

Lorenzo Pellegrini

Corruption, Development and the Environment

 Springer

Contents

1	Introduction	1
1.1	Background	1
1.2	Economics of Corruption	3
1.2.1	Corruption and the Environment	5
1.3	Research Questions and Outline	6
	References	10
2	Economic Analysis of Corruption	13
2.1	Introduction	13
2.2	The Definition of Corruption	14
2.3	Corruption and the Private Sector	19
2.3.1	Perceptions of Corruption	20
2.3.2	Opportunities for Corruption and Anti-corruption Strategies	21
2.3.3	Corruption and Market Failures	23
2.4	The Measurement of Corruption	24
2.5	Discussion	25
	References	26
3	Causes of Corruption: A Survey of Cross-Country Analyses and Extended Results	29
3.1	Introduction	29
3.2	Theories of Determinants of Corruption	33
3.2.1	Historical Roots of Corruption	34
3.2.2	Contemporary Causes of Corruption	35
3.3	Data Sources on Corruption	37
3.4	Empirical Analysis	38
3.5	Limits and Interpretation of Econometric Cross-Country Analysis	45
3.6	Discussion and Conclusions	47
	Appendix	48
	References	49

4 The Effect of Corruption on Growth and Its Transmission	
Channels	53
4.1 Introduction	53
4.2 Cross-Country Growth Regressions	57
4.3 Transmission Channels for Corruption	60
4.3.1 The Investment Transmission Channel	61
4.3.2 The Schooling Transmission Channel	62
4.3.3 The Trade Openness Transmission Channel	62
4.3.4 The Political Violence Transmission Channel	63
4.4 Direct and Indirect Effects of Corruption	63
4.5 The Long-Term Effect of Corruption on the Transmission Variables	65
4.6 Conclusions	67
Appendix 1: Long-Term Income Effects	68
Appendix 2: Robustness Checks	69
Appendix 3: Data	72
References	73
5 Corruption, Democracy, and Environmental Policy: An Empirical Contribution to the Debate	75
5.1 Introduction	75
5.2 Theoretical Hypotheses and Their Empirical Testing	77
5.2.1 Democracy and the Environment	77
5.2.2 Corruption and the Environment	79
5.2.3 Institutions and the Environment	80
5.3 The Data	82
5.4 Empirical Results	85
5.4.1 The Case for Interaction Between Democracy and Income Variables	90
5.5 Implications for the Environmental Kuznets Curve	92
5.6 Conclusions	94
Appendix 1	95
Appendix 2: Data	96
References	96
6 Corruption and Environmental Policies: What Are the Implications for the Enlarged EU?	101
6.1 Introduction	101
6.2 Determinants of Environmental Policy Stringency	105
6.2.1 Cross-Country Evidence	106
6.3 Environmental Policies and Institutions in the EU	111
6.3.1 The Accession Process and Its Review: Focus on Corruption	111
6.3.2 New and Old Member States of the EU: Environmental Policies and Corruption Levels	113

6.4	Conclusions	115
	Appendix: Data	116
	References	118
7	The Rule of the Jungle in Pakistan: A Case Study on Corruption and Forest Management in Swat	121
7.1	Introduction	122
7.2	Institutions and Forest Management	124
7.2.1	Corruption and Forestry	124
7.2.2	Methodological Framework	127
7.3	A Profile of Swat, Pakistan	129
7.3.1	Geography and Ecology	129
7.3.2	History and Institutions	130
7.4	Alternative Forest Management Regimes in Swat	132
7.5	Deforestation in Swat, Pakistan	133
7.5.1	Incentives and Institutions over the Forests of Swat: Focus on Corruption	134
7.6	Strategies for Institutional Change	136
7.6.1	The Reform Process of the Early 2000s	137
7.6.2	Institutional Reforms	139
7.6.3	Paths of Change	140
7.7	Conclusions	144
	Appendix: Sources of Information in the Study	145
	References	145
8	Conclusions and Future Research	149
8.1	Main Conclusions	149
8.2	Policy Conclusions	151
8.3	Future Research.....	153
	References	156
	Author Index	157
	Subject Index	159