

Fighting Corruption in MENA Region

Toward a Conceptual Framework

Sarah Hariri Haykal, PhD

Assistant Professor
Saint Joseph University
Faculty of Economics
sarah.haykal@usj.edu.lb

Fighting Corruption in MENA Region Toward a Conceptual Framework

Sarah Hariri Haykal, PhD

Abstract

This paper provides a general overview of corruption in Middle East and North Africa (MENA) region in order to display an effective policy to curb corruption. Corruption constitutes the main challenge in most MENA countries and it's spreading rapidly over the last decade. The main focus of this paper is to highlight the necessity of taking into account not only the level of corruption but the causes and its dimensions for each country. Since MENA countries have heterogeneous features, one policy doesn't fit all. In this perspective, we suggest a comparative study based on an empirical data and a regression model to identify the underlying causes of corruption for each country in order to implement sound policies to combat corruption.

This paper aims at a realistic, customized and global policy that takes into account the economic, social and political criteria in order to battle corruption efficiently. This paper shed the light on the necessity of implementing a structural and a long run planning to tackle corruption, enhance governance, and ensure sustainable development in the region.

Keywords: Corruption, Governance, Social norms, institutions.

I – Introduction

Corruption is defined as an abuse of public office in order to obtain a private gain. It is generally related to the payment of bribe, to red tape embezzlement and bureaucracy. In other contexts, corruption is connected to rent seeking behavior, to tax evasion, to vote buying, to nepotism and favoritism. It is generally tied to illegal practices to fraud and even criminality. It can vary from individual corruption, called petty corruption, when tied to bribes to grand corruption when linked to political issues. Corruption is difficult to detect, it is difficult to measure due to its hidden nature and thus difficult to uproot.

Corruption constitutes the main challenge in most MENA countries and it's spreading rapidly in the region. According to Transparency International, most MENA countries are ranked below the world median level of corruption. For this reason, it's an urge to suggest sound policies to curb this phenomenon and abide by legal practices for better governance. Why most of MENA

countries have failed in combating corruption? Why corruption is still rampant even in some countries who ratified international conventions against corruption?

To provide an answer to these questions, it's important to shed the light on the nature of corruption in order to understand the underlying reasons behind corruption before suggesting policies to tackle it. In some countries, corruption is affiliated to the economic system as for the case of Tunisia. While in others, it's related to socio economical dimension and tied to cultural phenomenon and social norms. In some other countries, corruption is rooted to the structure of the state and to institutional deficiency; and some countries are characterized by all forms of corruption as for the case of Yemen and Libya. In this regard, it's important to take into account not only the magnitude of corruption but also its nature and its characteristics to fight it in every specific structure since MENA region is not a homogeneous pool of countries. This paper emphasizes that every policy that aims at tackling corruption should be adequate to the context of each country taking into account the quality of its institutions its social and cultural norms. A lot of industrialized countries have succeeded in fighting corruption; but we cannot import a policy that succeeded in a region and implement it to MENA region. For this reason, it's important to trace back to the origins of corruption and to the particularity of each region. In order to identify the adequate policy to eradicate corruption, it's important to proceed with a descriptive study and empirical evidence, analyzing the origins and the causes for each country in order to establish a conceptual framework to identify the dimensions of corruption for each country.

The remainder of the article proceeds as follows: section 2 presents a brief review of literature about the cost of corruption and the urge to combat it. The third section displays the descriptive statistics about the extent and the evolution of corruption in MENA region to identify the nature and the determinants of corruption. The fourth section displays a regression model that concludes that corruption is not only an economic problem but it's also explained by political, social and cultural phenomenon. The last section is dedicated to a discussion on the customized policies that should be implemented according to the nature of corruption.

II – Literature Review

This section displays an overview of literature on the cost and consequences of corruption in order to discuss policy issues to fight against it. Corruption remains the main challenge for developing countries because it constitutes an impediment to growth and development (Svensson 2005). This “destroyer of human prosperity” as called by the World Bank is a main issue for MENA region which experiments high levels of corruption. It constitutes a real obstacle to economical performance. At a macro level, corruption lowers economic growth by lowering domestic and foreign investment increasing the cost of production (Mauro, 1996). By lowering GDP, corruption depreciates income and thus the standard of living for citizens. At a micro level, it is a threat to business. Corruption generates a burden for the companies by increasing the cost of doing business and the time dealing regulatory load. Considering the bribe as a form of tax, the firm's incentive to invest will be reduced. Moreover, corruption can lower the productivity of civil servant who will tie their services to bribes. At a broader level, corruption affects also the budget of the government by causing distortions to government expenditures, entailing monetary loss and lowering the quality of public services. Corruption can harm economic performance by

spoiling public resources and decreasing tax revenue. Corruption doesn't affect only the level of expenditures but also the structure. Corrupt governments tend to spend more on infrastructure projects or military investments rather than on education or health. Even when corrupt governments spend revenues on education and health, it's more likely on construction rather on the quality of these services and human resources.

Moreover, corruption has significant cost socially wise. It pervades the society by breeding poverty and threatening social cohesion. It corrodes public trust and threatens integrity because poor people will lack privileges to access to certain goods and services. Corruption has a significant impact on income distribution. Some categories will be excluded from basic services which increase poverty and inequality. In sum, the poor are paying the real cost of corruption (Bardhan, 1997).

Furthermore, Corruption undermines democratic values and the political structure. Citizens will lose confidence in the government that undermines democracy rules. Regarding the electoral process, the lack of transparency will encourage electors to sell easily their votes and create distortion in the political market. Corruption could not be analyzed independently from the nature of the state and the political regime (Lemmenicier, 2006).

In this perspective, corruption has a negative impact on the economic and social system and the cost is too big to ignore. But why it remains a challenge for countries? Why suggested policies have failed over the time? In order to identify sound policies to curb corruption in MENA region, we suggest an empirical study based on cross country comparisons.

III –An Overview of Corruption in MENA Region; The Level and Determinant of Corruption

In this comparative study, we rely on the experience of 18 MENA countries. In most MENA countries, corruption is widely spread and most countries are identified as having serious corruption problems. But our comparative study underlines the disparities about the levels and the causes of corruption by country. The levels of corruption are based on the CPI index issued by Transparency International for 2016. The index of perceptions of corruption (CPI) is a composite index that measures the perception of corruption in the public sector¹. MENA countries experienced high level of corruption with some differences across countries. They are ranked below the world median level of corruption. It's important to note that the majority of countries display scores of CPI below 50. However, Qatar, Israel and UAE have managed to remain above the average and it has scored above 50 over 100. Syria and Yemen remain at the bottom of the ranking.

Corruption is a main challenge for all MENA countries, but the level of corruption varies from one country to another. So we suggest classifying them into three groups:

- Low level of corruption: CPI > 50: Qatar; United Arab Emirates, Israel have low perception of corruption and are characterized by good performance.

¹ The score of 10 indicates no requests for bribes. The level 0 therefore means a highly corrupt country.

- Intermediate Level: $40 < \text{CPI} < 50$: Jordan, Oman, Bahrein and Kuwait.
- High level of corruption: $\text{CPI} < 40$: Countries where corruption is prevalent as for Algeria and Egypt with a CPI of 34, Iran, Lebanon, Iraq, Libya, Morocco, Libya and Yemen with a CPI of 14 and Syria at the bottom of the list with a CPI of 13.

Corruption is widely spread in MENA countries and governments have failed in containing it. Referring to our comparative study, corruption has increased in most countries over the last years.

Table 1: Evolution of corruption in MENA region

CPI	2016	2015	2014	2013	2012
United Arab Emirates	66	70	70	69	68
Israel	64	61	60	61	60
Qatar	61	71	69	68	68
Jordan	48	53	49	45	48
Oman	45	45	45	47	47
Bahrain	43	51	49	48	51
Kuwait	41	49	44	43	44
Tunisia	41	38	40	41	41
Algeria	34	36	36	36	34
Egypt	34	36	37	32	32
Iran	29	27	27	25	28
Lebanon	28	28	27	28	30
Iraq	17	16	16	16	18
Libya	14	16	18	15	21
Morocco	37	36	39	37	37
Yemen	14	18	19	18	23
Syria	13	18	20	17	26
Saudi Arabia	46	52	49	46	44
Average	37.5	40	39.6	38.4	40

All countries except Saudi Arabia, Egypt, Iran and Israel have succeeded in stabilizing corruption over the last five years. The CPI in Saudi Arabia increased from 44 in 2012 to 46 in 2016. In addition, in Israel, the perception of corruption has been enhanced from 60 in 2012 to 64 in 2016. Countries as Syria Yemen Lebanon and Libya have failed in combating corruption over the last years. This increase of corruption could be attributed to the political instability where the CPI in Syria has dropped from 26 in 2012 to 13.

As an overview, corruption has increased over the last years in MENA region. Governments have failed in curtailing it since CPI decreased from the score of 40 in 2012 to 37.5 in 2016. Even if all countries are affected by corruption, it's important to shed the light on its dimensions to pin point the characteristics and particularities by each country in order to determine sound policies to fight corruption.

The Underlying Determinants of Corruption

MENA region is facing many challenges that threaten the stability of the countries creating favorable conditions for corruption. This section underlines the relationship between the extent of corruption and its determinants in MENA region. We attempt to explain the relationship between the level and the nature of corruption. Even if all MENA region are corrupt countries, the root of corruption differs from one country to another. For this reason, it's important to identify the nature of corruption in order to suggest policies. Corruption should not be studied from one angle; policymakers should take into account the multiform of corruption. Countries could be classified in different categories based on the dimensions of corruption. This section will look at determinants of corruption that vary from economic to social cultural and political dimension. To begin with, let's start with the economic dimension.

The Economic Determinant; GDP

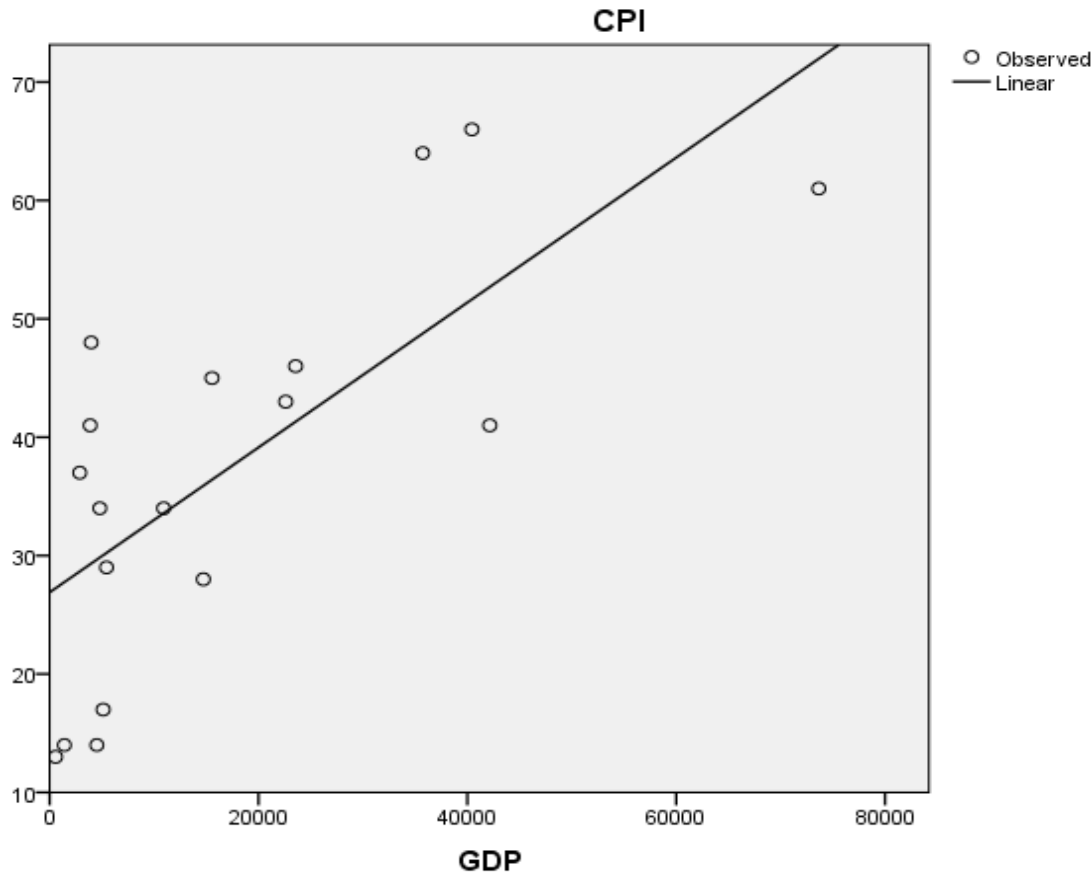
The economic situation plays a key role in explaining the magnitude of corruption in a country. This determinant provides evidence of the negative correlation between GDP and corruption. Corruption is most prevalent in countries where GDP is low because citizens and civil servant tend to increase their income and gain money by twisting the law. The low level of GDP per capita is an incentive for citizens to be involved in petty corruption and to increase their propensity to accept and demand bribe by selling their votes and tolerating mal practices.

Table 2: The determinants of corruption in MENA region

Country	CPI	GDP per capita	Tolerance of corruption	Political stability	Literacy rate	Economic freedom	Government effectiveness
Tunisia	41	3872	7	19	81.8	57.6	49
Iran	29	5442		17	86.8		47
Jordan	48	3976	3	27	96.7	68.3	59
Libya	14	4509	5.7	3	91		2
Qatar	61	73653	9.8	82	97.8	70.7	79
Bahrain	43	22600	9.6	7	95.7	74.3	73
Algeria	34	4794	13.2	13	80.2	50.1	35
Egypt	34	10913	3.3	9	75.2	56	22
Iraq	17	5119	4.8	3	79.7		9
Kuwait	41	42150		76	96.2	62.7	75
Lebanon	28	14716	23.3	7	93.9	59.5	38
Saudi Arabia	46	23550		28	94.7	62.1	61
Yemen	14	1406.3	6	0	70.1		2
Morocco	37	2878.2	0.9	35	72.4	61.3	50
Israel	64	35729		11	97.8	70	88
Oman	45	15550		69	94.8	67.1	56
United Arab Emirates	66	40438		71	93.8	72.6	92
Syria	13	563		0	86.4		3
Average	37	17325	8	27	88	64	47

When analyzing the correlation between the perception of corruption and the GDP per capita, the comparative study highlights a positive correlation between these two variables. This correlation is clear through the Pearson coefficient that takes a value of 0.72 and significant at the 0.01 level. Citizens living in countries where the level of GDP per capita is high such as for Qatar, 73653\$, or for United Arab Emirates, 40438\$, are more inclined to abiding by the rule and not to be engaged in corrupt activities. The graph below highlights this positive relationship.

Graph 1: Correlation: GDP and CPI



The Social Determinant: Tolerance of Corruption

Corruption is attributed to social determinants. Social norms are highly relevant in understanding corruption in some countries where it became a social norm. If corruption is accepted by citizens, it becomes approved and tolerated in daily interactions. If civil servants and corrupt politicians are not penalized in their malpractices, this will lead to an increase in the level of corruption and to its normalization. It should be noted that, in many MENA countries, and in a context of generalized corruption, citizens don't feel guilty accepting bribes or selling and buying their votes without worrying about social sanction. We rely on the data of the World Values Survey, to measure the social norm of corruption through its acceptance. In this perspective, we refer to the question "how far the bribe is accepted or justified²? In some countries, corruption is tolerated and is a mere banality of every day's life. Citizens don't have any incentive to abide by the rule because corruption is the norm. The average tolerance level is 2.2% in OECD countries to 5.9% in MENA countries. The table below points the level of acceptance of corruption in MENA countries.

²The answers are presented in 10 levels ranging from "always justifiable" to "not justifiable" and in order to simplify the processing of data in our comparative study, we grouped the first five levels in a first level giving the percentage "individuals who tolerate the bribe and the five others in a second level to give the percentage of" individuals who cannot tolerate the bribe. "

The Cultural Determinant: The Literacy Rate

In order to elaborate a more precise assessment of corruption, corruption should be analyzed as a resultant of lack of culture and education in countries like Yemen where illiteracy is 30% and Iraq 20%. Education constitutes a fundamental reason behind corruption. This variable is estimated by the World Bank. It evaluates the percentage of the population, age 15 and above, who can read and write a simple statement. The comparison of the data points out a positive correlation between CPI and education. Thus the correlation between the level of corruption and the alphabetization rate is obvious through the Pearson correlation coefficient that takes a value of 0.57. This correlation is significant at the 0.05 level³. The level of illiteracy is very high in MENA countries⁴.

Institutional Determinant: Government Effectiveness and Economic Freedom

In addition to the previously mentioned dimensions of corruption, we highlight the institutional dimension in order to comprehend this phenomenon. MENA regions are characterized by a low level of the quality of their institutions that affects their economic performance. Countries with government failure, poor governance and institutional impediments experience higher levels of corruption. Corruption is widely spread in countries characterized by institutional inefficiency as for Lebanon and bureaucratic red tape. This comparative study points to Mena countries having a low level of governance.

The performance of the institutions is measured through these two variables:

- Government effectiveness; we refer to the indicator of the World Bank “Government Effectiveness” to measure the quality of public services, the quality of the civil services and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies⁵. The comparative study shed the light on the correlation between CPI and Government effectiveness with a Pearson correlation that takes the value of 0.9. We can notice through our data that the government inefficiency is a factor that encourages citizens to violate the regulations and breach the rules.
- Economic freedom: This index is evaluated by Heritage Foundation to measure the openness of economy. This variable covers 12 freedoms evaluating the freedom of own property and labor. According to international comparisons, countries that are characterized by a high level of corruption are characterized by less economic freedom.

The Political Determinant: Political Stability

Corruption tends to flourish in some MENA countries due to political instability, political tension and the recent war in many countries. The lack of political stability in countries such as Libya, Yemen, Syria is the main reason that explains the absence of all political initiatives to

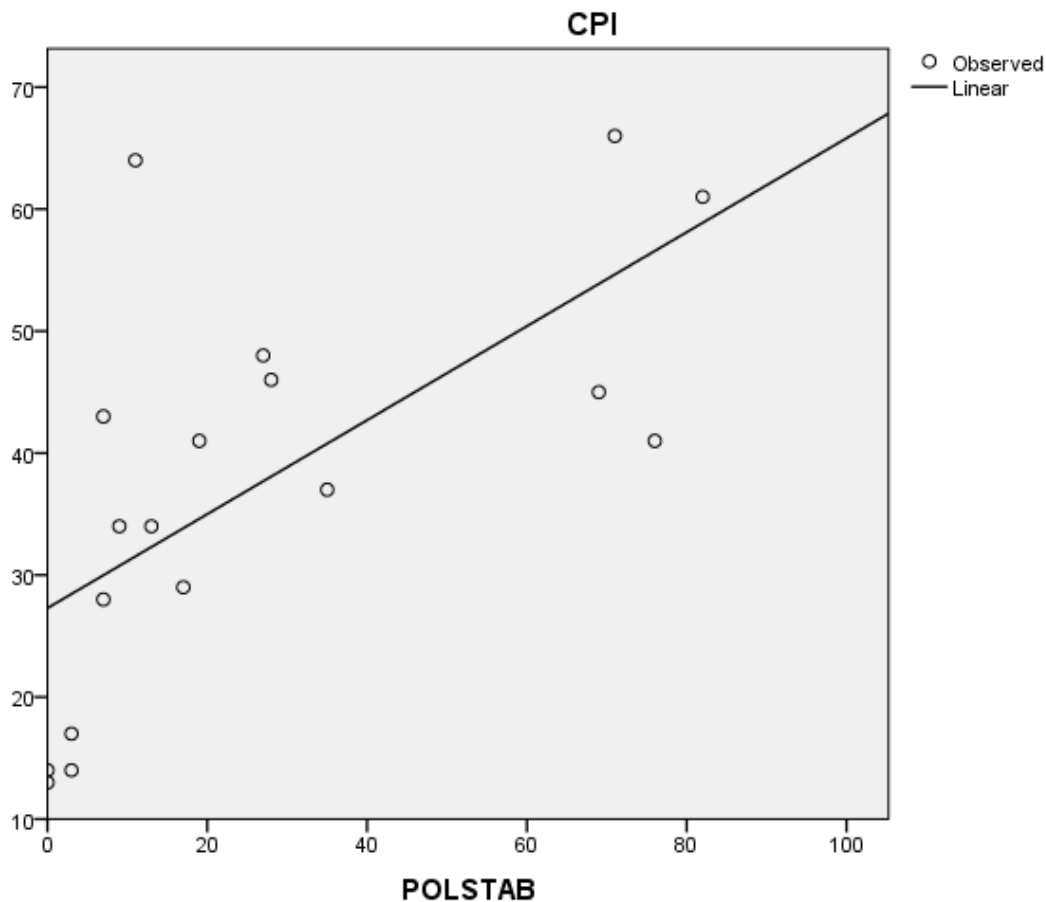
³ Appendix

⁴ Table 2

⁵ The index value ranges between 0 and 100, the maximum value 100 means the most efficient service.

tackle corruption. The World Bank evaluates the political stability of each country through the World Governance Indicator “Political Stability and Absence of Violence/Terrorism”. Hence, this indicator evaluates the likelihood that the government will be destabilized by unconstitutional means violence and terrorism. If the political situation of the country is instable, the country will get a low score on the index. As regard for MENA region, corruption is mainly rooted in the political structure that could varies from monarchy to an authoritarian regime. The table 2 sheds the light on the increase in political instability in all MENA region except for Morocco, Kuwait and Qatar who have succeeded in stabilizing their political situation. The countries characterized by a political instability such as Lebanon Syria and Libya have a high rate of corruption and a negative score of governance indicators “Political stability”. The Pearson coefficient is 0.65 and the correlation is significant at the 0.01 level. This positive correlation between political stability and the level of corruption can be illustrated in the following graph:

Graph 2: Correlation: political instability and CPI



Countries Classification by Dimension

We select the following criteria to group countries according to the dimension of corruption and its nature:

- Economical dimension: if the GDP per capita is less than 6000\$, we assume that corruption has an economical dimension.
- Social dimension: if the tolerance of corruption is higher than 5%, the root of corruption is social since it is accepted by citizens.
- Cultural dimension: if the literacy rate is less than 90%, we assume that corruption has a cultural dimension.
- Institutional dimension: if the Economic freedom and Government effectiveness indicators are below 50, we assume that corruption has an institutional dimension.
- Political dimension: if the governance indicator “Political stability” is higher than 50, corruption has a political origin.

According to these criteria selected, the countries could be ranged into 5 categories through the main dimension of their corruption⁶.

Table 3: The determinants of corruption by country

Economical dimension	Tunisia – Iran – Jordan – Libya – Algeria - Iraq
Social dimension	Tunisia – Libya – Qatar - Bahrein – Algeria – Lebanon – Yemen - Morocco
Cultural dimension	Tunisia – Iran - Algeria – Egypt – Iraq -Yemen – Morocco - Syria.
Institutional dimension	Tunisia – Iran - Libya –Algeria – Egypt – Iraq - Lebanon –Yemen – Syria.
Political dimension	Tunisia – Iran – Jordan - Libya –Bahrein – Algeria – Egypt – Iraq - Lebanon – Saudi Arabia - Yemen – Morocco – Israel – Syria.

It's obvious to see that it's difficult to attribute corruption to just one cause because these causes are intrinsically linked. Moreover, in some countries where corruption is pervasive, all types are developed. Tunisia and Syria constitutes one of these countries where corruption is rampant and accepted in the daily transaction. In most MENA countries, corruption is developed by political instability, where governance is poor, procedures are cumbersome, and economic performance is low.

⁶ Appendix

IV – The Model

Methodology

This section refers to a conceptual framework analyzing the relationship between the extent of corruption and its determinants. We present a model to shed the light on the importance of political social and cultural phenomenon to explain corruption and the necessity of analyzing the determinants of corruption before suggesting a policy to combat it.

In this comparative study, we rely on the experience of 22 countries studied in two groups: 14 countries from MENA region and 8 OECD countries distinguished by a high level of governance and good economic performance.

Table 4: The sample of countries

<i>OECD countries</i>	Canada – Japan – Australia – New Zealand – Spain – Switzerland – United Kingdom - USA
<i>MENA Region</i>	Tunisia – Iran - Jordan – Libya – Qatar – Bahrain - Algeria Egypt - Iraq - Kuwait – Lebanon - Saudi Arabia - Yemen - Morocco

Model Summary: The OLS Regression

This model establishes the relationship between the magnitude of corruption and its determinants. We rely on a cross country models using OLS regression. The model highlights that corruption is tied to economical social and institutional factors and its nature varies from one country to another.

Table 5: The variables of the model

<i>Label</i>	<i>Dependent Variable</i>	<i>Reference</i>
CPI	Level of corruption Corruption Perception Indicator	Transparency International

<i>Label</i>	<i>Description of the Variable</i>	<i>Nature of the variable</i>	<i>Reference</i>
GOVEFF	Government effectiveness	Economical and Institutional variable	World Governance Indicator
POLSTAB	Political Stability	Political variable	World Government Indicator
TOL	Tolerance of corruption	Social variable	World Values Survey

We run a linear regression to find a relationship between the levels of corruption (dependent variable) and the variables that explains corruption: Political Stability, Government effectiveness and Tolerance of corruption. Only significant coefficients have been retained at the 10% significance level except for “Tolerance of corruption” since it was correlated to CPI before we add the other variables to the model. The table below reports the results of the regression.

Table 6: Results of the regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.980 ^a	.960	.951	5.65383

a. Predictors: (Constant), TOL, GOVEFF, POLSTAB

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9321.410	3	3107.137	97.202	.000 ^b
	Residual	383.590	12	31.966		
	Total	9705.000	15			

a. Dependent Variable: CPI

b. Predictors: (Constant), TOL, GOVEFF, POLSTAB

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15.002	3.551		4.224	.001
	GOVEFF	.401	.090	.560	4.454	.001
	POLSTAB	.298	.090	.434	3.309	.006
	TOL	-.241	.301	-.050	-.801	.439

a. Dependent Variable: CPI

Results and Findings

The comparative study has shown the relationship between the extend of corruption and its economical social and institutional determinant. The level of corruption is explained by the failure of the state and by the poor government governance. The low economic performance seems to be an explanatory factor of corruption and to its extend in a country. The independent variables explain the level of corruption and all the variables are significant at 10% level. The F statistics for the regression is significant at the 10% level. The R2 is 0.96⁷.

Therefore, individuals justify their corrupt behavior by government failure, political instability, high unemployment rate and poverty.

- Corruption is correlated to government effectiveness of the government. It is interesting to note that a low level of corruption is explained by a higher level of government effectiveness. (0.401)
- Corruption is associated negatively with tolerance of corruption (-0.241). In countries characterized by high levels of unethical behavior, people tolerate a bad behavior from their neighbors because the neighbors also accept these malpractices.
- CPI is negatively correlated to Political Stability (-0.298); Corruption is widely spread in countries characterized by political instabilities.

Corruption should be analyzed as an economical, political, social and cultural phenomenon. In this perspective, a policy that succeeded in one country can fail in another country due to the characteristics of every country.

V – Recommendations and Concluding Remarks

This section provides a concrete and feasible recommendations to combat corruption and implement good governance taking into account the multidimensional nature of corruption. Corruption tends to flourish in MENA region but as stated above, but the origin of corruption differs from one country to another. It's important to note that the main root of corruption in MENA region is cultural and political.

Some countries have already implemented policies to curb corruption. Jordan, Morocco, Iraq and Yemen have established an anti-corruption institution in 2006. Kuwait and Bahrein are making effort to implement good governance in their countries by strengthening the controlling agencies and auditors in the public sector. An anti-corruption legislation has also been amended in Algeria where the government has established a code of conduct for public officials to limit bribe payment. Other legislations have been passed in some countries such as Bahrein in order to facilitate the access to information. But all these efforts didn't seem to restrain corruption. Furthermore, some MENA countries have ratified the UNCAC convention that reflects principles of good governance but corruption remains widely spread. Other policies implemented

in United Arab Emirates and Egypt have focused on prosecuting high profile corruption cases involving public officials to tackle corruption. In the aftermath of the financial crisis, UAE has also prosecuted individuals involved in illegal activities. But all these efforts didn't lead to a limitation of corruption and most MENA countries have failed in building a democratic system and transparent structure. For this reason, we suggest a Long term plan, a customized policy that should be adjusted to the economic, social, cultural and political background since the causes of corruption vary from one country to another.

Economic Reforms

This economic reform is important especially in countries where corruption comes as a response to government failure, to poverty and unemployment. The economic reform should focus on increasing incomes and distributing it fairly among all citizens aside from their political and confessional affiliation. Since corruption is linked to economic imbalances, some MENA countries should fight against poverty to lower the incentive of their citizens to engage in corrupt activities. Encouraging start-ups and industries is an urge to stimulate the economy and boost the activity and productivity. This policy is based mainly on economic reforms to ensure new jobs and raising incomes and standard of living in countries such as Tunisia and Yemen. It must be engaged in countries such Jordan and Morocco where corruption is mainly tied to low income and unemployment. As for the case of Algeria, the poverty indicator in the country is high where 23% of the population is living below the poverty line.⁸ Algeria must fight against inequality and limit poverty to give incentive for citizens to regain trust in their government. Egypt must undergo many economic reforms because corruption is mainly attributed to a low GDP and to inequalities among citizens and imbalances between regions. It's an urge to engage economic reforms and some development project in the field of education and health. The lack of social justice and the unfair distribution of income gave Egyptians the pretext to be involved in illegal activities and in political corruption. Limiting social disparity between the regions and ensuring a fair distribution of income can lead to a limitation of petty corruption by giving incentive to citizens to abide by the rule.

Sociocultural Reforms

If corruption is considered a cultural problem related to a lack of ethics and education, MENA region should promote integrity standards and values among citizens especially for the new generation. Regarding its social aspect, countries as Algeria and Lebanon must increase civil engagement in society and public affairs. Citizens should penalize and punish all malpractices to tackle corrupt actions. In Lebanon, for instance, corruption is tolerated by society as violating regulations doesn't generate any sense of guilt among citizens. This generalization of corruption in countries as Tunisia Yemen and Lebanon is explained by its tolerance and the lack of legal and social punishment by citizens. As stated in the previous section, corruption is due to the lack of ethics and education in countries as Iraq Morocco and Yemen where the illiteracy rate is higher than 20%. These countries need to introduce reforms to their educational system to foster

⁸ ref

integrity and honesty among new generations. The reform should include the modernization of the educational system to increase the qualification of the labor force motivate citizens and attract more foreign investments to create new jobs. In Qatar, corruption is not relatively widely spread but it is widely a cultural phenomenon linked to patronage networks due to its political regime known as constitutional monarchy. In addition, the civil society and the NGO's should be active through the promotion of transparency and integrity values. Civil society should forge an effective coalition against the corrupt governors to foster the implementation of the UNCAC in all countries. Moreover, promoting education is an important step toward good governance. MENA region should promote an incentive system that reward the honest behavior and sanction the default one. Any effective policy should raise awareness about the indirect cost of corruption that every citizen bares.

Political Reform

The political reform should shed the light on more political stability and reforms of the political regimes. Some MENA countries should enhance democratic processes and strengthen principals of democracy and control political tensions among communities. All political parties should be involved in the policy against nepotism and favoritism to combat political corruption. It's an urge to foster democracy by separating the legislative and executive power in the political structure. MENA countries should reform their political regime in order to implement good governance especially in countries like Lebanon, Iran and Yemen where corruption is tied to religious affiliation and to civil war. It's the case of some gulf countries such as Saudi Arabia and Kuwait where corruption is not attributed to a lack of resource but to the political regime that lacks freedom and accountability. In the context of severe war, countries as Syria Yemen have reached the lowest score of "Political stability". These countries could not engage a serious policy before ensuring a political stability. Other countries such as Lebanon and Jordan have been directly affected by the war in the region. For this reason, these countries should control their borders and implement political reforms to contain corruption and lower political tensions. The reform of political regime in countries such as Iran and Saudi Arabia is the big challenge in tackling political corruption. Kuwait should pursue its policy to tackle the red tape and vote buying. Kuwait implemented a National Development Plan in order to set an overall strategy for the country until 2030. But this policy could not succeed without a change in the political regime to foster democracy and freedom.

Institutional Reform

Countries should reform the public sector, strengthen public institutions and enhance public participation by promoting transparency and raising the level of awareness among citizens and civil servant. Countries like Saudi Arabia and Bahrein could liberalize their economy by privatization to lower administrative bureaucracy. It's imperative to boost transparency by improving mechanism for more public accountability giving citizens access to information in order to evaluate the government. Government must reduce spending on constructions and infrastructure, and orient their spending to increase productivity, enhance the standard of living, and ensure sustainable development. Egypt, Lebanon and Jordan must suggest long run policies

for better governance in order to manage efficiently their public services and enhance accountability through an independent and a reliable judiciary system. Countries as Egypt, Algeria and Lebanon must introduce an ambitious program to consolidate public finances and to increase their government performance. Yemen which is characterized by all forms of corruption should enhance the role of “Good Governance Working Group”, that is responsible for developing a framework for the eradication of corruption. Libya can privatize some owned state companies especially in the field of oil sector in order to increase transparency and attract more foreign investment.

Governments must ensure broader governance initiatives and afford an independent judicial system recovering the legal framework. It's a must for countries such as Algeria Lebanon and Egypt to implement anti-corruption laws and review legislations in order to guarantee accountability and regain citizen's trust by reforming the fiscal system and enforcing modern tax policies. Some countries should implement good practices suggested by international organization such as public procurement and budget transparency to modernize the public finance structure. Countries should respect international conventions to good governance in order to cut down on red tape and bureaucracy.

In light of this brief study, a successful policy must be global to foster the collaboration between the government and the civil society to ban bribery and reduce the cost of corruption. In this spirit, a public private partnership is the key to succeed any policy that aims at fighting corruption. Governments should place a key importance on the implementation of good governance in a context of transparency and accountability and citizens should sanction severely any defective behavior and all malpractices. For this reason, governments must implement whistleblower protection measures in order to protect witnesses and investigators in corruption. The successful policy to curtail corruption requires the collaboration between both private and public sector to eradicate individual corruption and political failure. Finally, we suggest involving International organizations that can afford technical and financial assistance in order to encourage to succeed in a national global policy against corruption.

The analysis of the dimensions of corruption leads us to classify the MENA countries into different categories emphasizing that MENA region is not a homogenous region even if it's generally a corrupt zone. In this perspective, the Gulf countries should reform their political regime for more democracy; in other countries, as Syria Lebanon and Libya, corruption is mainly due to political instability and civil wars. Other countries, such as Yemen Egypt and Tunisia, suffering from poverty, need economic reform to curb corruption. Policies suggested should be feasible knowing that the optimal level of corruption is not always zero. Every policy should be global and customized, involving civil society and the international community in order to be effective taking into account the whole dimensions of corruption and the geopolitical challenges of the region to confront long standing deviances.

References

Phillippe Aghion, ALGAN Yann, Pierre Cahuc, Andrei Shleifer, "Regulation and Distrust," *The Quarterly Journal of Economics*, August 2010, Vol. 125, No. 3, Pages 1015-1049.

Akerlof (1980), "A Theory of Social Custom of unemployment Which May Be One", *Quarterly Journal of Economics* 1994, pp. 749-775

Andvig Jens Chr, MOEN Karl, "How Corruption May Corrupt", *Journal of Economic Behavior and Organization*, 1990, p.63-76.

AXELROD Robert, "An Evolutionary Approach to Norms", *The American Political Science Review*, Vol 80, No.4, december 1986, pages 1095-1111.

AXELROD Robert, "The Emergence of Cooperation among selfish", *The American Political Science Review*, Vol. 75. No.2, June, 1981, pages 306-318.

Bardhan Pranab (1997), "Corruption and Development: a Review of Issues", *Journal of Economic Literature*, vol.35, n°3, pp.1320-1346.

Gary Becker (1983), "A Theory of Competition Among Pressure Groups for Political Influence", *Quarterly Journal of Economics*, Vol. 98, No. 3, pp. 371-400.

Gary Becker (1968), "Crime and Punishment: An Economic Approach," *Journal of Political Economy*, No. 76, pp. 169-217.

BICCHIERE Cristina, John DUFFY, TOLLE Gil, "Trust Among Strangers," *Philosophy of Science* vol.71, No.3 pp. 286-319, July 2004.

Colombatto Enrico, "Why Is Corruption Tolerated?", *The Review of Austrian Economics*, pages 363-379, 2003.

Canach Damaris, Michael E. Allison, "Perception of Political Corruption in Latin American Democracies", *Latin American Politics & Society - Volume 47, Number 3, Fall 2005*, pp. 91-111.

Bertrand de Jouvenel (1972), *from power. Natural history of its growth*, Paris: Hachette, 607 p.

DONG Bin DULLECK Uwe TOGLER and Benno, "Conditional Corruption", *QUT School of Economics and Finance, Working Paper n.241, December 2008*

John Elster (1989) *Nuts and Bolts for the Social Sciences*, Cambridge, Cambridge University Press.

Méon Pierre Guillaume, Khalil Sekkat (2005), "Does Corruption Grease or Sand the Wheels of Growth?", *Public Choice*, vol. 122, n°1-2, pp. 69-97.

GINTS Herbert, "Social norms have choreography," *Politics, Philosophy and Economics*, 13 August 2010 Vol. 9 no. 3 251-264.

A. Heidenheimer, M. Johnston, V. & Levine T. (1989), "Political Corruption: A Handbook", New Brunswick (NJ), Transaction Publishers.

JOHNSTON Michael (1986), "The political consequences of corruption: a Reassessment," *Comparative Politics*, Vol.18, No. 4, July 1986, pp. 459-477.

Robert Klitgaard (1988), "Controlling Corruption", University of California Press, trans. fr. ; (1995), *Fighting Corruption*, Paris, New Horizons, 1995, 228 p

Lemennicier Bertrand, "Fallacies in The Theory of the emergence of the States", *Journal of Libertarian Studies* 20, No. 3, 2006.

Paolo Mauro (1995), "Corruption and growth", *The Quarterly Journal of Economics*, Vol. 110, No. 3, pp. 681-712.

Mauro Paolo (1996), "The Effects of Corruption on Growth, Investment, and Government Expenditure", *IMF Working Paper 96/98*, pp.1-28.

MARI REGE, "Social Norms and Private Provision of Public Goods", *Journal of Public Economic Theory*, Vol 6, pages 65-77, February 2004.

Rose-Ackerman S. (1975), "The economics of corruption," *Journal of Public Economics*, No. 4, pp. 187-203

Appendix

Table 7: the extend of corruption in MENA region

Countries with CPI >50	
United Arab Emirates	66
Israel	64
Qatar	61

Countries with 40<CPI <50	
Jordan	48
Oman	45
Bahrain	43
Kuwait	41
Tunisia	41
Saudi Arabia	46

Countries with CPI <40	
Algeria	34
Egypt	34
Iran	29
Lebanon	28
Iraq	17
Libya	14
Morocco	37
Yemen	14
Syria	13

Table 8: The evolution of Government effectiveness indicator 2005-2016

Country	2016	2005
Tunisia	49	66
Iran	47	32
Jordan	59	58
Libya	2	14
Qatar	79	66
Bahrain	73	65
Algeria	35	39
Egypt	22	41
Iraq	9	1
Kuwait	75	62
Lebanon	38	48
Saudi Arabia	61	40
Yemen	2	18
Morocco	50	47
Israel	88	83
Oman	56	64
United Arab Emirates	92	74
Syria	3	12

Table 9: The dimension of corruption by country

	Economical dimension	Social dimension	Political dimension	Cultural dimension	Institutional dimension
Country	GDP per capita	Tolerance of corruption	political stability	Literacy rate	Government effectiveness
Tunisia	x	x	x	x	x
Iran	x		x	x	x
Jordan	x		x		
Libya	x	x	x		x
Qatar		x			
Bahrain		x	x		
Algeria	x	x	x	x	x
Egypt			x	x	x
Iraq	x		x	x	x
Kuwait					
Lebanon		x	x		x
Saudi Arabia			x		
Yemen	x	x	x	x	x
Morocco	x	x	x	x	
Israel			x		
Oman					
UAE					
Syria	x		x	x	x

Table 10: The nature of corruption and its origin by country.

Country	Main features of corruption
Tunisia	All forms of corruption – pervasive corruption
Iran	All forms of corruption – pervasive corruption
Jordan	Economic and political dimension
Libya	Economic social institutional and political dimension
Qatar	Social dimension
Bahrain	Social and political dimension
Algeria	All forms of corruption
Egypt	Political cultural and institutional
Iraq	All forms of corruption
Kuwait	No particular dimension
Lebanon	Social institutional and political dimension
Saudi Arabia	Political dimension
Yemen	All forms of corruption
Morocco	Economic Social cultural and political dimension
Israel	Political corruption
Oman	No particular dimension
UAE	No corruption
Syria	All forms of corruption

Table 11: The variables of the model

	Country	CPI	Government effectiveness	GDP per capita	political stability	Tolerance of corruption
MENA	Tunisia	41	49	3872.5	19	7
	Iran	29	47	5442.8	17	
	Jordan	48	59	3976	27	3
	Libya	14	2	4509	3	5.7
	Qatar	61	79	73653.4	82	9.8
	Bahrain	43	73	22600	7	9.6
	Algeria	34	35	4794	13	
	Egypt	34	22	10913.4	9	3.3
	Iraq	17	9	5119	3	4.8
	Kuwait	41	75	42150	76	
	Lebanon	28	38	14716.752	7	23.3
	Saudi Arabia	46	61	23550	28	
	Yemen	14	2	1406.3	0	6
	Morocco	37	50	2,878.20	35	0.9
OECD						
	Canada	82	95	43248.53	94	
	Japan	72	96	34523	82	1.7
	Australia	79	92	46270	77	4.3
	New Zealand	90	99	36801.4	99	4.2
	Spain	58	85	25382.25	57	5
	Switzerland	86	100	80945	95	1
	United Kingdom	81	93	43390	62.38	
	USA	74	90	56115	70	5.4