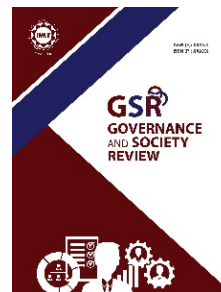


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Impact of Governance and State Fragility Determinants on State Legitimacy in Emerging Asian Economies

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Abstract

The current study aims to examine the determinants of state legitimacy with reference to the whistle-blowing practice to safeguard public well-being. State legitimacy is the dependent variable, while corruption, voice and accountability, political stability, fragile state index, and external intervention are independent variables. Data for the current study was collected from a sample of 25 Asian countries for the period 2009-2018. Both static and dynamic models of the two-step system GMM were used for estimation. The findings of the two-step GMM model showed that external intervention negatively impacts state legitimacy in Asian economies. In contrast, corruption control measures and political stability have a significant positive impact on state legitimacy. Furthermore, malpractices and corruption practices in public institutions hammered have an adverse effect. The study concludes that good governance is useful in public administration to gain public trust and confidence. However, due to ineffective governance practices and a lack of accountability, the public is reluctant to say something against wrongdoers. The current study suggests the need for an accountability environment in developing countries to develop transparency. Furthermore, whistle-blowing behaviour is directly linked towards building public confidence in government and its policies if it is implemented effectively.

Keywords: accountability, corruption, governance practices, public confidence, state legitimacy, whistle blowing

JEL Classification: D73, H11, H51, H70, H83

Introduction

The public sector is governed by the rules and policies of the country. Different sectors have separate service delivery mechanisms to gain public trust by considering performance ladders and preferences. There are

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governance indicators that determine the government's proficiency and efficacy, which depend on the performances of the above ranges. People around the globe have different perceptions and attitudes toward the same problem. Every government has a preference as per its social norms and values. Some policies are widely accepted and successful in developed countries. However, the same policies do not provide fruitful results in developing countries due to cultural and regional differences (Brewer & Selden, [1998](#)) and public acceptance/adoption due to governance practices and level of efficiency.

State legitimacy (SL) is a relationship of openness and confidence between the government and its citizens. State legitimacy is a proxy of measurement of public trust as per the Fund for Peace (Messner et al., [2018](#)). It also caters to the integrity of accountability, corruption-free, and government representation of the public. Moreover, State legitimacy and capacity are essential factors in checking economic prosperity and development (Fluckiger et al., [2019](#)). It considers a proxy to measure public confidence in government and accountability integrity for the state. The World Bank (WB) and Fund for Peace (FFP) publish state fragility ratings and indexes yearly. State fragility means the characteristics of weak governance practices in the country where FFP issues 12 indicators in 4 groups of 3 each. Governance indicators are closely associated with state legitimacy to check the practical implementations of the policies; as per the Fund for Peace.

Whistleblowing is a behaviour or strategy to identify and control the potential and future threats to the institutions. A whistle-blower is a person who blows or raises a voice against wrongdoings in the institutions and adds this behavior to their code of ethics. However, there are many issues with the implementation of this behavior. Whistleblowing behaviour safeguards the institutions from a significant loss and intact the corporate environment, however, a whistleblower creates problems for himself in terms of retaliation. There are usually three parties involved in the whistleblowing process, including the whistle-blower, the public to whom the matter refers, and the institution against which the whistleblower raised his concerns to highlight the wrongdoings. There is a need for specialized training and seminars for the employee's awareness on this matter and to ensure their protection in case of retaliation. This environment is suitable and well-practiced in developed countries, for instance, USA, U.K., Germany, etc.,

where the organizations properly follow labor laws and other employee protection rules.

In developing and underdeveloped countries, the whistleblowing process is still debatable in public sector institutions in many ways. Certain dominant factors are unable to use this process correctly. Many factors affect the policy making and implementation like job security, retaliation, culture, geography and governance indicators. There is scarce research on whistleblowing behaviour in developing countries (Trongmateerut & Sweeney, [2013](#)); however, lots of research has been done in developed countries (Brabeck, [1984](#); Brewer & Selden, [1998](#); Caillier, [2017](#); Dunfee, [1990](#); Terracol, [2019](#)) because their government pays much attention to public well-being and good governance. However, this cannot be implemented in developing countries due to the regional and cultural differences.

Population growth and corruption are big problems worldwide. However, some countries use overpopulation to enhance their labor participation towards the development of the country, for instance, China, but for others, it becomes a big hurdle in the country's progress. Overpopulation is a big problem in Asian countries; as per the data collected in 2018 from the World Bank (WB), 7 out of 10 top populated countries lie in the Asian region. Fragile State Index 2019 also showed that governance and state fragility are highly affected by the demographic pressures (Fund for Peace, [2019](#)). Some questions are unanswered like, what are the factors affecting whistleblowing behavior, why is whistleblowing behavior not prevailing in other than developed countries, how does the government get public confidence, does comparative analysis fruitful for making a practical legitimacy, and does the accountability environment a helpful factor in gaining public confidence?

This study aims to analyze the state legitimacy concerning whistleblowing context in developing Asian countries. It further asserts, to make an active policy to safeguard the public well-being in terms of accountability and freedom of speech against wrongdoers. There is a lack of practice and implementation of this behavior in developing- countries due to governance inefficiency and accountability environment. Whistleblowing behaviour is not accepted in real terms in developing countries. However, people talk about transparency and public accountability only for others but never practice them. The current study

conducts a comparative analysis of state legitimacy with governance indicators that hamper good governance and public confidence.

This study explores the determinants of state legitimacy, which hinder or promote effective policy-making to gain public confidence. Through this comparative analysis, the significance of this study is that policymakers can make a valid policy of accountability by considering the determinants of its impedes. The most crucial variable can be preferred in the government agenda to get public trust and corrective action for redrafting/amendment of the existing policy for better results. Results and literature contribute that for a pleasant governance environment and public confidence, control of corruption and other legitimacy policies are the dire need of the state, and if they make effective, then public trust can be obtained to enhance the country's progress.

State fragility and governance indicators have been used to analyze their impact on state legitimacy, which hamper whistleblowing behaviour. However, there are many types of research mentioned in the literature whistleblowing strategy, but none of them had used this approach before. These research studies used government surveys in developed countries..

The remainder of this research study consists of a literature review, methodology, analysis and discussion, and conclusion with valid policy implications and recommendations.

Literature Review

Governance is called the systematic procedure of the government to make and implement effective policies. Good governance understands the needs and requirements of the country's development and gains public trust/confidence. Governance refers to the government's functions to make and implement practical policies and rules (Angelini et al., [2020](#)). Governance shows the utilization of scarce resources in the most efficient way to provide public services. State legitimacy and institutional quality are the two vital instruments of good governance which is responsible for the effective strategy of developing and solving issues in the country (Trakulmututa & Chaijareonwattana, [2013](#)). State legitimacy is referred to as public trust and confidence in the government. The prime reason to use this concept in this research is that the public takes particular interest in public institutions that provide daily life operative services (Tetlock et al., [2000](#)).

On the other hand, corruption is the most severe problem for the implementation of effective government policies. It not only affect the organization but it also affects the progress of the nation (Khamfula, [2007](#)). Good governance, public service, and corruption correlate (Mucollari, [2018](#)). In simple terms, corruption is referred to as obtaining private benefits from public accounts. Corruption has different types, for instance, bribery and embezzlement, and the most crucial one is nepotism which gives benefits to relatives or friends circle because it's not easy to prove this kind of corruption easily. As per the World Bank and the World Economic Forum, organized corruption is a global concern because of corrupt people of government officials (Paterson et al., [2019](#)). To tackle this problem, we need trustworthy and honest people in the public sector to reveal this issue and show their public interest responsibility.

Transparency or a corruption-free environment gives a positive sign to the public that nothing is hidden from them. the government takes care of its citizens' well-being. Researchers experimentally evidence transparency and public confidence (de Fine Licht, [2014](#)). Government transparency and an accountability environment are vital instruments to gain public confidence and trust through the decision-making of effective policies (Grimmelikhuisen et al., [2017](#)). Transparency International (TI) issues an annual report on the corruption prevalence index across the globe, reflecting the country's corruption condition year-year. Same the World Bank gives governance indicator Control of Corruption, showing the governance effective policy and practices to eradicate corruption.

As per the International Country Risk Guide (ICRG), political stability prevails when a government abides by its policies and completes its elected tenure. Unlike China, it is a big problem in developing countries where multiple political parties are in competition. Sometimes, people, because of their job insecurity (overcome personal interest to public interest) (Brewer & Selden, [1998](#)), remain silent to show their loyalty to the present regime and lose confidence about their electoral.

Voice and direct accountability are also significant issues for good governance. Scholars have studied public services deliverables and accountability for more than the last three decades; some linking it with Public Service Motivation (PSM) (Brewer & Selden, [1998](#)), ethical climate theory (Rothwell & Baldwin, [2007](#)), legitimacy theory (Pittroff, [2014](#)) or some linked it with gender perception (Nisar et al., [2019](#)). There are factors

that government must consider to make an effective policy because even in developed countries, public polls evidence that more than 70% of corruption in the public sector is done by the parliamentarians 2nd to ministers (Pring & Vrushi, [2019](#)).

A country's fragility depends on its economic, social, and political dimensions. Fund for Peace (FFP) and the World Bank defined some indicators of state fragility called the Fragile State Index (FSI). External Intervene (EI) also affects the country's progress and public loss of confidence; it's also an indicator of state fragility defined by FFP. These indicators trigger the government to make an effective policy (Glawion et al., [2018](#)) by considering composite risks as per ICRG for the welfare of the citizens (McKay & Thorbecke, [2019](#)).

Whistleblowing Behavior and its Hinders

Whistleblowing is a technique or procedure through which organizations' malfunctioning and wrongdoing issues can be tackled and public trust through accountability can be gained. Many developed countries have different laws and acts to deal with these problems and they provide protection to the whistleblower. There is no proper justification or explanation to identify who is the whistleblower; different scholars perceived and evidenced different results based on individual behaviour, capabilities, and gender perception. Some say unsatisfied employees (Brabeck, [1984](#)), regular employees (Glazer & Glazer, [1987](#)), or highly productive/motivated ones (Miceli et al., [1991](#)). These scholars evidenced to result in a different period, which means this behaviour varied from time to time.

Whistleblowing can be harmful if secret or offensive information leaks of an organization, which competitors can use as a tool (Dunfee, [1990](#)). On the other side, it is beneficial for the organization due to which the top management could take timely corrective action (Moberly, [2006](#)). However, the advantages of this system have been evidenced by scholars. It's a sensitive topic because it reflects the attitude and motives of the employees to use whistleblowing as a practice/system. Disloyal people use this system (Moberly, [2006](#)), however, the empirical results showed that whistleblower are the most committed and honest people in their organization (Miceli et al., [2009](#)). This matter is still under process in many developing countries because one of the reasons behind whistleblowing is

corruption (Park & Blenkinsopp, [2009](#)), and it could be better if proper education is developed among employees. It is significant to educate the whistleblower before using whistleblowing right/practice. James Gerard explored that adequate knowledge of whistleblowing which enhances the effectiveness of this process (Caillier, [2017](#)).

Many studies showed that retaliation and corruption in the public sector are two principal evils for people to blow their whistle properly against wrongdoings. The absence of freedom of speech is a part of retaliation for a whistleblower. It is evidenced that retaliation and fear of retaliation significantly impact employees' behaviour to raise their voices for any specific issue (Miceli & Near, [2002](#)). However, corruption and retaliation are not only the two-factor hurdles in this behaviour. A study indicated that public service and confidence can also be achieved despite corruption. Sometimes, if the government satisfies the public well-being properly, they don't bother with corruption and relevant issues (Rothstein, [2015](#)). Whistleblowing behaviour is accepted and appreciated in developed countries, and lots of governments have already taken benefits from it, which is a tool to gain public trust/confidence.

Industry and Cultural Adaptability of Whistleblowing

Many types of researches have already addressed most of the questions; however, these concerns are mainly covered or implemented in developed countries, where public agencies have conducted the proper survey from time to time. They have developed many techniques and laws or amendments to protect the whistleblower rights and fine/prison for the wrongdoer if the information is valid. This behaviour aims to gain public confidence and trust in government accountability and effective policy-making regarding the general public's well-being. Some scholars considered this domain under the ambit of public service management (PSM) (Brabeck, [1984](#); Brewer & Selden, [1998](#)). However, it covers all kinds of services and corporate organizations. Whistleblowing protects the malfunctioning (frauds, thefts, harassment, discrimination, injustice) and increases the whistleblower's self-motivation, satisfaction, and courage ability; in short, it also impacts other social norms and workplace behaviours of the employees.

Many developing countries lack labour laws and acts for employee rights and protection. Some issue falls under the ambit of the International

Labor Organization (ILO) ¹ or other employees' safety Law, but this issue is not explicitly addressed in these laws. Different people have different definitions of retaliation, especially the whistleblower. There are many kinds of researches on whistleblowing behaviour and its consequences: corruption in the public sector. There is a big gap in research regarding certain areas in countries because behavior and attitudes change due to cultural and regional differences.

Most people believe that the higher management is also involved in wrongdoings, so who will take corrective action? It's a big question, especially raised on the transparent environment of the organization in the public sector. As per the chair of Transparency International, Delia Ferreira Rubio, "Corruption is much more likely to flourish where democratic foundations are weak and, as we have seen in many countries, where undemocratic and populist politicians can use it to their advantage." Whistleblowing protection laws have been under process for a couple of years in developing countries. However, they are still not approved for implementation by the higher authorities. Although many cases have appeared in the last couple of years, this negligence from the authorities' raised many questions about the accountability and transparency of government officials.

Theoretical Framework

The current study suggests a proposed theoretical framework using the above literature review. Thereby, this research draws from previous studies the theoretical framework and design model to conduct the analysis and discussion of this study. The framework is designed to analyze state legitimacy and whistleblowing with its determinants. This model analyzes and fulfills the dire needs of state's accountability's. The public has confidence and trust in government policies and governance through state legitimacy which dares to raise its voice against wrongdoers.

Hypotheses

In this paper, the impact of some governance indicators and fragile state indicators on State legitimacy are analyzed, which are the determinants of

¹ The only tripartite U.N. agency since 1919 the ILO brings together governments, employers and workers of 187 member States, to set labor standards, develop policies and devise programs promoting decent work for all women and men.

public trust. Determinants like effect of corruption prevalence environment on public confidence behavior and public confidence on control of corruption measures taken by the governments and prevalence on accountability with freedom of speech environment are also considered in the study. Furthermore, general state of trust due to political stability in the country and the impact of external interference in the countries matters on public trust on government are also analyzed. Summing all these determinants, we designed a hypothesis model to achieve our research objectives through the questions mentioned below;

H₁: Corruption prevalence index has a significant negative impact on state legitimacy

H₂: Fragile state index has a significant negative impact on state legitimacy

H₃: Control of corruption has a significant positive impact on state legitimacy

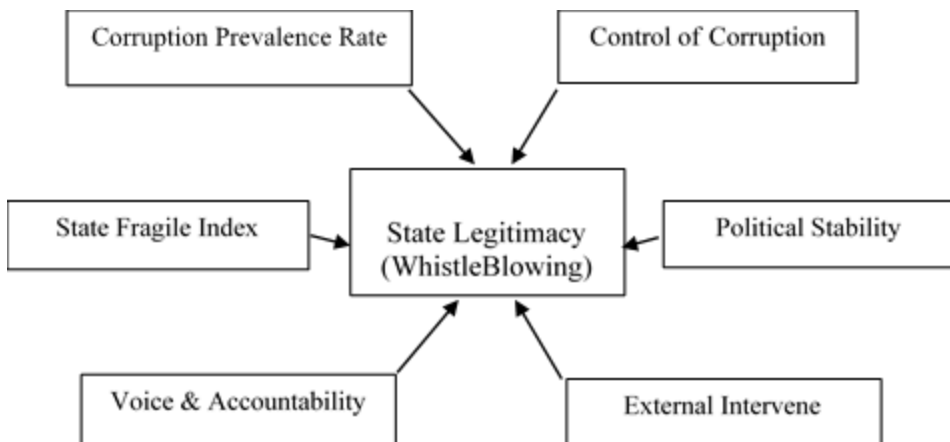
H₄: Political stability has a substantial effect on state legitimacy

H₅: Voice and accountability has a significant positive impact on state legitimacy

H₆: External intervene has a significant negative impact on state legitimacy

Figure 1

Hypothesized Model of State Legitimacy and Governance Indicators



Methodology and Data

In the current research, state legitimacy as the response variable with six independent explanatory variables (corruption prevalence rate, control of corruption, voice and accountability, political stability, fragile state index, and external intervene) have been taken for the research. In this study, 25 Asian countries have been selected due to their political, economic, regional similarities, state fragility, various governance practices, and effectiveness. It showed an excellent combination to compare the comparative public administration approach of these selected countries and is also helpful in analyzing the developing countries' need for state legitimacy. We used ten years (2009-2018) of data published from the World Bank (W.B.) and Fund For Peace (FFP), and Transparency International for the analysis. Five modeling techniques (static and Dynamic) have been used in this study by using STATA 15. We empirically tested the impact of three governance indicators, two fragile state indicators (aggregated index and external intervention separately), and aggregated corruption index on state legitimacy. As per the sources, variables, and measurement scale, some information points to be noted to understand the analysis and variables in the below-mentioned table:

Table 1

Variables Measurement

Source	Indicators	Selected Variables	Calculation Method	Scale Range	Criteria
The World Bank (W.B.)	World Governance Indicators (WGI)	Voice & Accountability, Political Stability, Control of Corruption,	Separate Each Governance Indicator	-2.5 to 2.5	-2.5=Weak to +2.5=Strong
Transparency International (TI)	Corruption Prevalence Index (CPI)	Aggregated Index	Aggregated	0-100	0=worst to 100=best
Fund For Peace (FFP)	Fragile State Index (FSI)	Aggregated Index and Separately External Intervene	Separate each Fragile Indicators	0-10	0=Strong to 10=Weak

Source: The World Bank, Transparency International, and Fund for Peace, Authors' Estimation

For the analysis purpose, the Generic method was used to check the accuracy and significance of the results. System Generalized Method of Moments (GMM) is a dynamic panel data estimator which controls endogeneity, which is likely to be considered in studies (Ozkan & Ozkan, [2004](#)), autocorrelation, measurement error, and omitted variable bias. GMM showed fruitful and the most effective results when the $T =$ period is less than N (No. of the cross-section). For this study, $N = 25$ (Countries for cross-section analysis) and $T = 10$ years; therefore, GMM modeling was an excellent approach here to be employed for the analysis. These techniques were used for the AR(1) test (Arellano & Bond, [1991](#)) to check the zero autocorrelation in the first difference, and the failure to reject the null hypothesis of no second-order relationship implies that the original error term was serially uncorrelated and the moment conditions correctly specified (AR(2) estimation > 0.05 to show signs of our research hypothesis (Oseni, [2016](#)). Using the GMM technique here to control endogeneity bias (independent variables and error term relation to disturbing the best outcome) to show the best estimation result (Ullah et al., [2018](#)). On the other hand, to check the choice and strength of the GMM estimation, the Hansen test (Hansen, [1982](#)) was used to detect the appropriateness of the instrument in the model (Jara et al., [2018](#)) and the Sargan test for over-identifying restrictions in the methodology (Abbas et al., [2021](#); Nekhili et al., [2020](#)).

The two-step system GMM (Generalized Method of Moments) modeling technique was used to get more accuracy of the results (Soto, [2009](#)). Moreover, the multiple OLS model was also used, which was generally used as the technique (Hutcheson, [2011](#)) to check the degree of effect on a response variable (state legitimacy) by the multiple explanatory variables (CPI, FSI, CC, V&Z, E.I., P.S.). The first technique OLS regression model is also called linear regression analysis and multiple regression based on the number of explanatory variables. The significance of the data was checked by using dynamics OLS and dynamics fixed effect modeling technique (Zhang, [2007](#)). This technique aims to explore the significance of the model by removing the bias of results.

Based on the literature above and research methodology, econometric models are as follows.

The static model can be written as follow;

$$SL_{i,t} = \beta_0 + \beta_1(CC)_{i,t} + B_2(CPI)_{i,t} + B_3(V\&A)_{i,t} + B_4(EI)_{i,t} + B_5(PS)_{i,t} + B_6(FSI)_{i,t} + \mu_{i,t} \dots\dots\dots I$$

The Dynamic model can be written as follow;

$$SL_{i,t} = \beta_0 + \beta_1 SL_{i,t-1} + \beta_2(CC)_{i,t} + B_3(CPI)_{i,t} + B_4(V\&A)_{i,t} + B_5(EI)_{i,t} + B_6(PS)_{i,t} + B_7(FSI)_{i,t} + \mu \dots\dots\dots I$$

While SL = State Legitimacy, explanatory variables such as CC= Control of Corruption, CPI = Corruption Prevalence Index, V&A = Voice & Accountability, EI = External Intervene, PS = Political Stability, FSI = Fragile State Index and μ represent error term.

Analysis, Results, and Interpretation

Data Analysis

In Table 2, descriptive statistics demonstrate the mean, std, dev, minimum, and maximum values of a complete sample of 25 Asian emerging economies with ten years of data (2009-2018) are employed in this study to check the impact on the state legitimacy. The results are favourable to support the current research. Using six explanatory variables, a total number of observations and detailed results are portrayed below in Table 2.

Table 2
Descriptive Statistics, Source

Variable	Obs	Mean	SD	Min	Max
Year	250	2013.5	2.878	2009	2018
Corruption Prevalence Index	246	32.951	14.978	8	80
External Intervene	250	6.168	1.665	2.4	10
State Legitimacy	250	7.383	1.97	.9	10
Fragile State Index	250	78.92	16.559	31	109.3
Political Stability	250	-.586	.915	-2.81	1.123
Control of Corruption	250	-.562	.752	-1.636	1.695
Voice & Accountability	250	-.515	.883	-2.53	1.428
Country	250	13	7.226	1	25
Yr1-Yr 10 same figures per year	250	.1	.301	0	1

Table 3 demonstrate the correlation results of the study hypothesis where fragile state index and external intervene are positively correlated

with state legitimacy by indicating the p-value of less than 1% at the significance level, and corruption prevalence index, control of corruption, and political stability shows a negative relationship with state legitimacy by indicating the p-value of less than 1% at the significance level. Below Table 3 describes the Pearson's correlation analysis of all explanatory variables with a 99% confidence interval, supporting the current research hypothesis.

Table 3*Results of Correlation Analysis, Source: Authors Estimations*

Variables	(SL)	(CPI)	(FSI)	(PS)	(CC)	(EI)	(VA)
State Legitimacy	1.00						
Corruption Prevalence Index	-0.85***	1.00					
Fragile State Index	0.80***	-0.72***	1.00				
Political Stability	-0.52***	0.56***	-0.72***	1.00			
Control of Corruption	-0.83***	0.97***	-0.68***	0.56***	1.00		
External Intervene	0.35***	-0.43***	0.60***	-0.45***	-0.38***	1.00	
Voice & Accountability	-0.78***	0.69***	-0.67***	0.24***	0.64***	-0.36***	1.00

Note. *** $p < 0.001$. ** $p < 0.01$. * $p < 0.05$.

The below-mentioned Table 4 shows the results of OLS modeling (column 1); fragile state index and political stability show significant positive values on state legitimacy, as where corruption prevalence index, control of corruption, external intervene, and voice & accountability shows negative significance on state legitimacy; all the values have 99% confidence intervals with r^2 value 0.859 which support the study hypothesis. In fixed effect modeling (column 2), corruption prevalence index and fragile state index are positive signs of state legitimacy, whereas the rest of the variables P.S., CC, EI, and V&A are negative significant on S.L and r^2 value 0.301 with 90% confidence interval which supports the present research. In column 3, the results of OLS dynamic modeling depict where all explanatory variables are negatively significant on S.L with an r^2 value of 0.975, and EI shows a 99% confidence interval. Dynamic fixed effect analysis showed in column 4, with the same pattern of significance as column 2 with an r^2 value of 0.720 in a 95% confidence interval.

The detailed results of GMM are demonstrated below in Table 4, column 5. System GMM shows that control of corruption has a significant positive impact on state legitimacy to gain public confidence, whereas external intervention and corruption prevalence have a significant negative

impact on the state legitimacy. While political stability has a positive impact in improving the legitimacy situation of the state. However, FSI, voice and accountability have an insignificant impact on state legitimacy. Using the Arellano–Bond AR test in column 5 for zero correlation in the first difference. The results depict that $AR(1) = -2.724$ and $p = 0.00645$; $p < 0.05$, 5% confidence value, which shows auto and serial correlation in first-order differenced. As per $AR(2) = -0.986$ and p -value = 0.324; $p > 0.05$, 5% confidence level, which donates that null hypothesis of 2nd order differenced is not accepted because $AR(2)$ value is not statistically significant at the confidence level of 5%, that also supports our research model along with column 3 and 4. As per Hansen-Sargan Test, Sargan test value = 235.06 with p -value = 0.0137 which shows over-identifying restriction are valid and Hansen value = 21.01 and p -value = 1 which is > 0.05 which fails to reject the null hypothesis and support the instrument.

Table 4

Results of GMM (Generalized Method of Moments), Source: Authors' Estimations

Variables	(1)	(2)	(3)	(4)	(5)
	Static Model		Dynamic Model		
	OLS	Fixed Effect	OLS	Fixed effect	Two-step System GMM
	SL	SL	SL	SL	SL
L. State Legitimacy			0.978*** (0.031)	0.768*** (0.046)	0.997*** (0.059)
Corruption Prevalence Index	-0.006 (0.014)	0.000 (0.023)	-0.005 (0.007)	0.011 (0.010)	-0.005* (0.007)
Fragile State Index	0.054*** (0.007)	0.058** (0.024)	-0.003 (0.003)	0.045*** (0.012)	-0.007 (0.004)
Political Stability	0.053 (0.094)	-0.247 (0.197)	-0.080* (0.043)	-0.139 (0.101)	0.106* (0.066)
Control of Corruption	-1.039*** (0.265)	-0.508 (0.529)	-0.010 (0.129)	-0.040 (0.198)	0.007** (0.171)
External Intervene	-0.203*** (0.036)	-0.404** (0.157)	-0.046*** (0.017)	-0.196*** (0.055)	-0.048** (0.021)
Voice & Accountability	-0.573*** (0.096)	-0.936** (0.391)	-0.054 (0.046)	-0.077 (0.180)	-0.082 (0.137)
Constant	3.750*** (0.844)	4.338** (1.918)	0.758* (0.398)	-1.164 (1.028)	0.845 (0.682)
Observations	246	246	221	221	221

Variables	(1)	(2)	(3)	(4)	(5)
	Static Model		Dynamic Model		
	OLS	Fixed Effect	OLS	Fixed effect	Two-step System GMM
	SL	SL	SL	SL	SL
R-squared	0.859	0.301	0.975	0.720	
ar1	.	.	.	.	-2.724
ar1p	.	.	.	.	0.00645
ar2	.	.	.	.	-0.986
ar2p	.	.	.	.	0.0324
Sargan	.	.	.	.	235.6
Sarganp	.	.	.	.	0.0137
Hansen	.	.	.	.	21.01
Hansenp	.	.	.	.	1
chi2	.	.	.	.	311206
J statistics					23
chi2p	.	.	.	.	0
Number of countries		25		25	25

Note. *** $p < 0.001$. ** $p < 0.01$. * $p < 0.05$. Standard errors in parentheses.

Discussion

The above results and analysis showed that state legitimacy has been significantly impacted by corruption, voice and accountability, political stability, and external intervention. Whistleblowing behaviour is directly linked to public confidence in government and its policies. The finding of this study showed that regional boundaries hadn't affected much state legitimacy to use whistleblowing behaviour because it is a common approach to opt transparency as the previous studies showed that due to regional differences in government effectiveness/governance also affect public trust in government (Brewer & Selden, [1998](#)) which was empirically denied in this study. However, state political stability and external intervention impacted state legitimacy and loss of public trust in government (Howell, [2014](#)), even developed western countries (Brinkerhoff & Wetterberg, [2015](#)) showed the same pattern with little bit difference in intensity of the level of significance.

Fragility significantly impacts the state legitimacy for public confidence and well-being, as previous researches on some underdeveloped African countries (Asongu & Nwachukwu, [2016](#); McKay & Thorbecke, [2019](#)) showed the same pattern of results. Corruption prevalence and measures

also positively correlate with state legitimacy and gain public trust. Transparency International's latest survey in American states delivered a similar pattern (Pring & Vrushi, [2019](#)). Researchers have used the CPA (Comparative Public Administration) approach in the past to check the administration practices of the cross-analysis for the better implication of rules for the well-being of the citizens (Abbas et al., [2021](#); Jensen et al., [2019](#); Jilke et al., [2015](#); Jreisat, [2005](#); Tepe & Prokop, [2018](#)). However, using GMM, aggregated indices, and separate governance indicators to conduct this study makes it novel, and the results are favourable to the research objectives.

Conclusion

The above discussion and analysis evidences the fact that governance practices and the implications of qualitative macroeconomic factors significantly impact state legitimacy. It's a practical and continuous correction tool to gain public confidence and trust in the government.. However, good governance that ensures effective delivery of goods and services enhances state legitimacy among the public. By applying time-series data of the last ten years (2009-2018) of 25 countries (including developed, developing, and under-developed) in this paper, which gave evidence that accountability and freedom of speech are the dire need of every state for ensuring transparency and to cater with the wrongdoers despite of country's region and its governance situation. We used OLS, Fixed, and GMM techniques in this paper. Results showed that other factors such as external intervention in government policies and political stability significantly impacted state legitimacy apart from eradicating corruption measures and enhancing the accountability environment.

Policy Implications

Policymakers should review these governance and state fragility indicators to improve state legitimacy in the country. They should especially control external intervention and maintain political stability. Moreover, taking effective corruption control measures would also give the public confidence by giving them access to higher authorities and safeguarding their rights to raise their voice, especially through effective whistleblowing behaviour.

Researchers and experts would use the current research, the insight of indicator preferences of different countries, and analyze their respective

policies, accordingly. A socially responsible behaviour needs to eradicate this problem efficiently rather than just theoretically discussing the whistleblowing practice.

Future Recommendations

Other external and control factors can be analyzed for future research, including hinders in state legitimacy, Human Development Index (HDI), population growth rate, literacy rate, and inflation. The CPA approach can also be used to make comparison with developed countries through these indicators. Researchers can also focus on one variable in the future by drawing contrast with the same sector or policy domain to gain more insights into the policy-making and implementation styles of different governance models or methods.

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