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The Effect of Political Instability and Institutional Weakness on Administrative Corruption

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ABSTRACT

Although there is valuable literature on areas of corruption, such as political and corporate corruption, a limited number of papers have examined the determinants of administrative corruption. To the best of our knowledge, the multivariate impacts of political instability and institutional weakness on administrative corruption, and the interplay between these constructs, have not been examined using the partial least squares structural equation modeling method. The current study attempts to fill this gap by proposing and testing a model. We test a sample of 677 responses that reflect the perspective of the general public in Basra, Iraq. Findings reveal that the political instability and institutional weakness of public organizations positively impact administrative corruption, while political instability leads to institutional weakness. Institutional weakness mediates the effect of political instability on administrative corruption. Therefore, political instability is a crucial factor causing corruption since it has both direct and indirect effects on administrative corruption. The theoretical contributions, managerial implications, limitations, and recommendations for further research are provided.

KEY WORDS: administrative corruption, political instability, institutional weakness, structural equation modeling, partial least squares.

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1. Introduction

Corruption is one of the most significant barriers to economic development globally. More than 75% of all countries suffer from high corruption. Denmark and New Zealand scored 90 (on a scale in which 100 indicates very clean, and 0 highly corrupt) in 2016 and ranked first in the world, while Iraq and Venezuela scored 17 and ranked 166th out of 176 countries. Many countries have become more corrupt according to comparisons with previous corruption index measures (Transparency International, 2018). Thus, corruption is an internationally problematic issue.

This paper attempts to ascertain the main causes of administrative corruption, which is public offi-

cial's pursuance of personal benefit by abusing their position and role in public organizations that monitor and control the economic activities of individuals and the private sector (Krylova, 2018). This concept differs from those of political corruption and corporate corruption. Political corruption is defined as key politicians' manipulation of policies, public entities, and administrative procedures in public finance to stay in power and increase wealth, while corporate corruption investigates corrupt practices by private firms, including bribery, fraud, cartels, and corrupt nexus with governmental offices (Transparency International, 2021). Corrupt public employees, who offer goods and services to the general public, abuse their managerial positions in public organizations for their personal interest (Darsareh & Bastanipour, 2016; Hacek et al., 2013; Transparency International, 2018). They break laws and rules through activities such as bribery, embezzlement, nepotism, and col-

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