

Corrupt government officials and the global economy

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Corrupt government officials end up damaging the global economy with their unfair and unjust business practices. Not only does the local economy of nations suffer at the hands of unscrupulous government officials, but the world suffers as a result of lack of economic prosperity in the regions many other nations assist with volunteers and financial contributions. Greed has been the focus of many investigations over the course of history when nationalistic political figures ended up hurting their own nations by stealing from them.

The result of such self-indulgence is that the nation itself is left in economic disparity and recession (if not depression), and the countries that have contributed to the nation become hesitant on contributing further in order to bail-out the local economies. Analyzing corruption and the methods that these insatiable officials feed their hunger for power and finances is the only way to spread the concepts of democracy and attempt to end corruption in the governments around the world.

Moral hazards, according to Luigi Manzetti, has caused some countries to lose their footing in the global market (Manzetti 114). The economic possibilities of these countries, at one time, would have been endless—had it not been for the corrupt officials that allowed their economies to falter as they gained more wealth. Foreign investments are a large part of the culture of business in the world.

Without foreign investors, the global market not only suffers, but the countries that depend on outside finances do not receive the business nor the travel perks of hosting foreign business people within their countries.

Argentina had a large problem with corruption in the 1990s: According to <https://assignbuster.com/corrupt-government-officials-and-the-global-economy/>

high ranking officials of the Argentine ministry of justice, during the 1990s alone corruption cost Argentina \$5 billion annually, although official figures were never disclosed. Corruption is also a strong deterrent against foreign investments.

Indeed, while in 2010 Chile was ranked as the best performer in per capita foreign investments, Argentina was at the bottom of the scale among the largest Latin American economies (Manzetti 113). Political corruption ruins the reputation for the country in the long run so that foreign investors do not devote their allegiance in the future. North Korea has seen its fair share of corrupt government officials. The government officials who were raising money for the government and charitable organizations within the country received contributions from various countries and organizations.

The military officials kept most of that money in what would be one of the largest political scandals in the history of the world: According to charges brought against him in 1995, Chun amassed a political slush fund totaling US \$890 million and accepted bribes totaling \$273.35 million during his seven years in power (Wedemen 467). The officials who stole from the military did not harm the economy, however. These officials skimmed off a portion of the money collected and put the rest into the private sector in their economy. Many countries have had to be bailed out because of political corruption. George W. Bush's administration deregulated