

ABSTRACT

This research aims to empirically analyze the relationship between corruption and economic growth. Using a sample of 123 countries around the world during the period 2011 to 2018 and the fixed effects estimation method, the results show that corruption has a significant negative correlation with economic growth. Nevertheless, when the sample is grouped by continent, the significant effect remains in America and Asia-Oceania but disappears in Africa and Europa. This research generally supports the "Sand the Wheels" theory.

Keywords: Perceived Corruption, Economic Growth

JEL: D73, K42, O11

