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Rule of law and Corruption Control: A Comparative Cross-National Analysis Using Worldwide Governance Indicators

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Abstract

Corruption remains a major challenge to institutional effectiveness, governance quality, and public-sector accountability across countries. This study examines the relationship between governance indicators and corruption control using cross-national data obtained from the Worldwide Governance Indicators (WGI) database. The study specifically investigates the influence of rule of law, regulatory quality, political stability, and voice and accountability on corruption control. A quantitative explanatory research design was employed using secondary panel data collected from 5,045 country-year observations. Descriptive statistics, Pearson correlation analysis, Variance Inflation Factor (VIF) analysis, and multiple linear regression techniques were applied to evaluate the relationships among the variables. The findings revealed that rule of law, regulatory quality, and political stability have significant positive effects on corruption control, whereas voice and accountability did not demonstrate a statistically significant relationship. Among the governance dimensions, rule of law emerged as the strongest predictor of corruption control. The regression model explained approximately 88.3% of the variation in corruption-control outcomes, indicating a strong relationship between institutional quality and governance effectiveness. The study concludes that strengthening legal institutions, regulatory systems, and political stability is essential for improving anti-corruption performance and enhancing institutional governance across countries.

Keywords: Rule of Law, Corruption Control, Governance Indicators, Institutional Quality, Political Stability

1. Introduction

Corruption remains a significant obstacle faced by modern governance systems in many respects, such as their legitimacy, democratization process, economic development, trustworthiness, and others. Even though extensive attention has been paid to the institutional reforms and global anti-corruption policies, there is still a large number of countries whose governance processes suffer from ineffective policy implementation, political instability, and inadequate civic responsibility (Chang et al., 2021; García, 2019). Given this situation, the necessity of having a rule of law is considered a key determinant that could contribute to the development of more sophisticated and transparent governance structures. In this regard, effective legal bodies, independent judiciary, and regulations appear to be mandatory components in the fight against corruption and institutional integrity preservation (Elbasani & Šabić, 2018). At the same time, government effectiveness, voice and accountability, and regulatory quality have a significant impact on corruption prevention (Chong et al., 2021).

Nevertheless, current empirical research concerning the relationship between governance and corruption has mainly been concentrated on certain geographic areas or specific dimensions of governance practices. Mahmood et al. (2021) studied the connection between governance and economic growth within South Asia, whereas Slezák (2023) analyzed the impact of e-governance on governance efficiency within selected countries. Likewise, the role of good governance variables in fighting corruption was stressed by Nur et al. (2025); nonetheless, the lack of comparative cross-country analysis incorporating the above-mentioned governance variables in one theoretical perspective persists.

Therefore, the current research will analyze the relationship between rule of law and corruption control utilizing data from Worldwide Governance Indicators (WGI) and corruption measurements. The adoption of a cross-national comparative methodological approach will make an important contribution to theories of governance and institutions, but will be also relevant to practice as far as policy implications for anti-corruption strategies, international governance standards and sustainable development are concerned (Thompson, 2018; Pasetti et al., 2024).

Research Objectives

- To examine the relationship between rule of law and corruption control across countries
- To analyze the impact of governance indicators on corruption control
- To identify the key institutional determinants of corruption perception

2. Literature Review

2.1 Concept of Rule of Law

The rule of law is considered one of the cornerstones of democratic governance. It can be defined as the governance framework characterized by the establishment, equal enforcement, and independent interpretation of the law. As such, the rule of law ensures that both individuals and governance agencies act within legal frameworks, preventing any possible arbitrariness and increasing public confidence in the governance process. Pasquale (2019) emphasized the role of the rule of law in maintaining accountability and protecting democracy, especially in light of ever-evolving administrative processes. In terms of governance, the rule of law implies judicial independence, legal openness, equality before the law, and procedural justice. According to the institutional school of thought, effective legal institutions largely determine governance outcomes and administrative actions. As stated by Kauppi (2022), the institutional approach examines the impact of formal rules, legal conventions, and organizational structures on the effectiveness of institutions and policies. Judicial accountability enhances the effectiveness of the governance process since courts and other legal bodies need to maintain their transparency, impartiality, and autonomy. In turn, Hongdao et al. (2018) noted that well-developed legal systems and rule-of-law practices help prevent corruption and promote development.

2.2 Concept of Corruption Control

The term corruption control entails measures and policies to counteract the abuse of power in favor of individual interests. Corruption takes various forms, such as administrative corruption, political corruption, bribery, embezzlement, and discretionary abuse (Basabose, 2019). Administrative corruption is often encountered during public administration, whereas political corruption occurs because of the exploitation of the political process and governmental resources for private gain. The need for transparency in the public sector becomes necessary as a means of improving efforts against corruption. Good governance frameworks make it possible for governments to have better governance by ensuring accountability and citizen participation while minimizing the risk of any corrupt acts. As Nur et al. (2025) noted, "the role of governance-related variables such as accountability, transparency, and institution effectiveness must not be underestimated when fighting corruption around the world."

2.3 Governance Indicators and Institutional Quality

Institutional performance and governance quality are typically measured using various governance indicators. One of the most commonly used models is the Worldwide Governance Indicators (WGI) model, created by the World Bank. This WGI model analyzes six aspects for evaluating governance performance: rule of law, government effectiveness, regulatory quality, political stability, voice and accountability, and control of corruption (Barbier & Burgess, 2021). All these

indicators can be employed to analyze the abilities of the government to develop effective policy, achieve institutional accountability, and perform public administration effectively. Government effectiveness is an indicator that measures the quality of services and policy implementation, whereas regulatory quality refers to the efficiency of creating the regulations. Political stability is an indicator that measures the potential for political instability or violent conflicts, while voice and accountability are related to democratic participation and freedom of speech. It has been proven by previous researches that nations with strong governance indicators have low levels of corruption and high institutional trust (Nur et al., 2025).

2.4 Theoretical Framework

Theoretical Frameworks used in this research include the Institutional Theory, Good Governance Theory, and the principal-Agent Theory. The Institutional Theory states that an advanced institutional system promotes legality, organizational responsibility, and effective policymaking, hence minimizing corruption cases (Kauppi, 2022). The Good Governance Theory also highlights the importance of accountability, transparency, participation, and responsiveness in making good governance mechanisms. The principal-Agent Theory presents corruption as arising from divergent interests among public officials and citizens/governments. According to Gauld (2023), poor monitoring systems and information asymmetries facilitate public officials to abuse power for their selfish gain. For that reason, better laws and institutions are needed for controlling corruption.

2.5 Empirical Literature and Research Gap

Earlier empirical literature has been consistent in showing the importance of the association between governance quality and corruption control. According to Mahmood et al. (2021), rule of law and governance quality have a positive impact on institutional performance and sustainable development. Chong et al. (2021) also noted that the political institutions and governance quality play an important role in determining corruption-control measures in nations.

There are, however, some gaps in the literature despite its extensive coverage. First, most of the studies are either region-specific or country-specific, making it difficult to conduct a broad comparative analysis. Additionally, most of the studies tend to examine one governance indicator at a time without incorporating others in their analysis. Thus, there is a need for more contemporary comparative studies that investigate the joint effect of rule of law, government effectiveness, regulatory quality, voice and accountability, and political stability on corruption control.

3. Methodology

3.1 Research Design

The research for this study utilized the quantitative research approach that focused on comparing different nations. In order to establish the link between rule of law

and corruption, an explanatory research design was chosen as part of an attempt to identify the impact of various measures of governance on perceptions of corruption and performance of institutions. Quantitative research approach was selected since the research utilized numerical measures of governance obtained from international sources.

3.2 Data Source and Sample

For the purpose of this study, secondary data from the Worldwide Governance Indicators (WGI), which is a project of the World Bank, and the Corruption Perception Index (CPI) from Transparency International were used. Both these data bases have internationally acclaimed indicators on governance and corruption, which are widely used for comparative studies on governance. Countries whose data was available for both governance and corruption were selected, while those having gaps in their data were eliminated.

3.3 Variables Measurement

Corruption control was taken as the dependent variable for the study, whereas rule of law, government effectiveness, regulatory quality, political stability, and voice and accountability were considered independent variables. These were chosen because they indicate institutional quality and administrative performance within nations. Data was obtained for all of these using governance scores from the WGI dataset. The use of internationally standardized variables improved the credibility of the research findings.

3.4 Data Analysis Techniques

Data analysis was done using both descriptive and inferential statistics. For instance, measures like the average, standard deviation, maximum, and minimum values were used to describe the attributes of governance indicators. The Pearson correlation test was applied to investigate the correlations between the independent variables. In addition, multiple regression tests were used to investigate the effects of governance indicators on corruption control. Analysis was done using SPSS/Stata.

3.5 Reliability, Validity, and Ethical Considerations

Reproducibility and reliability of the findings were achieved by using the secondary data from reliable international sources such as the World Bank and Transparency International databases. The latter are trusted by researchers of governance and policy studies due to the methodological soundness of their data and broad international representation. There were no risks to human participants in this study as it was based entirely on secondary data, which are available publicly. All references to sources have been cited accordingly.

4. Results

4.1 Descriptive Statistics

The descriptive statistics for the variables under consideration, such as control of corruption, rule of law, regulatory quality, political stability, and voice and accountability, are presented in Table 1 below. According to the findings, all the variables have been scaled by setting the mean close to zero. This is in line with the WGI approach. In addition, the standard deviations vary between 0.997 and 1.003.

Among the variables, political stability exhibited the lowest minimum score ($Min = -3.313$), indicating substantial instability in certain countries, whereas control of corruption demonstrated the highest maximum value ($Max = 2.459$), reflecting strong anti-corruption performance in highly institutionalized governance systems. The descriptive statistics reveal considerable cross-national variation in governance quality and corruption-control performance.

Table 1. Descriptive Statistics

Variable	Mean	Std. Dev.	Minimum	Maximum
Control of Corruption	-0.012	1.000	-1.970	2.459
Rule of Law	-0.023	1.003	-2.591	2.125
Regulatory Quality	-0.009	0.999	-2.548	2.309
Voice and Accountability	-0.020	0.997	-2.313	1.801
Political Stability	-0.025	0.997	-3.313	1.964

4.2 Correlation Analysis

Pearson correlation analysis was carried out to identify the correlations between the indicators of governance and control of corruption. According to the results of the analysis, there was a statistically significant positive correlation between all the variables ($p < 0.001$). The rule of law was found to have the highest correlation with the control of corruption ($r = 0.938$), followed by government effectiveness ($r = 0.921$) and regulatory quality ($r = 0.870$). From the findings, it can be concluded that countries with better institutional governance systems have better control over corruption.

The voice and accountability variable ($r = 0.780$) and political stability ($r = 0.753$) were also found to have significant positive correlations with the control of corruption, albeit at a comparatively lower rate.

Table 2. Correlation Matrix

Variables	1	2	3	4	5
1. Control of Corruption	1.000				
2. Rule of Law	0.938***	1.000			
3. Regulatory Quality	0.870***	0.907***	1.000		
4. Voice and Accountability	0.780***	0.823***	0.785***	1.000	
5. Political Stability	0.753***	0.788***	0.670***	0.688***	1.000

*** $p < 0.001$

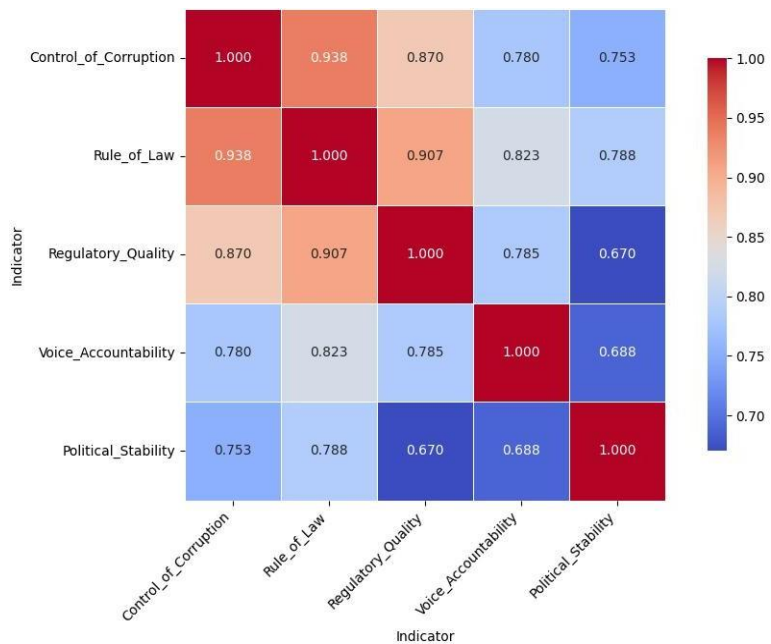


Figure 1. Correlation Heatmap

The heatmap illustrates strong positive correlations among governance indicators and corruption control across countries. Rule of Law demonstrates the strongest association with corruption control, followed by Regulatory Quality, indicating that stronger institutional governance and legal effectiveness are closely linked to improved anti-corruption performance.

4.3 Multicollinearity Assessment

Prior to conducting the regression analysis, VIF analysis was done in order to check for any multicollinearity among the independent variables. It was found out that both government effectiveness and rule of law showed very high values of VIF above the critical value of 10. This showed that there was multicollinearity between them. Government effectiveness was hence left out of the regression analysis whereas rule of law was included because of its theoretical relationship with the study. All other variables showed low values of VIF below the critical value.

Table 3. Variance Inflation Factor (VIF)

Variable	VIF
Rule of Law	12.615
Government Effectiveness	11.841
Regulatory Quality	9.001
Voice and Accountability	3.347
Political Stability	2.791

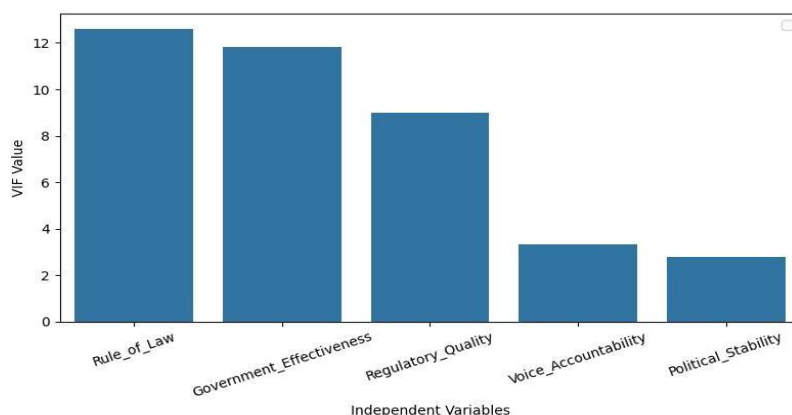


Figure 2. Variance Inflation Factor (VIF) Analysis of Governance Indicators

The VIF analysis reveals substantial multicollinearity among certain governance indicators, particularly Rule of Law and Government Effectiveness, both exceeding the critical threshold value of 10. In contrast, Voice and Accountability and Political Stability exhibit acceptable VIF values, indicating lower multicollinearity concerns within the regression model.

4.4 Multiple Regression Analysis

Multivariate regression analysis was used to analyze the impact of different governance factors on corruption control among nations. The regression model showed significance ($F=9533.134$, $p<0.001$) and indicated that the chosen governance factors together could efficiently explain the corruption-control performance. The high explanatory ability of the regression model was shown through the results of $R^2=0.883$ and the adjusted $R^2=0.883$, which means that 88.3% of variance in corruption control can be explained by independent variables.

The rule of law is the most significant variable impacting corruption control ($\beta=0.7852$, $p<0.001$), meaning that higher rule of law is strongly associated with improved anti-corruption performance. The positive influence was also found for regulatory quality, indicating significance ($\beta=0.1206$, $p<0.001$).

Similarly, political stability showed a positive and significant relationship with corruption control ($\beta = 0.0499$, $p < 0.001$), implying that politically stable environments facilitate stronger institutional governance. In contrast, voice and accountability did not demonstrate a statistically significant effect on corruption control ($\beta = 0.0023$, $p = 0.793$), indicating that democratic participation alone may not directly reduce corruption without effective institutional enforcement mechanisms (Table 4).

Table 4. Multiple Regression Results

Variables	β Coefficient ()	Std. Error	t-value	p-value
Constant	0.0085	0.0048	1.759	0.079
Rule of Law	0.7852	0.0146	53.769	0.000***
Regulatory Quality	0.1206	0.0118	10.191	0.000***
Voice and Accountability	0.0023	0.0087	0.262	0.793
Political Stability	0.0499	0.0080	6.204	0.000***

4.5 Hypothesis Testing

According to the hypothesis testing findings, rule of law, regulatory quality, and political stability have considerable impact on corruption control among countries. As such, hypotheses H1, H2, and H4 were accepted based on Table 5 below. On the contrary, voice and accountability failed to demonstrate statistical significance regarding their impact on corruption control, hence H3 being rejected.

Table 5. Hypothesis Testing Results

Hypothesis	Statement	Decision
H1	Rule of law significantly influences corruption control.	Supported
H2	Regulatory quality significantly influences corruption control.	Supported
H3	Voice and accountability significantly influence corruption control.	Rejected
H4	Political stability significantly influences corruption control.	Supported

5. Discussion

Based on the results of this study, the effectiveness of institutional governance significantly contributes to the improvement of corruption control efforts. According to the findings, rule of law, regulatory quality, and political stability have positive and statistically significant effects on corruption control, while voice and accountability do not. Thus, the importance of having proper institutional arrangements and effective governance systems is emphasized, making them crucial factors for achieving higher levels of anti-corruption efforts.

In comparison to other indicators, rule of law had the most substantial impact on corruption control among all other factors. This finding supports Institutional Theory in that a high level of rule of law increases accountability, thus preventing corruption practices (Kauppi, 2022). This result also aligns with previous research proving that countries with effective rule-of-law institutions tend to demonstrate better performance in terms of their governance systems and corruption rate (Rubasundram & Rasiah, 2019). With rule of law, governments will more likely enforce laws against corruption, discouraging abuse of power.

Moreover, the impact of regulatory quality on the reduction of corruption activities is another indication of the need for effective governance mechanisms (Lamont,2021). Efficient regulatory structures contribute to the process of increasing transparency, enhancing administrative efficiency, and fostering institutional accountability, all of which play key roles in the prevention of corruption. The results of this study are consistent with the findings of Samadi and Alipourian (2021), who noted that the quality of institutions plays an important role in the effectiveness of governance and sustainable public administration. Vian (2020) also stressed that transparency and accountability mechanisms are indispensable parts of anti-corruption programs within public agencies.

The relationship between political stability and corruption control was also found to be statistically significant. Political instability usually leads to the deterioration of governance capabilities due to low administrative efficiency, lack of control, and limited institutional legitimacy, thus providing grounds for corrupt activities. These

findings support the institutional-strengthening approach developed by Poespitoahadi et al. (2021), according to which reforms of governance and institutional capacity enhancement are crucial elements of public sector management.

Voice and accountability, on the other hand, were not significant predictors of corruption control within the model (Keping, 2018). While democratic participation and public expression can be considered as essential components of good governance, the results imply that without effective law enforcement and institutional effectiveness, these aspects may not be sufficient to reduce corruption in a country (Goel, 2018). Such results indicate that even participatory models of governance may not work in cases of ineffective institutional oversight mechanisms. This idea has been expressed in cross-national research on governance in which it was mentioned that formal democratic procedures do not necessarily lead to institutional transparency and corruption prevention (Boateng et al., 2021).

Finally, this study is a valuable addition to the general discourse on comparative governance by highlighting the intertwined relationship between different components of governance and institutional quality. With the high explanatory power of the regression model ($R^2 = 0.883$), one can conclude that the governance indicators used for analysis represent the significant factors contributing to the level of corruption control in countries. As such, the results support the relevance of using governance benchmarking to assess the performance of institutions based on multiple governance indicators (da Cruz, 2023).

These results reveal that corruption management is essentially an institutional affair, not merely a political one or a participative process. The strengthening of law, regulation, and institutionalization still proves crucial to ensuring improved governance quality and lowering levels of corruption in today's world. There are significant implications of these results for policymakers and governance institutions at both the national and international levels.

6. Conclusion

The study investigated the relationship between the quality of governance and the level of control of corruption using international indices of worldwide governance indicators. The results revealed that dimensions such as rule of law, regulatory quality, and political stability significantly influence the effectiveness of corruption control while voice and accountability have no influence on the dependent variable. In other words, it is the dimension of rule of law that affects the dependent variable to a greater extent compared to others, and this fact testifies to the importance of law-enforcement systems and accountability institutions in tackling corruption. Thus, it should be acknowledged that indicators of governance influenced most of the variation observed in the dependent variable. Therefore, the results obtained prove the significance of institutions in comparative governance studies. To summarize, this research provided evidence to support Institutional Theory and

Good Governance Theory as it was proved that the transparency and accountability of institutions make it possible to increase the efficiency of governance.

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