

Chapter 3

The Role of Higher Education on Corruption: Comparison of European Union and African Union

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ABSTRACT

A cross-country comparison reveals the fact that high tertiary enrollment rates are associated with low corruption, and low tertiary enrollment rates are associated with high corruption. Such a comparison does not show whether an increase in higher education leads to lower or higher corruption. Hence, the aim of the study is to analyze the effect of higher education on corruption on best performing European Union countries and worst performing African Union countries. It is found that higher education has positive significant effect on corruption not only in African Union but also in European Union. Hence, it is concluded that the enticement of higher living standard prevails the moral principals and ethical values of individuals in the way of reaching it. The author advise a course on moral principals and ethical values to be included in the curriculum of higher education institutions to teach the meaning of virtue and the long-term gains of living with high moral standing rather than to be gravitated to the short-term gains of corruption as a policy implication.

INTRODUCTION

Corruption is more than simply misappropriation of money or abuse of power: corruption hinders people's right to affiliation, political participation, rule of law, nondiscrimination, and social, institutional and economic development (Cheung and Chan, 2008; Osabuohien, 2020). There are two opposing argument for the effect of higher education on corruption in the literature. The mainstream argument asserts that higher education is a moral enterprise that teaching the value of virtue by practicing knowledge and ex-

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perience. The aim of higher education is to provide opportunities for students to learn about their social and ethical responsibilities to uphold their morality ideals (Cheung and Chan, 2008). Hence citizens with higher education most likely to hold higher moral values and they avoid conducting corrupt acts. Also, the increase in education and literacy, which development brings, will increase the likelihood of corrupt act to be discovered and punished (Elbahnasawy and Revier, 2012; Ejemeyovwi et al, 2018). The second argument asserts that graduation from a higher education institution grants better jobs with high potential corruption rents (Eicher et al., 2009). Hence increase in higher education increases the potential corruption rents, which increases the likelihood of corrupt acts.

A simple scatterplot of tertiary enrollment rates and corruption level as in Figure 1 (in the Appendix) reveal the fact that high tertiary enrollment rates are associated with low corruption and low tertiary enrollment rates are associated with high corruption. Hence there is a negative correlation between higher education and corruption. But it does not show whether an increase in higher education leads to lower or higher corruption.

In order to test the competing hypothesis for the effect of higher education on corruption, we took two samples from the population of all countries representing two extremes. First sample includes members of European Union (EU), where the level of higher education is highest and the level of corruption is lowest. Second sample includes members of African Union (AU), where the level of higher education is lowest and the level of corruption is highest. This sample selection also considers another fact; the members of EU are generally ex-colonizers and the members of AU are generally ex-colonies. The relationship between higher education and corruption is based on the relationship between higher education and governance institutions. The members of EU established good institutions and govern them effectively due to high level of human capital with high level of higher education. And the members of AU could not establish good institutions and govern them inefficiently due to low level of human capital with low level of higher education.

We expect that mainstream argument is valid for the members of European Union and second argument is valid for members of African Union.

Control of Corruption is a crucial dimension of governance. Good governance requires low corruption and vice versa. Only rich countries can afford better institutions (Acemoglu et al., 2001). Hence they argue that the level of income is the crucial factor in establishing better institutions. We argue that the level of education, especially higher education is the crucial factor in establishing and governing better institutions. Hence, only countries endowed with better educated citizens can establish and govern better institutions.

INSIGHTS FROM THE LITERATURE AND CONTRIBUTION OF THE STUDY

There are several studies in the literature analyzing the role of corruption on higher education. However, there is only one study in the literature analyzing the effect of higher education on corruption, which is as follows. For a cross sectional analysis of 56 countries, Cheung and Chan (2008) found that higher education has negative significant effect on corruption and concluded that as more people participated in tertiary education the lower its incidence of corruption across nations.

The rest of the studies in the literature analyzed the effect of education (not higher education) on corruption, which are as follows. For a cross sectional analysis of 41 developing countries, Shabbir and Anwar (2008) found that education has positive significant effect on perceived corruption and concluded that

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