

Corruption Across Countries: The Cultural and Economic Factors

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Introduction

The issue of corruption among government officials and politicians has received heightened attention in recent years. Corrupt practices pose a threat to the ethical conduct of international business and create various economic and social problems. While corruption appears to be a worldwide phenomenon, evidence indicates that incidences of corruption vary across countries. A range of measures is being adopted by governments, businesses, and advocacy groups to eliminate or reduce corrupt conduct. This study was conducted against this background to ascertain what societal and economic factors are related to corrupt practices in a country as they affect international business transactions and what explains the variation in corruption across countries. An understanding of these relevant factors can assist policy makers and businesspersons in their efforts to combat corruption. A general definition of corruption is: the misuse of public power for private benefits. Such misuse takes place in the form of bribing public officials, kickbacks in public procurements, and embezzling public money, among others. In this paper, we consider corruption—both petty and grand—in the context of conducting international business. Thus, our focus is on the level of corrupt practices that business organizations experience while doing business in foreign countries.

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