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**Omer Gokcekus with Kevin Bengyak, *Peculiar Dynamics of Corruption: Religion, Gender, EU Membership, and Others*, World Scientific, 2014, xvii+155 pp. \$78.00 hardback**

### **Book Review**

**W**hat do the Pope, the General Secretary of the Communist Party of China and the World Bank president have in common? We learn from Gokcekus' new book that all three have recently declared a war against a common enemy: corruption, which is the subject matter of this book. Obviously, the result of this last round is too early to call yet. However, it is difficult to say that efforts to combat corruption have borne fruit so far. All indicators are showing that the world is becoming a more corrupt place. This is bad news because corruption's widespread negative impact reverberates throughout society and disproportionately hurts the poor, worsening the problems of poverty and social inequality, another global menace which has been on the rise.

So is there a silver lining? One of the premises of this book is that understanding the dynamics of corruption may help policy makers, researchers and advocates of good governance come up with better tools to combat corruption, and that's what exactly the book aims for: Contributing to our knowledge on corruption. It does this by questioning and refining the assumptions and methods of existing approaches, and by focusing on areas which are often neglected by more conventional studies, in seven neat chapters.

The book can be seen as a compilation of Gokcekus' earlier works on corruption, which were published in peer-reviewed journals where econometric modeling and empirical analyses usually took precedence at the expense of policy implications of main findings. The book aims to make up for this by elaborating on the latter with a view to providing the practitioners and students of good governance with more ammunition in their anti-corruption efforts.

After the introductory first chapter, Chapter Two dwells on different ways of quantifying corruption. Quantification is important because without it, it is impossible to make a sound cost-benefit analysis of anti-corruption efforts. In other words, we can never know whether an anti-corruption project is worth its cost or not unless we know the cost of corruption in the first place. To address this challenge, the author introduces two novel ideas. First, inspired by a freakonomics-esque observation, he uses luxury car sales, an example of *conspicuous consumption*, which moves hand in hand with corrupt activities as a proxy to indirectly quantify corruption. His alternative method is designed to measure a

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specific form of corruption, administrative corruption, and is based on comparing civil servants' current salaries with the salaries they would demand to accept a similar job in the private sector.

In the rest of the book, perception indicators of corruption are utilized to measure corruption. In Chapter Three, the author focuses on the connection between religion and corruption. Particularly, it is shown that what makes Protestant countries less corrupt is not the percentage of their current Protestant population but rather the percentage of Protestant population they had a hundred years ago, by using the framework offered by new institutional economics.

Probably the most provocative argument of the book comes in Chapter Four where Gokcekus suggests that contrary to general belief, increasing the number of woman employees in the public agencies cannot decrease the level of corruption indefinitely – unless this is coupled with other corruption reducing measures. As exemplified by the case of Bulgaria, where an overwhelming majority of the public sector employees are women, after a certain point the trend turns around. Gokcekus accounts for this by introducing the notion of group dynamics in the environments where public officials operate in.

Chapter Five is devoted to the relationship between corruption and openness i.e. the trade-to-GDP ratio. It is widely argued in literature that: increases in openness correspond to a decrease in corruption. Yet, the dynamics behind this connection remain, to a large extent, unaccounted for. Gokcekus posits that not only how much you trade, but also who you trade with (the *quality of openness* as he puts it) should be analyzed. He concludes that the reduction in corruption that comes with increasing openness would be greater if the trade increases occurred with less corrupt partners. He also shows, for instance, how increased trade with the EU lowered corruption in Africa via the imports-as-market-discipline hypothesis, while trade with China either made corruption worse or had no effect at all. One important takeaway of this chapter is that the effect of openness on corruption will improve if governments of big exporters push their companies to improve their anti-corruption monitoring at the corporate level.

If trading with the EU helps to reduce corruption in African countries, it is only intuitive to expect that joining the EU would reduce corruption in its new members too. Chapter Six tests this hypothesis to find out that, surprisingly, this expectation is simply misplaced. It turns out that the EU has become a more corrupt place after the joining of 12 new members. Given the importance of the EU in the global economy and politics, this finding is alarming and calls for the attention of Eurocrats.

In the concluding Chapter Seven, where the relationship between corruption and the business cycle is analyzed, Gokcekus concludes that corruption rises in economic booms and calls for a cyclical anti-corruption approach, which will not only decrease corruption but also help avoid recession by limiting reckless behavior of economic actors.

Though *Peculiar Dynamics of Corruption* is a product of rigorous econometric analysis, it is easily accessible to non-economists, and indeed one may easily succumb to reading it in one go. Each of the chapters follows a similar pattern: After lucidly reviewing various approaches and introducing the reader to discussions on the topic, the chapter ends with the contribution of the author to the broader debate and policy implications of this contribution. This makes the book perfect as a textbook to be used in public policy schools. The book is also useful for graduate students and the employees of public agencies or international organizations as well as policy-makers who need a quick introduction to cutting-edge corruption research.

On the downside, the readers with a more inquisitive mind may be disappointed

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that the data and econometric models behind the findings in the book are not shown, but this is not a big shortcoming; they do have the chance to read the original articles, which the book is based on.

Dr. Sertac Sonan

Department of Political Science and International Relations, Eastern Mediterranean University, Famagusta, N. Cyprus; and International Relations Program, University of Central Europe, Skalica, Slovakia.



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