

Corruption in Rich and Poor Countries

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Who are the most affected by corruption, the rich or the poor? Who is more likely to validate corrupt activities, the rich or the poor? A fundamental question faced by a member of a society is whether she would like to face a corrupt system or not. In other words, if people had a choice between choosing a corrupt state over an honest state, which one would they prefer? We affirm that in a society characterized by agents with different income levels, the answer to the question may differ between the "rich" and the "poor". In theory, we show that, given the significant costs of corruption, the poorest sector of society tends to suffer more than the richest, and the latter tend to bear more corrupt activities. Empirically, using data on the control of corruption and income from 120 countries between 2000 and 2019, using a non-parametric technique, we show that high-income countries do not make enough effort to combat and control corruption, although its reduction seems increase your income. In the case of low-income countries, a lower level of corruption would foster economic growth, thus highlighting that this group of countries would benefit more from a reduction in collusive and corruption-oriented behavior.