Mixing Washington Consensus with Beijing Consensus and Corruption in Africa

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Abstract: In theory, trade intensity should positively affect the quality of domestic institutions and governance; the higher the economic openness, the lower the corruption. In practice, however, the growth of economic openness has not been accompanied by the expected improvements in corruption for 34 African countries between 1990 and 2009. This paper presents a plausible explanation for this conundrum. Results from panel data regression analyses indicate that a switch from trading with the Advanced Economies to trading with China increases the perceived corruption level. For instance, in a "representative" African country, a 10 percentage point substitution from trading with the Advanced Economies to trading with China makes its ICRG corruption score decline—indicating increased corruption—by 29 percent.

Key Words: Intensity of trade; Corruption; China, Africa

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