

# Culture and the Quality of Government

## Symposium Article

**Abstract:** *This article uses a cross-country data set to empirically investigate the relationship between national culture and the quality of government. Culture has a strong impact on the quality of government that remains stable even after controlling for differences in institutions and economic development. This effect remains significant when the continents are considered separately, with the exception of Asia. The results reveal the importance of culture in understanding the quality of government and open new avenues for research in comparative public administration in a globalized world.*

### Evidence for Practice

- The impact of national culture on the quality of government is significant and statistically more important than the impact of formal and political institutions.
- Cross-country analysis shows that culture has a significant impact on the quality of government, except in Asia.
- Culture should be taken into account by governments and international financial institutions in efforts to improve the quality of government.

A central question in public administration research is why disparities in good government practices are large and persistent (Rothstein 2011). The identification of external factors, such as institutions (Acemoglu and Robinson 2012) or economic development (Lipset 1959), has been important to understanding the differences of what I call the “quality of government.”<sup>1</sup> An intriguing unsolved debate is whether culture has an impact on the quality of government.

The idea that culture can be a driver of the quality of government dates back at least to Montesquieu (1748), who explained that geography and climate interact with different cultures to produce “spirits” that shape alternative political institutions, including the separation of powers. Max Weber, in his 1905 book *The Protestant Ethic and the Spirit of Capitalism*, understood culture as the central ingredient of economic change. More recent works by Putnam (1994) and Landes (1998) have also advanced the argument that culture shapes collective action and government.

I define culture as people’s beliefs and values, resulting in attitudes and behaviors, about how the world works. Therefore, the focus is on national

culture rather than administrative culture (Painter and Peters 2010; Pollitt and Bouckaert 2004) or styles of public management organizations (Hood 1998). Culture is slow moving; thus, it may affect faster-moving variables, such as political and legal institutions (Roland 2004; Tabellini 2008). Political and legal institutions delineate and constrain how social choices are implemented and might be changed depending on the weights of different social groups. A good government cares about its citizens and strictly applies the law as it is written (Rothstein 2011): independence from political pressures, the absence of corruption, impartiality, and the quality of public services are measures of the quality of government.

Using a cross-country data set, I empirically investigate the impact of culture and institutions on the quality of government. I focus on one aspect of culture—the difference between individualism and collectivism—because psychologists recognize it as the main dimension of cultural variation (Fincher et al. 2008; Heine 2007). Alternatively, I make sense of the five other dimensions of culture articulated by Hofstede (2001)—power distance, uncertainty avoidance, masculinity, long-term orientation, and indulgence—by creating country clusters of national cultures. The results show that culture has a significant impact on the quality of government despite controlling for

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measures of formal and political institutions and other economic outcomes, such as gross domestic product (GDP) per capita, that might drive the quality of government. The results at the cross-country level remain strong and robust even when using alternative measures of culture computed by House et al. (2004) and Schwartz (1994).

The results can be surprising. Individualism can make collective action more difficult because individuals pursue their own interests. Nevertheless, individualism legitimizes individuals' expression of their own preferences and emphasizes the moral equality of individuals (Licht, Goldschmidt, and Schwartz 2007). As a result, norms guaranteeing equitable treatment, respect for the rule of law, and independence from political pressure, which are drivers of the quality of government, are more diffused and more frequently applied by governments. In collectivist countries, group solidarity prevails and rivalry among clans can be important, so stability and harmony are more valued than the impartiality or quality of public services. Interestingly, the breakdown of the results at the regional level shows that culture does not have a significant impact on the quality of government in Asia. I interpret this finding as a result of "good autocrats" benefiting from strong support and vertically improving the quality of government.

This study will be of interest to researchers in comparative public administration for at least three reasons. First, the results compare the quality of government in different cultural contexts and emphasize culture as a key determinant in international comparisons (Fitzpatrick et al. 2011; Riggs 1991). Second, the data set includes many developing countries, while most studies on comparative public administration involve only small samples of industrialized countries (Fitzpatrick et al. 2011). Finally, the results show that using institutional blueprints to improve the quality of government in developing countries might not work (Jreisat 2005) and indicate some patterns and regularities that might be useful to account for improving the quality of government (Jreisat 2011).

The article is organized as follows: The next section reviews the literature. The model and variables are then presented, followed by the results. Finally, a discussion and conclusion are provided.

## **Literature Review and Hypotheses**

### ***Culture and the Quality of Government***

Cross-cultural psychologists (Hofstede 1980; Schwartz 1994; House et al. 2004) have shown that culture affects people's normative commitments and psychological makeup. As a result, the quality of government tends to be conceptually consistent with the prevailing cultural orientations in a society (Charron and Lapuente, 2010; Gorodnichenko and Roland, 2012; Kyriacou 2016; Licht, Goldschmidt, and Schwartz 2007).

More specifically, societies that emphasize individual uniqueness and view individuals as moral equals tend to promote societal transparency as a means of social coordination (Gordonichenko and Roland, 2017). Because they are less hierarchical than collectivist cultures and emphasize civil liberties and the voice of the people, individualistic cultures promote the interests of all. Equality before the law is of great importance because it facilitates the freedom of people who are less protected by the law (Licht, Goldschmidt, and Schwartz 2007).

Conversely, in collectivist societies, allegiances are based on tribal or clan affiliation, so the culture tends to emphasize tribal loyalty rather than the rule of law (Gorodnichenko and Roland 2015). In collectivist cultures, people are ashamed of "losing face." Fraternal actions are motivated by obligations to the group rather than ethics. Collectivist societies place a greater emphasis on hierarchy, which is perceived as bringing more harmony to the community, especially if the leader is a benevolent patriarch (Gorodnichenko and Roland, 2012). The quality of policy formulation and the credibility of the government in implementing policies are less important than hierarchy. Bureaucratic quality is also less crucial in collectivist than in individualistic countries, as in-group solidarity is more important.

Individualism and collectivism view the organization of government differently (Gorodnichenko and Roland 2012). Individualism leads to higher expectations of political representatives, who are strongly constrained by the law. In an individualist society, people are more inclined to vote based on general social welfare than personal benefit. As a result, the bureaucracy tends to be autonomous of political pressure and to have an habitual mechanism for recruitment and training based on competition.

Collectivist culture insists more on the importance of a benevolent government that can create political order. Such a government is crucial for the people, who benefit from living in a disciplined and secure society. Constraints on the executive power are not necessary because there are no rights to be recovered. The law does not enable the common people to remove the leader. The responsibility of the common people is restricted to signaling the appropriateness of the ruler's appointment (El Amine, 2015).

Collectivist countries may be better at solving collective action problems than individualist countries. On the one hand, collectivism encourages conformity, which makes collective action easier but also more conservative in its focus. Gorodnichenko and Roland (2015) study autocratic breakdowns and show that collectivist autocracies have a higher likelihood of breakdown, whether through mass protests or coups, which suggests that collective action is more successful in more collectivist countries. The authors also find that in collectivist countries, a transition to autocracy is more likely. The transition to a "good autocracy" in collectivist countries can explain the improvement in the quality of government in some such countries. On the other hand, collectivist societies may have difficulty solving collective action problems when conflict or distrust exists among clans. When there are such conflicts, collective values place greater emphasis on the government dealing with clan rivalry than on good quality of government. This may be a reason that many collectivist countries fail to improve the quality of government.

In individualistic societies, collective action is normalized but can be more difficult because individuals are focused on their own interests and respond to individual incentives. However, citizens are confident in their ability to rely on both formal and informal groups to influence government policy making (Almond and Verba 1963). When people have strong motivation to participate in collective action—for example, when there is a demand for the rule of law and

government independence from political pressure—individualistic countries can produce effective collective action and thus improve the quality of government. A good empirical illustration of this mechanism is provided by Inglehart and Welzel (2005), who argue that “modernization” leads to changes in values that support democracy. The authors map culture by contrasting traditional and secular-rational values on the one hand and survival and self-expression values on the other hand. Secular-rational values and self-expression values are close to individualism. In the words of the authors, “ordinary people” are the main driving force of democracy. Thus, by prioritizing secular-rational and self-expression values, citizens can create more powerful collective actions and put more pressure on elites to provide good governance.

Individualism and collectivism also lead to different approaches to conflict resolution (Greif 1994). In individualistic societies, people’s membership in groups is changing, and individuals transact across groups; thus, contract enforcement is achieved mainly through specialized organizations. Individualism needs the law to be transparent and endorses law-abiding processes that encourage impartiality and popular observance of the law, as individuals have no group protection. In collectivist societies, individuals interact with members of identified in-groups, and contract enforcement is achieved through informal institutions, such as patriarchy. Although formal conflict resolution can be implemented when there are conflicts among groups, formal conflict resolution might not be the preferred option because of in-group solidarity or because groups differ in size.

In individualistic societies, codes of good conduct are not limited to small circles of related people. Ethical behaviors define how a good person should behave in a society of abstract individuals. In collectivist societies, individuals see their group as providing a “cushion” that will protect them in case of failure, so they more frequently engage in detrimental conduct without violating their own moral standards (Mazar and Aggarwal 2011) than individuals in individualistic societies. This finding is consistent with Banfield’s (1958) study of southern Italy, which relates the underdevelopment of the region to amoral tribal loyalty. As collectivism justifies the use of power and hierarchy, detrimental conduct toward other groups, particularly to protect the interests of the social group, may be more frequent.

An interesting illustration of individualism and collectivism is provided by Tanzi (1994), who relates the observation of an Indian anthropologist, Prakash Reddy, who studied relations between individuals in a Danish village. In the Danish village, the ties between individuals—even within the same family—are loose. In contrast, in a typical Indian village, people support each other, relations are close, and everyone is interested and involved in the business of the others. The idea that one should treat relatives and friends in the same way as strangers would be incomprehensible. It would be easier for a Danish bureaucrat to approach the Weberian ideal of rational-legal bureaucracy, in which public administrators’ careers are based on merit and rational procedures and universalistic principles are followed. In the Indian village, social norms put family and friends first, and applying the same treatment to people from other clans would be bizarre. This example shows the potential impact of culture on the behavior of bureaucrats and how it might shape the quality of government.

The main hypothesis is that culture has an impact on the quality of government, and specifically, that individualism leads to higher-quality government. The argument is not that collectivist countries cannot have good-quality government or that there are no collectivist (individualistic) countries with good-quality (bad-quality) government, but rather that more individualist countries tend to have higher-quality government.

### ***Other Determinants of the Quality of Government***

There are many other explanations for differences in the quality of government. One of these explanations is the difference between formal and political institutions, which are often interwoven with culture. The origins of the legal system or electoral rules and constitutional structures might lead to adverse impacts on the quality of government.

Legal origin theory traces the origins of common and civil law to different ideas about law and its purpose in England and France. Where it was implemented or transplanted through conquest and colonization, the legal system influenced the quality of government. Legal origins can be viewed as indicators of the relative power of the state vis-à-vis property owners. For example, Common law in England is associated with the defense of parliament and property owners against regulation and expropriation by the sovereign (La Porta et al. 1999). Civil law, on the contrary, developed more as an instrument of regulation and state building in the hands of the ruler. The civil law is associated with heavier government regulation than the common law, resulting in greater corruption, lower security of property rights, and worse contract enforcement (La Porta, Lopez-de-Silanes, and Shleifer 2008). These legal origins also capture the colonial heritage, and potentially the administrative culture, through the human capital training implemented by colonialist countries.

One of the main questions in political science is whether centralism or decentralism fosters a higher quality of government. The centralist theory presumes that good governance flows from institutions that centralize power in a “single locus of sovereignty” (Gerring, Thacker and Moreno 2005). Voters can electorally sanction politicians who do not fulfill their promises. The decentralist theory explains good governance as resulting from the diffusion and division of power among multiple independent bodies. Supporters of decentralism argue that it leads to greater accountability, as multiple institutions serve to check and balance one another. More precisely, the debate about centralism versus decentralism refers to three features of electoral rules and constitutional structures: parliamentarism versus presidentialism, proportional representation, and unitarism.

Parliamentarism is a system of government in which the executive power is vested in the legislature, elected by and responsible to an elected body. Presidentialism is a system in which policy-making power is divided between the legislature and the president, which are separately elected. Gerring and Thacker (2004) argue that presidentialism diffuses power within the legislature, weakening the power of party leaders and empowering backbenchers. Presidentialism fragments the political system, for example, by multiplying the number and reducing the size of interest groups. Parliamentarism allows for stronger and more immediate monitoring of the executive by

the legislature because parliaments have the power to remove politicians from executive office. The quality of government is expected to be higher because parliamentarism centralizes political power, thus reducing the number of potential veto points (Gerring, Thacker, and Morena 2009; Kunicova and Rose-Ackerman 2005). I thus expect a positive impact of parliamentarism on the quality of government.

The effect of proportional representation on the quality of government is more uncertain. On the one hand, individuals elected by proportional representation have strong incentives to perform well in office, but when voters choose among party lists, politicians' incentives are diluted among the individuals on the list (Persson and Tabellini 2000). In this sense, proportional representation is expected to increase the quality of government. On the other hand, with proportional representation, opportunities for corrupt personal gain are not concentrated, and it is more difficult for voters to sanction political actors (Kunicova and Rose-Ackerman 2005). Therefore, proportional representation can increase or decrease the quality of government.

Unitarism refers to a political system in which the national government is sovereign relative to its territorial units (Gerring, Thacker, and Moreno 2005). Unitarism, similar to parliamentarism, centralizes political power and should have a positive effect on the quality of government (Gerring and Thacker 2004).

A final important determinant of the quality of government is economic development. Modernization theory argues that as the level of economic development increases, a society will tend to become more democratic (Lipset 1959), despite different cultural traditions that might contribute to different trajectories, and to have a better quality of government as control by the population increases (Inglehart and Welzel 2005). Adkisson and McFerrin (2014) relate culture and economic development to the quality of government and argue that the latter has a stronger influence on good governance. I thus expect economic development to have a positive impact on the quality of government.

## Data, Variables, and Methods

Descriptive statistics for the whole data set are reported in table 1. Table 2 reports the correlations between the main independent variables.

### Measures of Culture

The independent variable of interest is culture, which is measured mainly in the individualism–collectivism dimension. *Individualism* (or collectivism) is the degree to which individuals are integrated into groups (Hofstede 1980). On the individualist side, there are societies in which the ties between individuals are loose. In collectivist societies, people, from birth onward, are integrated into strong, cohesive in-groups, often extended families that continue protecting them in exchange for unquestioning loyalty. This dimension was first discussed by Hofstede (1980), who studied the work-related values of more than 117,000 IBM employees across 66 countries.

In some alternative specifications, I account for the five other dimensions of culture discussed by Hofstede (1980, 2001). The *power distance index* (Hofstede 1980, 2001) is the extent to which a society accepts the fact that power in institutions and organizations is distributed unequally. The larger the power distance index, the more members of a culture accept inequality and large differentials between those with power and those with little power.

*Uncertainty avoidance* indicates the degree to which the members of a given culture perceive and react to an undefined threat and unknown situations. Cultures that avoid uncertainty try to minimize the possibility of such situations through strict laws and rules; safety and security measures; and, on the philosophical and religious level, a belief in absolute truth. The opposite type, cultures that accept uncertainty, are more tolerant of opinions that differ from those to which they are accustomed; they try to have as few rules as possible, and on the philosophical and religious levels, they are relativist and allow many currents to flow side by side.

*Masculinity* indicates the degree to which values such as assertiveness, performance, success, and competition, which are

**Table 1** Descriptive Statistics

Variables	Source	Range	Mean	SD
Government effectiveness	World Bank	Between –2.5 and 2.5	–0.08	0.99
Individualism	Hofstede (2001)	Between 0 and 100	40.52	22.35
Power Distance Index	Hofstede (2001)	Between 0 and 100	63.85	20.46
Masculinity	Hofstede (2001)	Between 0 and 100	47.90	18.11
Uncertainty Avoidance	Hofstede (2001)	Between 0 and 100	64.35	21.25
Long-Term Orientation	Hofstede (2001)	Between 0 and 100	43.47	23.60
Indulgence vs. restraint	Hofstede (2001)	Between 0 and 100	46.28	22.77
Embedded	Schwartz (1994)	Between 1 and 7	3.77	0.41
Autonomy	Schwartz (1994)	Between 1 and 7	3.91	0.43
Collectivism	House et al. (2004)	Between 1 and 7	5.06	0.77
Common law	La Porta et al. (1999)	Dummy = 0 if no, = 1 if yes	0.35	0.48
French legal origin ( <i>French</i> )	La Porta et al. (1999)	Dummy = 0 if no, = 1 if yes	0.50	0.50
Socialist legal origin ( <i>socialist</i> )	La Porta et al. (1999)	Dummy = 0 if no, = 1 if yes	0.09	0.28
German legal origin ( <i>German</i> )	La Porta et al. (1999)	Dummy = 0 if no, = 1 if yes	0.04	0.19
Scandinavian legal origin ( <i>Scandinavian</i> )	La Porta et al. (1999)	Dummy = 0 if no, = 1 if yes	0.03	0.18
Assembly-elected president ( <i>AE president</i> )	World Bank	Dummy = 0 if no, = 1 if yes	0.03	0.16
Parliamentary	World Bank	Dummy = 0 if no, = 1 if yes	0.54	0.50
Proportional representation ( <i>PR</i> )	World Bank	Dummy = 0 if no, = 1 if yes	0.77	0.42
Unitary	Gerring, Thacker, and Moreno (2005)	Score from 0 to 2	1.48	0.70
GDP per capita ( <i>gdp</i> )	UN Statistics	Current prices in U.S. dollars	15,025.92	23,958.45
Natural resource rents	World Bank	Average percentage of GDP for 2001 and 2015	3.15	4.56



**Table 2** Correlation between Independent Variables

	Individualism	Common	French	Socialist	German	Scandinavian	AE President	Parliament	PR	Unitarism	GDP per Capita	Natural Resource Rents
Individualism	1											
Common	0.0516	1										
French	-0.2937	-0.5345	1									
Socialist	0.0755	-0.3015	-0.3761	1								
German	0.0961	-0.1690	-0.2108	-0.1189	1							
Scandinavian	0.2822	-0.1690	-0.2108	-0.1189	-0.0667	1						
AE president	0.1409	0.0699	-0.1307	0.1370	-0.0413	-0.0413	1					
Parliament	0.4966	0.0602	-0.3173	0.0973	0.1359	0.2395	-0.1726	1				
PR	0.1036	-0.5961	0.2159	0.2570	0.1441	0.0894	0.0714	0.0714	1			
Unitarism	-0.2098	-0.0927	-0.0111	0.1469	-0.1844	0.1517	-0.0564	0.0641	0.0162	1		
GDP per capita	0.6559	-0.2595	-0.0678	0.0169	0.2769	0.3250	0.0065	0.5206	0.2414	-0.1539	1	
Resource rents	-0.4334	0.1800	0.1109	-0.1220	-0.2704	-0.1034	0.0380	-0.5111	-0.3046	0.0631	-0.5417	1

**Table 3** Final Clusters' Centers

	Cluster		
	1	2	3
Power distance index	<b>35</b>	<b>70</b>	<b>72</b>
Individualism	<b>72</b>	<b>36</b>	<b>27</b>
Masculinity	49	48	48
Uncertainty avoidance	55	<b>72</b>	64
Long-term orientation	46	<b>60</b>	<b>21</b>
Indulgence	<b>61</b>	<b>29</b>	<b>61</b>
List of countries	Australia, Austria, Canada, Denmark, Finland, Germany, Hungary, Iceland, Ireland, Italy, Luxembourg, Malta, Netherlands, New Zealand, Norway, South Africa, Sweden, Switzerland, <b>United Kingdom, United States</b>	Albania, Bangladesh, Belgium, Bulgaria, Burkina Faso, <b>China</b> , Croatia, Czech Republic, Egypt, Estonia, France, Greece, India, Indonesia, Iraq, <b>Japan, South Korea</b> , Latvia, Lithuania, Pakistan, <b>Poland</b> , Portugal, Romania, <b>Russia</b> , Serbia, Singapore, Slovakia, Slovenia, <b>Spain</b> , Taiwan, Turkey, Ukraine, Vietnam	Angola, Argentina, <b>Brazil</b> , Cap Verde, <b>Chile</b> , Colombia, Dominica, El Salvador, Gambia, Ghana, Iran, Jordan, Lebanon, Libya, Malaysia, <b>Mexico</b> , Morocco, Mozambique, Nigeria, Peru, <b>Philippines</b> , Saudi Arabia, Tanzania, Thailand, Trinidad and Tobago, Uruguay, <b>Venezuela</b>

Note: The average score for each psychological dimension is reported for each cluster. The main psychological dimensions of each cluster are denoted in bold.

associated with the role of men in nearly all societies, prevail over values such as the quality of life, maintaining warm personal relationships, service, care for the weak, and solidarity, which are associated more with the role of women in nearly all societies.

*Long-term orientation* in life is conceptualized as a forward-looking versus a present- and past-looking attribute. For example, persistence is a long-term value, and “respect for tradition” is a short-term value. The more people are oriented toward future rewards, the higher the value of long-term orientation.

Finally, *indulgence* measures whether simple joys are fulfilled. Indulgence is defined by Hofstede (2001) as “a society that allows relatively free gratification of basic and natural human desires related to enjoying life and having fun.”

To make sense of the six dimensions of national culture, I perform a k-means cluster analysis to create clusters of countries. This allows us to summarize the six alternative dimensions in a single variable. Table 3 summarizes the results of the k-means clustering. Cluster 1 groups countries such as Australia, Denmark, the Netherlands, and the United States, which are characterized by high individualism, low power distance index, and high indulgence. In cluster 2 are Asian countries such as India, Japan, and South Korea as well as Eastern European countries and southern European countries; they are characterized by a high power distance index, high collectivism, high uncertainty avoidance, low indulgence, and long-term orientation.

Finally, cluster 3 gathers collectivist countries with high indulgence and rather short-term orientation, mostly African or Latin American countries. The list of countries in each cluster is reported in table 3.

To check the stability of the results, I use alternative measures of individualism and collectivism computed by House et al. (2004) in the GLOBE study and by Schwartz (1994). House et al. (2004) study leaders' effectiveness in the context of different norms, values, and beliefs, including 17,300 middle managers from 951 organizations in the food processing, financial services, and telecommunications industries. The authors identify nine cultural dimensions, including institutional collectivism, which is defined as the degree to which institutional practices encourage and reward the collective distribution of resources and collective action.

Another measure of collectivism is computed by Schwartz (1994), who gathered survey responses from K–12 schoolteachers and college students in 78 nations between 1998 and 2000. Schwartz particularly identifies embedded cultures in which the meaning of life comes from social relationships, identification with the group, and participation in the group's shared way of life. Schwartz also distinguishes autonomy as an important cultural trait. Intellectual autonomy refers to a cultural emphasis on the desirability of individuals independently pursuing their own ideas and intellectual directions. Affective autonomy refers to the desirability of individuals pursuing affectively positive experience, such as pleasure. I create a measure of autonomy that averages intellectual and affective autonomy.

Because there may be some two-way causality between culture and the quality of government, I use **data on historical pathogen prevalence collected by Fincher et al. (2008) as an instrument for culture** (Gorodnichenko and Roland 2017; Maseland 2013). Disease-causing pathogens are significant ecological hazards that must be managed or avoided by maintaining some traditions or conformity. The idea is that the choice of individualism (collectivism) is higher (lower) when pathogen prevalence is weaker because individual survival prospects are higher. In contrast, stronger pathogen prevalence puts more emphasis on communities that adopt collectivist values, are less open to foreigners, and more strongly limit individualist behavior (Fincher et al. 2008). The advantage of using historical data on pathogen prevalence is that such data provide a good idea of the pathogen environment in the past. Pathogen prevalence is a good instrument for national culture because it might be a reason for the adoption of collectivist values. Moreover, pathogen prevalence has no direct effect on the quality of government and thus satisfies the exclusion restriction.

### Measure of the Quality of Government

**Government effectiveness** (Kaufmann, Kraay, and Mastruzzi 2010) captures the quality of public service provision, the quality of the bureaucracy, the competence of civil servants, the independence of the civil service from political pressures, and the credibility of the government's commitment to such policies. The main focus of this variable is on the "inputs" required for the government to be able to produce and implement appropriate policies and deliver public goods.

### Control Variables

The variable *legal origins* is used in the sense of La Porta et al. (1999), who identify the legal origin of the commercial code of each country. There are five possible origins: English common law, French commercial code, socialist/communist law, German commercial code, or Scandinavian commercial code.

The variables for the nature of the political regime are taken from the Database of Political Institutions (DPI)<sup>2</sup> created by the Development Research Group of the World Bank. A set of three dummy variables captures the different electoral systems (Beck et al. 2001): *presidential*, *assembly-elected president*, or *parliamentary*. Systems with unelected executives are coded as presidential. Systems with presidents elected directly or by an electoral college, when there is no prime minister, are coded as presidential. In systems with both a prime minister and a president, whether the president can or cannot use the following powers—veto, appointment, dissolution—is taken into account: veto (i.e., the president can veto legislation), and the parliament needs a supermajority to override the veto; presidential appointment (or dismissal) of the prime minister; and dissolution of the parliament and the call for new elections. Whether the president is mentioned more often than the prime minister in sources is also taken into account. If the president holds the veto power or both the appointment and dissolution powers, then the regime is considered presidential. Countries in which the legislature elects the chief executive are *parliamentary*. However, if the assembly or group cannot easily recall the chief executive (e.g., if a two-thirds vote is needed to impeach or the assembly must dissolve itself to force out the chief executive), then the system is coded as assembly-elected president. *Proportional representation* is a dummy variable equal to 1 if candidates are elected based on the percentage of votes received by their party or if sources specifically call the system proportional representation, and 0 otherwise.

To account for unitary states, I use the *unitarism* measure computed by Gerring, Thacker, and Moreno (2005). Federalism and bicameralism are the two predominant dimensions determining unitarism: nonfederal and nonbicameral systems are fully unitary. Gerring, Thacker, and Moreno (2005) adopt a coding from 0 to 2 for both indicators. A federal system is coded 0; a semifederal system—in which there are elected legislatures at the regional level but constitutional sovereignty is reserved for the national government—is coded 1; and a nonfederal system is coded 2. A unicameral system is coded 2, a weak bicameral system (upper house with effective veto power, though not necessarily a formal veto, and congruency between the two houses) is coded 1, and a nonbicameral system is coded 0. The unitarism variable is constructed by averaging the scores of the federalism and bicameralism components. For example, a nonfederal and weak bicameral system is coded 1.5.

I add two controls to the model to isolate the impact of culture on the quality of government. I employ a *natural resource rents* measure, which is the average share of total natural resource rents in the GDP in 2001 and 2015. The share is taken from the World Development Indicators and accounts for the potential "political resource curse," meaning that countries that are rich in natural resources may tend to provide a poor-quality government because too much attention might be devoted to rent seeking from natural resources or because the funding of public services depends on the prices of natural resources. *GDP per capita* in 2015, taken from the World Bank, is also used as a control to account for the modernization theory (Lipset 1959). I expect a strong correlation between wealth per capita, which captures the degree of development of the economy, and the quality of government.

### Estimation

I use a two-stage least squares model to test the relationship between culture and the quality of government. The second stage of the model is expressed the following equation:

$$Quality_i = \alpha \times Culture_i + \sum_{n=1}^b b_n \cdot \phi_n + b + \varepsilon_i$$

$Quality_i$  and  $Culture_i$  are the quality of government and the measure of culture, respectively, and  $\phi$  represents the different controls  $n$  for a given country  $i$ .

The first stage of the model relates culture with **pathogen prevalence**:

$$Culture_i = \beta_0 \times Pathogen_i + b_0 + \mu_i,$$

where *Pathogen* refers to the pathogen prevalence for a given country  $i$ .

### Results

Table 4 reports the results of different instrumental variable models linking national culture and the quality of government. In all the specifications, pathogen prevalence is the instrument for culture. Model 1 is the baseline model, in which only individualism is introduced, while model 2 includes only the measures of institutions as controls, and model 3 includes all controls. As individualism and

**Table 4** Culture and the Quality of Government

	1 Baseline	2 Institutions	3 All Controls	4 Cluster	5 Six Dimensions
Individualism	<b>1.006***</b> (0.103)	<b>0.926***</b> (0.149)	<b>0.312**</b> (0.159)		<b>0.402*</b> (0.217)
Cluster 1				<b>0.858*</b> (0.499)	
Power distance					0.187 (0.141)
Masculinity					<b>-0.159***</b> (0.0600)
Uncertainty avoidance					-0.0741 (0.0704)
Long-term orientation					0.0697 (0.0711)
Indulgence					<b>0.131*</b> (0.0768)
French		0.0834 (0.205)	-0.213 (0.139)	-0.117 (0.243)	-0.242* (0.144)
Socialist		-0.0510 (0.222)	-0.238** (0.121)	0.0196 (0.330)	-0.330** (0.159)
German		1.083*** (0.276)	0.244 (0.174)	0.114 (0.217)	0.523 (0.345)
Scandinavian		0.421* (0.230)	0.223 (0.147)	0.0295 (0.177)	-0.0774 (0.226)
AE president		-0.175 (0.271)	-0.182 (0.163)	-0.309 (0.201)	-0.0522 (0.180)
Parliamentary		0.0166 (0.242)	-0.0410 (0.116)	0.0244 (0.130)	0.105 (0.0862)
PR		-0.132 (0.227)	-0.145 (0.128)	-0.213 (0.202)	-0.0998 (0.175)
Unitary		0.217* (0.114)	0.154** (0.0678)	0.101 (0.0672)	0.177** (0.0735)
GDP per capita			0.392*** (0.0696)	0.367*** (0.0894)	0.329*** (0.0930)
Resource rents			-0.0333*** (0.00496)	-0.0376*** (0.00496)	-0.0385*** (0.00706)
Constant	0.414*** (0.0794)	0.0679 (0.244)	-3.050*** (0.573)	-2.950*** (0.704)	-2.536*** (0.848)
Observations	98	94	94	76	76
R <sup>2</sup>	0.279	0.443	0.842	0.805	0.869

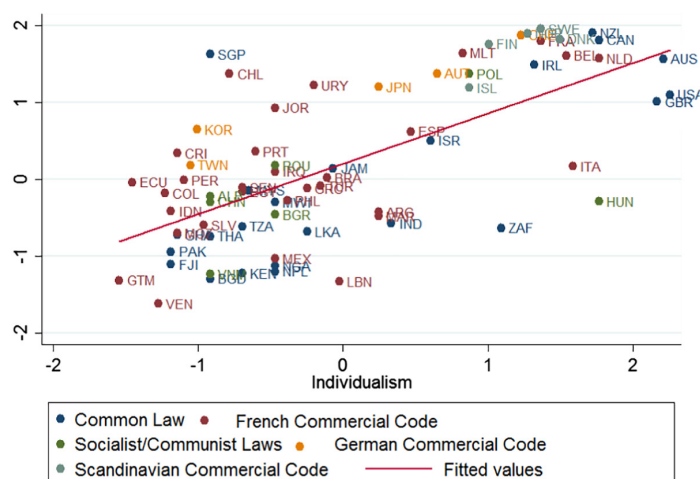
Notes: Robust standard errors in parentheses. The dependent variable is government effectiveness, computed by the World Bank. The historical prevalence of seven pathogens is used as an instrument. The list of countries for each model is reported in the Supporting Information.

\*\*\* $p < .01$ ; \*\* $p < .05$ ; \* $p < .1$ .

the quality of government are standardized, one standard deviation in the former leads to an increase of almost one standard deviation in the latter in models 1 and 2. In model 3, the impact of culture is mitigated by the level of economic development measured by GDP per capita, which is highly correlated with individualism. Despite introducing several controls, individualism has a significant positive impact in models 1–3.

The impact of institutions on the quality of government is less regular. Legal origins have an impact on the quality of government: German and Scandinavian legal origins have a significant positive impact on the quality of government in model 2, while the opposite is observed for socialist legal origins in model 3. Parliamentary regime, assembly-elected presidential regime, and proportional representation do not have a significant impact on the quality of government. Unitarism does not systematically have a significant impact but tends to have a positive impact on the quality of government.

The differences in the  $R^2$  levels in table 4 show that a larger part of the variation in government effectiveness is explained by individualism than by institutions. A simple illustration is found in



**Figure 1** Individualism (x-axis) and Government Effectiveness (y-axis)

figure 1, which shows the linear relationship between government effectiveness and individualism. Different countries have a legend corresponding to their legal origins. There is a clear positive

relationship between individualism and government effectiveness. I also find countries of different legal origins along the fitted line. For example, France, the Netherlands, Spain, and Venezuela share the same legal origins but score very differently in terms of individualism and government effectiveness.

I then make sense of the six dimensions of culture identified by Hofstede (1980) by using clusters of national cultures as an independent variable in model 4 and by introducing the five other dimensions in model 5 in table 4. In model 4, the dummy variable *cluster 1* is introduced as a proxy for culture: *cluster 1* is equal to 1 if a given country is in cluster 1, and 0 otherwise. Model 4 shows that being in cluster 1, the most individualistic cluster, significantly increases the quality of government.

In model 5, the introduction of the five other dimensions of culture discussed by Hofstede (2001) does not change the significant positive coefficient of individualism. It is important to note that individualism is highly correlated with the power distance index, which biases the coefficient of individualism downward. The other dimensions of culture that have a significant impact on the quality of government are masculinity, which is negative, and indulgence, which is positive. On the one hand, masculinity is associated with assertiveness and

competitiveness, which are important vectors of performance. On the other hand, masculinity is opposed to values such as the quality of life, maintaining warm personal relationships, service, care for the weak, and solidarity, which are more closely associated with the role of women in nearly all societies. It seems that the latter effect dominates in terms of the quality of government. Indulgence, which is associated with happiness, is found to lead to more prosocial behavior and fulfilling the needs of others, and it is positively correlated with the quality of government. The overall quality of the models is important, with  $R^2$  values larger than 0.8 in models 3–5.

Table 5 explores whether different measures of culture, as in Schwartz (1994) and House et al. (2004), have different impacts on the quality of government. As expected, embeddedness and collectivism have a significant negative impact on the quality of government, while autonomy has a positive impact on the quality of government.<sup>3</sup>

As the results might be driven by a set of countries, I apply the same models to each continent separately. Table 6 summarizes the results for the different indicators of culture. I choose to group Europe with the Americas and Oceania in models 1, 4, 7, and 10 because these two continents were settled largely by European immigrants. For Europe, the Americas, and Oceania, the impact of individualism (collectivism) is positive (negative). Individualism (collectivism) has a significant positive (negative) impact on the quality of government in Africa in models 2 and 11. However, the impact of individualism or collectivism in Asia is never significant in models 3, 6, 9, and 12. The particularity of Asia lies in the fact that several countries (e.g., the Asian tiger economies) score high in the quality of government while being collectivist countries.

Singapore exemplifies this case. It is a collectivist society in which the family is the prototype for all social organizations. The development of Singapore is highly linked to Prime Minister Lee Kuan Yew, who remained in power from 1959 to 1990. Lee Kuan Yew protected judicial independence, promoted the rule of law, and struggled against corruption by giving bureaucrats high salaries and implementing strong penalties for malfeasance. The success of Singapore in terms of quality of government lies in the capacity

**Table 5** Culture and the Quality of Government, Alternative Measures of Individualism–Collectivism

	1	2	3
Embeddedness (Schwartz 1994)	–1.064*** (0.168)		
Autonomy (Schwartz 1994)		0.938*** (0.141)	
Collectivism (House et al. 2004)			–0.886*** (0.145)
Constant	0.573*** (0.0905)	0.566*** (0.0859)	0.643*** (0.0974)
Observations	71	71	57
$R^2$	0.379	0.437	0.377

Notes: Robust standard errors in parentheses. The dependent variable is government effectiveness, computed by the World Bank. The historical prevalence of seven pathogens is used as an instrument. The list of countries for each model is reported in the Supporting Information.

\*\*\* $p < .01$ ; \*\* $p < .05$ ; \* $p < .1$ .

**Table 6** Culture and the Quality of Government, by Region

	1	2	3	4	5	6	7	8	9	10	11	12
	Europe America Oceania	Africa	Asia	Europe America Oceania	Africa	Asia	Europe America Oceania	Africa	Asia	Europe America Oceania	Africa	Asia
Individualism (Hofstede 2001)	<b>0.806***</b> (0.113)	<b>0.846*</b> (0.483)	–1.600 (3.005)									
Autonomy (Schwartz 1994)				<b>1.607***</b> (0.437)	0.368 (0.304)	0.283 (1.521)						
Embeddedness (Schwartz 1994)							<b>–2.261***</b> (0.852)	–0.681 (0.607)	–0.304 (1.592)			
Collectivism (House et al. 2004)										<b>–0.907***</b> (0.151)	<b>–0.726**</b> (0.298)	–0.158 (1.221)
Constant	0.491*** (0.0826)	–0.0614 (0.300)	–0.664 (1.504)	0.226 (0.190)	–0.0438 (0.473)	0.393 (1.008)	–0.037 (0.340)	0.323 (0.828)	0.444 (1.242)	0.610*** (0.113)	–0.166 (0.204)	0.619 (0.740)
Observations	56	17	25	46	9	16	46	9	16	35	7	15
$R^2$	0.534	0.112	0.002	0.650	0.192	0.176	0.452	0.003	0.220	0.478	0.327	0.112

Notes: Robust standard errors in parentheses. The dependent variable is government effectiveness, computed by the World Bank. The historical prevalence of seven pathogens is used as an instrument.

\*\*\* $p < .01$ ; \*\* $p < .05$ ; \* $p < .1$ .



to increase individuals' perception of their responsibility for their actions. As in other Asian tiger economies, efforts to increase growth—which imply good governance in public affairs—were directed by the government rather than resulting from a demand of the common people.

Vietnam is also a collectivist country, but it has a much lower-quality government than Singapore. Vietnam lacks an independent judiciary, and there is a lack of separation of powers among Vietnam's branches of government. Bribes are commonly paid to officials by businesses and households. Public servants lack adequate training and are often appointed through personal or political contacts with party leaders or based on their political views. Individuals do not push for change in the quality of government as they live in an orderly and productive society that fulfills their needs.

In comparison with Singapore and Vietnam, China is in an intermediary situation regarding the quality of government. Since the early 1990s, the central government has placed a strong emphasis on the performance of civil service. Civil servants, who are often Communist Party members, must meet two types of goals, some having to do with service to the party and others with their role as civil servants. As a result, civil servants' performance is evaluated based on a mix of ideological, economic, and social outcomes (Burns and Zhiren 2010).<sup>4</sup> As the performance orientation of public servants is moving from ideological outcomes to the improvement of public services quality and impartiality, China is improving the quality of government. However, as China remains a collectivist country, the government tends to overprovide targeted goods that keep the regime stable, such as ideology or patronage jobs, and not enough public goods that increase the quality of government, such as meritocracy and contract enforcement.

Figure 2 shows the relationship between individualism and government effectiveness in Asia for the countries included in model 3 in table 6. Asia gathers many collectivist countries with a high score for quality of government (Singapore, South Korea, United Arab Emirates) but also many countries with a low score (Bangladesh, Indonesia, Nepal, Pakistan, Vietnam). The overall relationship between individualism and government effectiveness is slightly positive for Asia.

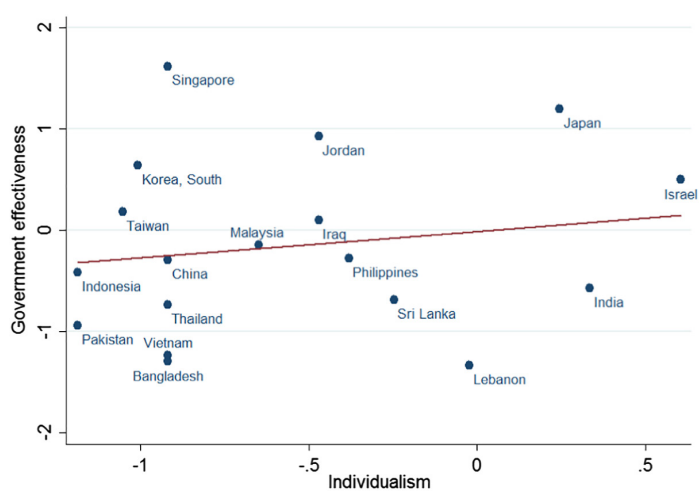


Figure 2 Individualism and Government Effectiveness in Asia

Discussion and Limitations

The goal of this article is to empirically investigate the impact of national culture on the quality of government. To do so, I use, on a cross-country data set, regression models in which pathogen prevalence is an instrument for culture. To summarize culture as a single variable, I focus on the individualism–collectivism dimension, which is recognized by psychologists as the most important cultural trait. Alternatively, I measure culture using cultural clusters of countries, summarizing the dimensions of culture articulated by Hofstede. The results show that culture has a significant impact on the quality of government.

Another important feature of the results is that formal and political institutions, in comparison with culture and economic development, do not seem to play a determinant role in the quality of government. Institutional theory states that different institutions generate different incentive structures that have long-term impacts on the quality of government (North 1990). In this sense, finding the right institutional framework to produce desirable outcomes is the key issue. However, exporting institutions from one country to another might lead to different results because of cultural differences.

The interpretation of the results is that collectivist societies favor in-group solidarity, stability, harmony, and avoiding distrust between clans. Consequently, collectivist countries invest more in stability, which gives more satisfaction to the people, than in aspects that determine the quality of government, such as impartiality, respect for the law, or delivering high-quality public services. These results do not mean that collectivist countries cannot improve the quality of government. A good leader can decide to change the rules of the game in the administration, but such change will result from the leader's will rather than from citizens' demands. In individualistic countries, people value equality in treatment, respect for the rule of law, and strict control of bureaucrats and public policies, so they tend to sanction governments that do not respect these values. There may naturally be some Western bias in how the quality of government is defined—for example, separation of administration and politics, equality in treatment, absence of bribery, and a focus on the quality of public services—that drive the results.

I wish to emphasize the interplay between culture and formal and political institutions. To some extent, institutions are snapshots of culture from past or historical events. Despite controlling for different aspects of culture and institutions, the model is unable to capture the two-way causality between the two constructs. On the one hand, culture can shape institutions (Gorodnichenko and Roland 2017). The switch from monarchy or autocracy to democratic regimes between the eighteenth and twentieth centuries in Western Europe can be interpreted as the consequence of the Enlightenment and the Renaissance. On the other hand, one can argue that formal institutions influence culture. Besley and Persson (2018) show that Soviet influence not only suppressed democratic institutions and decreased the quality of government but also decreased democratic values, as measured by the World Value Survey, in former Soviet countries. Acemoglu, Johnson, and Robinson (2001) argue that higher settler mortality during colonization periods led settlers to implement more extractive institutions, which led to crony capitalism in some countries and distrust between rival clans and affected the quality of government

over the long term. Culture might thus capture some of the effects of institutions and vice versa.

A similar interplay exists between culture and economic development. Culture can impact economic development, for example, by rewarding individual innovations (Gorodnichenko and Roland 2017), or economic development can change culture (Inglehart and Welzel 2005). By instrumenting culture by pathogens, I manage to isolate the impact of culture, which remains downward biased by the integration of formal and political institutions and economic development in the model. Moreover, the correlation between culture and institutions is low, so the measures do not seem to overlap.

As there are many pitfalls to cross-country regressions, the results of this article should be interpreted carefully. An obvious limitation of the results is the consideration of national cultures—that is, the existence of shared beliefs and values by members of the same nation or state. One could argue that societies or groups can have a common culture, but countries, which are purely administrative constructs, cannot. Indeed, countries can include different languages, ethnicities, religions, or even legal systems, as in Belgium or Switzerland. In Africa, borders are often based on purely administrative decisions resulting from colonization. However, many nations have historically developed as a whole under legal, political, social, and territorial constraints. Cross-cultural psychologists argue that dimensions of national cultures can be identified because there are more differences in individual responses between countries (Hofstede 1980; House et al. 2004) than within them.

This article has several implications for public managers. Governments, donors, and institutional financial institutions should not try to copy and paste formal or political institutions and should consider culture an important structural factor. Based on the results, governments of individualistic countries can improve the quality of government by strictly applying impartiality, anticorruption policies, and meritocratic recruitment in public administrations, as there might be strong support for such reforms. In collectivist countries, people might also support such reforms if the ruler is seen as virtuous and provides satisfaction or if there is a high level of trust between groups.

## Conclusions

These results should not be interpreted as implying a ranking of cultures. Instead, the goal of the article is to understand the potential impact of values and beliefs on the quality of government and to lead to a better understanding of the differences between countries and to a better consideration of culture in public management and public administration research. First, the results suggest that **culture is an important determinant of the quality of government** that should be highly considered in the research agenda on comparative public administration.

Second, the results show that culture is only one of the determinants of government quality; formal institutions, economic development, and strong personalities also play an important role in improving the quality of government. In practical terms, increasing the quality of government in collectivist countries might not come from changes in formal institutions but from the impulses of “good” leaders. Further research on this topic should focus on the long-term

impact of history and the ancestral characteristics of population, particularly in developing countries.

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## Notes

1. In the following sections, I will explain how the quality of government is defined and measured.
2. See <https://datacatalog.worldbank.org/dataset/wps2283-database-political-institutions>.
3. To check the robustness of the results, the baseline models are applied with alternative measures of the quality of government computed by the International Country Risk Guide, Economist Intelligence Unit, Quality of Government Institute, and the World Economic Forum. The results are reported in the Supporting Information online.
4. Burns and Zhiren (2010) report that goals assigned to local civil servants are, for example, “building party branches in resident communities,” “conduction of moral education among the youth,” “ensuring that 95 percent of social conflicts are handled by means of negotiation,” and “ensuring an annual growth rate of x percent.”

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## Supporting Information

A supplementary appendix may be found in the online version of this article at <http://onlinelibrary.wiley.com/doi/10.1111/puar.13106/full>.