Chapter 106
Reducing Corruption and Protecting Privacy in Emerging Economies:
The Potential of Neuroeconomic Gamification and Western Media Regulation in Trust Building and Economic Growth

Jonathan Bishop
European Parliament, Belgium

ABSTRACT

This chapter presents a location-based affective computing system, which can assist growing emerging markets by helping them reduce crime and increase public safety when used in conjunction with CCTV. Internet systems based on location-based services have increased in availability. Social platforms such as Twitter and Facebook now employ the information on user locations to provide context to their posts, and services such as Foursquare rely on people checking into different places, often to compete with their friends and others. Location-based information, when combined with other records, such as CCTV, promotes the opportunity for a better society. People normally abused by corrupt state officials for crimes they did not commit will now have alibis, shops will be able to more effectively build trust and procure new customers through "social proof," and other forms of corruption will be tackled such as benefit fraud and tax evasion. Trust that everyone is paying his or her fair share can develop.

INTRODUCTION

Emerging economies are characterized by increased market orientation and an expanding economic foundation (Bruton, Ahlstrom, & Obloj, 2008), and they are assuming an increasingly prominent position in the world economy (Bruton et al., 2008). Concurrently, firms from emerging economies are a growing presence in an integrated global economy (Aulakh, Kotabe,

DOI: 10.4018/978-1-4666-8200-9.ch106

& Teegen, 2000). The emerging economies are also more volatile than developed ones because the volatilities of output, real interest rates, and net exports are higher for emerging economies (Neumeyer & Perri, 2005). Equally, governments in emerging economies are unlikely to hold sufficient reserves to protect the value of their currency should they confront a generalised investor exit (Grabel, 2003).

THE IMPACT OF TECHNOLOGY ON EMERGING ECONOMIES

Historically, developed countries have invested in emerging areas of science and technology; however, emerging economies which have not previously invested in research are now doing so in nanotechnologies (Gouvea, Linton, Montoya, & Walsh, 2012). With globalisation and the growth in emerging economies, multinational enterprises (MNEs) now frequently confront challenges associated with corrupt governments (Uhlenbruck, Rodriguez, Doh, & Eden, 2006). However, business groups in emerging economies are also different from the conglomerates of the advanced countries in that they did not develop from a search for financial diversification; rather, they developed from the ability to establish new business ventures (Guillen, 2000). Indeed, incumbent and start-up firms in such emerging economies are likely to develop exploratory strategies as markets improve in their domestic market (Bruton et al., 2008). It is also the case that most emerging economies are primarily interested in growth (Allen, 2005).

MNEs often attempt to export their environmentally-friendly technologies to emerging economies, even where this is not required by local legal or ethical standards (Meyer, 2004). This is not always the case as many companies are fearful they will lose intellectual property in developed economies, and many hesitate to license technology in emerging economies (Mahmood & Mitchell, 2004). There are also few international transfers of innovative technology to emerging economies as they are perceived as possessing limited immediate market revenue potential (Gardner, 1999).

Corruption

In corrupt nations, individuals occupying *bureaucratic* or political positions frequently abuse the principal–agent relationship to obtain politically-created rents (Peyton & Belasen, 2012). It has been argued that the pervasiveness of *corruption* reflects the degree to which corruption is dispersed broadly throughout the public sector in an emerging economy. In this regard, arbitrariness reflects the degree of uncertainty and capriciousness associated with public sector corruption (Uhlenbruck et al., 2006). Indeed, in both developed and emerging and developing economies, economic freedom plays the largest role in combating corruption (Peyton & Belasen, 2012).

Arab Spring Uprisings

It has been argued that a singular failure of the Arab world is the absence of a private sector which is independent, *competitive*, and integrated with global markets (Malik & Awadallah, 2013). In so far as the private sector generates incomes that are independent of the rent streams controlled by the state, it can pose a direct political challenge following the Arab Spring Uprisings (ibid). It has been discussed that one can understand the role of social media in collective action in the Arab Spring Uprisings without first taking into account the political environment in which they operate (Wolfsfeld, Segev, & Sheafer, 2013). It is suggested the second principle states that a significant increase in the use of the new media is much more likely to follow a significant amount of protest activity than to precede it (ibid). The advancement in drone technology can pose a risk for both civilians and governments in countries with unstable political conditions. In the Arab Spring Uprisings, some governments sought to