AN/PS 127 HW1: Research Topic:

Corruption Variable (independent) vs Stock Market Performance (dependent)

The idea is to demonstrate the impact that corruption has on a country’s stock market (after normalizing for GDP/capita and controlling for international market influences and other variables). We would expect to see decreased performance in the stock market in countries with heavier corruption.

We can also look to investigate:

* Whether different ‘categories’ of corruption (as listed in the WGI database) have different impacts on the stock market
* Whether there are differences in this relationship when varying by continent (African markets vs Russian markets vs others). We would expect to see some differences since these are almost categorigally different ‘types’ of corruption.
* Whether there exist any other interesting trends in the stock markets as a result of corruption (vague goal, dependent on what I find while I’m working with the data).

Data sources:

* WGI Corruption data: <http://info.worldbank.org/governance/wgi/Home/Reports>
* World Bank stock markets data: <https://data.worldbank.org/indicator/CM.MKT.TRAD.GD.ZS>