency International's index of corruption in Indian states. 1 – The measure aggregates corruption across 11 departments (p. 1242); it is possible for a state with high corruption in 2 departments to have the same score as one with moderate corruption in 7 departments. 3 – The survey asks about both perceptions and experiences and merges the information into one index (p. 1242). 4 – The survey measure also appears to merge frequency and scale rather than providing distinct information on each dimension (p. 1242).

										5 – The survey does not shield respondents when asking questions about corruption. 6 – The study uses an event history model without causal identification.
Corruption and trust: theoretical considerations and evidence from Mexico	Morris, S. D., & Klesner, J. L.	CPS, 2010	1	1	1	1	1	0	5	Corruption is measured by an index of corruption perceptions constructed from the Americas Barometer. 1 – The measure describes corruption experiences and perceptions with many different types of officials, from local police to Congressional representatives, blurring the line between petty and grand corruption (p. 1268). 2 – The survey gives respondents "the opportunity to rate a series of types of public figures on a 10-point scale" (p. 1267); it is unclear if all actors are relevant to the central question of trust in "government." 3 – The measure mixes assessments of experiences with corruption and perceptions of corruption (p. 1267). 4 – The questions only ask about whether bribes were paid to different officials (p. 1268); it does not measure how much those bribes cost, i.e. scale. 5 – Respondents are directly asked to rate levels of corruption in different branches of government (p. 1267).
Segregation and the quality of government in a cross section of countries	Alesina, A., & Zhuravskaya, E.	AER, 2011	1	0	1	1	1	0	4	Corruption is measured by the World Governance Indicators "control of corruption" indicator. 1 – The focus is on "the quality of government," but it is unclear what types of corruption are relevant to that definition (p. 1874). The indicator aggregates information on multiple types of corruption; it is

										unclear how well it matches with the "quality of government." 3 – The indicator conflates perception and experience in its aggregation; thus, it suffers from perception bias, and likely does not accurately capture the quality of government. 4 – The indicator conflates frequency and scale; it cannot then be used to compare the quality of government across countries. 5 – The indicator builds on surveys that do not shield respondents.
Electoral accountability and corruption: evidence from the audits of local governments	Ferraz, C., & Finan, F.	AER, 2011	0	0	0	0	0	0	0	Corruption is measured by the costs and incidence of "irregularities" listed in Brazilian municipal audits.
The politics of private foreign aid: humanitarian principles, economic development objectives, and organizational interests in NGO private aid allocation	Büthe, T., Major, S., & de Mello e Souza, A.	IO, 2012	1	1	1	1	1	1	6	Corruption measures are: World Governance Indicators "control of corruption"; ICRG corruption risk scale; Transparency International CPI. 1 – One test looks at "government corruption in recipient countries," (p. 589), but is unclear as to what type of corruption is most relevant. All three measures aggregate indicators of different corruption types. 2 – The indicators focus on corruption in the business environment, but other types of corruption may be relevant to this question (i.e. corruption in government services for citizens). 3 – All measures conflate perception- and experience-based estimations in their aggregation.

										4 – All measures conflate frequency and scale in their aggregation, making it difficult to verify that the indicators do accurately explain the distribution of corruption. 5 – The indices rely on surveys that do not properly shield respondents. 6 – The study uses non-causal OLS models in its primary analysis.
Vote buying and social desirability bias: Experimental evidence from Nicaragua	Gonzalez-Ocantos, E., De Jonge, C. K., Meléndez, C., Osorio, J., & Nickerson, D. W.	AJPS, 2012	0	0	0	0	0	0	0	Corruption is measured through a list experiment administered during a nationally representative survey in Nicaragua.
Institutional trust, education, and corruption: a micro-macro interactive approach	Hakhverdian, A., & Mayne, Q.	JOP, 2012	1	1	1	1	1	1	6	Corruption is measured by the Transparency International CPI. 1 – The theory focuses on "public sector corruption," but does not make a distinction between lower-level bureaucratic corruption and higher-level political corruption (p. 742). The CPI aggregates multiple types of corruption into one index. 2 – The CPI does not focus on voters' perceptions, but rather those of "experts" and businesspeople (p. 743). 3 – The CPI suffers from perception bias and may not be appropriate when discussing countries' actual levels of corruption. 4 – The main hypotheses revolve around "countries with higher levels of corruption" (p. 742), but the CPI merges frequency and scale so that countries with different distributions

										of bribe incidence versus average cost appear to be identical. 5 – The CPI relies on surveys that do not shield respondents. 6 – The authors note potential endogeneity concerns but then do not adopt standard methods of causal identification (p. 744).
Legislative institutions and corruption in developing country democracies	Yadav, V.	CPS, 2012	1	1	1	1	1	0	5	Corruption measures are: ICRG corruption risk scale; Transparency International CPI. 1 – The theory focuses on "party-based lobbying," where legislative rules affect the structure of legislative corruption (pp. 1029-32). The corruption data used is not related to legislative corruption, or "party-based" vs individual, but rather national-level indices of total corruption. The types do not match. 2 – Again, the national-level indices measure corruption by different societal actors, where the theory is narrowly focused on corruption involving legislators (pp. 1029-32). 3 – All measures are perceptions-based, and thus suffer from perception bias and may not accurately measure corruption levels. 4 – All measures conflate frequency with scale; it makes comparing countries difficult, as countries with different corruption regimes in terms of bribe incidence and costs may appear the same on paper. 5 – The indices rely on surveys that do not properly shield respondents.
Turning a blind eye: experimental evidence of partisan bias	Anduiza, E., Gallego, A., & Muñoz, J.	CPS, 2013	0	0	0	0	0	0	0	Corruption is treated through a vignette in an online survey experiment.

in attitudes toward corruption										
The political resource curse	Brollo, F., Nannicini, T., Perotti. R., & Tabellini, G.	AER, 2013	0	0	0	0	0	0	0	Corruption is measured by the costs and incidence of "irregularities" listed in Brazilian municipal audits.
The transmission of democracy: from the village to the nation-state	Giuliano, P., & Nunn, N.	AER, 2013	1	0	1	1	1	1	5	Corruption is measured by the World Governance Indicators "control of corruption" indicator. 1 – The focus is on national-level institutions' stability but it is unclear what types of corruption are relevant (p. 86). The indicator aggregates information on multiple types of corruption; it could be that the most relevant type is grand corruption, but it is not clear in the theory. 3 – The indicator conflates perception and experience in its aggregation; thus, it suffers from perception bias, and likely does not accurately capture corruption levels. 4 – The indicator conflates frequency and scale; it cannot then be used to compare corruption levels across countries that have differing corruption regimes. 5 – The indicator builds on surveys that do not shield respondents. 6 – The study does not mention endogeneity concerns or causal identification strategies.
The political origins of transparency	Berliner, D.	JOP, 2014	1	1	1	1	1	1	6	Corruption is measured by the Transparency International CPI. 1 – The CPI aggregate different types of corruption into one index. The focus should be on grand corruption by public officials. 2 – Again, the CPI deals with multiple types of corruption and

										actors by condensing it into one index. The theory centers on legislators and other elected officials (pp. 482-83). 3 – The CPI is a perceptions-based measure, and as such should not be used to measure levels of corruption. 4 – The CPI merges frequency and scale into one index, leading to index bias and the possibility of falsely comparing two countries with very different corruption regimes. 5 – The CPI relies on surveys that do not shield respondents. 6 – The study does not adopt any causal identification strategy.
Isolated capital cities, accountability, and corruption: evidence from US states	Campante, F. R., & Do, Q-A.	AER, 2014	1	0	0	1	0	0	2	Corruption is measured by numbers of convictions of public officials for corruption in U.S. federal courts. 1 – The theory focuses on corruption by state officials (pp. 2456-58), but the measure includes corruption cases against local, state and federal officials (p. 2461). 4 – The convictions measure does not measure scale, as there is no information on the costs of corruption induced by these officials.
The private returns to public office	Fisman, R., Schulz, F., & Vig, V.	JPE, 2014	0	1	1	1	1	0	4	Corruption is measured by Transparency International's index of corruption in Indian states. 2 – The corruption index measures perceived corruption in public services (p. 815), but this potentially conflates different types of corrupt actors (elected politicians, i.e. the focus of the paper, versus street-level bureaucrats). 3 – The survey is primarily perceptions-based, but the findings

										claim that asset growth is higher in states with higher levels of corruption (p. 832). 4 – The survey measure also appears to merge frequency and scale rather than providing distinct information on each dimension (p. 815). 5 – The survey does not shield respondents when asking questions about corruption.
The impact of recentralization on public services: a difference-in-differences analysis of the abolition of elected councils in Vietnam	Malesky, E. J., Nguyen, C. V., & Tran, A.	APSR, 2014	0	0	1	1	1	0	3	Corruption is measured by indicators from the 2011 UNDP-PAPI survey in Vietnam. 3 – The questions are ambiguous as to whether they address perceptions versus experiences (p. 165). 4 – The questions only ask whether officials undertake corruption, but not the scale (costs) of corruption (p. 165). 5 – The survey directly asks respondents about their level of agreement with different statements concerning corrupt behavior by government agents (p. 165, see Table 5).
National institutions and subnational development in Africa	Michalopoulos, S., & Papaioannou, E.	QJE, 2014	0	0	1	1	1	0	3	Corruption is measured by the World Governance Indicators "control of corruption" indicator. 3 – The indicator conflates perception and experience in its aggregation; thus, it suffers from perception bias, and likely does not accurately capture variations in corruption levels. 4 – The indicator conflates frequency and scale; it cannot then be used to compare corruption levels across countries that have differing corruption regimes. 5 – The indicator builds on surveys that do not shield respondents.

Buying war Not peace: the influence of corruption on the risk of ethnic war	Neudorfer, N. S., & Theuerkauf, U. G.	CPS, 2014	1	1	1	1	1	0	5	Corruption is measured by the ICRG corruption risk scale. 1 – The corruption risk scale mashes together different corrupt behaviors into one index; the theory focuses on the creation of ethnic patron-client corruption networks, suggesting a need to focus more closely on patronage and disruptions to political institutions (pp. 1858-61). 2 – It is unclear if the actors relevant for holding up the political process (pp. 1860-61) are the focus of this measure. The ICRG scale aggregates information on corruption at all levels of the public sector, making it unsuitable for this study. 3 – The ICRG scale is subject to perception bias because it is compiled by experts through "subjective analysis of materials at hand." 4 – The authors claim that the ICRG scale measures the "level of public-official-centered corruption" (p. 1866), but the ICRG scale makes no mention of frequency and scale as separate dimensions of corruption. 5 – The corruption risk scale is developed through subjective analysis by editors using opaque criteria.
Who benefits from economic reform? Firms and distributive politics	Szakonyi, D., & Urpelainen, J.	JOP, 2014	0	0	0	0	1	1	2	Corruption is measured by a direct question on the World Bank Enterprise Survey. 5 – The question directly asks "Total gifts, bribes, etc. paid (Rs) by your firm in response to officials demands during visits" (p. 849). 6 – Other than arguing the reform "treatment" is exogenous to any given firm (p. 847), there is no use of typical causal strategies.

Curse or cure? Migrant remittances and corruption	Tyburski, M. D.	JOP, 2014	1	1	1	1	1	0	5	Corruption is measured by the World Governance Indicators "control of corruption" indicator. 1 – The theory focuses on corruption as illicit flows for rulers to tap into (pp. 817-18), but the measure aggregates multiple types of corruption into one indicator. This does not measure the impact of remittances on different types of corruption. 2 – The indicator focuses on corruption within the business environment; remittances are more likely to go to citizens, and from there enter into corruption. 3 – The indicator conflates perception and experience in its aggregation; thus, it suffers from perception bias, and likely does not accurately capture variations in corruption levels. 4 – The indicator conflates frequency and scale; it cannot then be used to compare corruption levels across countries that have differing corruption regimes. 5 – The indicator builds on surveys that do not shield respondents.
Competing for transparency: political competition and institutional reform in Mexican states	Berliner, D., & Erlich, A.	APSR, 2015	0	0	0	1	1	1	3	Corruption is measured by the Transparencia Mexicana National Index of Corruption and Good Government. 4 – The study references levels of corruption, but the index only measures the number of times a respondent gave a bribe (p. 120), without any measurement of scale (i.e. the costs of bribes). 5 – The surveys do not properly shield respondents.

										6 – The use of an event history framework is not sufficient to allay endogeneity concerns (p. 121).
Causes of noncompliance with international law: a field experiment on anonymous incorporation	Findley, M. G., Nielson, D. L., & Sharman, J. C.	AJPS, 2015	0	0	0	1	1	0	2	Corruption is measured by the Transparency International CPI. 4 – The CPI merges frequency and scale into one index, leading to index bias and the possibility of falsely comparing two countries with very different corruption regimes. 5 – The CPI relies on surveys that do not shield respondents.
International knowledge and domestic evaluations in a changing society: the case of China	Huang, H.	APSR, 2015	0	0	0	1	1	0	2	Corruption is measured by an original survey measure, asking respondents to rank China in terms of corruption. 4 – The focus is on citizens' perceptions of the "severity" of corruption (p. 617), but this could be construed as either frequency, scale, or both. The CPI conflates frequency and scale, so it may not be a suitable measure. 5 – Respondents are directly asked to do so without proper shielding, which could elicit social desirability bias problems (pp. 617-618).
Clan governance and state stability: the relationship between female subordination and political order	Hudson, V. M., Bowen, D. L., & Nielsen, P. L.	APSR, 2015	0	0	1	1	1	1	4	Corruption is measured by the Transparency International CPI. 3 – The CPI is a perceptions-based measure, and as such should not be used to measure levels of corruption. 4 – The CPI merges frequency and scale into one index, leading to index bias and the possibility of falsely comparing two countries with very different corruption regimes. 5 – The CPI relies on surveys that do not shield respondents.

										6 – The study utilizes a general linear model without casual identification strategies.
Deliberate indiscretion? How political corruption encourages discretionary policy making	Loftis, M. W.	CPS, 2015	0	0	0	1	1	0	2	Corruption is measured by an index of state capture derived from the World Bank BEEPS survey. 4 – The "answers fall on the 4-point scale as follows: no impact, minor impact, significant impact, very significant impact" (p. 741). This does not provide a good measure of the scale (i.e. costs) of corruption. 5 – The survey questions directly "asked firm managers the extent to which the sale of Parliamentary votes and the sale of Presidential/government decrees to private interests negatively affect their business" (p. 741).
Monopoly money: foreign investment and bribery in Vietnam, a survey experiment	Malesky, E. J., Gueorguiev, D. D., & Jensen, N. M.	AJPS, 2015	0	0	0	1	0	0	1	Corruption is measured by a list experiment embedded within a business survey in Vietnam. 4 – The study discusses "reductions in bribery" (p. 423), but the measure only covers the incidence of bribery, not the costs of bribery.
Regulation of speech and media coverage of corruption: an empirical analysis of the Mexican press	Stanig, P.	AJPS, 2015	0	0	0	0	0	0	0	Corruption is measured by a media analysis of Mexican newspaper articles.
Monitoring corruptible politicians	Bobonis, G. J., Fuertes, L. R. C., & Schwabe, R.	AER, 2016	0	0	0	1	0	0	1	Corruption is measured by the sum of corrupt instances listed in audits of Puerto Rican municipalities. 4 – The measure only covers the incidence of corruption and does not contain any information on the costs of corruption (p. 2379).

Careers, connections, and corruption risks: investigating the impact of bureaucratic meritocracy on public procurement processes	Charron, N., Dahlström, C., Fazekas, M., & Lapuente, V.	JOP, 2016	0	0	0	1	0	0	1	Corruption is measured by data from the European Union Tenders Electronic Daily. 4 – The measure focuses on different "red flags" dealing with the potential incidence of corruption, without any information on the scale of corruption (e.g. relative costs of single-bidder contracts) (pp. 93-94).
Corruption as a self-fulfilling prophecy: evidence from a survey experiment in Costa Rica	Corbacho, A., Gingerich, D. W., Oliveros, V., & Ruiz-Vega, M.	AJPS, 2016	0	0	0	0	0	0	0	Corruption is measured by a list experiment embedded in Costa Rica's GAM survey.
Building state capacity: evidence from biometric smartcards in India	Muralidharan, K., Niehaus, P., & Sukhtankar, S.	AER, 2016	0	0	0	1	1	0	2	Corruption is measured by a question on a post-experimental survey. 4 – The measure only asks if the respondent needed to pay a bribe to access the benefit, not the cost of any such bribes (p. 2918). 5 – The survey directly asks "did you have to pay anything to get this NREGS work?" (p. 2918)
Corruption, trade costs, and gains from tariff liberalization: evidence from southern Africa	Sequeira, S.	AER, 2016	0	0	0	0	0	0	0	Corruption measures come from UN COMTRADE data and an audit study of randomly selected shipments.
Demand for law and the security of property rights: the	Gans-Morse, J.	APSR, 2017	0	0	0	0	1	1	2	Corruption is measured from Likert scale questions on an original survey of Russian firms. 5 – The questions directly ask respondents to rate the likelihood of

case of post-Soviet Russia										pursuing different corruption strategies to solve disputes (p. 342). 6 – There is no real discussion of endogeneity concerns other than an assertion that they "should not be overstated" (p. 350).
Hayek, local information, and commanding heights: decentralizing state-owned enterprises in China	Huang, Z., Li, L., Ma, G., & Xu, L. C.	AER, 2017	0	0	0	0	0	0	0	Corruption measures come from the World Bank Enterprises Survey (entertainment and travel costs) and Procuratorial Yearbooks of China (number of corruption cases per 1000 people).
Mining and local corruption in Africa	Knutsen, C. H., Kotsadam, A., Olsen, E. H., & Wig, T.	AJPS, 2017	0	0	0	1	1	0	2	Corruption is measured by bribe experience questions on the Afrobarometer. 4 – The results only show that mines increase the frequency of corruption (p. 328), but the study claims to show that mines increase overall corruption. This conclusion requires a measure of bribe costs (scale). 5 – Respondents are asked directly whether they have paid bribes to deal with police or to receive permits (p. 326).
Do public fund windfalls increase corruption? Evidence from a natural disaster	Nikolova, E., & Marinov, N.	CPS, 2017	0	0	0	1	0	0	1	Corruption is measured from Bulgarian municipal audits: the sum of all recorded infractions. 4 – The measure contains no information on the amount of money involved in infractions; it thus only measures frequency.
The political economy of unfinished development projects: corruption, clientelism, or	Williams, M. J.	APSR, 2017	0	0	0	0	0	0	0	Corruption is measured from Annual Progress Reports of development projects in Ghana.

collective choice?										
MNCs, rents, and corruption: evidence from China	Zhu, B.	AJPS, 2017	1	0	0	0	0	0	1	Corruption measures come from: Chinese court documents; China National Bureau of Statistics firm surveys. 1 – The author mentions that corruption is defined more broadly in China than the standard definitions (p. 88). The measure may then pick up information on nonrelevant types of "corruption."
Do government audits reduce corruption? Estimating the impacts of exposing corrupt politicians	Avis, E., Ferraz, C., & Finan, F.	JPE, 2018	0	0	0	0	0	0	0	Corruption is measured by data on incidences of corrupt behavior from Brazilian municipal audits
Insider or outsider? Grand corruption and electoral accountability	Bauhr, M., & Charron, N.	CPS, 2018	0	0	0	1	0	1	2	Corruption is measured by public procurement data on contracts in European regions. 4 – As the measure is simply the percentage of single-bidder contracts (p. 428), it does not contain any information on the scale (costs) of corruption (i.e. the relative value of said contracts). 6 – The study adopts a hierarchical research design, and claims to deal with endogeneity by adopting a non-perceptions measure (p. 428).
Nonstate actors and compliance with international agreements: an empirical analysis of the OECD Anti-	Jensen, N. M., & Malesky, E. J.	IO, 2018	0	0	0	0	0	0	0	Corruption is measured by a list experiment in the Vietnam PCI survey.

Bribery Convention										
Who is targeted in corruption? Disentangling the effects of wealth and power on exposure to bribery	Robinson, A. L., & Seim, B.	QJPS, 2018	0	0	0	0	0	0	0	Corruption is measured through a field experiment in Malawi.
International intervention and the rule of law after civil war: evidence from Liberia	Blair, R. A.	IO, 2019	1	0	1	1	0	0	3	Corruption is measured by a question in a survey of communities in Liberia. 1 – The binary indicator measures whether the respondent views state institutions as corrupt (p. 377). This potentially captures different types of corruption beyond the kind of petty, local corruption the author is interested in. 3 – This question is perceptions-based; it faces the same issues of perception bias and non-accurate measurement of actual corruption. 4 – As the measure is a binary indicator of whether institutions are viewed as corruption, it gives no information on either the frequency or scale of corruption
Norms versus action: why voters fail to sanction malfeasance in Brazil	Boas, T. C., Hidalgo, F. D., & Melo, M. A.	AJPS, 2019	0	0	0	1	0	0	1	Corruption is measured by a binary indicator of whether auditors had rejected a mayor's accounts, taken from Brazilian municipal audits. 4 – The measure fails to delineate corruption by scale; it is a very basic indicator (either accept or reject), with no information on the size of the corrupt accounts.
Busting the "Princelings": the campaign against	Chen, T., & Kung, J. K.	QJE, 2019	0	0	0	0	0	0	0	Corruption is measured as the price differential of spatially matched land transactions from the Chinese Land Transaction Monitoring System.

corruption in China's primary land market										
Concession stands: how mining investments incite protest in Africa	Christensen, D.	IO, 2019	1	0	1	1	1	0	4	Corruption is measured by the World Governance Indicators "control of corruption" indicator. 1 – The indicator aggregates information on multiple types of corruption; the most relevant type for potential mechanisms is petty corruption (p. 89, 95). 3 – The indicator conflates perception and experience in its aggregation; thus, it suffers from perception bias, and likely does not accurately capture corruption levels. 4 – The indicator conflates frequency and scale; it cannot then be used to compare corruption levels across countries that have differing corruption regimes. 5 – The indicator builds on surveys that do not shield respondents.
Estimating causal relationships between women's representation in government and corruption	Esarey, J., & Schwindt-Bayer, L. A.	CPS, 2019	1	1	1	1	1	0	5	Corruption measures are: ICRG corruption risk scale; Transparency International CPI. 1 – The theory focuses on representation of women in government. The corruption data used is not related to grand corruption, that could influence/be influenced by female politicians (p. 1714), but rather national-level indices of total corruption. The types do not match. 2 – Again, the national-level indices measure corruption by different societal actors, where the theory is narrowly focused on corruption at the higher levels of government (pp. 1716-1719).

										3 – All measures are perceptions-based, and thus suffer from perception bias and may not accurately measure corruption levels. 4 – All measures conflate frequency with scale; it makes comparing countries difficult, as countries with different corruption regimes in terms of bribe incidence and costs may appear the same on paper. 5 – The indices rely on surveys that do not properly shield respondents.
Greasing the wheels of commerce? Corruption and foreign investment	Zhu, B., & Shi, W.	JOP, 2019	0	0	0	1	0	0	1	The corruption treatment is a 2x2 vignette design inserted into a survey of MNCs in China. 4 – While the vignettes make a distinction between "clean" and "corrupt" regimes (p. 1317), they do not test how "corrupt" regimes might differ in terms of the number of bribes demanded and the average cost of said bribes.
Unprincipled principals: co-opted bureaucrats and corruption in Ghana	Brierley, S.	AJPS, 2020	0	0	0	0	0	1	1	Corruption is measured by a randomized response (RR) measure inserted into a survey of bureaucrats in Ghana. 6 – The study does not use an information treatment to exogenously affect perceptions of discretionary control; therefore, there is no causal identification.
Institutions and the "resource curse": evidence from cases of oil-related bribery	Mahdavi, P.	CPS, 2020	0	0	0	0	0	0	0	Corruption is measured by case information from Foreign Corrupt Practices Act-related bribery cases.
Does trust in government increase	Peyton, K.	APSR, 2020	0	0	0	1	0	0	1	The corruption treatment are formatted as NYT Op-Eds inserted into M-Turk survey experiments.

support for redistribution ? Evidence from randomized survey experiments										4 – The "Op-Ed" treatments emphasize either "Honest" (low levels) or "Corrupt" (high levels) (p. 598), but it is unclear if "high levels" refers to frequency, scale, or both.
Local order, policing, and bribes: evidence from India	Tellez, J. F., Wibbels, E., & Krishna, A.	WP, 2020	0	0	0	0	1	1	2	Corruption is measured by a question about expected bribe levels embedded in a survey of slum residents in India. 5 – Respondents were directly asked for the "amount the respondent would expect to pay to have the theft of an asset registered and investigated by the police" (p. 395). 6 – The study forthrightly admits that it is observational in nature, and that future studies should consider methods to affect exogenous changes in social networks (p. 406).
Understanding journalist killings	Carey, S. C., & Gohdes, A. R.	JOP, 2021	1	1	1	1	1	1	6	Corruption is measured by the VDEM public sector and judicial corruption indices. 1 – The questions are very general (see appendix B.1); they possibly aggregate petty and grand corruption into one measure. 2 – The questions refer to "public sector employees"; it is unclear what level of public sector officialdom this study targets, though it seems to be higher-level. 3 – Since the indices use expert codes, it is very likely they suffer from perception biases. 4 – The questions merge frequency and scale, by asking "to what extent does corruption…" 5 – Both indices code answers to direct questions about corrupt behavior in the public sector and in the judiciary (see appendix B.1).

										6 – There is no discussion of potential endogeneity or adoption of common causal methods.
The real winner's curse	Fergusson, L., Querubin, P., Ruiz, N. A., & Vargas, J. F.	AJPS, 2021	0	0	0	1	0	0	1	Corruption is measured by government watchdog reports of municipal officials in Colombia. 4 – The data measures the likelihood of officials being investigated, found guilty, or removed from office for corruption (p. 62). This does accurately measure the frequency or scale of corruption; rather, it measures the likelihood of investigation and sanctions for corruption that may vary among officials at the same level of corruption.
Political corruption cycles: high-frequency evidence from Argentina's notebooks scandal	Figueroa, V.	CPS, 2021	0	0	0	0	0	1	1	Corruption is measured from a set of notebooks written by bribe-taking bureaucrats in Argentina. 6 – The study does not address potential endogeneity in election timing, which could affect patterns of corruption.