

Does government effectiveness and corruption control support political stability?

Nafis Dwi Kartiko

Directorate General of Taxes, Ministry of Finance of the Republic of Indonesia
Universitas Pelita Harapan. Jl. M. H. Thamrin Boulevard 1100 Lippo Village Tangerang 15811 - Indonesia
nafisdwikartiko@gmail.com

*Corresponding Author

Abstract: This study aims to investigate the relationship between government effectiveness, corruption control, and political stability. The data used is sourced from the World Competitiveness Yearbook provided by the Institute for Management Development. The analysis involves annual data collected regularly since 1987, covering a global sample of 66 countries for six years, from 2017 to 2022, with a total of 381 observations. Ordinary Least Squares (OLS) regression was used to investigate the research. The results confirm the importance of corruption control and government effectiveness in maintaining political stability. The analysis differentiates the effect of government effectiveness based on the quality of a country's political product, finding that improvements in government effectiveness are particularly important in improving political stability in countries with Low Political Product Quality. This signals that in countries with greater political and economic challenges, improvements in government effectiveness can have a significant impact on political stability.

Keywords: Government Effectiveness; Corruption Control; High Political Product Quality; Low Political Product Quality; Political Stability

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Introduction

Empirical studies have demonstrated that robust institutions are a pivotal factor in a country's economic growth (Abubakar, 2020; Nawaz et al., 2023). The efficacy of effective governance encompasses transparency, accountability, and political stability, which directly contribute to socio-economic development through increased investor confidence, enhanced public administration efficiency, and reduced corruption (M. Hassan & Zeb, 2021; Poniatowicz et al., 2020). Government effectiveness is a crucial factor influencing various aspects of governance and socio-economic development (Nae et al., 2024; Shah et al., 2019). It impacts the increase in government revenue and the efficient distribution and allocation of resources in society. Thiao's (2021) research shows a positive and significant correlation between government effectiveness and increased revenue. This source suggests that efficient government management can enhance state revenue collection by implementing better taxation systems and transparent and accountable management of state resources. Additionally, government effectiveness also influences the level of regional individualism, as Horita and Takezawa (2018) demonstrated. This indicates that the government's success in implementing policies that adapt to local needs and values can encourage self-reliance and active participation of citizens in development. Asongu (2016) also revealed that government effectiveness is a significant determinant in attracting foreign direct investment (FDI). Foreign investors seek a stable and predictable investment climate, often dependent on consistent government policies with long-term effects. Effective and fair policies create a business-friendly environment, reduce risks, and provide legal certainty for investors.

In addition to government effectiveness, controls on corruption are an important pillar of good governance. The absence of effective controls on corruption has far-reaching and profound impacts, harming governance, economic development, and public welfare. Corruption erodes public trust in government, which in turn reduces public confidence in government efforts to combat corruption (Morris & Klesner, 2010). In regions with low levels of corruption control, fighting

corruption becomes even more difficult, emphasizing the importance of good governance dynamics in tackling corruption (Asongu, 2013). Furthermore, ineffective control mechanisms, especially in terms of official pay, can contribute to the outbreak of corruption. This is often found in resource-constrained developing countries, where the lack of empowerment of officials through adequate compensation can be a trigger for corruptive actions (Berdaliyeva et al., 2023).

The main objective of this study is to investigate the relationship between government effectiveness and corruption control on political stability. It is acknowledged that government effectiveness and political stability are interdependent and are significant factors that shape governance dynamics and overall socio-political stability. Several studies have investigated the correlation between government effectiveness and political stability, emphasizing their interdependence and impact on governance outcomes (Krishnan & Teo, 2012). Government effectiveness, which refers to the government's capacity to develop and execute policies efficiently, has been recognized as a crucial determinant of political stability. Research indicates that government effectiveness can positively moderate the relationship between information infrastructure and e-government development, contributing to improved governance practices and political stability (Krishnan & Teo, 2012). Additionally, government effectiveness has been linked to increased trust in government institutions, which can enhance political stability by promoting public confidence in governance mechanisms.

Conversely, political stability, which refers to the absence of violence and possible government destabilization, is essential for maintaining governance continuity and societal harmony (Tchamyu, 2021). Studies have linked political stability to increased transparency in reporting and governance practices, increasing government accountability and reducing the risk of political disruption (Hearn, 2011). Moreover, political stability has also been found to positively correlate with the likelihood of transparency in salary reporting, suggesting its role in promoting accountability and reducing opportunities for corruption (Hearn, 2011). The combined impact of government effectiveness and political stability on governance and economic development is significant. Studies have emphasized that these factors and other governance dimensions markedly affect economic growth and poverty reduction (Alkali et al., 2022; Asongu & Odhiambo, 2019). Strong governance mechanisms, including government effectiveness and political stability, have been associated with lower poverty rates and improved economic outcomes (Asongu & Odhiambo, 2019).

Corruption control and political stability are strongly linked and significantly impact governance dynamics and societal well-being. Research has extensively examined the relationship between corruption control and political stability, revealing their interconnectedness and influence on governance outcomes. Corruption control, defined as the ability to prevent and combat corrupt practices in society, is closely linked to political stability. Studies have shown that effective corruption control is associated with increased political stability, as corruption erodes the legitimacy of political institutions and can lead to instability (S. A. Hassan, 2017). Conversely, political stability is critical to maintaining effective corruption control, as an unstable political environment can create fertile ground for corrupt activities to flourish (Onafowora & Owoye, 2024). The relationship between corruption control and political stability is bidirectional. Corruption control can enhance political stability by fostering trust in government institutions and promoting transparency. In contrast, political stability can facilitate effective corruption control by ensuring continuity in governance and law enforcement (Khan & Farooq, 2019). Research has highlighted that corruption undermines political stability, causes social unrest, and weakens governance frameworks (Dankumo et al., 2019).

This research offers a novel perspective by examining the role of government effectiveness and corruption control in influencing political stability in countries with varying Political Product Quality, using the latest data from 2017 to 2022. This area has not been extensively explored in previous literature. The findings are expected to provide new insights for policymakers in designing more effective strategies to enhance political stability through improving governance effectiveness and controlling corruption. This updated data allows for more relevant analyses of current socio-political conditions and ongoing development trends. Covering 66 countries, the study includes significant geographical and economic variations, enriching the understanding of the

influence of government effectiveness and corruption control on political stability. Previous studies have yet to extensively explore this topic, particularly from the perspective of high-low Political Product Quality country clusters. This research fills this gap by dissecting how government effectiveness and corruption control operate and impact in different contexts, depending on the quality of each country's political product. With this approach, this research is expected to provide new insights into practical strategies for promoting political stability through improving government effectiveness and controlling corruption.

This research makes a meaningful contribution, both practically and theoretically, to understanding government effectiveness and corruption control. Theoretically, this study extends the literature by integrating recent variables that affect political stability and provides a new analytical model to test their influence in diverse global contexts. In practice, the findings of this study are an essential input for policymakers in formulating more effective corruption control strategies, considering proven policy frameworks and existing socio-political conditions. Practical contributions include country-specific policy recommendations, focusing on improving government effectiveness and controlling corruption to support political stability. The findings are also meaningful for international agencies and non-governmental organizations in analyzing and supporting anti-corruption programs in different countries. Thus, this research contributes to academic knowledge and practical efforts in building better and less corrupt governance.

Methods

Data and Samples

The data used in this study was sourced from the World Competitiveness Yearbook, provided by the Institute for Management Development, an educational and research organization based in Lausanne, Switzerland. Their official website is www.imd.ch, which offers public access to the required data (Institute for Management Development, 2023). The research involves annual data collected regularly since 1987, covering a global sample of countries. The sample of this study, in particular, consists of data obtained over six years, from 2017 to 2022, covering 66 different countries. We selected data between 2017 and 2022 to ensure the relevance of the analysis to the most recent socio-economic and political conditions and to avoid bias from the major changes in global dynamics that have occurred over the past three decades. The total number of observations collected was 381. The primary respondents who provided input to the data were businesses operating in the evaluated countries, providing a first-hand perspective on each country's economic conditions and governance effectiveness.

Operationalization of Research Variables

The dependent variable used in this study is Political Stability, while the independent variables used are Government Effectiveness and Control of Corruption. In the Government Effectiveness variable, there are three proxies used, while the control variables used are Voice and Accountability and Rule of Law (using four measurement proxies). Table 1 is the operationalization of the variables used in the study. In the following variable operationalization, all variables are index variables.

Econometric Model and Estimation procedure

This study uses an econometric model with panel data, combining time series data from the last six years and cross-sections covering 66 countries. The Ordinary Least Squares (OLS) regression model is chosen to analyze the effect of government effectiveness and corruption control on political stability. The dependent variable in this model is Political Stability (PV), while the independent variables include Government Effectiveness 1 (GE1), Government Effectiveness 2 (GE2), Government Effectiveness 3 (GE3), and Corruption Control (CC). In addition, this study also considers control variables, which include Voice and Accountability (VA) and four aspects of Rule of Law (RL1, RL2, RL3, and RL4). Variable $C_{i,t}$ represents the control variables, which include Voice and Accountability (VA) and the four aspects of Rule of Law (RL1, RL2, RL3, and RL4). Each variable in the model is represented as an index with values ranging from 1 to 10, allowing for standardized comparability across countries and time.

Table 1. Variable Operationalization

Variable	Operationalization
Dependent Variables	
Political Stability (PV)	“The risk of political instability is very low (Kristjánsdóttir & Óskarsdóttir, 2021b).”
Independent Variables	
Government Effectiveness 1 (GE1)	“Adaptability of government policy to changes in the economy is high (Duho et al., 2020; Kristjánsdóttir & Óskarsdóttir, 2021a).”
Government Effectiveness 2 (GE2)	“Bureaucracy does not hinder business activity (Papageorgiadis et al., 2014; Ruiz et al., 2017).”
Government Effectiveness 3 (GE3)	“The distribution infrastructure of goods and services is generally efficient (Bergman et al., 2016; Duho et al., 2020).”
Control of Corruption (CC)	“Bribery and corruption do not exist (Chourou et al., 2021; Liu et al., 2020).”
Control Variable	
Voice and Accountability (VA)	“Transparency of government policy is satisfactory (Kristjánsdóttir & Óskarsdóttir, 2021a, 2021b; Rashid et al., 2021).”
Rule of Law 1 (RL1)	“Tax evasion is not a threat to your economy (Brown, 2020; Hurduzeu et al., 2022).”
Rule of Law 2 (RL2)	“Justice is fairly administered (Irac & Lopez, 2015; Page & Torres Jr, 2021).”
Rule of Law 3 (RL3)	“Parallel (black-market, unrecorded) economy does not impair economic development (Kaufmann & Kraay, 2023).”
Rule of Law 4 (RL4)	“Intellectual property rights are adequately enforced (Liu et al., 2020).”

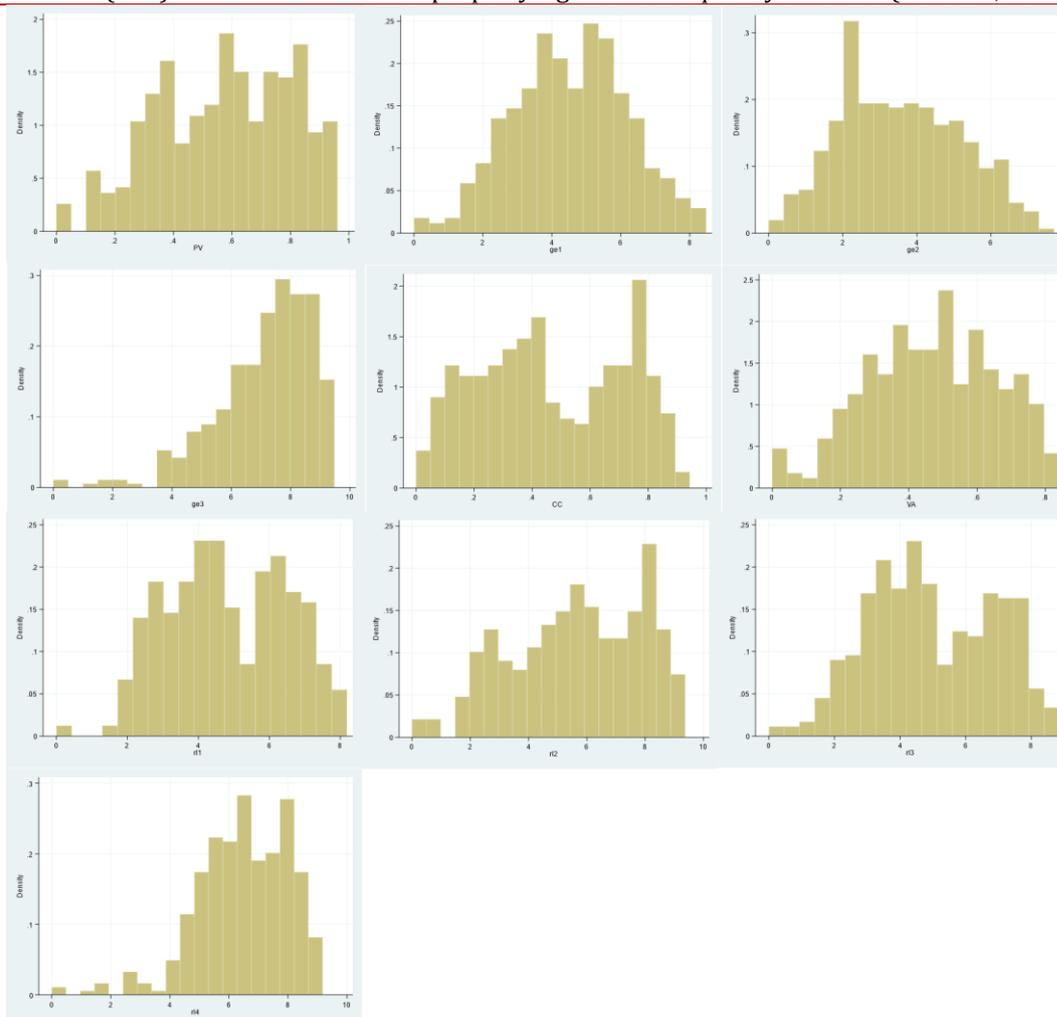


Figure 1. Histogram plot of each variable

Based on the histogram plots of each variable in the model, the distribution of the variables shows that although there is variation, the distribution of the data is relatively close to normal (Figure 1). Equation Formula 1 is the econometric model used in this study.

$$PV_{i,d} = \beta_0 + \beta_1 \sum_{x=1}^3 GE_{(i,d)x} + \beta_2 CC_{i,d} + \beta_3 VA_{i,d} + \epsilon \dots\dots\dots 1)$$

Description:

i = cross section data (country data)

t = time series data (year period data)

Results and Discussion

Descriptive Statistics and Correlation Coefficient

The study conducted a descriptive statistical analysis to comprehend the distribution and central tendency of variables related to government effectiveness, corruption control, and political stability. The results are presented in Table 2. Based on 381 observations, the PV variable for Political Stability has an average value of 0.57, a median of 0.59, and a maximum value of 0.96. This suggests that most countries have a moderate level of political stability, with some countries achieving very high levels of stability. The Corruption Control (CC) variable has an average of 0.47, a median of 0.43, and a maximum value of 0.94. This suggests that although some countries have very high corruption control, the global average tends to be below the middle of the scale. As for Government Effectiveness 1 (GE1), the mean is 4.53, with a median of 4.56 and a maximum value of 8.47. This indicates variability in the government's ability to formulate and implement policies effectively. The data reveals that Government Effectiveness 2 (GE2) and Government Effectiveness 3 (GE3) exhibit variation in certain aspects of government effectiveness. Specifically, GE2 has a mean of 3.56 and a maximum value of 7.70, while GE3 has a mean of 7.12 and a maximum value of 9.47. This suggests that certain aspects of government effectiveness, such as adaptability and policy implementation, differ in their distribution and level of effectiveness among the observed countries. The Voice and Accountability (VA) variable has a mean of 0.47, a median of 0.47, and a maximum value of 0.84, indicating consistency between the mean and median, with most countries having a moderate level of success in ensuring public participation and accountability. For Rule of Law (RL1, RL2, RL3, and RL4), these variables show variation in the rule of law and protection of legal rights with means ranging from 4.81 to 6.49 and maximum values from 8.19 to 9.37, reflecting differences in the application and effectiveness of the rule of law across countries.

Table 2. Descriptive Statistics

Variable	n	Mean	S.D.	Min	0.25	Mdn	0.75	Max
PV	381	0.57	0.23	0.00	0.39	0.59	0.77	0.96
CC	381	0.47	0.25	0.00	0.26	0.43	0.71	0.94
GE1	381	4.53	1.66	0.00	3.43	4.56	5.65	8.47
GE2	381	3.56	1.63	0.00	2.23	3.50	4.81	7.70
GE3	381	7.12	1.63	0.00	6.21	7.43	8.35	9.47
VA	381	0.47	0.19	0.00	0.33	0.47	0.61	0.84
RL1	381	4.81	1.68	0.00	3.50	4.69	6.22	8.19
RL2	381	5.65	2.20	0.00	4.00	5.80	7.71	9.37
RL3	381	4.95	1.91	0.00	3.53	4.75	6.69	8.86
RL4	381	6.49	1.55	0.00	5.50	6.53	7.74	9.18

The results of the correlation analysis show a strong relationship between the main variables contributing to governance dynamics and political stability (presented in Table 3). The PV variable for Political Stability has a close relationship with Corruption Control (CC), confirming that improved corruption control is associated with higher political stability. In addition, there is a positive correlation between Government Effectiveness (GE1, GE2, and GE3) and PV, suggesting that certain aspects of government effectiveness have a significant impact on political stability. Voice and Accountability (VA) also shows a very close relationship with PV, implying that increased public participation and accountability can strengthen political stability. The correlations between Rule of Law (RL1, RL2, RL3, and RL4) and PV indicate the importance of rule of law and justice in

supporting political stability, with RL2 having a particularly strong relationship with CC, suggesting a close relationship between aspects of rule of law and efforts to control corruption.

Table 3. Correlation Matrix

This table presents the Pairwise correlation coefficients between the variables used for hypothesis testing (p-values in parentheses with 10% significance).

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(1) PV	1.000									
(2) CC	0.829* (0.000)	1.000								
(3) GE1	0.768* (0.000)	0.664* (0.000)	1.000							
(4) GE2	0.790* (0.000)	0.834* (0.000)	0.856* (0.000)	1.000						
(5) GE3	0.746* (0.000)	0.791* (0.000)	0.586* (0.000)	0.676* (0.000)	1.000					
(6) VA	0.865* (0.000)	0.857* (0.000)	0.869* (0.000)	0.893* (0.000)	0.709* (0.000)	1.000				
(7) RL1	0.792* (0.000)	0.860* (0.000)	0.713* (0.000)	0.836* (0.000)	0.706* (0.000)	0.806* (0.000)	1.000			
(8) RL2	0.851* (0.000)	0.914* (0.000)	0.722* (0.000)	0.852* (0.000)	0.775* (0.000)	0.892* (0.000)	0.854* (0.000)	1.000		
(9) RL3	0.830* (0.000)	0.917* (0.000)	0.669* (0.000)	0.843* (0.000)	0.773* (0.000)	0.847* (0.000)	0.907* (0.000)	0.909* (0.000)	1.000	
(10) RL4	0.809* (0.000)	0.869* (0.000)	0.630* (0.000)	0.746* (0.000)	0.857* (0.000)	0.813* (0.000)	0.777* (0.000)	0.888* (0.000)	0.868* (0.000)	1.000

Multivariate Statistical Analysis

The regression analysis conducted in this study provides an in-depth understanding of the influence of various factors on Political Stability (PV) (presented in the regression results table, Table 4). In the first model, Voice and Accountability (VA) show a highly significant effect on PV with a p-value less than 0.01 ($\beta = 0.552, t = 7.66$), confirming the importance of public participation and accountability in creating political stability. Rule of Law 1 (RL1) is also significant at p level less than 0.05 ($\beta = 0.0146, t = 2.05$), while Rule of Law 4 (RL4) has a stronger influence with p less than 0.01 ($\beta = 0.0246, t = 3.01$). The second model reveals that Government Effectiveness 1 (GE1) significantly affects PV (p less than 0.01, $\beta = 0.0274, t = 3.62$), suggesting that government effectiveness in formulating and implementing policies positively impacts political stability. VA again showed high significance (p less than 0.01, $\beta = 0.292, t = 2.71$), and RL3 recorded significance at the p level less than 0.05 ($\beta = 0.0197, t = 2.23$).

Table 4. Regression Results for the Whole Sample

“This table presents regression results testing the effect of government effectiveness and corruption control on political stability. The following regression model is: $PV_{i,d} = \beta_0 + \beta_1 \sum_{x=1}^3 GE_{(i,d)x} + \beta_2 CC_{i,d} + \beta_3 C_{i,d} + \epsilon$. The variable $C_{i,d}$ represents the control variables, which include Voice and Accountability (VA) and the four aspects of Rule of Law (RL1, RL2, RL3, and RL4). The table includes regression coefficients and t-statistics ($\frac{b}{t_{stat}}$). Robust regressions have been presented to account for heteroscedasticity and autocorrelation. The significance levels are denoted by ***, **, and *, corresponding to 1%, 5%, and 10% respectively.”

	(1)	(2)	(3)	(4)	(5)
	PV	PV	PV	PV	PV
CC	0.0491 (0.78)				0.119* (1.81)
GE1		0.0274*** (3.62)			0.0416*** (5.49)

	(1)	(2)	(3)	(4)	(5)
	PV	PV	PV	PV	PV
GE2			-0.0108 (-1.35)		-0.0347*** (-4.13)
GE3				0.0205*** (2.98)	0.0152** (2.19)
VA	0.552*** (7.66)	0.292*** (2.71)	0.613*** (6.33)	0.562*** (7.87)	0.318*** (2.72)
RL1	0.0146** (2.05)	0.00492 (0.66)	0.0179** (2.30)	0.0137** (1.97)	0.00499 (0.60)
RL2	0.0101 (0.94)	0.0147 (1.42)	0.0128 (1.26)	0.0121 (1.20)	0.0160 (1.55)
RL3	0.00747 (0.85)	0.0197** (2.23)	0.0110 (1.24)	0.00853 (0.98)	0.0229*** (2.71)
RL4	0.0246*** (3.01)	0.0279*** (3.41)	0.0239*** (2.84)	0.00920 (0.90)	0.00771 (0.74)
_cons	-0.0329 (-1.23)	-0.0740*** (-2.77)	-0.0441* (-1.73)	-0.0724*** (-2.70)	-0.0830*** (-2.80)
<i>N</i>	381	381	381	381	381
<i>R²-Adj</i>	0.791	0.799	0.792	0.797	0.810
<i>F_Stat</i>	445.1	434.7	435.9	453.7	304.6
<i>Prob > F</i>	0.000	0.000	0.000	0.000	0.000

The third model provides a perspective on the effect of Government Effectiveness 2 (GE2), which is insignificant ($p > 0.1$, $\beta = -0.0108$, $t = -1.35$), while VA still shows very high significance (p less than 0.01, $\beta = 0.613$, $t = 6.33$). In this context, RL1 and RL4 again show important significance in supporting political stability. The fourth and fifth models explore the continued influence of factors such as Government Effectiveness 3 (GE3) and Corruption Control (CC), which significantly influence PV. Specifically, in the fifth model, CC showed significance at the p level less than 0.1 ($\beta = 0.119$, $t = 1.81$), and GE2 showed a significant negative effect (p less than 0.01, $\beta = -0.0347$, $t = -4.13$). The regression results show that public participation, government effectiveness, and the rule of law significantly contribute to creating political stability. The model has a high adjusted R squared, indicating that the variables included can explain most of the variation in Political Stability. In particular, the fifth model has the highest R²-Adj (0.810), F-Stat (304.6), and Prob > F less than 0.01, signaling that the model has strong predictive power and is statistically significant.

The regression analysis provides valuable insights into the factors that impact Political Stability (PV) in different countries. The Corruption Control (CC) variable, which refers to the absence of bribery and corrupt practices, has a significant positive effect on PV. This finding confirms that countries with lower levels of corruption tend to have higher political stability. Government Effectiveness 1 (GE1) and Government Effectiveness 3 (GE3) demonstrate a strong positive correlation with PV. This suggests that a government's ability to adapt policies to economic changes and provide efficient distribution infrastructure is crucial in maintaining political stability. Meanwhile, the Government Effectiveness 2 (GE2) indicator, which measures the extent to which bureaucracy hinders business activities, surprisingly has a negative impact on PV. This may suggest that efforts to reduce bureaucratic barriers focus too much on deregulation in some contexts, leading to instability if not balanced with effective oversight and policies.

Additional analysis was conducted by dividing the sample into two groups based on political product quality. Political product quality refers to an index for regulations and policies that support a fair and competitive business environment, such as protection from protectionism, efficiency of competition legislation, easy access to capital markets, and transparency of financial institutions.

Examples include ease of starting a business, taxation that does not hamper economic activity, and labor regulations and subsidies that do not interfere with competition and economic development. It offers a new perspective on understanding the dynamics of political stability (PV) and the factors that influence it (Table 5). This grouping is based on Political Product Quality scores, with countries that score above the average categorized as High Political Product Quality, while those below the average as Low Political Product Quality. First, the finding that Corruption Control (CC) has no effect on PV in both High Political Product Quality and Low Political Product Quality countries suggests that corruption issues generally may not directly affect perceptions of political stability. This could imply that political stability is influenced by factors other than corruption control or that the effect of corruption control on political stability is moderated by other factors, such as the quality of democratic institutions or government effectiveness.

Table 5. Regression Results

“The Table 5 presents regression results that examine the effect of government effectiveness and corruption control on political stability in countries with high political product quality and low political product quality. High political product quality is indicated by Models 1 and 2, while low political product quality is indicated by Models 3 and 4. The following regression model is: $PV_{i,d} = \beta_0 + \beta_1 \sum_{x=1}^3 GE_{(i,d)x} + \beta_2 CC_{i,d} + \beta_3 C + \epsilon$. The variable $C_{i,d}$ represents the control variables, which include Voice and Accountability (VA) and the four aspects of Rule of Law (RL1, RL2, RL3, and RL4). The table includes regression coefficients and t-statistics ($\frac{b}{t_{stat}}$). Robust regressions have been presented to account for heteroscedasticity and autocorrelation. The significance levels are denoted by ***, **, and *, corresponding to 1%, 5%, and 10% respectively.”

	High Political Product Quality		Low Political Product Quality	
	(1) PV	(2) PV	(3) PV	(4) PV
CC	-0.0496 (-0.48)	-0.0207 (-0.22)	0.105 (1.22)	0.144 (1.45)
GE	0.207 (1.45)		0.398** (2.45)	
GE1		0.0588*** (5.70)		0.0430*** (3.32)
GE2		-0.0454*** (-4.66)		-0.0349** (-2.41)
GE3		-0.000862 (-0.08)		0.0214** (2.26)
VA	0.349** (2.19)	0.252 (1.49)	0.485*** (4.14)	0.373** (2.40)
RL1	-0.00404 (-0.31)	-0.0235* (-1.85)	0.0230*** (2.70)	0.0269*** (2.81)
RL2	0.0553*** (2.72)	0.0643*** (3.36)	-0.00137 (-0.12)	0.00493 (0.41)
RL3	0.0128 (0.97)	0.0362*** (2.78)	0.00684 (0.55)	0.0126 (1.05)
RL4	0.00582 (0.36)	0.0186 (0.94)	0.0151 (1.51)	0.00352 (0.30)
_cons	-0.0917 (-0.94)	-0.226** (-2.43)	-0.108*** (-2.79)	-0.120*** (-2.94)
N	183	183	198	198

<i>R²-Adj</i>	0.619	0.668	0.685	0.699
<i>F_Stat</i>	42.71	45.28	88.15	69.22
<i>Prob > F</i>	0.000	0.000	0.000	0.000

The Government Effectiveness (GE) variable, which is a composite proxy of GE1 (adaptability of government policies to economic changes), GE2 (bureaucracy does not hinder business activities), and GE3 (efficiency of distribution of goods and services), only shows a positive effect on PV in countries with Low Political Product Quality. This indicates that in countries with lower political product quality, improving government effectiveness can be an important factor in improving political stability. This may be because, in these countries, the room for improvement in government effectiveness is greater, so improvements can have a significant impact on political stability. The consistent results on the effects of GE1 and GE2 in both High and Low Political Product Quality confirm that government policy adaptability and reduction of bureaucratic bottlenecks contribute differently to political stability. The positive effect of GE1 suggests that the government's ability to adapt its policies to economic changes is important in maintaining or enhancing political stability. In contrast, the negative effect of GE2 indicates that reducing bureaucratic barriers without considering policy quality and effectiveness can negatively impact political stability. The GE3 variable, which shows no effect in countries with High Political Product Quality but a positive effect in countries with Low Political Product Quality, confirms the importance of efficient distribution of goods and services in enhancing political stability, especially in countries with low political product quality. This suggests that in countries with greater political and economic challenges, improvements in infrastructure and distribution efficiency can be key in strengthening political stability.

Discussion

The research findings suggest that the importance of corruption control and government effectiveness in maintaining political stability is in line with the literature review highlighting the close relationship between government effectiveness, corruption control, and political stability. Previous research has indicated that government effectiveness, defined as the government's ability to formulate and implement policies efficiently, is an important determinant of political stability. This suggests that a government that is responsive and efficient in providing public infrastructure and services can create politically stable conditions. This finding is in line with Krishnan & Teo (2012), who emphasize that government effectiveness can strengthen the link between information infrastructure and e-government development, contributing to better governance practices and political stability. In contrast, the second proxy of government effectiveness, which measures the extent to which bureaucracy impedes business activity, shows a negative effect on political stability. It can be interpreted that in some contexts, deregulation efforts aimed at reducing bureaucratic barriers without being accompanied by effective policies and oversight may create instability. This finding provides a new perspective in the discussion on deregulation and government effectiveness, suggesting that the balance between minimizing bureaucratic barriers and ensuring strong policies and oversight is critical.

Furthermore, the analysis confirms the literature review on the link between corruption control and political stability. Effective corruption control, defined as the lack of bribery and corrupt practices, is significantly positively correlated with political stability. This finding echoes the research of Hassan (2017) and Onafowora & Owoye (2022), who highlight that effective corruption control can enhance political stability while preventing the erosion of the legitimacy of political institutions that can lead to instability. The finding that Corruption Control has no effect on Political Stability in both High and Low Political Product Quality countries suggests that corruption issues generally may not directly affect perceptions of political stability. This could imply that political stability is influenced by factors other than corruption control or that the effect of corruption control on political stability is moderated by other factors, such as the quality of democratic institutions or government effectiveness. The Government Effectiveness variable, which is a composite proxy of Adaptability of Government Policies to Economic Change, Bureaucracy does not Hinder Business Activity, and Efficiency of Distribution of Goods and Services, only shows a positive effect on Political Stability in countries with Low Political Product Quality. This suggests that in countries with lower Political Product Quality, increasing Government Effectiveness can be an important

factor in improving Political Stability. This may be because, in these countries, the room for improvement in Governance Effectiveness is greater, so improvements can have a significant impact on Political Stability.

The consistent results on the effects of Government Policy Adaptability to Economic Change and Bureaucracy do not Hinder Business Activity in both Political Product Quality groups confirm that government policy adaptability and reduction of bureaucratic barriers contribute differently to Political Stability. The positive effect of Government Policy Adaptability to Economic Change suggests that the government's ability to adapt its policies to economic changes is important in maintaining or improving Political Stability. In contrast, the negative effect of Bureaucracy does not Hinder Business Activity indicates that efforts to reduce bureaucratic barriers without considering the quality and effectiveness of policies can have a negative impact on Political Stability. The variable Distribution Efficiency of Goods and Services, which shows no effect in countries with High Political Product Quality but a positive effect in countries with Low Political Product Quality, confirms the importance of distribution efficiency of goods and services in improving Political Stability, particularly in countries with low Political Product Quality. This suggests that in countries with greater political and economic challenges, improvements in infrastructure and distribution efficiency can be key in strengthening Political Stability.

Conclusion

This research has successfully reaffirmed the importance of corruption control and government effectiveness in maintaining political stability, in line with the literature that underlines the close relationship between government effectiveness, corruption control, and political stability. Governance effectiveness, defined as the government's ability to formulate and implement policies efficiently, is identified as an important determinant of political stability. This suggests that a government that is responsive and efficient in providing public infrastructure and services is capable of creating politically stable conditions. The analytical finding that corruption control has no direct effect on political stability in both High and Low Political Product Quality countries suggests that corruption issues may be influenced by other factors, such as the quality of democratic institutions or government effectiveness. Furthermore, the analysis differentiates the effect of government effectiveness based on the quality of a country's political product, finding that improving government effectiveness is particularly important in improving political stability in countries with Low Political Product Quality. This indicates that in countries with greater political and economic challenges, improvements in government effectiveness can have a significant impact on political stability.

This research has made an important contribution to the understanding of the influence of government effectiveness and corruption control on political stability. By highlighting the inter-relationship between these factors, this research underscores the need for governments to improve efficiency in formulating and implementing public policies and increase efforts in corruption control as key strategies for maintaining political stability. In addition, this study offers a new perspective on how the quality of a country's political product can moderate the relationship between government effectiveness, corruption control, and political stability. As a recommendation, policymakers and practitioners in the field of public policy and anti-corruption are expected to use these findings to formulate more effective strategies tailored to a country's specific political and economic context. Efforts to improve transparency, accountability, and public participation should also be strengthened as part of a comprehensive strategy to improve political stability.

Future research agenda could include a more in-depth study of the influence of external factors, such as global economic changes and international conflicts, on the dynamics between governance effectiveness, corruption control, and political stability. Future research could also focus on developing more complex methodologies for measuring governance effectiveness and corruption control, as well as exploring how information and communication technology can be utilized to strengthen both aspects. This study has several limitations, including limitations in available data and the generalizability of findings. In addition, the analysis cannot fully disentangle how specific factors in governance effectiveness and corruption control individually affect political stability.

Future research is therefore needed to address these limitations and deepen the understanding of the mechanisms underlying these relationships.

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