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Corruption, public integrity, and globalization in South-Eastern European states. A comparative analysis

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Abstract. *The last three decades have witnessed a proliferation of studies on the globalization of corruption or convergence of anti-corruption strategies. These studies have been motivated by scholarly concerns from various administrative, economic, and political fields. In view of these interdisciplinary concerns, the purpose of this article is to provide a comparative analysis of corruption phenomena and the demand for public integrity because these developments pertain to the discourse on globalization issues in some South-Eastern European nations within the last decade. The article concludes that the differences observed in these countries are due to their level of maturation in the democratic processes, their stages in the European Union integration process, and the geopolitical condition of each nation, and offers a palatable public policy prescription for achieving a lasting impact in the region.*

Keywords: anti-corruption; corruption; globalization; South-Eastern European states; public integrity.

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Introduction

In several analyses and scholarly discourse, topics such as corruption and public integrity have been approached in the general context of globalization. In fact, the "globalization of corruption" as chronicled by scholars (Glynn et al. 1997, Matei, Matei, 2008, Eigen, 2002) and its effects on the evolution of corruption are integrated into the most relevant studies on globalization (Stiglitz, 2002, Sen, 2000, Jain, 2001, Otusanya, 2011). These scholars have identified a "corruption eruption," whose causes are multi-faceted and politically transformed due to popular social movements induced by liberal political economic forces.

For the South-Eastern European countries, the fall of Berlin Wall and the end of Cold War have not only propelled but skyrocketed the processes of globalization and, of course, corruption. Some researchers tend not to discuss the connection between corruption and globalization since the latter is acting more on the practices of corruption, enlargement of corruption market, and its harmonization at regional level. The presumption is that globalization has effects on the development of the strategies for public integrity, and the general framework provided by each nation's integrity systems.

The purpose of this article is to provide a comparative analysis of corruption phenomena and the demand for public integrity as these developments relate to the debate on globalization issues in some South-Eastern European nations within the last decade. The general framework of the comparative analysis comprises the following: 1) an evaluation of the national anti-corruption strategies and their impact on the level of social perception of corruption; and 2) mechanisms and instruments used in evaluating corruption, public integrity, and globalization by the World Bank and the European Bank for Reconstruction and Development, and KOF Index of Globalization.

In terms of research methodology, the evaluation of anti-corruption strategies is based on Steves-Rousso dynamic model, developed by the European Bank for Reconstruction and Development, and improved by the authors. The target group comprises three European Union member states such as Bulgaria, Romania, and Slovenia, and an acceding country like Croatia, and Serbia, a nation that has a good potential of reaching a candidate status soon—these two states belonged to the former Soviet Union and former Yugoslav Federation, respectively.

The analysis begins with a review of relevant literature focusing on globalization of corruption and public sector reform measures. This is followed by a discussion of the research methodology that utilizes anti-corruption strategies as instrument of public integrity, and the study results as these pertain

to the purpose of our analysis. The article concludes that corruption, public integrity, and globalization trends are different in the South-Eastern European countries examined due to their level of maturation in the democratic processes, their stages in the European Union integration process, and the geopolitical specificity of each nation.

Review of relevant literature

The end of the Cold War has induced a twofold level of globalization and corruption as a new phenomenon, "global corruption epidemic" or "corruption eruption" that "can be attributed to the emergence of civil societies and the disclosure of corruption in many countries and the trend towards democracy and markets, which has paradoxically increased both the opportunities for graft and the likelihood of exposure" (Leiken, 1996, p. 58, Quah, 2002, p. 454). According to Glynn et al. (1997), the emergence of corruption as a global issue is identified in the last decade of the 20th century due to the following causes: 1) systemic political changes in some regions have negatively affected the social, political and legal institutions, thus opening the way for new abuses; and 2) political and economic liberalisation have jointly uncovered corruption that was previously concealed.

Some scholars not only "observe a marked decrease in the willingness of the public to tolerate corrupt practices by their political leaders and economic elites" (Glynn et al., 1997, p. 8), but they also discover an intrinsic link between eruption of corruption and the economic crisis, a phenomenon that has become a leitmotif of politics at global level in the last decade. Other plausible causes of globalization of corruption include changes that paved the way for governmental openness and democracy in the most repressive states, and the increase of information consumption and technological exchanges, thus placing knowledge as a major resource of corruption.

At the same time, the end of the Cold War and the increase in economic interdependence have contributed to the perception that the corruption phenomena are more spread and have ramifications inherently at global level. Both Quah (2002) and Farazmand (1999) provide arguments for sustaining the idea of globalization of corruption. Quah contends that between 1993 and 1997, "corruption was transformed from a predominantly national or regional preoccupation to an issue of global revolutionary force" (Quah, 2002, p. 455), thus calling for anti-corruption actions and strategic plans from international organizations such as the United Nations, the World Bank, Organization of American States, International Chamber of Commerce, Transparency International, and the World Economic Forum, to mention but a few.

Conversely, Farazmand (1999) argues that globalization not only encourages privatization programs as reform measures, but it also empowers a few selected elites as agents of multinational corporations, and accelerates corruption in both developed and underdeveloped countries. Nonetheless, he opined that it challenges the conscience of the public administration community to "question the sincerity of the elites, oppose exploitation, and resist being used for undemocratic, unjust, and inequitable purposes around the globe" (1999, p. 519).

Theories of public sector reform and corruption

Matei and Matei (2008) have grappled with the concept of globalization of corruption by taking into consideration the causes that determine this process, which is derived from the public sector reforms. Using empirical models, they show the endemic characteristics of various regions concerning the relationships between democracy and corruption, starting with "buying the votes and political influence or even control by political power" (Matei, Matei, 2008, p. 9).

Based on Matei and Matei's conceptualization, the public sector reform has become an issue on the governmental agenda in various jurisdictions. We find these preoccupations both in the developed and developing countries. For the first category, an eloquent image of those preoccupations is provided through the studies done by OECD Public Management Service and published in 1995, which concluded that the key focus of any stratergic reform should be on "performance-oriented and … customer-oriented public administration" (OECD, 1995, p. 17).

Obviously the implementation of this principle is characterised as globalization and taken as a part of the reform strategies being pursued by public sectors in the developing countries. Another interesting perspective, as it pertains to this study, is provided by Stiglitz (2003) in his thought provocative book, *Globalization and its Discontents*, where he echoed the negative effects of globalization on developing countries and their less-privileged citizens due to the corruption phenomena. Public policy issues at stake here include, but are not limited to, fiscal austerity, foreign investments, capitalistic-induced mechanisms, privatization of government assets, and the liberalization of capital markets.

Concerning the relationships between market, state and social opportunity, Sen (2000) presents the provision of social services as well as incentives by emphasizing a series of possible distortions due to information asymmetry, which not only raises the administrative costs for countries, but it leads to substantial losses, and consequently to corruption. While the term

corruption is not easily definable (Jain, 2001, Johnston, 1996, Schmidt, 2007), Sen (2000) describes it as a power asymmetry whereby civil servants or public officials have the authority to grant benefits for which the beneficiaries are compelled to furnish a bribe for services rendered, consequently paving the way for more corruption. He further presents a more profound approach concerning the ethical values and policymaking, by suggesting that a sound public policy has to be focused on justice, and all public policies should be designed to control individual and group behaviours as long as they adhere to proper social ethics.

The perspective of social ethics and its relationship with corruption in the public sector provide to Sen the opportunity to extend his analysis on the causes and consequences of corruption. "Dominance of corruption," as defined by Sen, is really seen as one of the greatest obstacles for economic progress. In view of this, any increase in the level of corruption may have negative effects on the effectiveness of public policies (Sen, 2000, p. 171). Specifically, a series of attitudes are identified through which some legislative regimes encourage corruption by providing discretionary power to the civil servant, who may award favours, representing a large amount of money.

In fact, some scholars have discovered that the temptation to corruption is greater when public officials hold more power or stay in office for a longer haul (Ferraz, Finan, 2009, Fredriksson, Svensson, 2003). Campante et al. (2009, p. 43) developed their analysis using a framework that takes into consideration political stability and corruption by emphasising the following two effects: 1) *horizon effect*, which posits that greater instability leads to higher corruption for those holding power, by taking advantage of this short opportunity; and 2) *demand effect*, which proposes that the private sector is more eager to bribe politicians who are politically more stable due to their power of incumbency.

Revisiting Sen's (2000) study, he associates the power holding status of civil servants with the material situation, relatively modest, leading to an increase in corruption temptation. This occurs at the lowest level of an organization hierarchy and this is why corruption triumphs in most democratic systems, involving mid-career and top bureaucratic officials. This brings to bear the continuous demand for the prevention and fight against corruption. Since the obvious motivation for corruption is to accumulate profit, its eradication is very problematic.

Potential causes of corruption have been explored in various ways through public choice and black apple theories. In the case of public choice theory, an individual is seen as a rational actor, who continually engages in a cost-benefit calculation before deciding to be corrupt whenever the benefits outweigh the costs of getting in trouble (Klitgaard, 1988). Conversely, the

black apple theory posits that a person with faulty moral values, using the bad apple metaphor, is likely to engage in a corrupt act. The idea here is that there is a correlation between "a defective human character and a predisposition toward criminal activity" (Otusanya, 2011, p. 393, Punch, 2000).

The literature is replete with efficient mechanisms for institutional reforms, systems for controlling corruption as well as sanctions against its proliferation (Andvig, 2006, Johnston, 2005, Punch, 2000, Treisman, 2000, Rose-Ackerman, 1999, Gary, Kaufmann, 1998, Vogel, 1998, Heidenheimer, 1996, Kaufmann, Siegelbaum, 1997, Klitgaard, 1988). However, their coverage area is relatively limited despite the fact that some studies examined cross-national problems. The most complex mechanism for assessing public integrity is known as the bird's nest. According to Sampford, Smith, and Brown (2005, p. 96), the bird's nest metaphor suggests that "a multitude of often weak institutions and relationships can combine to more effectively protect and promote the fragile goal of public integrity." In his study, for instance, Bruno (1996) discussed the example provided by Kantilya, an Indian political analyst during the 4th century, who described forty different ways in which a civil servant may be tempted to become corrupt from the financial point of view and explained how a cash payment system, followed by sanctions and rewards, can prevent those activities (Bruno, 1996, pp. 7-8). These arguments together with other assertions furnish the support for the promotion of national as well as supranational strategies for the fight against corruption in order to ensure public integrity in public management.

Profile of corruption in South-Eastern European nations

In addition to the arguments observed in the existant literature, we may add reports from important establishments such as the World Bank and Transparency International (TI). The 2010 TI report concluded that the areas and institutions most affected by corruption remain the political parties, parliaments, police and judiciary. Without elaborating on the TI's methodological details here, this observation seems problematic because, within the last few years, political parties and parliaments have remained the main actors perceived to be the most corrupt. A comparison between the world level and that of South-Eastern European countries reveals some increases in the magnitude of indicators for quasi majority of the sectors and/or institutions, varying between 0.2 for media, reaching 1.0 for the medical services, 0.8 for education services or registry and permit. Romanian records for 2006, as a country in South-Eastern Europe, show lower values than the regional average,

except for the political parties, where it exceeds the regional level by 0.1 (Matei, Matei, 2007, p. 11, Transparency International, 2006).

Although the aforementioned indicators are based on third-part perceptions of corruption, they still show respondents' negative perception of the effects of government actions or fight against corruption. The TI reports of the South-Eastern European region show that only 27% of the population acknowledge government actions to control corruption to be either effective or very effective, while 9% think these actions promote corruption. In Romania, for example, where 16% of the respondents support the effectiveness of government actions against corruption, only 11% indicate that those actions tend to have negative recursive effects on corruption (Matei, Matei, 2007, p. 11, Transparency International, 2006). In its 2010 annual report, Transparency International (TI) acknowledged that political corruption can be remedied when citizens demand integrity and accountability from their leaders. The obvious reason being that through strong commitments to anti-corruption, public officials "can improve trust in political institutions and processes" (2010, p. 9). The institutionalization of bribery of any kind does affect national productivity and civic engagement. Similarly, any form of embezzlement diminishes the real allowances for public services, health and education. In all countries examined by TI, the corruption phenomenon greatly affects people's life. Generally, TI report underscores the fact that political parties are extensively involved in the corruption equation and global efforts to strengthen anti-corruption awareness must be pursued.

Research methodology

The previous studies have revealed multiple instruments and mechanisms designed to promote and sustain public integrity. As pointed out by Matei and Matei in their 2007 study, the binom "corruption-public integrity" is inversely and proportionally interrelated. They acknowledge that despite data collection problems, the National Integrity Systems (NIS) is one of the best complex mechanisms for assessing public integrity. Introduced by Transparency International about a decade and a half ago, NIS provides a global overview of public integrity at national level, emphasizing the role of various pillars, actors, mechanisms, among others. The support of NIS operation is furnished by the national anti-corruption strategies, whose assessment imposes an important effort data collection, analysis, integration, and interpretation of information. Matei and Matei (2011) identify multiple models used by previous studies in

assessing the anti-corruption strategies, which are deployed by others (Andrei, et al., 2009) using models developed by the World Bank (Huther, Shah, 2000), and the European Bank for Reconstruction and Development (Steves, Rousso, 2003). In this study, we are going to deploy what we call Steves-Rousso-Matei's dynamic model to assess the anti-corruption strategies in two stages.

Stage 1: Static anti-corruption matrix

The study done by Steves and Roussos (2003) pertains to the former communist nations in transition from 1999 to 2002. In terms of operationalization, each matrix has a single value for the whole period of time, and this is why this technique is a static procedure. As a result, the Steves and Rousso (2003) model is based on the static *anti-corruption matrix* (Appendix 1), where the evaluated anti-corruption activities are divided in three general categories as follows:

1) Omnibus reform programs;
2) New legislation targeted at anti-corruption; and
3) Accession to international conventions and membership in international anti-corruption coalitions.

In each category, Steves and Rousso developed a grading system that represents the basis of the calculation for an index specific for each group: Omnibus Index (OI), Legal Index (LI) and Conventions Index (CI). Similarly, each category was divided into various distinct criteria based on specific activities in every country. Thus, for the activities specific to OI, an evaluation plan is suggested and defined as follows:

OI.1 The design and publication of an anti-corruption strategy;

OI.2 The development of an implementation plan for anti-corruption action; and

OI.3 The establishment of a national anti-corruption commission, ombudsman, or a similar authority aimed at coordinating and monitoring the achievement of objectives and activities from the national anti-corruption strategy.

Furthermore, each criterion in the matrix was coded "1" and used to represent the introduction of anti-corruption measures, while "0" was coded to denote the contrary. As presented in Appendix 1, these three major components of the OI are weighted equally. Steves and Rousso (2003) considered not only a formal consignment of the activities mentioned but also some aspects concerning their design, content, and operationalization. Thus, for each criterion, there are sub-criteria as delineated in Appendix 1. They refer mainly to:

1) The involvement of nongovernmental organizations (NGOs) in developing anti-corruption activities;

2) The complex structure of the strategy comprising several governmental branches or ministries such as that of justice, administration and home affairs, etc., and
3) The formal independence of anti-corruption commission or authority before the government.

Moreover, for the activities specific to LI (i.e., a new anti-corruption legislation), six criteria were designed to account for legislative amendments or implementation of six applicable laws selected on the basis of a careful observation of the specificity of the regulatory framework in the countries under review. Regarding CI, it assesses the nations' commitments to ratify and abide by international conventions and standards, and their participation in global organizations and alliances.

In order to fine-tune this index, 1/3 was allotted for signing the instrument, 2/3 for signing and ratifying, and "1" if the document has been approved, ratified, and under implementation. An A functional index is attained through the aggregation of the three indicators to produce an Intensity Index for Anti-Corruption (II-AC), which facilitates an appropriate assessment of the impact of anti-corruption strategies in each nation, in order to make comparisons and correlations with adjacent processes and phenomena, specifically for the selected South-Eastern countries.

In our view, the anti-corruption strategies and all other measures associated with them are the reason for designing this technique in concert with other procedures describing public sector reforms in transitional countries. Matei and Matei (2011) have indicated that the institutionalization of new social rules in public institutions and their implementation as delineated in the anti-corruption strategies demand a longer timeframe because of the logistics involved in its development. In view of this, our new model is designed to capture a longer timeframe (10 years, for example) because the quantitative assessment of the anti-corruption actions tends to vary.

Stage 2: Dynamic matrix of anti-corruption activities ([A-C])

In reference to the discussion in stage 1, our dynamic matrix model has the following variable annual quantifiable characteristics:

- A series of Intensity Indices ([II-AC]) – OI.1.1, OI.2.1, OI.3.1, OI.3.4 – as well as CI1-6 are quasi-constant during the period under review; they may vary only when the activities quantified are amended, modified or replaced with new ones. In this situation, it is a valid principle for overlapping the effects.
- The other II-AC varies annually in a linear way, from the year when they were adopted or integrated into the national legislation as an

institutional framework. Their values are cumulative and take into consideration some eventual amendments, changes or replacements; it is also a valid principle for overlapping the effects.

- The dynamic matrix has the same structure as the one developed by Steves and Rousso (2003), and the weights (w) of each II-AC are similar.

Operationally, the matrix [A-C] will be constructed as follows:

1) A column will be assigned to each II-AC in [A-C];
2) A number of rows equal to the number of years (n) during the period examined will be assigned to each country under review;
3) On the analysis of the anti-corruption activities in each nation during the period examined, a nominal support matrix will be designed, with the same structure as [A-C], marking, for every II-AC, the relevant data for the year of adopting, setting up and/or achieving the activities aimed by II-AC and the year of their changing, completing, and/or restructuring (if applicable). Consequently, every II-AC will have temporal data (years), $n_1 < n_2 < \ldots n_k$ which will determine k periods, p_i, when the activity corresponding to II-AC is stable ($p_i = n - n_i$, i = 1, 2, … k).
4) Moreover, numerical values will be allocated annually to every II-AC and every nation as follows:

Regarding quasi-constant indices, for every state and every year during a period p_i, a part w_i from the weight (w) will be awarded, corresponding to II-AC, $w_i = w/k$. For the periods overlapping, the numbers w_i will be totalled, and 0 percentage will be allocated to the years belonging to no period.

Concerning the variable linear indices, the allocation will be also annually-based and specific to every period. Nonetheless, different from quasi-constant "II-AC", every period p_i, and every year, n_i, the allocation will be as follows:

$$w_{ij} = \frac{w_i}{n}\left(n_j - n_i + 1\right).$$

As in the previous case, for the overlapping periods, the numbers w_i will be totalled, and 0 percentage will be assigned to the years pertaining to no period. In view of this, every II-AC will have increasing allocations, overlapped in concert with the periods of amending or updating the legislation, strategies, etc. In the example delineated below, the explanation on how the matrix [A-C] was obtained will be provided. It is pertinent to note here that the matrix [A-C] depends on the period of analysis and, as a result, the values of II-AC are usually increasing annually depending on the implementation strategies, action plans, domestic and international anti-corruption measures or actions.

Results and discussion

The results presented below illustrate the utility for using the dynamic anti-corruption matrix. Again, the selected states in this analysis consists of three European member states: Bulgaria (BG), Romania (RO) and Slovenia (SI)) – an acceding state, Croatia (HR), and Serbia (SE). The period analysed is 1999-2008. Appendix 2 presents the nominal support matrix used in developing anti-corruption activities [A-C] in the states under review in this study (Matei, Matei, 2010). Appendix 3 presents the effective calculation of II-AC as well as the primary indices – OI, LI, and CI. It is pertinent to note here that the variables associated with the primary indices and the composite index (II-AC) has increasing values. These highlight the developing character of the processes for describing the anti-corruption activities. Since the procedures for the achievement and implementation of anti-corruption strategies are different, the calculated correlation coefficient between Slovenia (SI) and Croatia (HR) is not very impressive. The magnitude of the correlation coefficient revealed here may not be surprising because the objectives of European integration of the respective states require them to be in compliance with the transnational anti-corruption frameworks, which is also promoted by the World Bank, and OECD. We also examine the effects of enforcing the anti-corruption strategies through their correlation with the index of control of corruption (KKM), developed by the World Bank.

The correlation figures presented in Table 1 for 1999-2008 are relevant and demonstrate small positive correlations for Bulgaria and Slovenia (BG, 0.306; SI, 0.375), and high correlations for Croatia and Serbia (HR, 0.663; RO, 0.801; SE, 0.890). The policy implications of these findings are more profound because they may imply that some of the anti-corruption strategies in these states may either be re-examined or that there should be a reconceptualization of the instrument of analysis (KKM) used by the World Bank. In fact, another explanation may be the difficulty of collecting data and information that reflect the actual reality in the South-Eastern states that were examined in this analysis.

Table 1

Correlations II-AC/KKM

		BG_KKM	HR_KKM	RO_KKM	SE_KKM	SI_KKM
BG_II_AC	Pearson Correlation	.306	.562	.863(**)	.929(**)	.201
	Sig. (2-tailed)	.390	.091	.001	.000	.577
	N	10	10	10	10	10
HR_II_AC	Pearson Correlation	.385	.663(*)	.804(**)	.892(**)	.093
	Sig. (2-tailed)	.272	.036	.005	.001	.798
	N	10	10	10	10	10
RO_II_AC	Pearson Correlation	.348	.602	.801(**)	.901(**)	.146

		BG_KKM	HR_KKM	RO_KKM	SE_KKM	SI_KKM
	Sig. (2-tailed)	.325	.065	.005	.000	.688
	N	10	10	10	10	10
SE_II_AC	Pearson Correlation	.363	.617	.829(**)	.890(**)	.120
	Sig. (2-tailed)	.302	.057	.003	.001	.742
	N	10	10	10	10	10
SI_II_AC	Pearson Correlation	.340	.487	.848(**)	.921(**)	.375
	Sig. (2-tailed)	.336	.154	.002	.000	.286
	N	10	10	10	10	10

** Correlation is significant at the 0.01 level (2-tailed).

At the same time, the quantitative analysis should be accompanied by a more refined qualitative analysis in other to account for other processes that are influencing the anti-corruption actions such as political stability, rule of law, civil society, to mention but a few. To remedy these methodological shortcomings, we adopted a new modified model that, in our view, reflects or accounts for the realities in South-Eastern European states, which could represent the pillar of objective analysis of the developments in a certain state for any comparative discussions.

Assessing the level of globalization in selected South-Eastern states

This analysis uses the KOF Index of Globalization for the quantitative assessment of the level of globalization. We refer to the previous studies by Dreher (2006) and Dreher et al. (2008). Their most relevant analyses pertain to the impact of globalization on economic growth. These scholars as well as Keohane and Nye (2000) highlight the following dimensions of globalization:

- Economic globalization, characterised as long distance flows of goods, capital and services as well as information and perceptions that accompany market exchanges;
- Political globalization, characterised by a diffusion of government policies;
- Social globalization, expressed as the spread of ideas, information, images and people (Dreher 2006: 4).

The previous studies integrate the three variables described above through a weighted average as follows: economic globalization (36%), social globalization (38%), and political globalization (26%). For the South-Eastern European states under review, Bulgaria (BG), Croatia (HR), Romania (RO), Serbia (SE) and Slovenia (SI), Appendix 4 presents the data for the period 1999 to 2008.

Characteristics of the globalization process in the states under review

Based on the analysis in Appendix 4, we discover some characteristics of different dimensions of globalization, as defined earlier in this section, by calculating the mean, respectively, and the standard deviation of variables. Table 2 presents the relevant data.

Table 2

Characteristics of globalization in some South-Eastern European states

State	Globalization							
	Economic		Social		Political		Overall	
	Mean	Standard deviation	Mean	Standard deviation	Mean	Standard deviation	Mean	Standard deviation
BG	67.88	8.28	56.46	3.76	88.01	0.93	68.73	4.46
HR	65.92	8.87	69.17	1.77	77.72	6.46	70.18	5.47
RO	58.42	8.68	53.79	2.97	90.30	1.82	64.86	4.57
SE	57.56	2.49	59.91	4.94	52.94	20.19	57.25	7.53
SI	72.32	8.44	72.91	2.03	77.02	4.74	73.74	4.99

Source: authors calculations.

We observed some interesting results for the decade examined (1999 to 2008). The economic and social dimensions of globalization are comparable in all the five states, varying around a mean of 64.42 for the economic dimension and 62.45 for the social dimension. Moreover, the processes of economic globalization have induced important changes, leading to a significant variation of the level of globalization (approximately 8.57), except for Serbia, which has a standard deviation of 2.49. Another explanation of this fact can also be seen in the processes of economic convergence generated by the policies of accession into the European Union. Although the level of economic globalization in Serbia is the smallest among the states, it is comparable with the other levels, and the transformations during the period indicate minor changes as reflected in its low level of standard deviation.

Regarding the social dimension of globalization, we identify more powerful transformations in Serbia (4.94), the other states having a mean standard deviation around 2.63. Conversely, on the political dimension of globalization, we uncovered three levels. Bulgaria and Romania (with a mean of 89.20) are at the highest level, followed by Slovenia and Croatia (with a mean of 77.37) on the second level, and Serbia with a mean of 52.94 on the third level. When we further analysed the standard deviations, the same hierarchy emerged< this may be due to the membership of the three groups of states in different geopolitical areas, being visible is the consequences of membership in the former Yugoslavia, and the evolutions of those states after

its dissolution. For Serbia, the data indicate major transformations as revealed by the high level of the standard deviation of 20.19.

Apparently, the overall dimension of globalization reflects less significant differences because the globalization index represents a weighted mean of the other three indices. For all states, the analysis of correlation of the variables describing different dimensions of globalization indicates high levels of correlation with the political dimension (except Bulgaria). Table 3 presents these levels.

Table 3

Levels of correlation of the dimensions of globalization

State	Correlation with the political dimension		
	Economic	Social	Overall
BG	0.596	0.639	0.661
HR	0.966	0.889	0.982
RO	0.906	0.883	0.945
SE	0.731	0.796	0.975
SI	0.963	0.919	0.979

Source: authors computations.

The findings concerning a coherence evolution of different dimensions of globalization in each of the five states seem very interesting. For example, in each dimension, we obtained favourable positive results based on the high levels of correlation indices as presented in Table 4. These results compelled us to reassess the relationship between globalization and public integrity.

Table 4

Variation of the correlation indices for different dimensions of globalization

Dimension of globalization	Correlation index Minimum	Correlation index Maximum
Economic	0.800 (SE/HR)	0.983 (SI/HR)
Social	0.836 (HR/RO)	0.982 (BG/SI)
Political	0.610 (BG/SE)	0.989 (HR/SI)
Overall	0.910 (BG/HR)	0.993 (HR/SI)

Source: authors estimations.

Globalization and public integrity

The direct connection between the two processes is more obvious in the field literature. As explained at the beginning of this analysis, we shall use the quantitative evaluations of the impact of the anti-corruption strategies for public integrity. We choose this approach due to the methodological similarities in the assessment of the two processes. For clarity purpose, we shall explore different correlations of various dimensions of globalization with the intensity index of the anti-corruption strategies (II-AC, see Table 5 below).

Table 5

Correlation of the dimensions of globalization with the impact of the anti-corruption strategies

State	Pearson correlation index with II-AC			
	Economic	Social	Political	Overall
BG	0.848	0.993	0.626	0.924
HR	0.892	0.897	0.950	0.924
RO	0.870	0.892	0.947	0.918
SE	0.838	0.920	0.867	0.927
SI	0.966	0.983	0.972	0.983

Source: authors calculations.

Consequently, except for Bulgaria, where the correlation index between political globalization and the impact of the anti-corruption strategies is lower, the other indices are very high, indicating strong correlations. Therefore, a linear regression analysis becomes relevant in order to determine the mutual influence between these two processes (Table 6).

Table 6

Coefficients of linear regression

State	Coefficients of linear regression			
	Constant	Standard error	Coef. II-AC	Standard error
BG	57.821	1.697	0.197	0.029
HR	58.126	1.895	0.242	0.035
RO	55.670	1.536	0.190	0.029
SE	42.872	2.261	0.316	0.045
SI	64.365	0.684	0.194	0.013

Source: authors calculations.

The data from Table 6 reveal that the highest influence of the impact of the anti-corruption strategies on the level of globalization could be in Serbia, followed by Croatia, and approximately equal in the other states. For example, with a certain approximation due to the different standard errors, an increase by 10% of the impact of the anti-corruption strategies could lead to an increase by 3% of the level of globalization in Serbia, by 2.4% in Croatia, and approximately by 2% in the other states.

Globalization, political stability and corruption

The analysis below is based on the studies done by Campante et al. (2009) and the World Bank. Appendix 5 presents the data on the evolution of political stability for the period 1999 to 2008. Unlike those presented by the World Bank, they are transformed into an interval level measure [0, 100] in order to have the

same basis of reference with the other indicators. The calculation of Pearson correlation indices leads to the conclusion about different behaviours of the variables of globalization and stability for every state. We found the only positive Pearson correlations when we explored the variable describing the political dimension of globalization and stability. These results are presented in Table 7.

Table 7

Correlations between globalization and political stability

State	Pearson correlation indices with political stability			
	Economic	Social	Political	Overall
BG	-0.228	-0.423	0.035	-0.288
HR	0.817	0.743	0.899	0.846
RO	0.150	0.382	0.489	0.248
SE	0.699	0.780	0.924	0.915
SI	0.118	0.116	0.350	0.176

Source: authors computations.

Table 7 shows that the variable corresponding to political globalization is the only indicator that has a positive correlation for all states. From the previous positive correlation results presented in Table 5, we assume that through a linear regression analysis, direct influences between political globalization, stability and impact of the anti-corruption strategies can be established. Our regression results are presented in Table 8.

Table 8

Regression coefficients for political globalization related to political stability and impact of the anti-corruption strategies

State	Regression coefficients					
	Constant	Standard error	C1	Standard error	C2	Standard error
BG	78.280	6.465	0.134	0.105	0.035	0.013
HR	43.821	45.692	0.358	0.849	0.256	0.095
RO	86.443	5.361	0.002	0.103	0.078	0.012
SE	-8.449	13.213	1.935	0.874	0.070	0.352
SI	35.848	17.758	0.461	0.253	0.176	0.014

Source: authors computations.

Results presented in Table 8 are very impressive. For example, the most powerful influences on political globalization are related to political stability (except in Romania). Moreover, the anti-corruption strategies influence, to a lesser extent, the processes of political globalization.

Earlier in the literature section, we referenced the study done by Campante et al. (2009) where they developed their analysis using a framework that takes into consideration political stability and corruption focusing on two effects: 1) *horizon effect*, which posits that greater instability leads to higher corruption for

those holding power, by taking advantage of this short opportunity; and 2) *demand effect*, which postulates that the private sector is more eager to bribe politicians who are politically more stable due to their power of incumbency. In this section of our analysis, the *horizo*n and *demand* effects were explored with an approximate expression using a nonlinear regression through a function of power. Table 9 presents the coefficients of that function.

Table 9

Nonlinear regressions on the relation between political stability and corruption

State	Regression coefficients – function of power		State	Regression coefficients – function of power	
	Constant	b1		Constant	b1
BG	958.5	- 0,721	SE	0.070	1.665
HR	8.696	0.483	SI	235.975	-0.284
RO	69.609	- 0.063			

Source: authors computations.

Although our data did not trigger any relevant conclusion on the relationship between political stability and corruption, the effects presented by Campante et al. (2009) may be extended to globalization. By analysing the variations of the indices of globalization we define their periods of stability and periods with higher variations that may be rather identified with the instability of the process of globalization. Figures 1a to 1e in Appendix 6 present the charts of the functions of power and the empirical data.

Concluding remarks

The purpose of the foregoing analysis has been to provide a comparative analysis of corruption phenomena and the demand for public integrity as these developments pertain to the discourse on globalization issues in some South-Eastern European nations within the last decade. Our multifaceted methodology allowed us to quantitatively examine these public policy concerns in detail in order to reveal precisely both the specificity in every state and the need of compatibility between the respective processes. For all the countries, the levels of correlation are acceptable and they describe an emergent evolution of policy issues in the South-Eastern European region.

Although we have already summarized our conclusions in the previous section, we may add a few highlights. The differences observed in the five countries explored in this article are due, in part, to their level of maturation in the democratic processes and their stages in the European Union integration process, on one hand, and the geopolitical specificity of each country, on the other hand. The policy implications of these findings may imply inadequacy of the anti-

corruption strategies in some states, or an inappropriate perception of corruption and, perhaps, it could be that the instrument of analysis deployed by the World Bank is not robust enough. In fact, an alternative explanation could be the difficulty of gathering data from multifaceted sources that may not reflect actual realities in the South-Eastern nations that were examined in this analysis.

To remedy these methodological limitations, we developed a new modified model that depicts, to a certain degree, the realities in South-Eastern European countries, which could represent the pillar of objective analysis concerning developments in a certain state for any comparative discussions. It is also crucial to note here, inter alia, that despite our data transformation techniques, the study results could be an artifact of the selected South-Eastern countries and the timeline covered, and possibly the variables deployed. Despite these methodological concerns, we recommend that future studies should not only increase the sample size by including more countries in the region, but should consider a longer time period for the implementation reform measures to show some effects.

In sum, while globalization affects developing nations negatively more that it impacts advanced countries, corruption is a serious cancer that has erupted in all nations due to globalization of assets and capital markets. The question is what can be done? We recommend that both governments and nongovernmental organizations should play a collective role in stopping corruption epidemic at all levels, national, regional, and international, to increase global productivity and reduce poverty rate in order to accomplish the United Nations' Millennium Development Goal. In terms of a palatable public policy prescription, each nation should try to enhance its institutional capacity to fight bureaucratic and political corruption of all kinds through prosecution, penalties, active anti-prevention measures and public awareness programs. While civic engagement is lacking within the private sector and among citizens in the South-Eastern nations, higher education institutions in the region should be empowered to not only teach an ethics course in their public administration or public policy related programs, but also to offer a training course on ethics to their respective civil servants in order for a lasting impact to be achieved.

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Appendix 1: Anti-corruption matrix variables and weighting

Intensity Index (II-AC)	Notation	Weight (W)	Intensity Index (II-AC)	Notation	Weight (W)
Omnibus Index	OI	33.4	**Legal Index**	LI	5.55
National anti-corruption strategy	OI1	11.2	Civil Service Law	LI.1	5.55
Adopted	OI1.1	5.56	Financial Disclosure Law	LI.2	5.55
Involved NGOs	OI1.2	2.78	Public Procurement Law	LI.3	5.55
Multi-branch	OI1.3	2.78	Freedom of Information Law	LI.4	5.55
Anti-corruption action plan	OI2	11.1	Party Finance Law	LI.5	5.55
Adopted	OI2.1	5.55	Anti-Money Laundering Law	LI.6	5.55
Involved NGOs	OI2.2	2.78	**Conventions Index***	CI	33.3
Multi-branch	OI2.3	2.78	Stability Pact anti-Corruption Initiative	CI.1	5.55
Anti-corruption commission or ombudsmen	OI3	11.1	OECD Anti-Bribery Convention	CI.2	5.55
Established	OI3.1	5.56	COE GRECO	CI.3	5.55
Involved NGOs	OI3.2	1.11	COE Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime	CI.4	5.55
Multi-branch	OI3.3	1.11	COE Criminal Law Convention on Corruption	CI.5	5.55
Independent	OI3.4	3.33	COE Civil Law Convention on Corruption	CI.6	5.55

*In the non-Stability Pact countries, the other five indicators in this Index represent 6.66 percent of the Intensity Index.

Source: Steves and Rousso (2003, p. 6).

Appendix 2: Nominal support matrix for II-AC

State	Year	Omnibus Index OI1			Omnibus Index OI2			Omnibus Index OI3				Legal Index LI						Conventions Index CI					
		OI 1.1	OI 1.2	OI 1.3	OI 2.1	OI 2.2	OI 2.3	OI 3.1	OI 3.2	OI 3.3	OI 3.4	LI 1	LI 2	LI 3	LI 4	LI 5	LI 6	CI 1	CI 2	CI 3	CI 4	CI 5	CI 6
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
BG	1999											x					x	x	x	x			
BG	2000														x						x	x	x
BG	2001	x	x	x								X*	X	x		x							
BG	2002				x	x	X	x	x	x	x				X*								
BG	2003																						
BG	2004				X*	X*	X*																
BG	2005							X*	X*	X*	X*				X*	X*							
BG	2006	X*	X*	X*											X*								
BG	2007											X*					X*						
BG	2008																						
HR	1999																	x					
HR	2000											x								x	x	x	x
HR	2001							x	x	x	x			x	x								
HR	2002	x	x	x	x	x	X																
HR	2003													X*	X*		x						
HR	2004																						
HR	2005	X*	X*	X*	X*	X*	X*																
HR	2006											X*											
HR	2007																						
HR	2008																X*						
RO	1999											x		x		x	x			x			
RO	2000																	x			x		
RO	2001	x	x	x	x	x	X	x	x	x					x							x	x
RO	2002							X*	X*	X*							X*						
RO	2003															X*							
RO	2004																						
RO	2005	X*	X*	X*	X*	X*	X*	X*	X*	X*							X*						
RO	2006											X*		X*			X*						
RO	2007																						

State	Year	Omnibus Index OI1			Omnibus Index OI2			Omnibus Index OI3				Legal Index LI						Conventions Index CI					
		OI 1.1	OI 1.2	OI 1.3	OI 2.1	OI 2.2	OI 2.3	OI 3.1	OI 3.2	OI 3.3	OI 3.4	LI 1	LI 2	LI 3	LI 4	LI 5	LI 6	CI 1	CI 2	CI 3	CI 4	CI 5	CI 6
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
RO	2008																						
SE	1999																						
SE	2000																	x			x	x	x
SE	2001	x	x	x	x	x	x	x	x	x	x												
SE	2002													x									
SE	2003															x				x			
SE	2004														x								
SE	2005	X*	X*	X*	X*	X*	X*					x					x						
SE	2006																						
SE	2007																						
SE	2008																						
SI	1999																			x			
SI	2000																						
SI	2001													x		x			x		x	x	x
SI	2002											x	x		x								
SI	2003																						
SI	2004	x	x	x	x	x	x	x	x	x	x												
SI	2005														X*								
SI	2006													X*									
SI	2007																x						
SI	2008																						

Legend: New attribute, modified or amended X*
Source: authors estimations.

Appendix 3: Numerical quantification for II-AC

State	Year	Omnibus Index OI											Legal Index LI							Conventions Index CI							Σ
		OI 1.1	OI 1.2	OI 1.3	OI 2.1	OI 2.2	OI 2.3	OI 3.1	OI 3.2	OI 3.3	OI 3.4	∑OI	LI 1	LI 2	LI 3	LI 4	LI 5	LI 6	∑LI	CI 1	CI 2	CI 3	CI 4	CI 5	CI 6	∑CI	
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
BG	1999	-	-	-	-	-	-	-	-	-	-	-	0.18	-	-	-	-	0.28	0.46	5.56	5.56	5.56	-	-	-	16.68	17.14
BG	2000	-	-	-	-	-	-	-	-	-	-	-	0.36	-	-	0.14	-	0.56	1.06	5.56	5.56	5.56	5.56	5.56	5.56	33.36	34.42
BG	2001	2.78	0.14	0.14	-	-	-	-	-	-	-	3.06	0.72	0.56	0.56	0.28	0.28	0.84	3.24	5.56	5.56	5.56	5.56	5.56	5.56	33.36	39.66
BG	2002	2.78	0.28	0.28	2.78	0.14	0.14	2.78	0.06	0.06	1.66	10.96	1.08	1.11	1.11	0.56	0.56	1.12	5.54	5.56	5.56	5.56	5.56	5.56	5.56	33.36	49.86
BG	2003	2.78	0.42	0.42	2.78	0.28	0.28	2.78	0.11	0.11	1.66	11.62	1.44	1.67	1.67	0.84	0.84	1.4	7.86	5.56	5.56	5.56	5.56	5.56	5.56	33.36	52.84
BG	2004	2.78	0.56	0.56	5.56	0.56	0.56	2.78	0.17	0.17	1.66	15.36	1.80	2.22	2.22	1.12	1.12	1.68	10.16	5.56	5.56	5.56	5.56	5.56	5.56	33.36	58.88
BG	2005	2.78	0.70	0.70	5.56	0.84	0.84	5.56	0.28	0.28	3.33	20.87	2.16	2.78	2.78	1.54	1.40	1.96	12.62	5.56	5.56	5.56	5.56	5.56	5.56	33.36	66.85
BG	2006	5.56	0.98	0.98	5.56	1.12	1.12	5.56	0.39	0.39	3.33	24.99	2.52	3.34	3.34	2.10	1.96	2.24	15.50	5.56	5.56	5.56	5.56	5.56	5.56	33.36	73.85
BG	2007	5.56	1.24	1.24	5.56	1.40	1.40	5.56	0.50	0.50	3.33	26.29	3.06	3.89	3.89	2.66	2.52	2.52	18.54	5.56	5.56	5.56	5.56	5.56	5.56	33.36	78.14
BG	2008	5.56	1.54	1.54	5.56	1.68	1.68	5.56	0.61	0.61	3.33	27.67	3.6	4.45	4.45	3.22	3.08	3.08	21.88	5.56	5.56	5.56	5.56	5.56	5.56	33.36	82.91
HR	1999	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.56	-	-	-	-	-	5.56	5.56
HR	2000	-	-	-	-	-	-	-	-	-	-	-	0.28	-	0.28	0.28	0.56	-	1.40	5.56	-	5.56	5.56	5.56	5.56	27.80	29.20
HR	2001	-	-	-	-	-	-	5.56	0.11	0.11	3.33	9.11	0.56	-	0.56	0.56	1.12	-	2.80	5.56	-	5.56	5.56	5.56	5.56	27.80	39.71
HR	2002	2.78	0.14	0.14	2.78	0.14	0.14	5.56	0.22	0.22	3.33	15.45	0.84	-	0.84	0.84	1.68	-	4.2	5.56	-	5.56	5.56	5.56	5.56	27.80	47.45
HR	2003	2.78	0.28	0.28	2.78	0.28	0.28	5.56	0.33	0.33	3.33	16.23	1.12	-	1.40	1.40	2.24	0.28	6.44	5.56	-	5.56	5.56	5.56	5.56	27.80	50.47
HR	2004	2.78	0.42	0.42	2.78	0.42	0.42	5.56	0.44	0.44	3.33	17.01	1.40	-	1.96	1.96	2.80	0.56	8.68	5.56	-	5.56	5.56	5.56	5.56	27.80	53.49
HR	2005	5.56	0.70	0.70	5.56	0.70	0.70	5.56	0.55	0.55	3.33	23.91	1.68	-	2.52	2.52	3.36	0.84	10.92	5.56	-	5.56	5.56	5.56	5.56	27.80	62.63
HR	2006	5.56	0.98	0.98	5.56	0.98	0.98	5.56	0.66	0.66	3.33	25.25	1.96	-	3.08	3.08	3.92	1.12	13.16	5.56	-	5.56	5.56	5.56	5.56	27.80	66.21
HR	2007	5.56	1.26	1.26	5.56	1.26	1.26	5.56	0.77	0.77	3.33	26.59	2.52	-	3.64	3.64	4.48	1.40	15.68	5.56	-	5.56	5.56	5.56	5.56	27.80	70.07
HR	2008	5.56	1.54	1.54	5.56	1.54	1.54	5.56	0.88	0.88	3.33	27.93	3.08	-	4.20	4.20	5.04	1.96	18.48	5.56	-	5.56	5.56	5.56	5.56	27.80	74.21
RO	1999	-	-	-	-	-	-	-	-	-	-	-	0.28	-	0.28	-	0.28	0.14	0.98	-	-	5.56	-	-	-	5.56	6.54
RO	2000	-	-	-	-	-	-	-	-	-	-	-	0.56	-	0.56	-	0.56	0.28	1.96	5.56	-	5.56	5.56	-	-	16.68	18.64
RO	2001	2.78	0.14	0.14	2.78	0.14	0.14	1.85	0.04	0.04	1.11	9.16	0.84	-	0.84	0.56	0.84	0.42	3.50	5.56	-	5.56	5.56	5.56	5.56	27.80	40.46
RO	2002	2.78	0.28	0.28	2.78	0.28	0.28	3.70	0.08	0.08	2.22	12.76	1.12	-	1.12	1.12	1.12	0.70	5.18	5.56	-	5.56	5.56	5.56	5.56	27.80	45.68
RO	2003	2.78	0.42	0.42	2.78	0.42	0.42	3.70	0.16	0.16	2.22	13.48	1.4	-	1.4	1.68	1.68	0.98	7.14	5.56	-	5.56	5.56	5.56	5.56	27.80	48.42
RO	2004	2.78	0.56	0.56	2.78	0.56	0.56	3.70	0.24	0.24	2.22	14.20	1.68	-	1.68	2.24	2.24	1.26	9.1	5.56	-	5.56	5.56	5.56	5.56	27.80	51.10
RO	2005	5.56	0.70	0.70	5.56	0.70	0.70	5.56	0.32	0.32	3.33	23.45	1.96	-	1.96	2.80	2.80	1.54	11.06	5.56	-	5.56	5.56	5.56	5.56	27.80	62.91

State	Year	Omnibus Index OI											Legal Index LI							Conventions Index CI							∑
		OI 1.1	OI 1.2	OI 1.3	OI 2.1	OI 2.2	OI 2.3	OI 3.1	OI 3.2	OI 3.3	OI 3.4	∑OI	LI 1	LI 2	LI 3	LI 4	LI 5	LI 6	∑LI	CI 1	CI 2	CI 3	CI 4	CI 5	CI 6	∑CI	
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
RO	2006	5.56	0.98	0.98	5.56	0.98	0.98	5.56	0.43	0.43	3.33	24.79	2.52	-	2.52	3.36	3.36	1.96	13.72	5.56	-	5.56	5.56	5.56	5.56	27.80	66.31
RO	2007	5.56	1.26	1.26	5.56	1.26	1.26	5.56	0.54	0.54	3.33	26.13	3.08	-	3.08	3.92	3.92	2.52	16.52	5.56	-	5.56	5.56	5.56	5.56	27.80	70.45
RO	2008	5.56	1.54	1.54	5.56	1.54	1.54	5.56	0.65	0.65	3.33	27.47	3.64	-	3.64	4.48	4.48	3.08	19.32	5.56	-	5.56	5.56	5.56	5.56	27.80	74.59
SE	1999	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SE	2000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.56	-	-	5.56	5.56	5.56	22.24	22.24
SE	2001	2.78	0.14	0.14	2.78	0.14	0.14	5.56	0.11	0.11	3.33	15.23	-	-		-	-	-	-	5.56	-	-	5.56	5.56	5.56	22.24	37.47
SE	2002	2.78	0.28	0.28	2.78	0.28	0.28	5.56	0.22	0.22	3.33	16.01	-	-	0.56	-	-	-	0.56	5.56	-	-	5.56	5.56	5.56	22.24	38.81
SE	2003	2.78	0.42	0.42	2.78	0.42	0.42	5.56	0.33	0.33	3.33	16.79	-	-	1.12	-	0.56	-	1.68	5.56	-	5.56	5.56	5.56	5.56	27.80	46.27
SE	2004	2.78	0.56	0.56	2.78	0.56	0.56	5.56	0.44	0.44	3.33	17.57	-	-	1.68	0.56	1.12	-	3.36	5.56	-	5.56	5.56	5.56	5.56	27.80	48.73
SE	2005	5.56	0.84	0.84	5.56	0.84	0.84	5.56	0.55	0.55	3.33	24.47	0.56	-	2.24	1.12	1.68	0.56	6.16	5.56	-	5.56	5.56	5.56	5.56	27.80	58.43
SE	2006	5.56	1.12	1.12	5.56	1.12	1.12	5.56	0.66	0.66	3.33	25.81	1.12	-	2.80	1.68	2.24	1.12	8.96	5.56	-	5.56	5.56	5.56	5.56	27.80	65.57
SE	2007	5.56	1.40	1.40	5.56	1.40	1.40	5.56	0.77	0.77	3.33	27.11	1.68	-	3.36	2.24	2.80	1.68	11.76	5.56	-	5.56	5.56	5.56	5.56	27.80	66.67
SE	2008	5.56	1.68	1.68	5.56	1.68	1.68	5.56	0.88	0.88	3.33	28.49	2.24	-	3.92	2.80	3.36	2.24	14.56	5.56	-	5.56	5.56	5.56	5.56	27.80	70.85
SI	1999	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.56	-	5.56	-	-	-	11.12	11.12
SI	2000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.56	-	5.56	-	-	-	11.12	11.12
SI	2001	-	-	-	-	-	-	-	-	-	-	-	-	-	0.28	-	0.56	-	0.84	5.56	5.56	5.56	5.56	5.56	5.56	33.36	35.04
SI	2002	-	-	-	-	-	-	-	-	-	-	-	0.56	0.56	0.56	0.28	1.12	-	3.08	5.56	5.56	5.56	5.56	5.56	5.56	33.36	36.44
SI	2003	-	-	-	-	-	-	-	-	-	-	-	1.12	1.12	0.84	0.56	1.68	-	5.32	5.56	5.56	5.56	5.56	5.56	5.56	33.36	38.68
SI	2004	5.56	0.28	0.28	5.56	0.28	0.28	5.56	0.11	0.11	3.33	21.35	1.68	1.68	1.12	0.84	2.24	-	7.56	5.56	5.56	5.56	5.56	5.56	5.56	33.36	62.27
SI	2005	5.56	0.56	0.56	5.56	0.56	0.56	5.56	0.22	0.22	3.33	22.69	2.24	2.24	1.40	1.12	2.80	-	9.80	5.56	5.56	5.56	5.56	5.56	5.56	33.36	65.85
SI	2006	5.56	0.84	0.84	5.56	0.84	0.84	5.56	0.33	0.33	3.33	24.03	2.80	2.80	1.68	1.68	3.36	-	12.32	5.56	5.56	5.56	5.56	5.56	5.56	33.36	69.71
SI	2007	5.56	1.12	1.12	5.56	1.12	1.12	5.56	0.44	0.44	3.33	25.37	3.36	3.36	2.24	2.24	3.92	0.56	15.68	5.56	5.56	5.56	5.56	5.56	5.56	33.36	74.41
SI	2008	5.56	1.40	1.40	5.56	1.40	1.40	5.56	0.55	0.55	3.33	26.71	3.92	3.92	2.80	2.80	4.48	1.12	19.04	5.56	5.56	5.56	5.56	5.56	5.56	33.36	79.11

Source: authors computations.

Appendix 4: Indices of globalization for some South-Eastern European states

Year	Bulgaria - BG				Croatia – HR				Romania - RO				Serbia - SE				Slovenia - SI			
	Economic Globalization	Social Globalization	Political Globalization	Overall Globalization	Economic Globalization	Social Globalization	Political Globalization	Overall Globalization	Economic Globalization	Social Globalization	Political Globalization	Overall Globalization	Economic Globalization	Social Globalization	Political Globalization	Overall Globalization	Economic Globalization	Social Globalization	Political Globalization	Overall Globalization
1999	59.27	49.34	86.96	62.63	54.77	65.98	68.05	62.43	47.79	47.36	87.76	57.90	54.20	52.13	23.32	45.47	59.88	70.47	68.89	66.21
2000	62.71	53.23	87.38	65.46	54.86	68.14	69.18	63.57	50.92	53.10	87.84	61.24	65.42	57.16	25.81	48.83	63.55	69.71	71.03	67.80
2001	62.29	54.00	87.87	65.73	55.97	67.53	73.10	64.75	50.89	50.95	88.87	60.68	55.99	56.06	29.14	49.10	64.42	72.06	73.47	69.64
2002	58.95	55.22	88.13	65.04	59.89	68.09	74.35	66.72	51.61	53.92	90.00	62.36	55.88	57.07	50.66	54.98	65.32	71.41	76.10	70.39
2003	63.18	55.75	88.44	66.86	64.48	68.63	76.66	69.18	53.17	53.83	90.28	62.97	56.32	57.73	65.89	59.31	71.62	71.78	76.88	73.03
2004	71.02	57.06	87.66	70.01	71.83	70.24	80.40	73.43	61.30	53.91	90.31	65.96	57.44	58.75	67.97	60.64	77.16	74.56	78.75	76.58
2005	65.79	58.48	86.94	68.46	72.80	71.66	81.13	74.50	65.25	54.41	90.56	67.65	57.44	61.50	50.77	57.25	77.51	74.47	79.01	76.74
2006	74.71	58.92	87.94	72.12	74.59	70.24	82.51	74.97	61.46	55.88	91.61	67.10	58.45	66.47	71.75	64.90	78.78	74.49	80.37	77.56
2007	82.23	61.13	88.55	75.86	75.80	70.76	85.29	76.33	71.96	56.76	92.89	71.58	61.22	66.14	72.30	65.93	82.52	75.04	82.34	79.64
2008	78.67	61.51	90.14	75.12	74.23	70.47	86.48	75.95	69.91	57.84	92.89	71.24	62.27	66.10	71.86	66.18	82.46	75.06	83.35	79.87

Source: ETH KOF Index of Globalization, Zurich.

Appendix 5

a) Political stability

BG_Stab	HR_Stab	RO_Stab	SE_Stab	SI_Stab
61,32	54,38	52,16	13,50	69,90
60,50	56,44	50,46	16,00	68,46
59,70	58,04	54,70	25,10	70,86
59,98	59,64	58,94	34,20	73,26
56,16	58,60	58,04	34,00	72,34
53,32	60,16	53,42	32,80	69,74
54,80	58,26	54,48	32,60	69,78
59,26	60,64	54,92	36,80	70,72
58,58	62,10	55,82	37,20	70,96
58,62	61,48	55,26	38,60	71,68

b) Control corruption index (KKM) (transformed)

BG_KKM	HR_KKM	RO_KKM	SE_KKM	SI_KKM
46,90	46,80	44,00	27,70	71,04
47,80	51,24	45,00	27,60	68,18
48,20	53,42	44,10	30,50	67,68
48,60	55,58	43,20	33,40	67,16
50,34	52,60	44,80	40,20	69,26
54,98	54,88	47,00	41,40	73,34
52,30	54,80	46,80	42,20	69,50
46,60	52,38	48,20	44,20	71,04
47,60	52,72	48,00	43,60	70,48
46,00	51,46	49,40	45,40	68,92

Source: authors computations.

Appendix 6

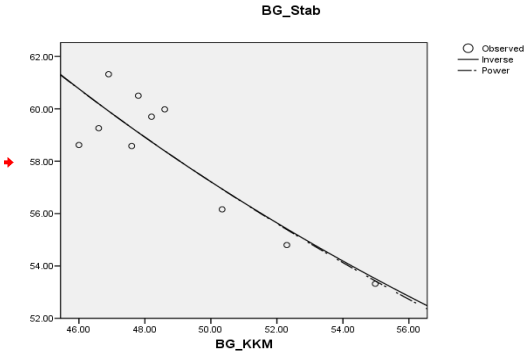

Figure 1a: Bulgaria

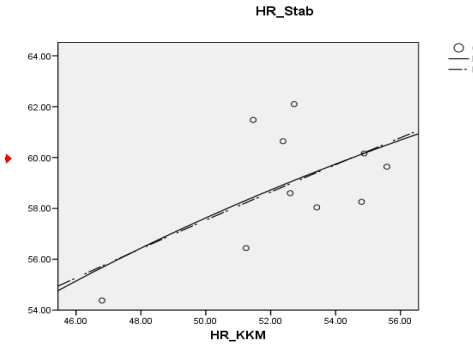

Figure 1b: Croatia

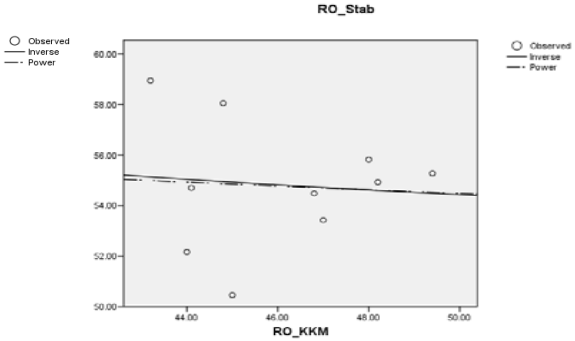

Figure 1c: Romania

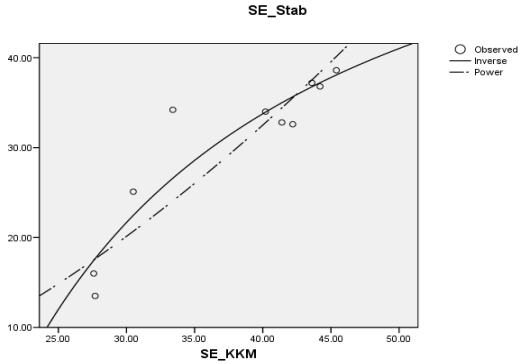

Figure 1d: Serbia

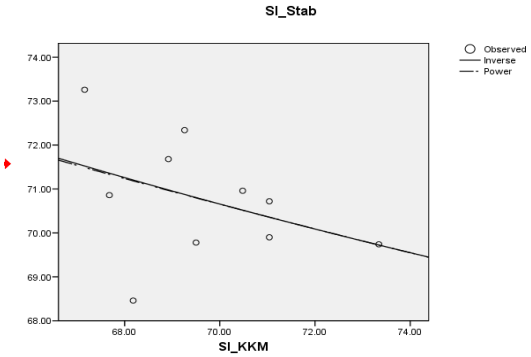

Figure 1e: Slovenia

Figure 1. *Models of nonlinear regression statistical relationships between political stability and corruption*