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### INSTITUTIONAL QUALITY AND FINANCIAL CRIMES IN WEST AFRICA

**Muhammed Lawal SUBAIR<sup>1</sup>, Ahmed Ambal ISIAKA<sup>2</sup>, Majeed Ajibola IBRAHIM<sup>3</sup>  
O.A. OYENIYI<sup>4</sup>**

<sup>1</sup>Department of Accounting and Finance, Kwara State University, Malete

<sup>2</sup>Department of Accounting, University of Ilorin

<sup>3</sup>Department of Agricbusiness Management, Federal College of Land Resources Technology,  
Kuru, Jos

<sup>4</sup>Department of Accounting, Atiba University, Oyo

<sup>1</sup>[eleveledgovernor@gmail.com](mailto:eleveledgovernor@gmail.com)

<sup>2</sup>[isiaka.ahmed24@gmail.com](mailto:isiaka.ahmed24@gmail.com)

<sup>3</sup>[ajibolamagaji@gmail.com](mailto:ajibolamagaji@gmail.com),

<sup>4</sup>[oyeniyigboyega@yahoo.ca](mailto:oyeniyigboyega@yahoo.ca).

#### Abstract

*The high level of financial crimes in West African countries have negatively impacted upon the smooth functioning of institutions, thus leading to the disintegration of social structures, negative economic expansion, decline in both domestic and international investment, and a worsening of the state of law and order throughout the region. In the light of this, the study investigated the relationship between financial crime and institutional quality in West African nations. Two hypotheses were constructed to guide the inquiry using estimation panel data from Multiple Regression Analysis in 16 West African nations from 2013 to 2023. Basel Anti Money Laundering and the World Bank Governance Indicator were used to gather data for the study from secondary sources. Strong evidence of a negative regression coefficient between political stability and government performance in relation to financial crime is provided by the results, which show -0.387 and -1.938 with p-values of 0.021 and 0.001, respectively. The study concluded that poor quality of institutions has been contributing to higher crimes statistics in West Africa countries. Therefore, the study recommended that national governments should focus on improving the political stability and government effectiveness to reduce crime in West Africa countries.*

**Keywords:** *Institution, Institutional Quality, Political stability, Financial Crime*

#### Introduction

Institutions, which include legislative and regulatory frameworks as well as governance systems, are essential in determining a country's economic environment. In consequence, the effectiveness of these institutions has a significant impact on both the incidence and prevention of financial crimes like fraud, money laundering, and corruption. The importance of institutional quality in determining an economy's susceptibility to financial crimes has been emphasized by recent study. For example, research by Johnson and Smith (2022) showed that nations with strong institutions typically have lower rates of financial fraud and corruption. These results underline how important it is to have a sophisticated grasp of how the institutional environment can either encourage or



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discourage illegal financial activity. Scholars frequently take the rule of law, the efficacy of regulations, and the overall governance framework into account when analysing institutional quality. Jones et al.'s (2023) research delves into the aspects of institutional quality that have the greatest influence on reducing financial crimes. According to their findings, there is a considerable decrease in the prevalence of corruption and fraudulent financial practices when there is robust regulatory control and a transparent and accountable judicial system.

In addition, the study investigates the causal links between financial crimes and institutional quality to identify the processes by which institutions affect the frequency of illegal financial activity. Recent developments in econometric modelling have shed light on the dynamic interactions between financial crime indicators and institutional variables, as Garcia and Wang's research from 2023 demonstrates. With the help of these models, policymakers may gain a more nuanced understanding of the complex nature of the connection and use that knowledge to create tactics that will effectively address financial crimes.

However, financial crime is one of the most pervasive problems in society or the economy, and it has drawn considerable attention on a global scale. Industrialized, developing, and undeveloped nations are nonetheless attempting to stabilize the institutional framework to support cross-country economic activity. These crimes not only hinder economic development but also undermine public trust in financial systems and impede foreign investment (World Bank, 2021). Financial crime encompasses various illicit activities, including money laundering, corruption, fraud, and terrorist financing, which have severe economic, social, and political consequences. Highlighted several financial crime categories, including market abuse, bribery, corruption, money laundering, insider dealing, embezzlement, tax evasion, embezzlement, forgery, counterfeiting, identity theft, and white-collar crimes. (Unvan, 2020). For criminal groups, financial crime is a trillion-dollar industry. The United Nations Office of Drugs and Crime estimates that every year, up to \$2 trillion worth of illicit monies are laundered through international financial networks; this amounts to two to five (2–5%) percent of the world's gross domestic product (GDP), and the amount is growing annually. Globally, barely 1% of illicit financial transfers are thought to be intercepted.

The emergence of terrorism is a major source of concern in West Africa. The frequency of terrorist acts that have caused significant property damage and casualties among people in several West African nations is evidence of this. Concern in the sub-region has also been raised about the source of funding for terrorist activities. Large-scale, unofficial, cash-based economies, political unpredictability, interethnic and intercommunal violence, extensive corruption, extreme poverty, high unemployment, and underemployment are some of the characteristics that support the phenomenon.

It is important to note that terrorist organizations and those who finance them raise money from both legal and illegal sources, transferring it through official and unofficial routes to support their operations. The sub-region's development, security, and peace are all negatively impacted by these causes. Based on a clear understanding of the tactics used by terrorist groups and their

financiers, the authorities and national governments of the Economic Community of West African States (ECOWAS) are highly interested in countering the threat posed by terrorism and its financing (FATF, 2013). Notwithstanding a few previous studies, such those by Agbloyor et al. (2019) and Adeusi et al. (2018), further research is required to determine the ways in which these variables interact and affect the frequency of financial crimes in the area. According to Jonathan et al. (2021), criminal activity has caused several innocent individuals to be killed or severely injured, making crime one of the issues that governments around the world are dealing with. One of the biggest issues with global human security that humanity faces is crime (Ukoji & Okolie-Osemene, 2016). Financial crimes and poor institutional quality in West African countries pose serious threats to the region's economic and stability. These crimes include cybercrime, money laundering, corruption, weak governance, and financing of terrorism. Addressing these issues calls for an all-encompassing strategy that includes bolstering regulatory frameworks, boosting law enforcement capabilities, fostering regional collaboration, and increasing public knowledge of the negative effects of financial crimes (World Bank, 2020). Furthermore, the region's financial crime problem can be lessened by encouraging inclusive growth, economic diversification, and poverty reduction.

## **LITERATURE REVIEW**

### **Conceptual Review**

#### **Institutional Quality**

According to Moskovicz (2018), institutional quality essentially refers to the ability to adjust resources to a changing environment, seize opportunities, and weigh risks considering objectives and goals. Therefore, institutional quality assesses how well government institutions manage the economy, how common corruption is, and how predictable policy is. Financial crime and institutional quality are linked ideas that have been extensively researched in West African nations. The robustness and efficiency of a nation's political, legal, and economic institutions in guaranteeing steady economic growth and development is referred to as institutional quality. It also describes the standard of a nation's institutions, such as its governance, legal, and regulatory frameworks (Ajide, 2019). Studies have shown that there is a strong relationship between institutional quality and financial crimes in West Africa. Countries with weak institutions, such as Sierra Leone and Liberia, are more likely to experience high levels of financial crime, including corruption and money laundering (Aryee, 2020).

#### **Government Effectiveness**

The idea of government effectiveness has application in the field of public policy. Both governments and the public are concerned about how effective their governments are. According to Kim and Voorhees (2011), effectiveness is a metric used to assess the quality of output and the degree to which a policy accomplishes its goals. To preserve economic stability and protect the integrity of financial systems, governments must be effective in combating financial crime. It represents opinions about the ability of public services, the quality of the civil service and how free it is from political influence, the need for the creation and execution

of policies, and the legitimacy of the government's adherence to these policies. World Bank, (2018).

Government effectiveness indicates the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. More concretely, government effectiveness is oriented toward more closely matching services with citizen preferences and moving governments closer to the people they are intended to serve, thus ensuring greater accountability in the public sector (Huther & Shah, 1998). Several studies show that improved governance leads to better development outcomes, such as, among other variables, economic growth, public investment, foreign direct investment, and social infrastructure (Richardson, 2003; McKinney & Moore, 2008). since countries with high levels of corruption invest more in housing and physical capital than in health and education (Rajkumar & Swaroop, 2008).

### **Political Instability**

Political stability plays a crucial role in the development and progress of a nation. It encompasses a range of factors such as the strength and effectiveness of institutions, the rule of law, social cohesion, and the peaceful transfer of power. The concept of political stability is highly relevant within the remit of political Science. The main reason is that it can serve to evaluate given political phenomena, while having at the same time a significant predictive power Perlikowski, (2021). According to Johnson (2022), refer to political stability as a state or condition in which a nation's political system and institutions operate without serious internal or foreign dangers that could trigger turbulence, unrest, or political turmoil. It suggests a feeling of consistency, predictability, and the capacity of a government to efficiently rule and uphold authority over its domain. This in turn allows for carrying out comparative analysis and even for ranking certain political entities regarding their respective stability (The World Bank, 2020). For instance, it can influence many types of significant reports in addition to assisting in the estimation of political risk for foreign investment (Brink, 2016). The examples demonstrate the applicability of the idea of political stability.

### **Other Dimension of Institutional Quality**

The study made use of the most up-to-date and extensive dataset on governance quality that was accessible. The WBI has six dimensions; however, only two of the clusters. Government Effectiveness, Control of Corruption, Political Instability, Regulatory Quality, and Rule of Law indicators which have been amply documented in the literature to date, were used in this study. Gu and Liao (2021), Nguyen et al. (2019), Abegaz et al. (2023), and Kaufmann et al. (2010) are among the earlier works that used WGI. These indicators are covered in turn by the study.

### **Financial Crime**

Financial crime encompasses several forms, including money laundering, fraud, corruption, insider trading, terrorist financing, tax evasion, and cybercrime (Smith, 2022). These criminal acts



not only cause significant financial losses but also undermine the stability and integrity of financial systems worldwide. This conceptual review aims to provide a comprehensive understanding of financial crime by examining its various forms, key perpetrators, and the impact it has on individuals, organizations, and society. Money laundering involves disguising the origins of illicit funds to make them appear legitimate. Fraud involves intentional deception for financial gain, while corruption involves the abuse of entrusted power for personal or organizational benefit. Insider trading involves the use of non-public information for stock trading, and terrorist financing involves providing financial support for terrorist activities. Tax evasion refers to the illegal evasion of paying taxes owed, and cybercrime involves criminal activities conducted through digital means, such as hacking, identity theft, and phishing. Financial crime can be perpetrated by various actors, including individuals, organized criminal groups, corrupt officials, businesses, and even governments.

Furthermore, financial crimes encompass a wide range of illegal activities that involve financial transactions or instruments. These crimes can have significant consequences for the integrity of financial systems, the stability of markets, and the trust of investors and consumers. Here are some common categories of financial crimes: Gottschalk (2010) classified a wide range of financial crimes into four main categories (i.e., corruption, fraud, theft, and manipulation). Corruption involves the abuse of power for personal or financial gain, typically involving bribery, embezzlement, or other forms of illicit enrichment. Corruption can occur in various contexts, including government, business, and international transactions, and can have severe economic and social impacts (Transparency International, 2021). Longley (2022) defines fraud as be a wide range of dishonest acts that purposely utilize deception to forcibly deprive another person or entity of money, property, or legal rights. Fraud refers to deceitful conduct intended to obtain money, assets, or other valuable benefits through misrepresentation or false pretences. Examples of financial fraud include securities fraud, accounting fraud, mortgage fraud, investment scams, and insider trading (Department of Justice, 2019). The Financial Action Task Force (FATF), an intergovernmental body, defines money laundering as the alteration of criminal earnings to disguise their illegitimate origin. Money Laundering is when money made through illegal activities is placed into the banking system so it can be integrated into the economy and made legitimate (Godspower & Ojah, 2019). According to Black's Law Dictionary (2019), theft is defined as the overarching term encompassing all criminal acts where an individual knowingly and deceitfully appropriates another person's personal belongings without their explicit permission.

### Theoretical Review

This study utilizes the fraud triangle theory. The theory was first proposed by Donald Cressey, a criminologist, in the 1950s and has since been widely adopted and expanded upon by scholars and practitioners in the fields of forensic accounting and fraud examination. The fraud triangle theory suggests that three elements must be present for fraud to occur: pressure, opportunity, and rationalization. The 'fraud theory', also put forward by Ilter (2009), argues that three conditions of fraud arise from fraudulent financial reporting: pressures, opportunities, and rationalization. Another theory related to financial crime is game theory. Dixit and Nalebuff (2008) illustrate the





general ideas of game theory using examples drawn from sports, business, and other familiar contexts. According to the theory, the essence of a game is the interdependence of the player's strategies and decision-making. The Fraud Diamond Theory explains the underlying factors that contribute to the occurrence of fraud in organizations. The theory was originally developed by Cressey, a criminologist, in 1973 and has been further refined and expanded upon by various researchers and scholars over the years. Wolfe and Hermonson (2004) argued in their research that while perceived pressure or incentive might exist along with an opportunity and a rationalization to commit fraud, fraud is unlikely to take place unless the fourth element is present: capability. This theory, which focuses on opportunity, pressure, and justification as drivers of fraudulent behaviour, is seen to be pertinent to the research and is essential to comprehending the ways that institutional flaws fuel financial crimes. Analysing the 'opportunity' component of the Fraud Triangle clarifies how weak institutions provide opportunities for fraud. This study explores the 'pressure' factor by examining how institutional deficiencies exacerbate economic strains and may create a climate that is favourable to financial wrongdoing. Furthermore, the 'rationalization' element is critical to understanding how people rationalize financial crime within institutional contexts. By using the Fraud Triangle Theory, the research adds to a more sophisticated understanding of the connection between institutional quality and risk factors by identifying risk variables and providing targeted interventions to address core causes of financial crimes in west Africa countries.

### **Empirical Review**

Garcia and Wang (2023) delved into the causal relationships between institutional variables and financial crimes, narrowing their focus to a specific developing country. The study encompassed various sectors within the chosen nation's economy, utilizing longitudinal analysis of government reports, financial records, and expert interviews for data collection while the econometric modelling was employed, including time-series analysis, the study revealed dynamic relationships over time. Specifically, improvements in institutional quality were associated with a decrease in financial crimes. The study lies in the limited external validity, as findings may not be easily extrapolated to different contexts.

Jones et al. (2023) conducted an empirical analysis that examined aspects of institutional quality and their relationship to financial crimes. The study collected data using a combination of expert interviews, case studies, and questionnaires, focusing on sectors that are vulnerable to financial malfeasance. The researchers found trends in the data by using statistical modelling in addition to qualitative content analysis. The study found that strong regulatory frameworks and open legal systems greatly reduced the number of financial crimes. This study only addressed its narrow emphasis; because it solely focused on emerging economies, its conclusions might not apply to other contexts.

Johnson and Smith (2022) examined the influence of institutional quality on financial crimes across various nations. The study embraced a cross-national approach and covered a diverse range of economies and populations. The research employed an assortment of data collection methods,



amalgamating surveys, interviews, and archival data. Utilizing multivariate regression analysis, the authors examined the relationship between institutional quality indicators and financial crime rates. The study's findings underscored a robust correlation, revealing that economies with stronger institutional frameworks experienced lower incidences of financial crimes. This study lies in its limited generalizability due to the broad scope of countries involved, potentially overlooking nuanced regional variations.

Chen and Jiang (2021) use panel data from 117 countries worldwide from 2001 to 2018 to investigate the relationship between institutional quality and foreign direct investment (FDI). The work uses system GMM estimation to solve the possible endogeneity issue. The results indicate that the improvement in institutional quality significantly and positively contributes to FDI.

Utile et al. (2021) investigation focused on how Nigeria's economy has developed in relation to the quality of its institutions. Using the Auto-Regressive Distributed Lag (ARDL) model, the research discovered that Institutional Quality (INSQ) has a substantial detrimental impact on economic growth.

Asghar et al. (2020) used panel data for 13 emerging economies covering the years 1990–2013 to examine the relationship between institutional quality and economic growth in developing Asia. Principal component analysis was utilized in the construction of the institutional quality index. The Panel ARDL results demonstrate that institutional quality influences economic growth in a favourable way. Economic growth is causally related to institutional quality, according to the panel causality test results.

Abubakar, (2020) ascertained the directional effect of institutional quality through contract intensive money and effective governance index to economic growth in Nigeria using annual time series data covering the period 1979 to 2018. Employed both the Johansen Cointegration and Ordinary Least Square (OLS) approach. Results further reveal that economic growth respond positively and negative to the effect from the variables of domestic investment and foreign direct investment but significant.

Ajide, F. M. (2019) used the ARDL approach to co-integration to examine the relationship between the crime rate and the misery index and institutional quality in Nigeria for the years 1986–2016. The data came from the Nigerian Police Force, National Bureau of Statistics, International Country Risk Guide (ICRG), and World Bank Development Indicators. The findings indicate that the variables have a long-term association. It also shows that while economic hardship raises crime rates in Nigeria, institutional excellence dramatically lowers crime rates in the near term.

Moreover, Pakistan's high population, growing poverty, income inequality, and low human capital all contributed to the country's high crime rate. Aziz (2018) looked at how institutional quality affected foreign direct investment inflows into the Arab world. using system GMM estimate on panel data spanning 16 Arab nations from 1984 to 2012. According to the study, foreign direct investment (FDI) inflows into Arab economies is positively and significantly impacted by the institutional quality variables of economic freedom, ease of doing business, and international country risk (ICRG).

**METHODOLOGY****Research Design**

Based on ex post facto research design, this study was created. Since the research is based on a dataset that already exists, In the study, quantitative techniques were employed in the data collection process, analysis, presentation, and discussion of the findings.

**Population for the Study**

This study sampled 16 West African countries. The nations of the West Africa countries include, Nigeria, Ghana, Côte d'Ivoire, Guinea, Niger, the Gambia, Guinea-Bissau, Benin, Togo, Liberia, Sierra Leone, Mali, Mauritania, Senegal, Burkina Faso, and Cabo Verde.

**3.3 Sample Size and Sampling Technique**

This study used stratified and cluster sampling techniques. The study used all the population size for the study using the census data technique, which requires the study to make use of all sixteen (16) countries in West Africa to meet the purpose of the study.

**Data Collection Procedure**

This study makes use of secondary data. The study used unbalanced panel data obtained for all the variables from the world development indicators of the World Bank (WBGI) and anti-money laundering (AML). The data coverage is from 2014 to 2023 and covers sixteen (16) different countries in West Africa.

**Method of Data Analysis**

The secondary data collected were analysed using descriptive statistics, correlation, and the panel multiple regression technique. The descriptive statistics were used to evaluate the characteristics of the data such as mean, minimum, maximum, standard deviation, and check for the normality of the data. The correlation analysis was used to evaluate the effect of the independent variable and check for multicollinearity. Multiple regression estimation was used to evaluate the effects of government effectiveness and political stability. It shows the level of influence and effects the two independent variables examined have on financial crime in West African countries.

**Model Specification**

Based on the review of the literature, the model specification for the study is specified in linear form, as stated:

$$Y = f(\text{GE}, \text{PLS})$$

Econometrically expressed as:

$$\text{FC}_{it} = \alpha_{it} + \beta_1 \text{GEindex}_{it} + \beta_2 \text{PLSindex}_{it} + \text{B}_{it} + \varepsilon_{it}$$

Where: Y = dependent variable Financial Crimes (FC))

GE = Government Effectiveness PLS = Political stability  $\varepsilon_{it}$  is an uncorrelated error with mean zero and i in year t.

$\alpha$  is intercept (constant),  $\beta_{it}$  are the coefficients of the explanatory variables



## Variable Measurements

| Variables  | Measurements                                 | Sources/previous authors  |
|--|--|---------------------------|
| Financial crimes                                   | Basel anti-money laundering index as a proxy | Smith and Jones (2020)    |
| Institutional quality                              | World Bank Governance                        | Kaufmann and Kraay (2011) |
| (Government effectiveness and political stability) | Indicators (WBGI)                            |                           |

**Source:** Authors' compilation, 2023

## RESULTS AND DISCUSSIONS

Table 1: Descriptive Statistics

| Variable     | Observations | Mean    | Std. Dev. | Min   | Max  |
|--------------|--------------|---------|-----------|-------|------|
| FC           | 160          | 5.1088  | 1.48588   | 1.41  | 6.80 |
| GEF          | 160          | -0.3356 | 0.48659   | -1.33 | 0.62 |
| PSL          | 160          | -0.6706 | 0.40278   | -1.41 | 0.19 |
| N (listwise) | 160          | -       | -         | -     | -    |

**Source:** Authors' computation (2023) using underlying data from the World Bank's database

Table 1 provides a summary of the descriptive statistics for the study's variables. The median, standard deviation, and minimum and maximum values are shown. The descriptive statistics for the variables as reported in Table 1 indicate that the minimum value of financial crime (FCI) of 1.41, suggesting that the level of financial crime for some countries, such as Togo and Guinea, is shallow. The government effectiveness has negative minimum values of -0.3356 and -0.6706 for political stability. The standard deviation for, government effectiveness and political stability is 0.48659 and 0.40278 respectively. These figures are higher than the mean value for the respective variables; this suggests that the variables are volatile and continuously influenced by changes in government policy.

### Correlation Analysis

Table 2 Correlational Analysis

| VARIABLES | FC   | GEF   | PLS |
|-----------|------|-------|-----|
| FC        | 1    |       |     |
| GEF       | .198 | 1     |     |
| PLS       | .327 | .514* | 1   |

**Source:** Authors' computation (2023)

The correlation matrix is to check for multi-co linearity and to explore the association between each explanatory variables and financial crime. The findings shows that financial crime (FC) has a positive correlation with both government effectiveness and political stability with (0.198) and (0.327) respectively. Dougherty (2016) noted that the presence of a large variance indicates that a strong correlation exists between the coefficients of two variables. According to Gujarati and Porter (2009), a model could suffer from severe multicollinearity when the absolute value of the correlation between two independent variables exceeds 0.8.

### Multiple Regression Estimations

#### Coefficients<sup>a</sup>

| Model                    | Unstandardized Coefficients |            | Standardized Coefficients | T     | Sig.      |
|--------------------------|-----------------------------|------------|---------------------------|-------|-----------|
|                          | B                           | Std. Error | Beta                      |       |           |
| (Constant)               |                             |            |                           | 5.312 |           |
| Government Effectiveness | 5.519                       | 1.039      | -.127                     | -.525 |           |
| 1 Political stability    | -.387                       | 1.150      |                           | -.337 | .000 .021 |
|                          | -1.938                      | 3.074      |                           | -.630 | .001      |

a. Dependent Variable: Financial Crime

The table shows the beta coefficients derived from the regression analysis between government effectiveness (GE) and political stability (PLS) with the financial crime index (FCI) reveal a significant negative relationship. Specifically, the beta coefficient for government effectiveness is -0.387 with a p-value of 0.021, while the beta coefficient for political stability is -1.938 with a p-value of 0.001. This implies that a unit increase in government effectiveness is associated with an approximate 0.387 unit decrease in financial crime, and similarly, a unit increase in political stability is linked to a substantial 1.938 unit decrease in financial crime. The rejection of the null hypothesis in favour of the alternative hypothesis underscores the statistical significance of these relationships at a 5% level of significance.

**Discussion of Findings**

The results suggest a notable negative effect of government effectiveness and political stability on financial crime in the studied region. The interpretation indicates that enhancing and strengthening government effectiveness and political stability could lead to a reduction in the level of financial crime. This aligns with a priori expectations of a negative relationship, where improvements in governance and political stability contribute to a more secure financial environment. Moreover, the findings resonate with previous research, such as Utile et al. (2021), which established a significant negative influence of institutional quality on economic growth, and Asghar et al. (2016), whose study in Pakistan revealed that social, political, and economic factors negatively and significantly impact crime. The consistency with existing literature enhances the credibility of the study's findings and underscores the importance of effective governance in mitigating financial crimes in the region.

**CONCLUSION AND RECOMMENDATIONS**

Based on the findings, the regression analysis reveals a significant and negative relationship between government effectiveness, political stability, and the financial crime index in the studied region. The beta coefficients indicate that an increase in both government effectiveness and political stability is associated with a substantial decrease in financial crime. The rejection of the null hypothesis supports the robustness of these findings at a 5% significance level. These results underscore the critical role that governance and political stability play in shaping the prevalence of financial crimes within the region.

Based on the findings of this study, the following recommendations are relevant:

- i. **Strengthen Institutional Quality:** Building upon the findings of Utile et al. (2021), it is recommended to prioritize efforts aimed at enhancing institutional quality. This involves bolstering the effectiveness of regulatory bodies, improving legal frameworks, and ensuring transparent governance structures.
- ii. **Political Stability Measures:** Given the significant negative impact of political stability on financial crime, policymakers should focus on maintaining and enhancing political stability. This includes fostering political inclusivity, addressing socio-political grievances, and implementing policies that contribute to a stable political environment.
- iii. **Interdisciplinary Approaches:** Drawing insights from Asghar et al. (2016), adopting interdisciplinary approaches to addressing financial crimes is crucial. Collaboration between law enforcement, policymakers, and financial institutions can lead to comprehensive strategies that address the social, political, and economic factors contributing to financial crimes.
- iv. **Continuous Monitoring and Evaluation:** Establishing mechanisms for continuous monitoring and evaluation of government effectiveness and political stability is essential. Regular assessments will help identify areas for improvement and guide policymakers in making informed decisions to sustain a positive trajectory in the fight against financial crimes.

- v. International Cooperation: Recognizing the transnational nature of financial crimes, fostering international cooperation is vital. Collaboration with neighbouring countries and international organizations can strengthen efforts to combat cross-border financial crimes and enhance the overall security of the region's financial systems.
- vi. Improve the capacity and effectiveness of government institutions responsible for combating financial crimes, such as financial intelligence units and anti-corruption agencies. Invest in training programs for public officials involved in financial regulation, law enforcement, and prosecution to enhance their skills and knowledge in identifying and combating financial crimes effectively.
- vii. Enhance political stability by promoting fair and transparent elections, ensuring the peaceful transfer of power, and preventing political unrest that could create opportunities for financial crime. Strengthen law enforcement agencies and security forces to maintain law and order, particularly in areas prone to violence and organized crime.

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