

# SDG 1 and Corruption: No Poverty

BENEDICT CLEMENTS · SANJEEV GUPTA · JOÃO TOVAR JALLES

## Abstract

Achieving SDG 1 requires not only sustained economic growth and robust social protection systems but also a concerted effort to combat corruption, which remains a critical barrier to poverty reduction. This paper examines the multifaceted ways in which corruption undermines poverty alleviation efforts—by distorting public resource allocation, weakening institutions, eroding public trust, and reducing government capacity to mobilize domestic resources, particularly through taxation. The paper then explores strategies for addressing corruption, including enhancing fiscal transparency, strengthening anti-corruption legislation, improving public financial management, and leveraging digital technologies. Ultimately, it argues that tackling corruption is essential for creating the fiscal and institutional foundations necessary for achieving SDG 1 and promoting inclusive and sustainable development.

## SDG 1 and Corruption: No Poverty

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# 1. Introduction

The first goal of the UN 2030 Agenda for Sustainable Development aims to eradicate extreme poverty by 2030 and reduce overall global poverty rates (United Nations, 2015). Recognizing poverty as a multidimensional phenomenon, this goal seeks to address not only income levels but also to enhance access to essential services and opportunities for all (World Bank, 2020a). Achieving this objective requires well-functioning social protection systems that ensure equitable access to basic services such as health, education, and housing, while promoting gender equality (UN Women, 2018). Additionally, these efforts must be complemented with measures to reduce the vulnerability of the poor to climate-related events and other disasters (UNDP, 2020). Such a comprehensive approach necessitates substantial resources, both domestic and external (OECD, 2019).

While sustained economic growth is a critical driver of long-term poverty reduction, ensuring that the benefits of growth reach the poor is vital for meaningful poverty alleviation (McKay, 2013; Fosu, 2017). However, corruption undermines government policies and institutions that are essential for delivering basic services and maintaining social protection to equitably distribute the benefits of growth (Kaufmann and Kraay, 2002). Corruption not only reduces institutional effectiveness but also exacerbates the impact of economic shocks—such as weather-related events—on vulnerable populations, diminishing their ability to recover (Olken and Pande, 2012). During crises, such as natural disasters or economic downturns, corruption diverts resources away from social safety nets, leaving the impoverished more exposed (Gupta et al., 2002a). Furthermore, corruption erodes public trust in government, undermining the effectiveness of social policies and widening the gap between the affluent and the poor (Transparency International, 2020).

Corruption also impedes governments' ability to mobilize domestic resources, particularly through taxation, which is crucial for supporting inclusive growth initiatives (Baum et al., 2017). In many developing countries, the tax-to-GDP ratio remains low—around 10 percent—well below the 15 percent threshold required for sustaining long-term economic growth and development (Gaspar et al., 2016). Corruption undermines tax systems by facilitating tax evasion and fraud, which weakens tax administration and reduces revenue collection efficiency (Besley and Persson, 2013). For example, corrupt practices may involve bribing tax officials to underreport income, contributing to the expansion of the informal economy. This not only erodes the tax base but also distorts market competition by giving informal firms an unfair advantage. Consequently, the state's ability to finance essential public services is compromised, perpetuating inequality and undermining governance, as the tax burden disproportionately falls on poorer segments of the population (Fuest and Riedel, 2009). As a result, many countries struggle to meet fiscal targets needed for sustainable growth and poverty reduction.

This paper is organized as follows: Section 2 examines how corruption hinders efforts to reduce poverty and inequality by diverting resources away from essential social services, such as healthcare, education, infrastructure, and social safety nets. It also explores how corruption undermines funding sources for these programs and its implications for fiscal sustainability.

Section 3 outlines potential strategies to address corruption, emphasizing the importance of fiscal transparency, strong anti-corruption laws, strengthened public financial systems, the digitization of public services and transfer payments, and international cooperation in promoting anti-corruption measures. Finally, Section 4 highlights that achieving SDG 1 requires a multi-faceted approach that tackles corruption alongside other poverty-reduction strategies.

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## 2. Corruption as a barrier to reducing poverty and inequality

### 2.1 Corruption distorts expenditure composition and lowers public service quality

Corruption diverts fiscal resources away from essential public goods and services required to achieve the SDGs by favoring programs more susceptible to rent seeking (Mauro, 1998). It skews spending toward military expenditures because of the scope for siphoning funds from big-ticket items, thereby diverting funds that could be allocated to social services and infrastructure (Gupta et al., 2001; Ali and Solarin, 2019). Countries that score well on corruption control allocate a higher share of public resources to social sectors in emerging market and low-income countries (IMF, 2019).

Corruption deprioritizes non-wage operations and maintenance expenditures, such as those for books and medicines, which reduces the productivity of existing infrastructure and lowers the quality of public services (Tanzi and Davoodi, 2002). It undermines government programs designed to provide affordable goods to the poor, often causing shortages as intermediaries siphon off the subsidized goods to resell in open markets (Gupta et al., 2002a; Clements et al., 2013). Access to essential public services, such as clean water, is also negatively affected by corruption (Breen and Gillanders, 2022).

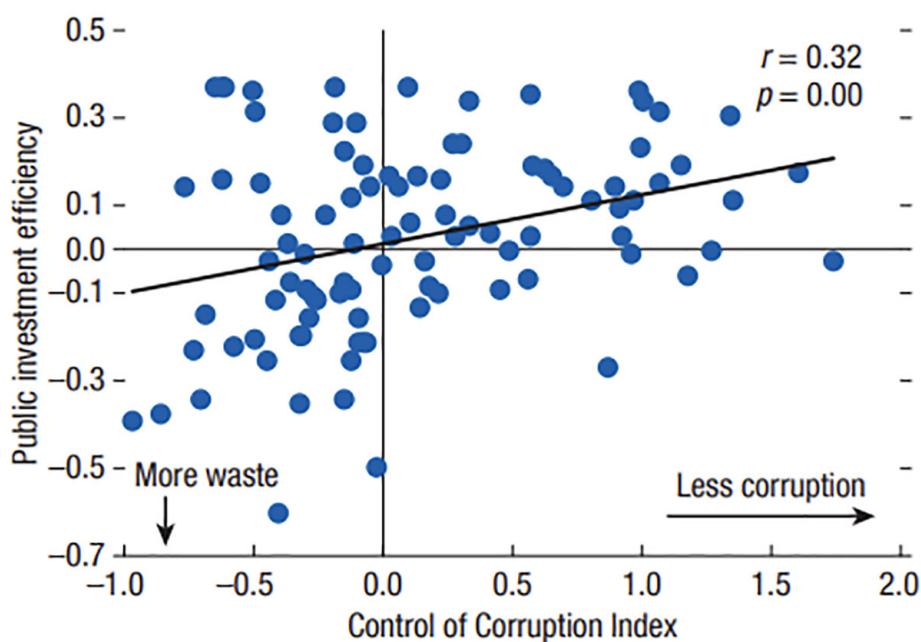
In the health and education sectors, corruption is linked to higher child and infant mortality rates, a greater incidence of low-birthweight babies, and higher dropout rates in primary schools (Gupta et al., 2002b). The quality of education is compromised, as reflected in low test scores on international examinations, potentially due to bribery in hiring teachers (IMF, 2019). Moreover, corruption raises the costs of education and health services through unofficial charges, discouraging the poor from utilizing government facilities.

The results from country-level studies align with findings from cross-country analyses. In Uganda, the misappropriation of non-wage education funds significantly reduced access to education, particularly in rural and low-income areas (Reinikka and Svensson, 2004, 2005). In India, high teacher absenteeism and the diversion of funds intended for the mid-day meal program were associated with lower student enrollment, poor learning outcomes, and increased malnutrition among schoolchildren (Chaudhury et al., 2006). Similarly, in Peru, bribery functioned as a regressive tax that disproportionately impacted low-income individuals, discouraging them from seeking essential public services (Kaufmann et al., 2008).

Corruption also undermines the delivery of public services through the operations of state-owned enterprises (SOEs). These enterprises frequently operate in sectors prone to corruption, such as oil, mining, and transportation, where conflicts of interest and weak public oversight are prevalent (IMF, 2019). Evidence suggests that less corrupt SOEs experience higher efficiency measured by greater operating revenue per employee, and improved profitability.

Furthermore, corruption reduces the quality of public investment across all stages of the investment cycle—planning, allocation, and implementation. In the planning phase, the absence of independent feasibility analysis to assess projects’ economic costs and benefits leaves countries vulnerable to corrupt practices (Pattanayak and Verdugo-Yepes, 2020). During the allocation phase, bribery and cronyism often result in the selection of low-quality projects (Tanzi and Davoodi, 2002). In the implementation phase, collusion between government officials and contractors can lead to inflated costs and/or the use of substandard materials, masking expenses associated with kickbacks (Pattanayak and Verdugo-Yepes, 2020). Countries scoring higher on control of corruption achieve more efficient public investment (IMF, 2016, 2019). Countries in the top 25 percent in the controlling corruption index waste half as much as public resources through inefficient public investment as those in the bottom 25 percent (Figure 1).

**FIGURE 1. Corruption and public investment efficiency**



*Notes:* Public investment efficiency is estimated using efficiency frontier analysis and measures inefficiency as the distance to the frontier—that is, the maximum level of output for given levels of inputs. Output is measured by a physical indicator of the volume of economic infrastructure and social infrastructure. Inputs include capital stock and income. The Control of Corruption Index provides a relative measure of perceived corruption that ranges from -2.5 (high corruption) to 2.5 (low corruption).  $r$  = coefficient of correlation.

*Source:* IMF (2019).



in corruption is associated with higher inequality and worse inclusive growth performance. Corruption also acts as a barrier to entry in government procurement, reducing competition and enabling those with influence to secure a larger share of government contracts and earn disproportionately larger profits (Campos et al., 2010). Corruption is linked to unequal access to land distribution, which worsens inequalities in earnings from both labor and non-labor sources (Gupta et al., 2002b; Gyimah-Brempong and de Camacho 2006).<sup>2</sup> These dynamics grant unfair advantages to the wealthy, preventing lower-income groups from fully participating in the economy.

## 2.3 Corruption undermines tax systems

As noted earlier, corruption weakens a country's tax collection capacity, impairing its ability to finance social programs critical to achieving the SDGs. Empirical studies have shown a negative correlation between corruption and tax revenue, including its main components (Besley and Persson, 2014; Baum et al., 2017). This is primarily due to corruption's adverse effect on tax compliance (Aghion et al., 2016). For instance, when tax exemptions are perceived to be granted through bribery, taxpayer trust erodes, and compliance diminishes (Dreher and Herzfeld, 2005).

Corruption also encourages the growth of the informal sector, thereby shrinking the potential tax base. Evidence shows that in many countries, small and medium-sized enterprises evade social security taxes due to corruption (Schneider, 2005; Schneider and Enste, 2000).

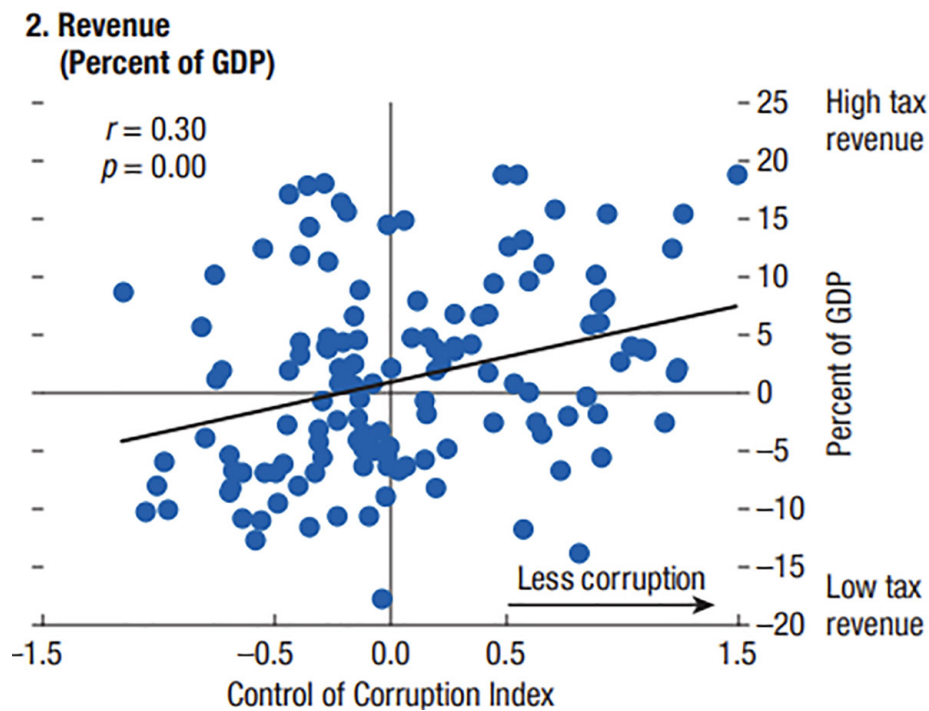
Certain taxes, such as individual income taxes, are more vulnerable to corruption than corporate income taxes, where discretionary scope is generally lower (Besley and Persson, 2014). When corruption is perceived, taxpayers are less willing to comply, fearing their contributions will be misused. Additionally, the C-efficiency ratio—comparing actual VAT revenue to its potential under a uniform tax rate—is negatively impacted by corruption (Baum et al., 2017). Higher corruption increases the time required to clear imports and obtain VAT refunds, hindering economic efficiency.

The empirical relationship between corruption and revenue collection is supported by cross-country econometric analysis. A one-third standard deviation improvement in the control of corruption index in Figure 3 is associated with a 1.2 percentage point increase in government revenues as a share of GDP. Globally, reducing corruption could boost tax revenues by approximately 1.25% of global GDP, equivalent to \$1 trillion (IMF, 2019). These gains could be even larger if lower corruption fosters stronger economic growth.

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2 Some studies for Latin America show an inverse relationship between corruption and inequality (Dobson and Ramlogan-Dobson 2006; Andres and Ramlogan-Dobson, 2011). See Dimant and Tosato (2018) for further discussion.

**FIGURE 3. Corruption and revenue collection**



Notes: Both the revenue variables and the Control of Corruption Index are adjusted for GDP per capita. Revenue data is the average of 2015–17 (excludes oil exporters), and revenue efficiency is an average of 2013–16. Control of corruption shows 2017 data.  $r$  = coefficient of correlation.

Source: IMF (2019).

## 2.4 Corruption has consequences for fiscal sustainability

Corruption’s dual effect of reducing revenue and increasing public spending creates persistent fiscal imbalances, often leading to the accumulation of public debt and posing difficulties for governments to service their debt obligations (IMF, 2016). As a result, fiscal space for effective policy interventions and crisis management becomes severely constrained in countries with high levels of corruption. Reform efforts targeting tax and expenditure systems are frequently undermined by entrenched corruption, leaving these countries ill-prepared to stabilize their economies during crises or recessions. Countries with relatively weak institutions—as reflected in higher level of corruption—tend to default more often (Fournier and Béтин 2018; Kraay and Nehru 2006; IMF and World Bank 2012). In addition, they are not able to implement revenue conditions embedded in IMF-reform programs for strengthening revenue performance as well as countries with relatively strong institutions and less corruption (Crivelli and Gupta, 2015).

Furthermore, corruption fosters social unrest and conflict, particularly in resource-rich countries where competition for valuable assets is intense. Perceptions of leaders enriching themselves at

the public's expense breed resentment and grievances, often escalating into protests, strikes, or violent unrest. Such instability disproportionately affects the poor, who are more vulnerable to disruptions caused by social and political instability. Examples of resource-driven conflicts linked to corruption include Nigeria's Niger Delta, South Sudan, and Angola where mismanagement of natural resources has fueled violence (Le Billon, 2001; Collier, 2007). In regions affected by corruption and conflict, investors are reluctant to commit resources, stifling economic development (Collier, 2007).

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## 3. Breaking the cycle: fighting corruption for SDG 1

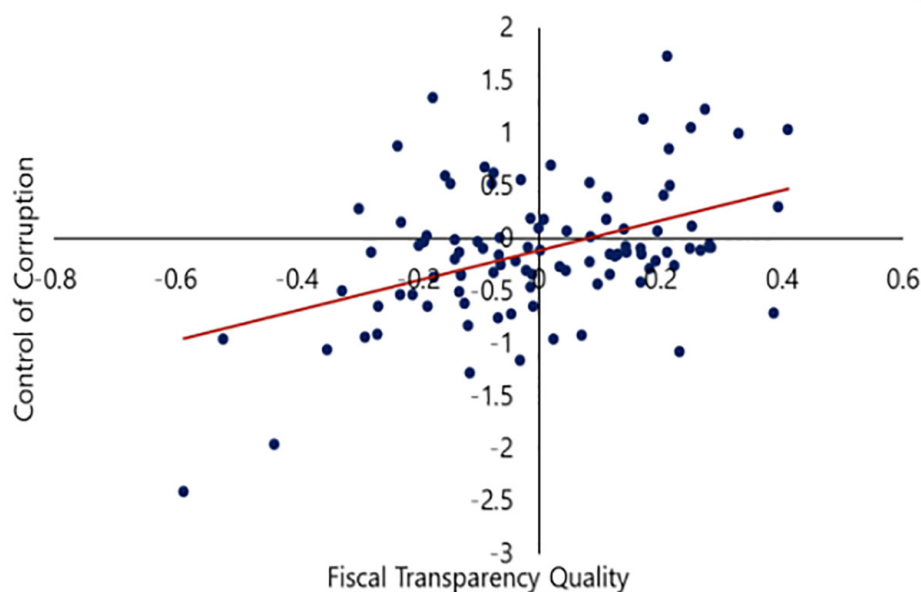
### 3.1 Enhancing transparency in government operations

Transparency in government operations is crucial for reducing the scope for corruption and fostering good governance. By granting public access to information about government decisions and financial transactions, transparency deters illicit behavior and enhances accountability. This is particularly important in areas such as fiscal and monetary policy and financial sector regulation, where opaque practices can create opportunities for corruption. Public financial activities conducted outside the formal budget process ("off-budget" or "extra-budgetary") are especially susceptible to misuse.

Fiscal transparency fosters informed public debate, enhances government credibility, and builds trust with citizens. This trust is essential for the effective implementation of fiscal policies and prudent fiscal management. Accessible fiscal information empowers citizens and civil society organizations to hold public officials accountable, reducing opportunities for corruption and ensuring that redistributive policies are appropriately targeted and implemented. By sharing information about fiscal policies, government expenditures, and public finances, governments can demonstrate their commitment to accountability. The International Monetary Fund's Fiscal Transparency Code and Handbook underscore the importance of these practices for enhancing governance and reducing corruption.

There is a strong positive relationship between corruption and the lack of budget transparency. Countries with more transparent budgets are typically perceived as less corrupt (Renzi and Wehner, 2017; Sedmihradská and Haas, 2013). An IMF (2018a) index of fiscal transparency—based on survey responses about public access to fiscal information, the independence and quality of audit processes, and related factors—shows a significant correlation with indicators of corruption (Figure 4).

**FIGURE 4. Fiscal transparency and corruption**



*Notes:* The scatter plot reports the residuals of a regression of the control of corruption index (from the Worldwide Governance Indicators database) on GDP per capita (vertical axis) and the residuals of a regression of an indicator of fiscal transparency (compiled by IMF staff) on GDP per capita. The coefficient of correlation is 0.44 (significant at the 1 percent level).

*Source:* IMF (2018a) Review of 1997 Guidance Note on Governance—A Proposed Framework for Enhanced Fund Engagement.

### 3.2 Enforcing strong anti-corruption laws and streamlining regulations

A credible threat of prosecuting public officials for corrupt practices and confiscating their illicitly acquired assets can serve as a strong deterrent to corruption. The prosecution of even a small number of high-ranking officials can send a powerful message and set a transformative example. However, in countries where corruption is deeply entrenched, the primary challenge lies in the integrity of the very institutions tasked with enforcing the law. Investigative agencies, the police, prosecutors, and the judiciary are often themselves compromised or subject to undue influence from powerful interests.

To address these challenges, streamlining regulations and minimizing the discretion of officials are essential steps. Promoting the use of digital technologies (discussed later in the paper) can further reduce opportunities for corruption, particularly in delivering essential services to the poor, by increasing transparency, automating processes, and reducing face-to-face interactions.

There is substantial country-level evidence indicating that increased transparency—through mechanisms such as Right to Information (RTI) or Freedom of Information laws—can significantly reduce corruption and enhance service delivery. Following 2014 Revolution, Ukraine implemented

major reforms to expand public access to government data and institutionalize transparency measures, which contributed to reduced corruption and improved governance (The New Yorker, 2023). In Mexico, the enactment of the RTI law enhanced transparency and accountability in public administration (Rostrum's Legal Review, 2016).

### 3.3 Strengthening budget processes to reduce corruption

Well-structured budget processes encompassing formulation, execution, and reporting are critical to minimizing opportunities for corruption (Campos and Pradhan, 2007).

Unchecked discretion by the executive or legislature during budget formulation can create significant opportunities for corruption. To mitigate this, the coverage of expenditures and revenues in the budget must be comprehensive. Clear budget classifications and transparent budget documents ensure accurate reporting. Governments must publish pre-budget statements, budget proposals, and detailed documentation explaining revenue and expenditure projections. Engaging citizens, civil society organizations, and other stakeholders during the budget formulation process aligns fiscal policies with public needs, reducing opportunities for rent-seeking.

Sound cash management and robust internal controls over payroll and other expenditures are crucial during budget execution. Integrated Financial Management Information Systems and e-procurement platforms enhance efficiency, minimize human intervention, and reduce corruption risks. Transparent and competitive bidding processes, supported by digital procurement systems, can help reduce favoritism and collusion.

Comprehensive budget reporting involves producing financial statements and reports that compare actual expenditures against approved budgets. Rigorous audits conducted by supreme audit institutions can uncover irregularities and evaluate efficiency. Making audit reports and financial statements publicly available fosters transparency and encourages public oversight.

### 3.4 Reform programs in strengthening public financial management

Budgetary processes play a crucial role in ensuring that resources are allocated and utilized for their intended purposes. Consequently, a significant proportion of loan conditions in IMF programs for low-income and emerging market countries focus on strengthening public financial management (PFM) systems. Between 1992 and 2016, the share of loan conditions related to expenditure controls and budget execution increased in IMF programs, highlighting their importance in achieving desired outcomes (Gupta et al., 2020). Additionally, over half of the reform conditions under the IMF's recently launched Resilience and Sustainability Facility—a climate-focused initiative—target improvements in PFM systems (Gupta and Brown, 2023). These measures underscore the pivotal role of strong budgetary processes in promoting transparency, accountability, and effectiveness in public financial management.

### 3.5 Using digital technologies to combat corruption

Advancements in government digitalization offer powerful tools for combating corruption, particularly in administering social programs, tax collection, and public service delivery. Digital technologies enhance transparency, streamline service delivery, and reduce opportunities for rent-seeking. By automating processes and maintaining digital records, the discretion of public officials is curtailed, face-to-face interactions are minimized, and tracking public fund usage becomes easier.<sup>3</sup>

A prominent example is India's Direct Benefit Transfer (DBT) program, which leverages digital platforms to directly deposit subsidies and welfare payments into beneficiaries' bank accounts. This approach bypasses intermediaries and significantly reduces leakages. Programs like the Pradhan Mantri Ujjwala Yojana (PMUY), which provides subsidized LPG connections to low-income households, have benefited greatly from DBT. The Aadhaar biometric identification system has strengthened this process by verifying beneficiaries' identities, reducing fraud and the number of "ghost" recipients (Muralidharan et al., 2016). By linking Aadhaar to social programs, India has made welfare programs more efficient and transparent (IMF, 2018b).

India's DBT has not only reduced corruption but also saved substantial government resources, which can be reallocated to other poverty alleviation programs (IMF, 2018b). Digitalization has become a cornerstone of state capacity building and institutional credibility in India, addressing long-standing governance challenges in service delivery, thereby greatly enhancing trust in the government.

Other countries have similarly adopted digital tools to combat corruption. In Brazil and Chile, digital procurement systems have enhanced transparency in government contracting, reducing bribery and favouritism (IMF, 2023). Kenya's M-Pesa system has facilitated direct cash transfers to beneficiaries, thereby bypassing intermediaries and reducing leakages. Estonia, a global leader in e-governance, uses digital platforms for nearly all government services, from tax filing to healthcare, significantly reducing opportunities for corruption. Estonia's e-Residency program, which allows non-residents to establish businesses digitally, has been lauded for its transparency and efficiency, serving as a model for other countries looking to reduce bureaucratic corruption.

Digitalization has a transformative role in public financial management, enabling governments to improve efficiency, transparency, and accountability (Gupta et al., 2017). Blockchain technology, for instance, can create immutable and transparent records of public spending, ensuring funds are allocated as intended. Georgia has implemented a blockchain-based land registry system to improve transparency in land ownership, reducing opportunities for corruption in land administration (World Bank, 2020b).

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<sup>3</sup> That said, governments with a high degree of state capture and extensive corruption may prevent these systems from being implemented.

Despite its potential, government digitalization faces challenges. Establishing and maintaining digital platforms require significant investments in technology, infrastructure, and training. Many developing countries, particularly in rural or underserved areas, lack the capacity to implement and maintain these systems. Cybersecurity is another concern; as governments become more reliant on digital systems, robust defenses against cyberattacks are essential to maintain platform integrity (IMF, 2023). Moreover, digitalization can create new opportunities for corruption if not properly regulated. For instance, without adequate oversight, digital platforms can be manipulated by insiders, or new forms of rent-seeking may emerge in the allocation of government contracts for digital infrastructure. To mitigate these risks, digital initiatives must be accompanied by strong legal frameworks, regulatory oversight, and capacity-building measures.

Nevertheless, the potential of digital technologies to transform governance is immense. Such advancements can help in achieving SDG 1 and other development goals by ensuring resources reach those most in need and that poverty reduction programs are safeguarded from corruption.

### **3.6 International cooperation in curbing corruption**

Corruption often transcends national borders, with bribe recipients exploiting the opacity and secrecy of international financial centers to conceal illicit proceeds. This underscores the need for international cooperation as a cornerstone of anti-corruption efforts and the development of stronger institutions.

Encouragingly, an increasing number of countries, particularly OECD members, have followed the lead of the U.S. Foreign Corrupt Practices Act (FCPA), which criminalizes the payment of bribes by U.S. firms to secure business abroad. By setting a precedent, the FCPA has motivated similar legislation worldwide, including the UK Bribery Act and laws in other major economies. Additionally, coordinated international initiatives, such as the OECD Anti-Bribery Convention, have facilitated collective action against cross-border corruption. The Convention establishes legally binding standards for criminalizing bribery of foreign public officials and fosters cooperation among signatories to enforce these measures. These efforts have contributed to increased awareness and enforcement in global business practices.

However, significant challenges remain. Enforcement efforts by individual countries are often inconsistent, and the flow of information between jurisdictions is frequently slow and unreliable. While some nations vigorously prosecute bribery and money laundering cases, others exhibit limited commitment, allowing corruption to thrive. The lack of robust information-sharing mechanisms between jurisdictions further impedes investigations, with requests for data or financial records often delayed or ignored. Addressing these gaps requires stronger commitment to international collaboration and the harmonization of anti-corruption standards. Enhanced information-sharing mechanisms, such as real-time exchanges of financial data, can significantly improve cross-border investigations. Finally, strengthening institutional capacities in lower-income and high-risk

countries through technical assistance and capacity-building programs will ensure more uniform enforcement globally, closing gaps that corrupt networks currently exploit.

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## 4. A multifaceted approach to tackle corruption for SDG 1

The first goal of the UN 2030 Agenda for Sustainable Development—eradicating extreme poverty and reducing global poverty rates—is ambitious and, under current trends, unlikely to be achieved by 2030. This shortfall reflects the limited effectiveness of poverty-reduction programs in developing countries, as well as insufficient resources to fund such initiatives. The situation has been further exacerbated by the economic scars left by COVID-19, which have not only lowered growth rates in these countries but have also increased the need for resources to meet the SDGs. Pervasive corruption exacerbates the challenge by restricting access to essential services like healthcare and education and diverting public funds to unintended or unproductive uses. Countries with lower levels of corruption achieve higher public investment efficiency by minimizing resource wastage, reduced inequality, and better outcomes for inclusive growth.

Corruption also undermines efforts to achieve SDG 1 by eroding the revenue potential of key taxes. Revenue yields are significantly lower in more corrupt countries, with the IMF estimating untapped tax potential in developing economies at 5–8 percent of GDP (Benitez et al., 2023). This revenue shortfall severely constrains the fiscal space required to implement poverty alleviation and development programs, creating a cycle of underfunded initiatives and unmet goals.

Compounding the issue, countries with high levels of corruption often face persistent fiscal imbalances, larger debt burdens, and greater challenges in servicing their obligations. Tax and expenditure system reforms are frequently blocked by vested interests, leaving these economies ill-prepared to respond to external shocks. This increases their vulnerability to default and limits their development prospects, perpetuating poverty and inequality.

Addressing these issues requires a multifaceted approach to mitigate the adverse effects of corruption. The first step is enhancing transparency in government operations, particularly in budgeting processes, as greater budget transparency is strongly linked to lower corruption levels. The use of digital technologies can further improve budgetary outcomes by reducing government discretion, minimizing leakages, and improving the administration of government benefits and programs. However, these technological solutions must be supported by robust anti-corruption frameworks and effective enforcement mechanisms—a domain where many countries continue to fall short.

Further research is needed to understand the slow progress in strengthening PFM systems in developing countries, despite decades of capacity-building assistance from international partners.

This raises important questions about whether the PFM models promoted by these partners are adequately tailored to local contexts or require fundamental reform. While there have been notable successes in the use of digital technologies for social program delivery, the scalability and sustainability of these initiatives remain uncertain. Identifying how these successes can be institutionalized and replicated in diverse contexts will be critical for accelerating progress toward poverty eradication and achieving sustainable development goals.

While cross-country analysis offers broad insights, it often cannot fully account for institutional heterogeneity and context-specific dynamics, reinforcing the value of complementary country-level or sector-specific studies. Further study is also needed to provide a more granular understanding of specific fiscal institutions and their impact on corruption. IMF (2019), for example, finds that the existence of an anti-corruption unit, regularity in paying suppliers, time for tax audits, tax complexity, and quality of PPP procurement are statistically significant determinants of the control of corruption. The results for some of these variables are not robust, however, to the inclusion of control variables such as GDP per capita. Further research along these lines is needed to provide insights into which reform efforts are likely to yield the greatest payoff.

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