

Socio-economic Dimensions, Causes and Curbing Measures of Corruption in Developing Economies with A Special Reference to Jordan

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ABSTRACT

The research problem is that very little is known about the socio-economic dimensions, causes, and anti-curbing measures of corruption in developing economies particularly Jordan. The study aims at discussing the features of corruption in developing economies including Jordan. The study concludes that Jordan comes at a high level of corruption worldwide with a rank 59 among 180 countries at Corruption Perception Index (CPI) which ranges between zero (most corrupted) and 100 (least corrupted), but among Arab countries, Jordan comes at rank 4 preceded by Qatar, Arab Emirates and Bahrain . Lack of legal, public and economic reform besides political instability, lack of transparency, monopoly, high taxes, long procedures and barrier to trade often go hand in hand with corruption besides the bribes provided by some companies in developed countries. Corruption is there in the private and public sectors. National anti-corruption agencies often fail to curb corruption due to lack of the power to persecute and lack of proper training of staff to be good investigators. Corruption breeds poverty, high prices and lack of foreign investment. Addressing corruption requires paying attention to its causes, role of incentives and institutional reform. Curbing corruption begins with designing better legal and administrative systems, reducing monopolies, inflicting severe penalties for both givers and takers of bribes besides a free press and transparent privatization of public enterprise.

I- Introduction

Corruption is a dilemma facing developing and developed countries which has socio-economic and political aspects. Corruption has its far-reaching economic, political and social costs and has so far tarnished and distorted the image and reputation of national countries among international investors and undermined confidence in the credibility of governments' bureaucracies.

The objectives of this study are to analyze the causes; socio- economic implications; and curbing measures of corruption in developing economies in particular Jordan. The research problem deals with the vague dilemma of corruption in developing economies in particular Jordan. Such a dilemma has socio-political and economic aspects which require more discussion, analysis and elaboration to shed light on the conceptual framework, measurement, causes, implications, curbing measures and policy implications. The significance of this study stems from the few studies published on this very sensitive and embarrassing problem that has far-reaching implications politically, economically and socially. The methodology of this study is descriptive and analytical that relies mostly on qualitative data collected from secondary sources of national institutions, reports of international organizations and the work of authors in periodicals and books besides a limited survey conducted under the supervision of the researcher ¹.The questionnaire was designed in two parts. Part 1 includes 5 paragraphs relating to respondents' personal information and Part 2 includes 20 paragraphs relating to socio-economic dimensions, causes and curbing measures of corruption. The questionnaire was reviewed by several referees to check its validity and accuracy, then the researcher tested its reliability by Cronbach Alpha Coefficient which was 0.820.The questionnaire was distributed to a limited convenient sample of 100 employees at several private and public institutions such as Jordan

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Ceramic Company, Visa Service Corporation, Jordan University and Ministry of Public Works. The researcher analyzed 85 of the completely filled questionnaires.

The tools of analysis in this study are Likert Scale, frequencies, percentages, mean, standard deviation and t-test by using SPSS. The limitation of the study stems from its limited scope to cover corruption in developing economies particularly Jordan. Several obstacles faced the researcher in investigating corruption in Jordan due to the secrecy and sensitivity of the data that were collected through the questionnaire. The organization of the study includes: (I) Introduction. (II) Conceptual framework of Corruption and Previous Studies. (III). Features of Corruption in Jordan. (IV) Results of Analysis (V) Summary, Conclusions and Recommendations besides Bibliography and Appendix.

II- Conceptual Framework of Corruption and Previous Studies

The problem of corruption has recently received considerable attention worldwide. Corruption recently becomes a universal phenomenon and has received considerable attention worldwide. Corruption is there in the private and public sectors, in rich countries as well as in the poor countries, in the developed and developing countries. Many people tend to think that corruption is a sin of government, but the private sector is also involved in most government corruption. Although every country has corruption, the varieties and extent differ from one country to another. Corruption is hardly a problem exclusive to developing countries or countries in transition.

The term corruption has many definitions. Corruption is defined as the misuse of office for unofficial ends (Samuelson & Nordhaus:2001). Corruption is also defined as an intended action by an individual or enterprise to commit manipulation, fraud, deceit, distortion and concealing of facts for the purpose of achieving a personal interest that leads to damages or harm for other parties (Asa'd:2001). A general definition is that corruption is the use of public office for private gain (Gray & Kaufmann:1998).

International Transparency Organization, a Berlin based non-government organization usually monitors corruption worldwide and publishes its annual report on extent of corruption in most countries.

In relation to corruption in the Arab World, recent reports suggest that governments of the region have finally started to address this issue. The anti curbing measures to fight corruption include- inter alia-economic and political reform; implementing public information campaign against corruption; establishing anti-corruption watch dog bodies to work as independent commission; constructive pressure, assistance from donor countries and international organizations are helpful in curbing corruption

The private sector has the following practices when dealing with politicians or bureaucrats in developing economies (Gray & Kaufmann: 1998): (1) Government contract: bribes can influence the choice of private parties to supply public goods and services and the exact terms of those who supply contracts. (2) Government benefits where bribes can influence the allocation of monetary benefits (tax evasion, subsidies, pensions, or unemployment insurance) or in-kind benefits (access to privileged schools, medical care, housing and real estate, or ownership stakes in enterprises being privatized. (3) Public revenue where bribes can be used to reduce the amount of taxes or other fees collected by government from private parties. (4) Time saving and regulatory avoidance where bribes can speed up the government's granting of permission to carry out legal activities. (5) Influencing outcomes of the legal and regulatory process where bribes can alter outcomes of the legal and regulatory process, by including the government either to fail to stop illegal activities such as drug dealing or pollution, or to unduly favor one party over another in court cases or other legal proceedings.

Corruption may be measured in the following formula (Klitgaard: 1998)

$$C = M + D - A$$

Where

C= corruption, M = monopoly, D = discretion, A = accountability

That is to say, corruption equals monopoly plus discretion minus accountability. Such a formula is used to carry out vulnerability assessment of public and private institutions. One tends to find corruption when an

organization or person has monopoly power over a good or service, when he has the discretion to decide who will receive it and how much that person will get and when he is not accountable.

The Corruption Perception Index (CPI) which ranges between zero (most corrupted) and 10 (least corrupted), draws on 14 data sources from seven different institutions such as the World Economic Forum, the World Business Environment Survey of the World Bank, the Institute of Management Development in Lausanne, Price Waterhouse Coopers, the Political and Economic Risk Consultancy, the Economic Intelligence Unit and Freedom House' Nations in Transit. The CPI in 2001 shows that Finland was ranked as the country with the least corrupt civil service, with Sweden, Singapore, Canada, Netherlands, UK, and USA close behind. Bangladesh and Nigeria were found to have the highest level of corruption among the 91 countries in the list. Among the Arab countries Tunisia ranked the least corrupted (5.3) just below Italy, followed by Jordan which got the score of 4.9 in 2001 and 4.8 in the year 2000. Egypt and Lebanon followed with high scores of corruption at 3.6 and 2.0 respectively. The cut commission of middlemen in certain Gulf countries runs from 10% to 40% on military contracts and 5% to 20% on public works (Business Week: 2001).

Transnational corporations' propensity to pay bribes to public sector officials is considerable. Corrupted justice system, property rights, banking and credit devastates economic and political development in developing economies. Corruption is awful as it destroys the rules of the game. Moreover, state corruption is the most serious, because the state which is the instrument of justice, is often itself corrupt.

In developing economies, corruption is accompanied by following economic and political impact (Gray & Kaufmann:1998): (1) Bribery raises transaction costs and uncertainty in an economy. (2) Bribery usually leads to inefficient economic outcomes and impedes long-term foreign and domestic investment.(3) Corruption misallocates talent to rent-seeking activities and distorts sectoral priorities and technology choices.(4) Corruption pushes firms underground outside the formal sector.(5) Bribery undercuts the state's ability to raise revenues and leads to higher tax rates being levied on fewer and fewer taxpayers, and in turn, reduces the state's ability to provide essential public goods besides preventing the enforcement of the rule of law.(6) A vicious circle of increasing corruption and underground economic activities will be the result.(7) Bribery is unfair as it imposes a regressive tax that falls particularly heavily on trade and service activities undertaken by small enterprises.(8) Corruption undermines the state's legitimacy. Some observers have suggested that there are some positive effects of corruption in terms of giving firms and individuals a means of avoiding burdensome regulations and ineffective legal systems and that corruption may enhance efficiency by cutting down on the time needed to process permits. However, these suggestions are questionable and available empirical evidence refutes them. In the economic theory, one would expect corruption to reduce economic growth by lowering incentives to invest for both domestic and foreign entrepreneurs. Empirical evidence based on cross- country comparisons suggests that corruption has adverse effects on private investments and economic growth. Thus, corruption breeds poverty (Mauro:1998).

Before designing effective policies aimed at curbing corruption, several questions need to be answered such as: (1) If the costs of corruption are so high, why do not governments get rid of it? (2) Corruption breeds poverty, but does poverty breeds corruption? (3) Which forms of corruption is worse? (4) What is being done, and what else could be done to fight corruption? (5) How to prevent corruption from distorting government expenditure. Combating corruption is such a difficult and sensitive issue that many national political leaders who support such factors in principle are hesitant to undertake them in practice. Combating corruption begins with designing better systems. Monopolies must be reduced or carefully regulated. Official discretion must be clarified. Transparency must be enhanced and increasing the probability of being caught, as well as inflicting severe penalties for corruption. International cooperation helps build support for fighting corruption at the national and global level. National anti-corruption agencies can be critical in preventing corruption before it becomes rampant. Privatization of public sector institutions and reduction of military spending will help reduce the opportunity for corruption. In several Arab countries, the legal system is not well prepared to deal with fraudulent behavior related to free market activities.

Successful elements of anti-corruption strategy might include the following (Klitgaard:1998): (1) Punish some major offenders, or frying a few big fish and the first big fish to be fried should be from the party in power. The government should identify a few major tax evaders, a few big bribe givers, and a few high-level

government bribe takers in order to be convicted. (2) Involve the people in diagnosing corrupt systems, as citizens are fertile sources of information about where corruption is occurring. This can be done by conducting clients surveys, involve professional organizations, consulting with villages councils but anonymity of the people involved should be kept confidential in order to protect them. (3) Focus on prevention by repairing corrupt systems by changing the agents carrying out public activities. (4) Reform incentives for public sector staff, by improving their low wages and try to link what officials earn with their performance and productivity. (5) National leaders should have the political will to conduct the system reform and to order anti-corruption campaign swiftly without committing political suicide.(6) International cooperation of international organizations can be helpful in providing technical assistance to help the country in the fields of tax administration, custom administration, police, prosecution, judges, procurement, and contracting. (7) Formation of a national coordinating body that is responsible for devising and following-up the strategy against corruption. Such a body should hire highly qualified investigators to track down corruption cases. (8) Combating corruption should focus on the reform of the systems which requires an economic approach coupled with great political sensitivity. (9) Creating public awareness anti-corruption campaign through workshops and symposiums that emphasis ethics. What to do about corruption is summarized in Table 1:

Table 1: What to do about corruption

Anti corruption Measures	Civil Society Respondents	Public Officials Respondents
Develop domestic anti corruption watchdog	35%	40%
Reform Military procurement	45%	50%
Lower inflation	52%	58%
Accelerate privatization	59%	60%
Further democratic institutions	65%	65%
Reform tax regimes	69%	55%
Increase budget transparency	70%	68%
Further deregulate/liberalize economy	75%	71%
Raise public sector salaries	80%	78%
Implement stiff penalties for public corruption	81%	79%
Set example by leadership	82%	80%

Source: Denial Kaufmann (1997) Corruption: The Facts, Foreign Policy No. 107, summer, pp. 114.

Concerning the previous studies on corruption in developing economies, the researcher could find a few researches such as:

- 1- The study on "Corruption & Development" conducted by Cheryl Gray and Daniel Kaufmann concluded that corruption is endemic everywhere, the costs of addressing corruption are high and the few resources that exist should be spent on enforcement measures such as high-profile government watchdog agencies, controlling corruption is feasible, strategies to address corruption need pay attention to its root causes and the role of incentives, prevention and specific institutional reform. (Gray & Kaufmann: 1998).
- 2- The study of Robert Klitgaard on "The International Cooperation Against Corruption" concluded that combating corruption is a difficult and sensitive issue that many national political leaders who support such efforts in principle are hesitant to undertake them in practice, but international cooperation could help build support for fighting corruption both nationally, regionally and globally (Klitgaard: 1998)
- 3-Henry Azzam, from the Jordan Investment Trust (Jordinvest), has published an article in the Jordan Times entitled "Curbing Corruption in the Arab World" where he concluded that national anti-corruption agencies can be critical in preventing corruption before it becomes rampant, not only are they difficult to set up but they often fail and do not dare to investigate the most corrupt government officials because most of these national agencies lack the power to prosecute besides the poorly trained staff who cannot be good investigators (Azzam:2001)
- 4- Hassan Abu Hmoud (2002) published an article on "The economic repercussion of corruption" at the University of Damascus Magazine. The author concluded that corruption in developing countries has negative economic aspects and dimensions particularly in relation to Arab countries (Hmoud:2002)
- 5- International Transparency organization published "The catalogue of the corrupt acts" which includes bribery, extortion, influence-peddling, nepotism, fraud, speed money, embezzlements, and some money paid to government officials to speed up their considerations of business matter falling within their jurisdiction (Transparency International : 2001)

6-The study of Todaro, Micael P. (2000) on Economic Development published in New York. The author concluded that corruption might be caused by the multinational corporations (MNCs) that can gain control over local assets and jobs and can then exert considerable influence on political decisions at all levels. In extreme cases, MNCs may directly provide payoffs to corrupt public officials at the highest levels or indirectly provide contributions to friendly political parties, subvert the very political process of host nations as in the case of the International Telephone and Telegraph in 1970s in Chile. Manipulation by privileged and powerful groups with a vested interest in obtaining protected position which leads to dominate government by narrow interest (Todaro: 2000)

7-The Study of Paolo Maura (1998) on Corruption: Causes, Consequences and Agenda for Future Research, concluded that corruption is likely to occur where restrictions and government intervention lead to the presence of excessive profit such as the cases of tariffs and import quota, subsidies, tax deduction, price controls, multiple exchange rate practices and foreign exchange allocation schemes and government-controlled provision of credit. There is less corruption where there are few trade restrictions and where governments do not engage in favoritism of industrial policies and perhaps where natural resources are more abundant (Maura:1998).

8-The study of Asa'd, Adel (2001) on Detection and Protection against Fraud published at Jordan Banking Magazine, concluded that some of the measures to curb corruption are: (1) Designing a public policy that resists corruption, (2) Designing the organization structure of an enterprise on division of labor to prevent corruption. (3) Installing security and protection system to deter corruption. (4) Designing a systematic reporting to report immediately the fraud operations. (5) Precaution measures on valuable assets of cash, inventory, and certain accounts etc. (6) Installing fraud examination and Investigation process.(7) Designing an effective internal management control. (8) Use of internal and external auditing. (9) Use deterring penalty and punishment through an activating a strict legal system (Asa'd: 2001)

9-The Study of Inter-Arab Investment Guarantee Corporation (1999) on "Corruption: Its Social And Economic Implications And Its Curbing Measures" concluded that causes of corruption are numerous and vary from one country to another. The study concluded that the general causes of corruption may be categorized into two groups: (A) The direct category, which include: (1) The lack of jurisdiction of certain laws which provide exclusive powers for certain public officials to grants licenses, permits and other official documents for the nationals and non-residents. (2) The unclear and non transparent tax systems, laws and procedures which encourage tax employees to use their own personal judgment to decide what is to be collected.(3) The huge size and value of some governmental projects which make the use of bribes as the sole mean of having these projects.

10. The Study of Riyadh Economic Forum (2013) on the "Phenomenon of Corruption and its Eradication" concluded that Saudi Arabia has deteriorated from the rank 57 in 2010 to the rank of 68 at the Corruption Perception Index (ICP) published by International Transparency organization in 2012, while Saudi Arabia has the rank of 7 among Arab countries after Qatar, Arab Emirates, Bahrain and Jordan. This ranking is considered as an indication of high corruption level which requires urgent eradication (Riyadh Economic Forum:2013).

III. Features of Corruption in Jordan

Jordan has witnessed in the last decade several cases of corruption mostly connected with the privatization of public institutions such as phosphates, cement, potash, Royal Jordanian Airline, Telecommunication, Social Security, Aqaba sea port, Refinery and Omnia where several officials were arrested and the issue of corruption became the subject of demonstration against the Government and was investigated extensively by the courts and parliament in Jordan.

Concerning the institutional framework dealing with corruption in Jordan, the researcher could identify the following institutions:(Center of Strategic Studies:2001)

1. Anti Corruption Unit/ Jordan's General Intelligence Department.
2. The Court of Customs/ Ministry of Finance.
3. The Audit Bureau.
4. The Bureau for Control & Administrative Inspection.
5. The Civil Service Commission.
6. The Dispute Settlement Unit/ Ministry of Labor.

It is also noticed that Jordan's legal and regulatory system lacks a special law on illegitimate earnings which is necessary to curb illegal proceeds in Jordan.

Relating to corruption in Jordan, a few studies were conducted such as the unpublished study on 'The Administrative Corruption in Jordan' conducted by Khalid Heyasat (1996) who identified that the socio, economic, political, religious, educational, administrative, legal, legislative and judiciary factors have an impact on corruption(Heyasat:1996) A survey of public opinion about the success of the Government of fighting corruption that was conducted by The Center for Strategic Studies of the University of Jordan (2001) showed that 33.2% of the national sample believed that the Government will succeed to a great extent in fighting corruption, while 34.7%, of the sample of the leaders of public opinion, believed that the Government will succeed to a great extent in curbing corruption. The survey's results are shown in Table 2:

Table 2: A Survey of Public Opinion about the Success of the Government.

Degree of Success in Fighting Corruption	National Sample	A Sample of Key Leaders of Public Opinion
Great Success	10.4%	8.4%
Medium Success	22.8%	26.3%
Little Success	18.4%	22.5%
No Success	33.2%	38.6%
Do Not Know	14.6%	3.7%
Refuse to Answer	0.6%	0.5%
Total	100%	100%

Source: The Center for Strategic Studies/ University of Jordan (2001) A Survey of Public Opinion on Success of the Government, Conducted in December. Amman.

During the period 2002-2008 Jordan's position at the corruption index ranged between 4.5 in 2002 and 5.7 in 2005 out of 10 at corruption index which is better than Saudi Arabia as shown in Table 3:

Table 3: Corruption index for Jordan during 2002-2008*

Country	2002	2003	2004	2005	2006	2007	2008
Jordan	4.5	4.6	5.3	5.7	5.3	4.7	5.1
Saudi Arabia	n.a	4.5	3.4	3.4	3.3	3.4	3.5

n.a=non available

* corruption Index (CPI) ranges between 1(most corrupted) and 10(least Corrupted)

Source: [www.en.wikipedia/CPI](http://www.en.wikipedia.org).

Moreover, the report of International Transparency Organization in 2012 on corruption perception Index shows that Jordan comes at a high level of corruption worldwide with a rank of 59 among 180 countries but among the Arab countries, Jordan comes at the rank 4 preceded by Qatar, Arab Emirates and Bahrain at CPI scale which ranges between zero (most corrupted) and 100 (least corrupted).Details of extent of corruption in Jordan and other countries are in Table4:

**Table 4: Corruption Perception Index for Selective Countries
 (Most corrupt = 0, Least corrupt =100)**

Country	Corruption Index (CPI)*	Perception	Rank worldwide	Jordan Among Countries	Rank Arab
Denmark	90		1	-	
Finland	90		1	-	
New Zeland	90		1	-	
Sweden	88		4	-	
Singapore	87		5	-	
Switzerland	86		6	-	
Australia	85		7	-	
Norway	85		7	-	
Canada	82		9	-	
Netherland	82		9	-	
Germany	79		13	-	
Japan	74		17	-	
Qatar	69		27	1	
United Arab Emirates	68		28	2	
Israel	60		40	-	
Bahrain	51		53	3	
Turkey	49		57	-	
Jordan	48		59	4	
Oman	47		61	5	
Kuwait	44		66	6	
Saudi Arabia	44		66	7	
Tunisia	41		78	8	
China	39		80	-	
Morocco	37		89	9	
Djibouti	36		96	10	
Greece	36		96	-	
India	36		96	-	
Algeria	34		105	11	
Egypt	32		120	12	
Indonesia	32		120	-	
Lebanon	30		130	13	
Iran	28		136	-	
Pakistan	27		143	-	
Syria	26		148	14	
Yemen	23		156	15	
Libya	21		162	16	
Iraq	18		169	17	
Sudan	13		173	18	
Somalia	8		176	19	

* CPI has lately changed to zero (most corrupted) and 100 (least corrupted)

Source: Transparency International Organization (2012)Corruption Perception Index. Berlin.(www.transparency.org/cpi2012/results)

IV. Results of Analysis

Analysis of the characteristics of sample respondents shows that they mostly worked in public enterprises(70%), a high percentage of them are employees (31.7%) followed by heads of sections(29.4%).Most of their qualifications are bachelor degree (41%) followed by doctorate degree (20%).A high percentage of their age (40%) is between 25 and 40 years followed by the age 41-55. More than a third of them (34%) have experience between 11and 15 years followed by 6-10 years (25%) as shown in Table 4:

Table 4: Characteristics of Sample's Respondents

Variable	Categories	Frequency	Percentage
1-Type of Enterprise	Public	60	70%
	Private	25	30%
	Total	85	100%
2-Type of Job	Employee	27	31.7%
	Head of Section	25	29.4%
	Manager	18	21.2%
	Professor	15	17.7%
	Total	85	100%
3-Qualification	Secondary	15	18%
	Bachelor	35	41%
	Master	18	21%
	Doctorate	17	20%
	Total	85	100%
4-Age	Less than 25	16	19%
	25-40	34	40%
	41-55	25	29%
	More than 55	10	12%
	Total	85	100%
5-Years of Experience	1-5	17	20%
	6-10	21	25%
	11-15	29	34%
	More than 15	18	21%
	Total	85	100%

Source: Researcher Computation

Analysis of the questionnaire shows the following:

- a) The most frequent types of corruption in Jordan are favoritism with a mean of 4.5 which is higher than the average 3 at Likert scale and has significant t-test, besides the bias of administration to a certain group with a mean of 4.4 and significant t-test.
- b) The following causes of corruption are above the average 3 at Likert Scale and with significant t-test: Absence of Job description, allowing personal interests to interfere with work duties, hypocrisy, lack of ethics, misuse of the authority, lack of accountability, weakness of internal control, feebleness of external control of auditors, delegating much authority to subordinates without enough responsibility and weakness of corporate governance.
- c) The negative economic repercussions of corruption in Jordan are: corruption has heavy cost for the economy with a mean 4.2 and significant t-test, corruption is an obstacle for attracting foreign investment with a mean 4.2 and significant t-test and corruption increases prices of goods and services for consumers with a mean 3.5 and significant t-test.
- d) The curbing measures of corruption in Jordan are :Allowing the citizens to complain without the fear of being hurt has a mean 4.7 and significant t-test, monitoring the work of employees by internal and external auditors has a mean 3.7 with significant t-test and initiating new laws to fight corruption has a mean 4.3 and significant t-test. Results of analysis and t-test are shown in Table 5:

Table 5: Descriptive Analysis of of the Questionnaire

No	Questionnaire Paragraphs	Mean	STD	t-test
A) Aspects and Causes of Corruption				
1	Favoritism is a kind of corruption.	4.5	0.640	5.242*
2	Fraud and money laundering are aspects of corruption.	4.4	0.692	0.647
3	The bias of the administration in favor of certain groups is one type of corruption.	4.4	1.094	5.923*
4	Allowing personal interests to interfere with work duties is one of the causes of corruption.	3.7	1.032	6.812*
5	Absence of Job description leads to corruption.	3.2	0.981	0.705
6	Hypocrisy opens the way for corruption	3.9	1.084	3.942*
7	Lack of ethics principles facilitates corruption.	3.5		9.812*
8	Misuse of the authority for personal benefits, is a cause of corruption.	4.3	0.963	3.795*
9	Lack of accountability encourages corruption practices.	4.1	0.545	3.001*
10	Weakness of internal control and division of labor are ingredients for corruption.	4.2	0.87	6.954*
11	Feebleness of external control of auditors and other authorities makes corruption easy to conduct.	3.5	1.560	7.230*
12	Delegation of too much authority to subordinates without enough responsibility makes them vulnerable to corruption.	3.1	1.320	6.583*
13	Weakness of corporate governance opens the way for corruption of businesses.	3.6	1.060	6.020*
	Average of section A	3.87		
B) Economic Dimensions of Corruption				
14	Corruption has its heavy cost for the economy.	4.2	0.970	7.202*
15	Corruption is an obstacle for attracting foreign investment.	4.2	1.420	4.397*
16	Corruption increases prices of goods and services for consumers.	3.5	0.890	1.883
	Average of section B	3.96		
C) Curbing Measures of Corruption				
17	Allowing the citizens to complain without the fear of being hurt is one way for curbing corruption.	4.7	1.050	6.732*
18	Increasing the awareness of the employees for the risks and repercussions of corruption which deter them from committing illegal acts.	3.2	1.679	0.760
19	Monitoring the work of employees closely by internal and external auditors or inspectors cut down the corruption practices.	3.7	0.930	2.3658*
20	Activating and initiating new laws to fight corruption is an effective mean for eliminating corruption practices.	4.3	1.180	3.964*
	Average of Section C	3.91		

Notes: Likert used in this research has been given five point scale of Strongly agree (5) Agree (4) Neutral (3) Disagree (2) Strongly disagree
 STD = Standard Deviation. * =significant t-test at 0.05
 Source: Researcher computation

V- Summary, Conclusions and Recommendations

Corruption is a vague multi-dimensional dilemma that faces most countries of the world particularly the developing countries including Jordan. Corruption is defined as an intended action by an individual or enterprise to commit manipulation, fraud, deceit, distortion and concealing of facts for the purpose of achieving a personal interest or benefit that leads to damages or harm for other parties. The researcher could identify the following Anti-corruption institutions in Jordan: Anti Corruption Unit/ Jordan's General Intelligence Department; Court of Customs/ Ministry of Finance; the Audit Bureau; Bureau for Control & Administrative Inspection; the Civil Service Commission; and the Dispute Settlement Unit/ Ministry of Labor, but these institutions require more jurisdiction powers to persecute and more training to their staff to be good investigators. It is noticed that Jordan's legal and regulatory system lacks a special law on

illegitimate earnings. Jordan comes at a high level of corruption worldwide with a rank of 59 among 180 countries at Corruption Perception Index (CPI,) which ranges between zero (most corrupted) and 100 (least corrupted), but among the 22 Arab countries, Jordan comes at the least corruption rank of 4 preceded by Qatar, Arab Emirates and Bahrain .The researcher concluded that lack of legal, public and economic reform besides political instability, lack of transparency, monopoly, high taxes, long procedures and barrier to trade often go hand in hand with corruption besides the bribes provided by some multinational companies. Corruption in Jordan is in the private and public sectors and national anti-corruption agencies often fail to curb corruption due to lack of the power to persecute and lack of proper training of staff to be good investigators. Corruption breeds poverty, high prices and lack of foreign investment in Jordan. Addressing corruption needs paying attention to its causes, role of incentives and institutional reform. The curbing of corruption begins with designing better legal and administrative systems, reducing monopolies, inflicting penalties for both givers and takers of bribes, besides free press and transparent privatization of public enterprises. The study recommends the need to address ethical issues in business, to create a code of conduct based on transparency, rule of law, good governance and high standard of business practices,;

End Notes

¹ Faleh Al-Hori & Zaidon Abu Amir assisted the researcher in distribution and collection of data from the questionnaire on the types, causes, economic dimension and anti-corruption measures in Jordan.

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Appendix: The Questionnaire

Part I: Personal Information

- 1-Type of Enterprise: Public private
2-Type of Job: Employee Head of Section Manager Professor
3-Qualification: Secondary Bachelor Master Doctorate
4-Age: Less than 25 25-40 41-55 More than 55
5-Years of Experience 1-5 6-10 11-15 More than 15

Part II: Questionnaire Paragraphs

Section 1: Aspects and Causes of Corruption

1- Favoritism is a kind of corruption

- Strongly agree Agree Neutral Disagree Strongly disagree

2-Fraud and money laundering are aspects of corruption

- Strongly agree Agree Neutral Disagree Strongly disagree

3-The bias of the administration in favor of certain groups is one type of corruption

- Strongly agree Agree Neutral Disagree Strongly disagree

4-Allowing personal interests to interfere with work duties is one of the causes of corruption

- Strongly agree Agree Neutral Disagree Strongly disagree

5-Absence of job description leads to corruption

- Strongly agree Agree Neutral Disagree Strongly disagree

6-Hypocrisy opens the way for corruption

- Strongly agree Agree Neutral Disagree Strongly disagree

7-Lack of Ethics' principles facilitates corruption

- Strongly agree Agree Neutral Disagree Strongly disagree

8--Misuse of the authority, for personal benefits, is a cause of corruption

- Strongly agree Agree Neutral Disagree Strongly disagree

9-Lack of accountability encourages corruption practices

- Strongly agree Agree Neutral Disagree Strongly disagree

10-Weakness of internal control and division of labor are ingredients for corruption

- Strongly agree Agree Neutral Disagree Strongly disagree

11-Feebleness of external control of auditors and other authorities makes corruption easy to conduct

- Strongly agree Agree Neutral Disagree Strongly disagree

12-Delegation of too much authority to subordinates without enough responsibility makes them vulnerable to corruption

- Strongly agree Agree Neutral Disagree Strongly disagree

13-Weakness of corporate governance opens the way for corruption of businesses

- Strongly agree Agree Neutral Disagree Strongly disagree

Section 2: Economic Dimensions of Corruption

14-Corruption has its heavy cost for the economy

- Strongly agree Agree Neutral Disagree Strongly disagree

15-Corruption is an obstacle for attracting more foreign investment

- Strongly agree Agree Neutral Disagree Strongly disagree

16-Corruption increases the prices of goods and services for the final consumers.

- Strongly agree Agree Neutral Disagree Strongly disagree

Section 3: Curbing Measures of Corruption

17-Allowing the citizens to complain without the fear of being hurt is one way for curbing corruption.

Strongly agree Agree Neutral Disagree Strongly disagree

18-Increasing the awareness of the employees for the risks and repercussions of corruption deter them from committing illegal acts.

Strongly agree Agree Neutral Disagree Strongly disagree

19-Monitoring the work of employees closely by internal and external auditors or inspectors, cut down the corruption practices

Strongly agree Agree Neutral Disagree Strongly disagree

20-Activating and initiating new laws to fight corruption is an effective mean for eliminating corruption practices

Strongly agree Agree Neutral Disagree Strongly disagree