

4. Corruption and democratic institutions: a review and synthesis

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Do democratic elections help reduce corruption? Many reformers—both anti-corruption advocates and democracy promoters—hope and believe the answer is yes. Does the evidence support that view? Social scientists have been investigating this and associated questions for at least a quarter-century, and—as is often the case—the answers they have found are not straightforward. Nonetheless, this research has added significantly to our understanding of the relationship between democracy and corruption. This chapter will summarize and synthesize some of that research, offer some tentative conclusions about the democracy-corruption relationship, and identify some of the most important open questions that could and should be addressed in future research.¹

The chapter is organized as follows. Section I considers how democracies and non-democracies might differ with respect to the extent or type of corruption. This section first reviews the various mechanisms by which democracy might affect corruption, and then provides a brief summary of the existing empirical evidence. Section II turns to how differences in

¹ A quick note about definitions: One of the challenges in researching, or presenting research about, the corruption-democracy relationship is the fact that both ‘corruption’ and ‘democracy’ are imprecise and contested concepts. This chapter does not attempt to provide a fully specified definition for either term; such an exercise would likely prove futile. The working definition of ‘corruption’ for purposes of this chapter will be ‘the abuse of entrusted power for private gain’, and would include bribery, embezzlement, and similar acts. This chapter’s working definition of corruption will not include lawful campaign contributions or lobbying activities. As for ‘democracy’, this chapter adopts a ‘thin’ procedural conception of democracy, characterized by the selection of leaders through regular competitive elections in which most adult citizens are eligible to vote, along with guaranteed political participation rights. An important caveat to this definitional clarification, however, is that a great deal of the empirical literature surveyed in this chapter relies on index scores for both corruption and democracy—often based on perception or subjective evaluations—and it is not always clear what implicit definitions of the underlying concepts these scores are actually measuring.

electoral institutions—within and across democratic countries—might affect the nature and extent of corruption. This section will focus mainly on three dimensions of institutional variation: (1) whether legislators are elected under plurality rule or through some form of proportional representation, as well the extent to which party leaders control ballot access, (2) the ratio of legislators to legislative districts, and (3) whether the chief executive is directly elected or selected by the legislature.²

Although this evidence, taken together, does offer some support to the optimistic view that democracy may help reduce corruption, it also suggests that the relationship between democracy and corruption control is not as straightforward, or as unambiguously positive, as is sometimes assumed. The evidence also suggests that democracy, and variation in the form of democratic institutions, may not only affect the overall *amount* of corruption, but may also influence the *types* of corruption that are most likely. This may be a more important insight, as better understanding the particular corruption risks that are most likely to be associated with different political institutions may help reform-minded policymakers craft more appropriate and effective responses.

I. DEMOCRATIC ELECTIONS AND CORRUPTION

This section will consider the relationship between democracy (or democratization) and corruption generally, asking how democratic elections might affect the nature and extent of corruption within a polity. The section proceeds in two parts. The first part surveys the various mechanisms by which democracy may affect corruption. The second part turns to the existing empirical research on the democracy-corruption relationship.

A. How Might Democracy Affect Corruption? A Survey of Mechanisms

The existing literature has identified five mechanisms through which democracy might affect the extent or type of corruption, relative to non-democracy. The first three all have to do with the fact that democratic elections enable citizens to hold public officials accountable. In particular,

² There are a number of other institutional features of the political system that might influence corruption, including other aspects of the separation of powers (including both ‘horizontal’ separation of powers mechanisms like bicameralism and ‘vertical’ separation of powers mechanisms, such as federalism or other forms of political decentralization), as well as regulation of campaigns and lobbying. These topics will not be covered here due to space constraints.

voters can hold elected officials accountable for (1) the officials' own (perceived) corruption, (2) other policies and outcomes that may be affected by or associated with corruption, and (3) government decisions regarding how, and how aggressively, to combat corruption. The two additional mechanisms derive from the fact that democracy affects—and generally increases—the competitiveness of the political system, which (4) affects politicians' incentives to engage in forms of instrumental political corruption intended to improve their odds of gaining or holding power, and (5) alters incumbents' time horizons. Let us consider each of these mechanisms in turn, before assessing the available evidence on the net impact of democracy on corruption.

1. Holding politicians accountable for corrupt acts

The most intuitive channel through which democracy might affect corruption arises from the fact that elections enable voters to remove corrupt leaders from power. This is a specific application of the more general idea that democratic elections allow the citizenry both to 'select good [representatives]' and to 'sanction poor performance' (Fearon 1999; see also Besley and Burgess 2002). In the corruption context, sanctioning poor (corrupt) performance is likely to be more significant than selecting good (uncorrupt) public officials, because it is more difficult to observe ahead of time whether a politician or party is corrupt than it is to evaluate whether that politician or party has behaved corruptly when in office. It is likely that this mechanism—voting corrupt politicians out of office—is what most commentators have in mind when they suggest that democratization may substantially reduce corruption (Harsch 1993; Mohtadi and Roe 2003; Wilson and Damania 2005; Schumacher 2013).

Is the optimism about the potential for democratic elections to constrain corruption justified? On the one hand, despite occasional suggestions that voters do not mind or do not care much about corruption, there is considerable evidence that voters in fact dislike corruption and are less likely, all else equal, to support an incumbent perceived to be corrupt. The most convincing such evidence comes from studies of voter attitudes or behavior within individual countries (Dimock and Jacobson 1995; Fackler and Lin 1995; Eggers 2014; Ferraz and Finan 2008; Pereira et al. 2009; Winters and Weitz-Shapiro 2013; De Figueiredo et al. 2011; Chong et al. 2013; Klasnja et al. 2012). There is also some suggestive cross-country evidence that tends to corroborate the claim that the perceived extent of the incumbent government's corruption is negatively correlated not only with citizens' reported satisfaction with government performance (Manzetti and Wilson 2007), but also with the incumbent's electoral success (Bagenholm 2009; Choi and Woo 2010; Krause and Mendez 2009).

On the other hand, there are numerous examples of countries where democracy does not seem to have reduced corruption (Olowu 1993; Colazingari and Rose-Ackerman 1998; Werlin 2013), and several cases in which democratization appears to have been associated with *increased* corruption (Harriss-White and White 1996; Mungiu-Pippidi 2006; Geddes and Neto 1992; Lindberg 2003; Fritz 2007). Moreover, although opposition parties do sometimes make corruption a campaign issue, they do not do so nearly as much as one might expect—even when there is credible evidence of government corruption that the opposition could exploit (Bagenholm 2009). Why is this? Why are the corruption-reducing effects of democratic elections not as strong as one might expect, given the widespread voter disapproval of corrupt behavior? The literature has identified four factors that might limit or undermine the effectiveness of electoral accountability in disciplining corrupt politicians:

The first factor is *lack of information*: Even if voters would be less inclined to support a politician implicated in corrupt practices, many voters may not be sufficiently aware of the existence or extent of corruption. This problem is likely to be especially acute where levels of voter education and awareness are low, and where the media is underdeveloped or not fully free. Indeed, there is convincing evidence that variation in voter information—in terms of both baseline education levels and media coverage—is correlated with the degree to which corruption adversely affects politicians' and parties' electoral fortunes (Geddes and Neto 1992; Chang et al. 2010; Klasnja 2011). And there is likewise both historical and contemporary evidence that media access and penetration is a key factor in promoting accountability for corrupt behavior by public officials (Gentzkow et al. 2006; Reinikka and Svensson 2005, 2011). Insofar as this is true, one would expect democratic elections to have a greater corruption-reducing effect in polities where overall education levels are higher, where government is more transparent, where citizens are more interested and engaged in politics, and where a vigorous free media is active and widely accessible.

One must be cautious, however, about concluding that more information about corruption will always enhance the efficacy of democratic elections in deterring corruption. A potential countervailing factor—and a second reason why democracy may sometimes be a less effective anti-corruption device than many hope—concerns the so-called *demoralization effect*. Disgust with corruption may cause some citizens to drop out of the political process altogether; perversely, these may be the voters who would be least inclined to support the (corrupt) incumbent. There is some anecdotal evidence that the demoralization effect has indeed

attenuated the anti-corruption impact of democracy (Fritz 2007; Sun and Johnston 2009), and more systematic quantitative evidence—principally from research in Latin America—tends to corroborate the existence of this demoralization effect, and its attendant dilution of the impact of perceived corruption on election outcomes (McCann and Dominguez 1998; Davis et al. 2004; Chong et al. 2013). Of course, the *net* effect of perceived corruption on voter turnout and incumbent support rates is an empirical question, and it is quite possible that more information about government corruption tends to reduce overall support for the incumbent relative to the opposition.³ But even then, the demoralization effect may mean that perceived corruption reduces an incumbent's electoral success less than one would expect.

A third factor that might limit the extent to which voters punish corrupt politicians is the *importance of other issues*. Put simply, even if voters dislike corruption and would be inclined—all else equal—to withdraw support from a corrupt politician, all else is rarely equal. A party perceived as corrupt might be able to maintain support because enough voters have a sufficiently strong preference for that party on other grounds, such as (perceived) competence, ideology, or ethnic affinity. The evidence on how much competing considerations attenuate the significance of corruption is mixed. Survey experiments tend to find that most voters say they would be willing to withdraw support from a (hypothetical) corrupt politician, even if that politician has succeeded in providing public goods or has a partisan or ethnic affiliation that matches the respondent's (Winters and Weitz-Shapiro 2013; Banerjee et al. 2014). However, behavioral evidence from actual elections suggests that voters often allow other factors—such as ideology, performance, and ethnic affinity—to take precedence over their distaste for corruption (Banerjee and Pande 2009; Eggers 2014). Also, surveys that ask respondents not about their *own* preferences, but rather ask them to predict how *other* voters would behave, have found that most respondents assume other voters would care more about things like economic conditions than corruption (Klasnja et al. 2012). This evidence tends to support the claim that, even if voters dislike corruption, other factors may attenuate the significance of corruption in voters'

³ Although most studies do not attempt to work out the net effects, a notable exception is Kostadinova (2009), which examines the impact of perceived corruption on voter turnout in eight post-communist Eastern European countries in the 2001–2005 period. This study finds that although corruption indeed has cross-cutting effects on voter turnout (a direct mobilization effect and an indirect demoralization effect), the net effect of corruption on voter turnout is mildly positive—though it is not clear whether that result is statistically significant.

decisions—with the consequence that democratic elections are less effective in deterring incumbents from engaging in corrupt activities (Myerson 1993; Feichtinger and Wirl 1994; Choi and Woo 2010).⁴ This suggests that democratic elections will be less effective in reducing corruption in the presence of intense disagreement—and vigorous political competition—along other dimensions.

Of course, the relative importance of other issues is not by itself a completely satisfying explanation for why corruption may not always play a significant role in voting decisions. After all, if a corrupt incumbent's support was based on other factors (ideology, ethnicity, and so on), one might think that incumbent would be vulnerable to challenge by an entrant who was similar on those other dimensions but who was perceived as less corrupt. This leads directly to a fourth explanation as to why democratic elections may not be as successful as many hope in deterring incumbent corruption: *lack of viable alternatives*. Consistent with this hypothesis, there is some evidence that the extent to which corruption allegations influence voters' decisions depends on whether voters perceive an alternative, less corrupt candidate or party to be sufficiently appealing on other dimensions, such as ideology (Renno 2011; Klasnja et al. 2012). Voters may perceive a lack of viable alternatives for a number of reasons. Cynical voters might perceive corruption as so widespread that they believe all viable political competitors are equally corrupt, but the electoral institutions may also play a role. For example, electoral institutions might restrict the number of political competitors (often with good reason). Furthermore, even when an anti-corruption candidate is among the available alternatives, voters may have difficulty coordinating their support for that candidate, and this coordination problem might be exacerbated or ameliorated by the electoral rules (Myerson 1993). The broader implication here is that democracy may be more effective in countering corruption when electoral rules—as well as other social, economic, and political factors—allow for the entry (or credible threat of entry) by new challengers; this will be particularly important in more polarized polities, and in polities where voter loyalties on other dimensions are stronger and less fluid.

⁴ Moreover, the perceived significance of other issues may interact with the (apparent) lack of information about corruption through subtle cognitive channels: There is some suggestive evidence that voters may suffer from cognitive biases, such that voters are less aware of corruption allegations against politicians they are inclined to support for other reasons (Dimock and Jacobson 1995).

2. Holding politicians accountable for the consequences of corruption

The usual arguments for democracy as a corruption-reducing mechanism focus on the ability of voters to hold elected officials accountable for corruption itself. But democratic elections also enable voters to hold officials accountable for policy outcomes more generally, like the performance of the economy and the provision of public goods, welfare, and social services. If these outcomes are adversely affected by corruption—if corruption, for example, worsens economic outcomes, renders governments less effective, and undermines education, public health, and other government programs—then voters are more likely to vote out corrupt politicians even if the voters are not specifically aware that the government's bad performance is due to corruption.

But that optimistic story is more complicated, and not only because several of the problems noted earlier (such as lack of information and lack of viable alternatives) might also apply here. More troubling is the fact that politicians' accountability for delivering particular policies or outcomes—before the next election—may sometimes *encourage* politicians to engage in certain forms of corruption. For example, democracies may be more likely to adopt extensive systems of government redistribution, and these systems—however well-intentioned and however well-justified on other grounds—may be particularly susceptible to corruption, for the simple reason that they involve giving government agents (including lower-level administrators subject to imperfect supervision) control over substantial resources. Of course, democratic incentives may encourage more senior leaders to squeeze as much corruption out of the system as they can, but it is unlikely they will ever be wholly successful, and the net effect might still be an increase in certain types of bureaucratic corruption. Moreover, elected officials do not always have an incentive to squeeze corruption out of these redistributive systems: they may instead participate in the corruption, perhaps targeting resources to favored constituencies in explicit or tacit exchange for political support. A related concern is that even if democratic competition reduces 'grand' corruption, such that legislatures and high-level executive officers adopt policies favored by a majority of voters (rather than allowing policy to be 'bought' by powerful interest groups), this may have the collateral consequence of increasing corruption at the bureaucratic level, as those same interest groups have a stronger incentive to use bribery and other corrupt methods to thwart the effective implementation of those unfavorable policies (Wilson and Damania 2005).

More generally, sometimes corruption may actually help politicians produce short-term results that voters like, even at the expense of longer-term adverse effects on voters' well-being and overall satisfaction with

government (Charron and Lapuente 2010). Another, perhaps more charitable but nonetheless troubling possibility, is that in some polities, with relatively under-developed institutions, certain types of ‘corruption’—particularly the use of patronage networks to distribute (perhaps unlawfully) valuable resources, including government jobs—is the only way, or at least the most effective way, for electoral competitors to credibly commit to provide benefits to constituents (Keefer 2007; Keefer and Vlaicu 2008; Robinson and Verdier 2013). For these and other reasons, incumbent politicians’ accountability for policy and performance more generally may not always produce significant reductions in corruption, even if corruption may prove detrimental to voter welfare in the long term.

3. Democratic accountability for anti-corruption enforcement efforts

Democratic elections not only provide a means by which voters can hold elected officials accountable for the officials’ own corruption (or that of the incumbent administration); elections also provide a means by which voters can hold representatives accountable for their efforts to prevent and punish corruption by other actors, such as bureaucrats, police, and bribe-paying private parties. Admittedly, the line between an elected government’s own corruption and its efforts to police corruption by others is often blurry—as when the government appears to turn a blind eye to malfeasance by cronies and supporters, or when bureaucratic corruption is closely integrated with, and protected by, systems of political corruption. Nonetheless, it may be helpful to view these issues as at least potentially distinct. How does democracy affect a government’s incentives regarding anti-corruption policy?

Again, the answer is complicated. Most straightforwardly, mechanisms of democratic accountability may put pressure on elected officials to act more decisively against corruption by others for all the same reasons that democratic accountability might deter elected officials from engaging in corruption themselves: If voters dislike corruption, then they may be more inclined to retain or reward politicians who fight it effectively and less likely to retain or reward those who do not. That said, all the factors noted above that may attenuate the anti-corruption effects of democracy could apply here as well. Moreover, several other factors may influence how, and how aggressively, democratically elected governments take action against corruption, relative to non-democratic governments. At least five considerations may be worth noting here.

First, non-democratic governments may rely on a narrower base of support (including, for example, the military, key business elites, and powerful local or ethnic leaders), and may consequently be more reluctant to act aggressively against corrupt activities by those groups—but more

willing to take aggressive action against corruption by less politically salient groups. Thus, the political bias in anti-corruption enforcement—which is always a problem—may be less pronounced in democracies than in authoritarian states.

Second, even if most voters dislike corruption, they might be uncomfortable with—or downright opposed to—some of the more aggressive or draconian methods that a government might employ to fight corruption. Consider the fact that some of the modern anti-corruption success stories—Hong Kong, Singapore, and more recently the Republic of Georgia—have employed measures that would be unacceptable in many liberal democracies, at least those where the citizens and the courts care sufficiently about civil liberties and restraints on executive power (Skidmore 1996; Quah 2009; Di Puccio 2014).⁵

The third consideration is something of a hybrid of the first two: Anti-corruption enforcement efforts may impose very high costs on certain groups—not only corrupt or potentially corrupt officials, but also those in the populations singled out for scrutiny, or those who are burdened by new rules. Even if anti-corruption enforcement is broadly popular, the benefits from lower corruption are often broad and diffuse. And, consistent with standard political economy models (for example, Olson 1965), if anti-corruption policies create concentrated costs (easily observable by those who bear those costs) and diffuse benefits (not always directly observed or appreciated by the beneficiaries), the result may be strong political opposition to those policies. Such opposition may make it politically difficult—particularly in a democracy—to implement aggressive anti-corruption policies even if a majority of voters would tend to support them.

Fourth, effective anti-corruption policies often require not only changes in legal or bureaucratic institutions, but also increases in the allocation of resources to anti-corruption efforts (including law enforcement, audits, and longer-term investments in education and institutional improvements). As noted earlier, voters generally care about other issues in

⁵ The statement in the text is admittedly controversial, as many observers might attribute the success of anti-corruption efforts in these and other countries to other factors, such as the independence of the anti-corruption agencies and the ‘political will’ of the leadership. Yet it is hard to ignore the fact that these anti-corruption efforts employed law enforcement techniques that would make civil libertarians uncomfortable, as well as the fact that the ‘independence’ and ‘political will’ in these cases appears to result at least in part from a powerful chief executive, subject to relatively few political checks, who threw support behind the anti-corruption enforcement efforts.

addition to (and perhaps more than) corruption, which may lead politically accountable leaders, at least in some countries, to invest fewer resources in fighting corruption and improving governance, so as to dedicate those resources to popular programs that produce short-term benefits (Charron and Lapuente 2010).⁶

A fifth consideration, closely related to the preceding point, is that the diffusion of power that often accompanies democratic reform may make it difficult to implement aggressive anti-corruption programs. Indeed, some case studies have suggested that in newly-democratizing states, intense partisan competition, coupled with bureaucratic fragmentation, impedes the government from adopting and implementing reforms that would improve governance and reduce corruption (Davis 2006). The broader hypothesis is that, at least for young democracies, the transition from autocracy to democracy can erode administrative capacity, including the capacity to keep corruption under control (Back and Hadenius 2008).⁷

The net effects of democratization on anti-corruption enforcement efforts are therefore uncertain. On the one hand, authoritarian countries may be able to undertake more aggressive anti-corruption efforts than democracies (though key supporters may remain insulated from these efforts). It is easier for a country like China or Singapore to initiate and sustain a thoroughgoing anti-corruption crackdown than it would be for, say, India or the Philippines to do something similar. But on the other hand, authoritarian countries may not be under as much pressure as

⁶ Charron and Lapuente (2010) further suggest that voters in poor countries are more likely to be 'myopic', demanding higher levels of investment in short-term economic benefits (for example, redistribution) rather than longer-term investments in improving the quality of governance, and Charron and Lapuente report supportive evidence that one composite measure of 'quality of governance' tends to be positively correlated with democracy in wealthy countries but negatively correlated with democracy in poor countries.

⁷ Back and Hadenius (2008) investigate this possibility in a cross-country panel study, examining the correlation between a composite democracy index and an index of 'administrative capacity' (which incorporates corruption control as one component). The results show strong evidence of a 'J-shaped' relationship between democracy and administrative capacity: moving from a lower to a higher score on the democracy index is associated first with a worsening and then with an improvement in the administrative capacity score. Back and Hadenius interpret this as evidence that administrative capacity requires control 'from above' and 'from below': authoritarian countries typically have good top-down controls but weak bottom-up control; democratization initially weakens the top-down controls, but bottom-up controls are not fully developed. Over time, as democratization proceeds, bottom-up controls develop and complement top-down controls, for more effective administrative capacity.

democracies to fight corruption aggressively. Autocracies may be especially reluctant (even more than democratic states) to take action against certain kinds of grand corruption at very high levels—particularly since corrupt, oligarchic relationships may be the glue that holds an authoritarian state together. Because the relationship between democracy and anti-corruption enforcement policy is complex, the relationship between democracy and overall corruption levels may be similarly complex—and might be so even if democracy provided straightforward incentives for elected officials to avoid personally engaging in corrupt activities.

4. Corruption to achieve or maintain power

The three factors discussed above all concern how democratic accountability may influence elected officials' incentives to engage in corruption or to take action against corruption. But in addition to increasing the accountability of politicians to the people, democracy also tends to increase the competitiveness of the political system, and this may have additional implications for corruption. In principle, democratic political competition is supposed to take place within a system of rules, but the strong incentives created by more robust political competition can intensify incentives to bend or break those rules. Indeed, although optimists stress how democracy can hold politicians accountable for corruption (or for failing to take effective action against corruption), pessimists argue that the pressures of democratic competition can increase politicians' incentives to engage in various kinds of political corruption in order to secure an unfair edge in the electoral arena (Olowu 1993; Mungiu-Pippidi 2006; Rose-Ackerman 1999). These forms of instrumental political corruption might include electoral fraud (Nyblade and Reed 2008; Ziblatt 2009), vote buying (Stokes 2005; Khemani 2013), political interference with the operation of social welfare programs in order to reward political supporters (Weitz-Shapiro 2012), diversion of resources from public programs to partisan political activities (Reinikka and Svensson 2004), and other corrupt activities designed to raise money to fund election campaigns (Weyland 1998; Lim and Stern 2002; Roper 2002; Lindberg 2003).⁸

⁸ Some critical commentators have gone further, suggesting that campaign finance and lobbying practices that are currently *legal* in many democracies (particularly the United States) should nonetheless be considered 'corrupt' (Lessig 2011, Teachout 2014). However, as noted above (see *supra* note 1), this chapter uses a narrower definition of corruption, focusing on illegal activities like bribery or embezzlement. Thus, the argument that money has a 'corrupting influence' on politics in a broader sense, while important, is not the main focus of the discussion here.

Indeed, a great deal of the (perceived) corruption in democratic states may take the form of instrumental political corruption.⁹ This is not to say that authoritarian governments do not also have strong incentives to engage in corrupt activities to stay in power. But democratization does create pressures for certain kinds of corruption that might not be as pronounced in non-democratic systems, and this can create at least the appearance, and perhaps the reality, of an increase in certain forms of corruption following a democratic transition.¹⁰

Moving from the level of the polity to the level of the individual candidate, there is indeed evidence that the level of genuine political competition faced by an incumbent candidate may affect, and may sometimes increase, the odds that this candidate will engage in corrupt acts to try to retain his or her office. The best available evidence suggests a non-monotonic relationship between political competitiveness and corruption at the candidate level: within democratic states, legislators who are very secure or very insecure are the most likely to be implicated in corrupt acts—the former because they are less worried that a corruption scandal would be damaging enough to cost them their seats, the latter because they have the strongest incentives to ‘cheat’ to try to gain an extra advantage in the election (Chang 2005; Nyblade and Reed 2008).¹¹

5. Democracy, corruption, and political time horizons

Another important factor that may influence a political actor’s willingness to engage in corrupt activity is the actor’s ‘time horizon’—how long he, she, or it expects to be in power (and in a position to potentially abuse that power for personal gain). Importantly, both very long and very short political time horizons tend to produce higher levels of corruption, but the *type* of corruption may be quite different in these two cases. Officials

⁹ One piece of suggestive evidence consistent with that assertion is that, within the subset of democratic countries, a country’s perceived corruption level has a strong statistically significant correlation with estimates of illegal campaign donations in that country (Tavits and Potter 2012).

¹⁰ For example, in the post-communist transition in Eastern Europe, corruption in the context of rigid central planning was replaced by other forms of corruption to deal with—or take advantage of—weak or dysfunctional political, economic, and regulatory institutions.

¹¹ These cross-cutting effects, and the non-monotonicity they produce, may also partially explain the conflicting results of Ferraz and Finan (2011) and Pereira et al. (2009), both of whom examine the effect of re-election incentives on corruption by Brazilian mayors. Ferraz and Finan (2011) find more competitive elections were associated with lower levels of corruption, while Pereira et al. (2009), using a larger sample and a different set of controls, reach the opposite result.

facing very short time horizons—those who do not expect that they will be in power for very long, and who anticipate that once they lose power they are unlikely ever to hold it again—have an incentive to engage in unilateral theft, and perhaps also to extort or solicit bribes in exchange for immediate favors. The fact that such corruption may do serious economic damage to the country—and will likely reduce the public resources available in the future for both legitimate use and illegitimate diversion—is less salient for incumbents focusing only on the near-term (Campante et al. 2009; Roberts 2008). However, public officials with short time horizons are less likely to enter into long-term corrupt deals with private interest groups—not because the officials wouldn't want to, but because potential private counterparts are less confident that the incumbent officials will be around to honor their part of the deal (Fredrikson and Svensson 2003; Campante et al. 2009; Milanovic et al. 2010). Why pay a corrupt leader massive bribes for, say, a mining concession when, a few years down the road, a new leader may take over and either demand more bribes or transfer the concession to some other party? By contrast, incumbent officials who expect to be in power for a long time have less of an incentive to engage in destructive short-term looting, primarily because it reduces their expected stream of (misappropriated) resources over the long term (Olson 1993; Clague et al. 1996). At the same time, private actors would view such incumbents as extremely desirable partners for long-term corrupt exchanges, making such exchanges much more likely (Fredrikson and Svensson 2003; Campante et al. 2009; Milanovic et al. 2010; Morris 1991).

The above hypotheses imply that there is likely to be a U-shaped relationship between political time horizons and corruption. And indeed, the available evidence, though not conclusive, is generally consistent with that hypothesis: countries with very low or very high levels of political stability—usually measured with various proxies, such as the frequency of leadership turnover—seem to have higher (perceived) corruption than do countries at an intermediate level of stability (Campante et al. 2009; Schleiter and Voznya 2014).¹² There is also some within-country evidence, noted above, that elected politicians who are very secure or very insecure are more likely to engage in corrupt activities (Chang 2005; Nyblade and Reed 2008). Moreover, and perhaps more interestingly, the above analysis suggests that changes in political time horizons may alter the *form* of cor-

¹² Other studies, which only test for linear effects, reach conflicting results, with some finding that political turnover is correlated with lower perceived corruption (Pellegata 2009, Milanovic et al. 2010), others finding that political turnover is correlated with higher perceived corruption (Serra 2006, Tavits 2007, Pellegrini and Gerlagh 2008), and still others finding null results (Treisman 2000).

ruption, not just the extent. On this point there is less empirical evidence at the cross-country level, given that the existing country-level corruption indexes do not disaggregate corruption by type, though some within-country evidence (both qualitative and quantitative) does seem consistent with that hypothesis (Campante et al. 2009; Nyblade and Reed 2008).

However, even if we have a sense of how changes in political time horizons may affect the type and extent of corruption, the implications of this relationship for the effects of democracy on corruption are not immediate, because the impact of democratization on political time horizons is not straightforward. Some authoritarian leaders (or leadership organizations, such as the dominant party, clique, or family) have very long time horizons; their grip on power is secure, and so they can take the long view. Democratization, in that context, is likely to shorten leaders' time horizons. Other authoritarian states, by contrast, are highly unstable, with frequent, and often violent, leadership turnover; leaders in such states likely have quite short time horizons. And just as there is huge variation among non-democracies with respect to leaders' time horizons, the same is true of democracies. Here, perhaps the key difference across systems is the extent to which there are a few stable political parties with long expected lifespans, which cycle in and out of power. If there are, then it is likely that these parties will be able to act as entities with long time horizons. By contrast, if parties tend to be organized around individual politicians and for that reason tend to appear and dissolve quickly, and where a party or leader that has lost power in an election is unlikely to make a comeback, incumbent officials are more likely to have fairly short time horizons.

Putting this together, one might conjecture that a transition from a stable authoritarian political dynasty to a fractious democracy without institutionalized parties will shorten political time horizons—perhaps increasing incentives for short-term grabbing while reducing opportunities for long-term collusive corruption. By contrast, compared to an unstable authoritarian regime with lots of turmoil and turnover, a stable democratic system with institutionalized parties will foster longer political time horizons. Moreover, a democratic system with long-lived parties that cycle in and out of power may be the best of both worlds: the parties' long-term horizons discourage short-term looting, but at the same time, private interests may still find corrupt collusion unattractive because there is no guarantee that the bribed party or official will be in power when the time comes to follow through on the government's side of the deal. (One can always bribe multiple parties, of course, but that is more expensive, and so would likely happen less often.)

B. The Aggregate Impact of Democracy on Corruption

Given all of the cross-cutting effects discussed above, the net impact of democracy on corruption is far from obvious. Indeed, this relationship is so nuanced that it is not clear whether the average correlation between democracy and corruption, across countries, is particularly illuminating. That said, there has been a great deal of cross-country research on this topic, and it is worth briefly summarizing the main findings here—and then also discussing some of the reasons to be extremely cautious in drawing any firm conclusions from these findings.

1. Democracy and corruption: the cross-country empirical research

The cross-country research on this question typically examines the correlation between ‘democracy’ (usually measured with one or more of the existing democracy indexes, such as those provided by Polity, Freedom House, or the World Bank’s Database of Political Institutions, and sometimes with more direct proxies like turnout rates and competition measures) and perceived corruption (usually measured with the Transparency International Corruption Perceptions Index, the World Bank Institute’s ‘control of corruption’ index, or the International Country Risk Guide’s ‘graft’ score). The results of this research, taken as a whole, are mixed and somewhat inconclusive. Some studies find that higher democracy index scores are correlated with lower perceived corruption index scores, perhaps suggesting that democracy on net does indeed reduce corruption (Sandholtz and Koetzle 2000; Adsera et al. 2003; Bohara et al. 2004; Lederman et al. 2005; Gurger and Shah 2005; Halim 2006; Pellegata 2009; Billger and Goel 2009; Kolstad and Wiig 2011). Other cross-country studies, however, have failed to find a robust negative correlation between various democracy measures and corruption index scores (Treisman 2000; Morris 2004; Xin and Rudel 2004; Chowdhury 2004; Blake and Martin 2006; Serra 2006; Pellegrini and Gerlagh 2008; Brown et al. 2011). And yet other studies find that, at least when certain control variables are included (particularly those that measure various aspects of ‘economic freedom’), some democracy measures seem to have a *positive* correlation with perceived corruption (Saha and Su 2012).

These conflicting, inconclusive results have led scholars to consider refinements to the research question. Work in this vein has produced a number of studies offering more qualified hypotheses about the democracy-corruption relationship, as well as some intriguing evidence in support of those hypotheses. First, there is evidence that the *duration* of democracy may matter more than the current *level* of democracy (Treisman 2000; Gerring and Thacker 2004; Bohara et al. 2004; Chang and Golden 2006;

Blake and Martin 2006; Serra 2006; Keefer 2007; Tavits 2007; Pellegrini and Gerlagh 2008; Pellegata 2013; Schleiter and Voznaya 2014).¹³ This is consistent with the observation that most of the modern democracies that currently enjoy a relatively low level of corruption experienced a fairly long period with high corruption, which only declined over time—the United States being a prime example.¹⁴ Second, there is fairly convincing evidence of a pronounced non-linear relationship between democracy and corruption: Countries that score very high on the various democracy indexes tend to have significantly lower perceived corruption, but for levels of democracy below the very top end of the scale, a negative correlation between democracy and perceived corruption is much less evident (Montinola and Jackman 2002; Sung 2004; Back and Hadenius 2008; Dong and Torgler 2011; Pellegata 2013). Moreover, there is evidence suggesting that the relationship between the duration of democracy and the level of perceived corruption is also non-linear: rather than each year of continuous democracy being associated with a roughly equivalent decrease in the perceived corruption score, several studies find substantial ‘threshold effects’, with the level of perceived corruption significantly lower in countries that have been continuously democratic for somewhere between 20 and 40 years (Treisman 2000; Blake and Martin 2006). Taken together, this evidence suggests that long-established, fully-institutionalized democracies have lower levels of perceived corruption than other countries, but new democracies and partial democracies do *not* seem to have lower perceived corruption than do non-democracies. Indeed, some studies even find that new or partial democracies have (slightly) *higher* perceived corruption than do non-democracies, even though the perceived corruption levels in long-standing, fully institutionalized democracies are (much) lower (Sung 2004; Pellegata 2013; Rock 2009; Milanovic et al. 2010).¹⁵

¹³ It may be worth noting that the age of democracies may be correlated with other features of democratic institutions, which are not always controlled for in these studies. For instance, Keefer (2007) reports that younger democracies are more likely to be presidential rather than parliamentary, and more likely to use plurality voting as opposed to proportional representation, than are older democracies.

¹⁴ Part of the explanation for this might be that democracy does not reduce corruption until the country becomes a *liberal* democracy, with institutions such as a free press, checks and balances, and a robust civil society, as well as a sufficiently educated and informed citizenry.

¹⁵ Sung (2004) reports a *cubic* relationship between democracy and perceived corruption, with improvements on the democracy score associated first with lower, then higher, then (much) lower perceived corruption. However, the first of these effects is relatively small in magnitude, and subsequent work by Pellegata (2013)

2. Interpreting the results: reasons for caution

Even though the correlations discussed above—particularly the non-linear negative association between democracy and corruption—are suggestive, one must be extremely cautious about using these correlations to make inferences about causation. There are at least four reasons why correlations between democracy levels and corruption levels might not necessarily imply that the former are responsible for the latter.

First, the measures of both democracy and corruption—which are usually perception indexes—may be ‘contaminated’ by the evaluators’ knowledge of (and implicit assumptions about) the influence of the other variable. To be more concrete: Some measures of ‘democracy’ may incorporate—deliberately or inadvertently—perceptions of corruption. For example, the Freedom House Political Rights Index, often used as a measure of democracy, explicitly incorporates questions about the whether the government ‘is free from pervasive corruption’. In the reverse direction, critics of the various perception-based corruption or governance indicators have raised concerns about ‘halo effects’—the subconscious presumption that certain countries that perform well on other dimensions (perhaps including democracy) probably have lower corruption (Sequeira 2012).

Second, and also related to the fact that most cross-country research relies on perception indexes to measure corruption, democracies and autocracies may vary systematically in the amount of information available about how the government operates, which can influence perceptions of corruption independent of the actual level of corruption. This could cut both ways: On the one hand, democratization may increase perceived corruption (at least in the short term) not so much because corruption has actually increased, but rather because other dimensions of political liberalization have led to more widespread exposure and discussion of corruption. On the other hand, the very secrecy associated with most autocracies may cause observers to assume the worst, substantially overstating the amount of actual corruption that takes place in those systems. Closely related to this is the fact that, as the earlier theoretical discussion suggested, democracy may affect not only the amount but also the type of corruption, and some types of corruption may be more likely than others to get picked up in perception-based indexes. Thus reliance on perception index scores may cause a change in the *form* of corruption to be misinterpreted as a change in the *level* of corruption.

could not replicate the finding of a cubic, as opposed to quadratic, relationship between democracy and perceived corruption.

Third, although most cross-country empirical studies attempt to rule out alternative explanations by including a range of control variables (such as GDP per capita, education, colonial heritage, population size, and so on), it is probably impossible to incorporate every factor that might simultaneously affect both democracy and corruption. Consider two alternative explanations of the finding that, although partial or new democracies do not have significantly lower perceived corruption than other states, well-established democracies (those that have been democracies for several decades and score near the top of the various democracy indexes) do have much lower corruption scores. The usual interpretation is that it takes time for democratic institutions to take root and to effect a more general political transformation. But there are at least two complicating factors. First, almost all of those well-established democracies with low corruption levels are both very rich and geographically concentrated. (They are, with only a handful of exceptions, wealthy countries in Northwestern Europe, along with the former European settler colonies in North America and Oceania.) Although most studies try to control for wealth (usually using per capita GDP), some researchers have suggested that the apparent nonlinearity in the democracy-corruption relationship is due more to the fact that democracy is associated with lower corruption levels only in sufficiently rich countries (Charron and Lapuente 2010). Additionally, the research suggesting that the duration of democracy makes a difference—and that democracy only has a corruption-reducing effect after a sufficient number of years of continuous democracy—typically neglects to distinguish *duration effects* from *cohort effects*—despite the fact that the literature on age and corruption attitudes at the individual level is careful in drawing this distinction (Torgler and Valev 2006). To elaborate: Because most existing studies use outcome data from the 1990s and 2000s, the finding that only those countries that have been democratic for at least 20–40 years have lower perceived corruption levels implies that those low-corruption democracies are those that were democratic prior to the ‘third wave’ of democratization that ran from roughly the late 1970s through the end of the 1990s (Huntington 1991). If there are systematic differences between third-wave democracies and those countries that became democracies earlier—differences that affect corruption levels and are not fully captured with the usual control variables—then the finding that longstanding democracies have lower corruption levels may be due to a cohort effect rather than the duration effect that most of the literature typically assumes.

Fourth, although the usual assumption is that democracy levels may affect corruption, it is also possible that corruption may affect democracy. If the causal arrow could run both ways (if, to use the standard jargon,

democracy is ‘endogenous’ to corruption rather than purely exogenous), then correlations can be highly misleading. There are several reasons why corruption could, at least in theory, influence the degree or duration of democracy. First, although transitions from non-democracy to democracy, and from democracy to non-democracy, are not exactly frequent, they are not as rare as one might think, and it is quite plausible that corruption may influence the likelihood of such transitions. Widespread corruption in authoritarian regimes may spark or intensify democratization movements (think of the Arab Spring); it is also possible that more corrupt democracies are at greater risk of reversion to non-democracy (think of the recent coup in Thailand). These possibilities cut in opposite directions, and it is hard to say which is more significant (or whether either is), but it is at least possible that these relationships could influence the strength and direction of the correlation between democracy and corruption. Suppose, for example, that among the set of authoritarian countries, the ones with higher (perceived) corruption are, on average, more likely to become democratic over a given time period. If that were so, then the pool of democratic countries—especially young democracies—would be more corrupt, on average, even if democracy does tend to reduce corruption. There is also a more general and indirect endogeneity concern: Corruption may affect many aspects of a country’s economy, politics, and society, which could in turn affect democracy—and even though researchers can try to control for these variables, perfect control is likely impossible. Therefore, correlations between democracy and corruption, even when they seem robust, may not (only) reflect democracy’s effect on corruption, but (also) corruption’s direct or indirect effect on democracy.¹⁶

¹⁶ Some of the literature on the corruption-democracy relationship exhibits keen awareness of the potential endogeneity problem and attempts to address it by finding an instrumental variable—a variable that has a causal effect on democracy, but that also satisfies the ‘exclusion restriction’, which requires that the instrument cannot be correlated with the outcome variable (corruption) except through its effect on the explanatory variable (democracy). Unfortunately, none of the instruments that have been proposed would seem to satisfy the exclusion restriction, as most of them—for example, fraction of the population that speaks a European language (Chowdhury 2004), percentage of population that is Protestant (Rock 2009), education (Musila 2013), and latitude (Chowdhury 2004, Rock 2009, Keefer 2007)—seem like they could clearly affect corruption through other channels. (One other proposed instrument—whether the country has ever fought a war with a democracy (Kolstad and Wiig 2011)—is invalid for a different reason: the proposed instrument is causally posterior to the explanatory variable, meaning that it is really just another imperfect proxy for whether the country is a democracy, and cannot be used as an instrument to assess whether democracy affects corruption.)

One final note about the empirical research on the democracy-corruption relationship: Although most of the quantitative empirical research on the correlations between democracy and corruption has relied on cross-country comparisons, some studies have examined variation within single countries, particularly federal countries with substantial variation in democratic institutions at the sub-national level. The advantages of this approach are twofold: First, looking within a single country may effectively control for differences in political culture and traditions as well as other potentially omitted variables. Second, the key variables—both the extent of democracy and the level of corruption—can be measured using more objective indicators, rather than relying on perception indexes. For example, comparing turnout rates may be a more plausible way to compare levels of democracy across sub-national units than it would be to measure differences in democracy levels across countries. And in systems where the central government prosecutes sub-national corruption, law enforcement statistics may provide more reliable comparative information about actual corruption rates than would be possible when comparing national law enforcement data across countries. However, existing within-country research is still relatively sparse. There is some evidence that US states with higher political participation rates have fewer federal corruption convictions per capita, but the correlation does not appear especially strong (Adsera et al. 2003; Hill 2003). Likewise, Italian regions with higher electoral participation rates appear to have lower rates of reported public corruption offenses (Del Monte and Papagni 2007). These results are consistent with more general findings, for example from studies of Indian states, that political competition and turnout rates seem to make local governments more responsive to the public (Besley and Burgess 2002), and are broadly supportive of the notion that democratic accountability may limit some forms of corruption. This evidence is not, however, inconsistent with the broader results from the cross-country research, which suggest that the relationship between democracy and corruption is complicated, contingent, and likely non-linear.

II. VARIATION IN DEMOCRATIC INSTITUTIONS

Perhaps asking whether ‘democracy’ reduces ‘corruption’ asks the wrong question—or at least asks the question too generally. As we have already seen, democracy may have different effects on different sorts of corruption—tending to decrease some and increase others—making aggregate-level data potentially misleading. Likewise, ‘democracy’ encompasses a range of institutions, and even though it may be worthwhile to

consider democracy as a single category, it is also worthwhile to disaggregate democracy along a number of dimensions in order to get a better sense of how variation in the institutions of democracy, and not just the presence or absence of regular elections, may affect different sorts of corruption. This section will therefore consider three dimensions of institutional variation within democratic polities: (1) the voting rule (how the vote totals are used to allocate legislative seats), (2) district magnitude (the number of legislators selected in each district, or in the average district), and (3) whether the system is presidential or parliamentary (whether the chief executive is directly elected by the voters or selected by the legislature). These are, of course, only three of a much larger set of institutional dimensions along which democracies may vary, but they are three of the most significant and frequently studied, particularly in the context of corruption research. For this reason, and for reasons of space, this chapter will focus on these three institutional variables, leaving consideration of other factors (for example, whether the legislature is bicameral or unicameral, and whether there is substantial political decentralization to sub-national units) to other work.

A. The Voting Rule

One of the most basic forms of institutional variation across democratic systems is the electoral rule—that is, the system for translating votes into seats. (For a useful overview and classification, see Cary and Shugart 1995.) Of the many possible rules, three of the most common are plurality rule, open-list proportional representation (PR), and closed-list PR. In a plurality system, two or more candidates compete for a single open seat, and whichever candidate receives the most votes wins.¹⁷ In PR systems, multiple parties compete for multiple seats in the same election, and the number of seats allocated to each party is proportional to the number of votes cast for that party (with some minimum number of votes required before a party is entitled to any seats). In a *closed-list* PR system, voters cast their ballots only for parties, not for individual candidates; the number of seats allocated to each party depends on its vote share, and the individual candidates who fill those seats are determined by each party's list, which is set by party leaders. (If, for example, the party's vote share entitles it to five legislative seats from the district, the top five names on

¹⁷ Some systems require the winning candidate to receive a majority of votes; such systems may use run-off elections, or some form of ordered preference voting (for example, a 'transferrable vote'), when no one candidate wins an outright majority on the first ballot. For simplicity, this discussion focuses on simple plurality voting.

the party list get those seats.) In an *open-list* PR system, voters generally also vote for a party, but they can express their preference for individual candidates from that party. (In some open-list PR systems, voters vote for candidates rather than parties, but the total number of candidates elected from each party depends on the party's overall vote share.)¹⁸

Different electoral rules may have implications for a range of important political and policy outcomes, including the type and extent of corruption. The choice among these three voting rules may affect corruption through two main channels: (1) the degree to which the electoral system encourages candidate-centric or party-centric elections; and (2) the degree of political fragmentation (the number of viable parties running in the election and securing seats in the legislature). Let us consider each in turn, before evaluating the existing empirical evidence on the overall impact of the voting rule on corruption levels.

1. Candidate-centered vs. party-centered electoral competition

Electoral systems vary in the degree to which they encourage competition between *parties* or between individual *candidates*. These are not, of course, mutually exclusive, and indeed most voters are likely influenced both by their partisan preferences and by their views of the individual candidates representing the different parties. Nonetheless, the electoral rule affects the relative significance of parties, party leaders, and candidates. Of the three electoral rules under consideration, open-list PR tends to produce the most candidate-centric elections, with a great deal of *intra*-party competition in addition to (or in some extreme cases instead of) *inter*-party competition. This leads individual candidates to try to cultivate a 'personal vote', rather than (or in addition to) a vote for the party. At the other end of the spectrum, closed-list PR tends to produce the most party-centric elections, with most electoral competition taking place between parties; in these systems, party leadership tends to be centralized, and party discipline strong. Plurality systems tend to fall somewhere in between open-list and closed-list PR on this dimension (Carey and Shugart 1995; Mitchell 2000).¹⁹

¹⁸ Some PR systems use a hybrid of open-list and closed-list voting rules. Again for simplicity, and in keeping with most of the existing empirical research in the anti-corruption area, this chapter will focus on open-list PR and closed-list PR, along with plurality voting, as ideal types.

¹⁹ Other, less widely-used systems might generate even stronger incentives to cultivate a personal vote—for example, a single non-transferrable vote with open endorsement (Carey and Shugart 1995). For simplicity, though, the text will focus on the three most common types of electoral system.

The implications of these differences in incentives for corruption is not, however, straightforward. In understanding the potentially complex and cross-cutting effects, it is perhaps helpful to draw three distinctions with respect to types of corruption. The first distinction, which will be familiar from the more general discussion of the impact of democracy on corruption from Section I, is the distinction between instrumental political corruption and venal personal corruption. The second distinction is between corruption at the candidate level and (organized) corruption at the party level. The third distinction, again familiar from the discussion in Section I, is the distinction between engaging in corruption, on the one hand, and failing to take action against corruption, on the other. All three of these distinctions are admittedly over-simplified, and are better thought of as continuous rather than dichotomous. Nonetheless, these simple categorizations may be useful in understanding how variation in the electoral system can affect the amount, type, and locus of corrupt behavior. With these simple distinctions in mind, let us consider the incentives that different electoral rules create for individual politicians to engage in different types of corrupt activities.

Assuming voters dislike corruption—and therefore are less likely, all else equal, to support a corrupt candidate—then politicians in a candidate-centric system have a disincentive to engage in both venal corruption and instrumental corruption. After all, being implicated in a corruption scandal may be bad for the candidate's electoral prospects, especially if voters have a number of ideologically-similar candidates from which to choose. In party-centric systems, by contrast, an individual candidate's electoral prospects depend more on the party's overall electoral success in the district, and also the individual candidate's position on the party list. In such a situation, although a candidate's implication in a corruption scandal would still be damaging, the impact on the candidate's electoral prospects would be less severe.

At first blush the above considerations might seem to imply that candidate-centric systems, like open-list PR, will tend to have less corruption (at least at the candidate level) than will party-centric systems like closed-list PR. But there are three important countervailing factors. First, even if candidate-centric elections discourage individual politicians from engaging in corruption, such systems may also reduce incumbents' incentives to take (collective) action to fight corruption elsewhere in the system, because the political benefits associated with such efforts are more likely to be associated with the government or the party, rather than an individual legislator. Second, each individual candidate's incentive to cultivate a personal vote can create strong incentives to engage in instrumental political corruption if doing so gives the candidate a leg up in the competition

for personal support. Therefore, if the probability of getting caught is sufficiently low, a candidate-centric electoral system may end up producing more instrumental political corruption than a party-centric system, even if venal personal corruption is lower in the former (Geddes and Neto 1992; Golden and Chang 2001; Golden 2003).²⁰ Third, because party discipline tends to be stronger in party-centric systems like closed-list PR, and because individual corruption scandals may damage the party's 'brand', party leaders may have a stronger incentive and ability to monitor and discipline candidates in party-centric systems. If that internal monitoring is more important to deterring corruption than the risk of exposure in a public scandal, then strong party discipline—internal accountability to the party leaders—may be more effective in reducing corruption than direct external accountability to the voters.

Once we shift the focus from individual candidates to the party organization overall, things are more complicated still: What if the party leaders are themselves corrupt, and willing to orchestrate systematic instrumental political corruption to benefit the party? Of course, it may be that party leaders conclude that the electoral advantages associated with political corruption are not worth the expected costs. But suppose the party leaders reach the opposite conclusion—suppose they determine that the expected benefits for the party of using corrupt means to pursue political advantage outweigh the risks associated with the occasional scandal. Or suppose that party leaders are simply interested in enriching themselves, but they need the collaboration, or at least the acquiescence, of the party apparatus in order to succeed. Under these circumstances, the ability of the party to reward supporters (say, with a favorable list position, or an

²⁰ Kselman (2011) provides an unintentional illustration of the ambiguous implications of these incentive effects for corruption. Kselman develops a formal game-theoretic model of the impact of electoral systems on legislators' allocation of a fixed effort budget as between 'constituency service' (delivering particularistic benefits to constituents) and 'personal consumption', and finds that constituency service is higher under open-list PR than closed-list PR or plurality rule. The implications of this finding for corruption, however, are unclear. Kselman interprets 'personal consumption' as corruption and 'constituency service' as uncorrupt activity, but that interpretation is not inevitable. 'Constituency service' could be re-labeled corrupt provision of particularistic benefits (for example, Della Porta 2004), and 'personal consumption' could be re-defined as (uncorrupt) pursuit of policy or ideological goals (collective goods that do not much improve the incumbent's probability of winning, particularly when in competition with co-partisans). The model and results would be identical, but the implications for corruption would be reversed, with this alternative and equally plausible interpretation of the key variables.

endorsement in a primary) and to punish dissenters (by withholding those or other benefits) may facilitate party-directed corruption (Kunicova and Rose-Ackerman 2005; Gingerich 2009).

It is difficult to synthesize so many cross-cutting effects, but here is a stab at a quick synopsis. Electoral systems that encourage the cultivation of a personal vote and reduce the significance of parties are likely to have the following effects, relative to systems that promote party-centric competition: (1) Individual rank-and-file candidates are less likely to engage in personal venal corruption. (2) Individual rank-and-file candidates may engage in more or less instrumental political corruption, depending on whether the risk of external exposure and/or internal discipline outweighs the expected political benefits. When monitoring is effective, candidate-centric systems do a better job discouraging instrumental political corruption, but when monitoring is weak, they are worse on this dimension than party-centric systems. (3) At the party/government level, there is less likely to be aggressive anti-corruption policy reform, just as there is likely to be less provision of collective legislative goods generally. (4) Party leaders may engage in more or less corruption (both venal and instrumental), depending on whether they benefit more from protecting the reputation of the party or from engaging in corrupt activities. (In a polity where party leaders are very responsive to demands for integrity in government, party-centric electoral systems are likely to reduce corruption, relative to candidate-centric systems, by strengthening internal party discipline and encouraging aggressive anti-corruption action more generally—even though there may still be some venal corruption by individual legislators. By contrast, in a polity where party leaders view corruption as personally or politically advantageous, an electoral rule that encourages candidate-centric elections may lead to less corruption overall, or will at least shift corruption from the organized, systemic level to the individual candidate level.)

2. The electoral rule and partisan fragmentation

A second important difference among these three ideal-type electoral systems, which also has implications for corruption incentives, concerns the degree of political fragmentation these systems produce. In general, the number of viable parties tends to be positively correlated with the number of open seats in each election (Cox 1997; Benoit 2006). As a result, PR systems, particularly those with many legislators selected in each district, tend to produce a larger number of parties, while single-member districts operating pursuant to a plurality rule tend to produce two-party competition—if not at the national level, then at least at the district level. The number of parties is also influenced by other institutional factors that

determine how easy it is for new parties to enter. And it may be easier for identifiable factions within each party to emerge and compete (electorally) with one another in an open-list system than in a closed-list system. (While there is plenty of factional competition in closed-list systems, it typically takes place outside of the electoral arena.) Do systems that are more conducive to a larger number of viable parties tend to produce more or less corruption than systems that tend to limit competition to two or three major parties? Again, a decisive answer is not possible, due to several cross-cutting factors.

On the one hand, systems that facilitate participation by a larger number of parties or factions make it more likely that perceptions of corruption (or failure to act aggressively against corruption) may be decisive in how voters cast their ballots. Recall that one of the factors that may undermine the efficacy of democratic elections in checking corruption is the relevance of other considerations—ideology, perceived competence, ethnic or religious affiliation, and so on—that take precedence over corruption for many voters, even if those voters dislike corruption. When it is easier for new parties or factions to compete, it is easier for candidates to emerge who are sufficiently similar to the incumbents on these other dimensions, but who are perceived as less corrupt. Moreover, systems in which it is generally easier for new parties to secure legislative representation facilitate the entrance specifically of ‘anti-corruption parties’, which may help raise the profile of corruption issues and push for attention to those issues (Bagenholm 2013). This is especially so when the anti-corruption parties secure enough seats in the legislature to make them attractive coalition partners. Closely related to the above observations is the fact that some systems, like PR, make shifting votes to an ideologically congenial party viewed as less corrupt than the established parties—or to an anti-corruption party—more attractive, because voters do not need to worry as much about ‘wasting’ their votes and thereby risking a worse overall outcome (Myerson 1993).

On the other hand, there are at least two reasons why corruption levels might actually be higher in systems with a larger number of effective parties, compared to systems with a lower number of effective parties. To appreciate the first reason, it is helpful to recall from Section I that although one factor that might limit the extent to which democratic elections curtail corruption is the predominance of other issues, another such factor is the absence of sufficient information about corrupt activity. Although increasing the number of effective parties may help alleviate the first problem, it may exacerbate the second. After all, in democratic systems it is often the political competitors who play a leading role in unearthing and publicizing information about their opponents’ corruption—but because

this information is a collective good, the incentive to provide it may be weaker in systems that produce a large number of viable competing parties (Kunicova and Rose-Ackerman 2005). To see this, consider what happens when an opposition candidate publicizes credible evidence that the incumbent legislator (or the government with which that legislator is affiliated) has engaged in corrupt acts. Although this revelation may well decrease support for the incumbent, there is no guarantee this will translate to an equivalent increase in support for the candidate who made the charges. Rather, *all* opposition parties may benefit from the incumbent's loss of support. Moreover, the party or candidate that made the disclosures may be singled out for retaliation by the tarnished incumbent, or might simply suffer from association with 'mudslinging'. This implies that the incentive to monitor and disclose government corruption will be stronger, all else equal, when there is a single opposition party that stands to benefit from the incumbent's loss of support (Charron 2011). That incentive is likely to be all the stronger when the competing parties are strongly ideologically opposed (Brown et al. 2011).

The second reason why multiparty systems might have higher corruption levels is the fact that a large number of parties at the legislative level—and the frequent emergence of fractious coalition governments—can exacerbate corruption. There are several reasons for this. First, when there are many parties in the legislature, the government may need to cut lots of particularistic deals to get anything done, which may lead to more corruption (Geddes and Neto 1992; Della Porta 2004). Second, and related to the earlier point about monitoring incentives, when there are many small parties and constantly shifting governing coalitions, parties may be reluctant to criticize one another for corruption, lest they alienate potential future coalition partners (Kunicova and Rose-Ackerman 2005). Third, a large number of effective parties in the legislature may make it more difficult to implement aggressive new anticorruption policies, just as it is often more difficult for coalition governments to move ahead with potentially controversial action in other policy arenas, because of the need for agreement among multiple parties. Finally, and closely related to that last point, a large number of legislative or government parties may produce a so-called 'clarity of responsibility' problem in which voters are not sure whom to fault for the failure of the government to take appropriate action to address corruption, and likewise any credit for effective action would be shared across parties (Tavits 2007).

3. The net effect of the voting rule on corruption

The preceding discussion implies that although we might be able to make some tentative generalizations as to the impact of the voting rule on

corruption—at least the types of corruption risks that are most significant under each rule—it is not possible to make confident predictions as to the net effect of the voting rule on perceived corruption levels. In light of that theoretical indeterminacy, and the crudeness of the existing measures of corruption, it is perhaps unsurprising that the raft of cross-country quantitative empirical research on this issue has not generated consistent findings. Nonetheless, a brief survey of the existing literature is in order.

A number of studies have compared systems that use plurality rule to systems that use some form of PR. Several of these studies find that PR is associated with higher perceived corruption (Persson et al. 2003; Kunicova and Rose-Ackerman 2005; Testa 2010; Schleiter and Voznaya 2014), but other studies—using somewhat different samples or measures, and different combinations of control variables—find either that PR is associated with lower perceived corruption (Verardi 2004), or that there is no statistically significant difference between the perceived corruption levels of plurality systems and PR systems (Adsera et al. 2003; Serra 2006; Keefer 2007).

These results, however, might be misleading insofar as they conflate open-list PR and closed-list PR, which, as we have seen, might have very different effects. Yet those studies that do distinguish open-list and closed-list PR also reach inconsistent conclusions. Some find that closed-list PR systems are associated with higher perceived corruption than open-list PR systems (Chang and Golden 2006; Persson et al. 2003; Tavits 2007; Kselman 2011), while other research has found that closed-list PR systems have lower perceived corruption than open-list systems (Brown et al. 2011; Testa 2010; Tavits and Potter 2012), and many studies fail to find evidence of a statistically significant difference in the perceived corruption levels associated with open- and closed-list PR (Kunicova and Rose-Ackerman 2005; Serra 2006; Pellegata 2009; Schleiter and Voznaya 2014).

Other researchers have looked specifically at the number of parties and/or the degree of ideological polarization across parties, but again the results—though intriguing—are not terribly robust. For example, although one influential study found that systems with a higher number of effective legislative parties have higher perceived corruption (Chang and Golden 2006), other studies have failed to replicate these results, finding instead either that there is no statistically significant correlation between the effective number of legislative parties and the level of perceived corruption when appropriate control variables are included (Tavits and Potter 2012; Pellegata 2009), or that a larger number of effective legislative parties is correlated with *lower* perceived corruption (Tavits 2007). Again, these conflicting results are not very surprising, given the indeterminacy of the theoretical predictions and the fact that all these studies, though

broadly similar in research design, use different samples, measures, and control variables.

Given that the theory predicts cross-cutting effects, perhaps the most intriguing recent empirical findings are those that suggest a non-monotonic relationship between the number of effective parties and perceived corruption levels. This sort of relationship—with perceived corruption higher when the number of effective parties is either very small or very large, but lower for intermediate levels of partisan fragmentation—has been found in both cross-country data (Schleiter and Voznaya 2014) and within-country data (Del Monte and Papagni 2007, studying Italy).²¹ These findings, though hardly dispositive, are consistent with the conjecture that when the electoral system produces very few viable parties, voters' ability to hold politicians accountable for corruption is hampered by the paucity of alternatives, while when the electoral system produces a multitude of parties, voters' ability to hold politicians accountable is hampered by some combination of information costs and coordination problems.

There is likewise some suggestive evidence of a non-monotonic relationship between the degree to which the electoral system encourages candidates to seek a personal vote and the level of corruption. At the cross-country level, Panizza (2001) reports evidence of a U-shaped relationship between the degree to which an electoral system is more 'candidate-centered' (rather than 'party-centered') and the level of perceived corruption. This finding is consistent with the notion that corruption is more likely when incentives to cultivate a personal vote are either very strong (because this leads to a temptation to 'cheat') or very weak (because in such cases legislators are insufficiently accountable). There is persuasive

²¹ In a similar vein, Charron (2011) finds that multiparty plurality systems had higher perceived corruption levels than either PR systems (regardless of the number of parties) or two-party plurality systems. (Although, as noted in the earlier theoretical discussion, plurality voting rules tend to produce two-party systems, this is not invariably true, and Charron's data include several multiparty plurality systems.) Charron's explanation for this result, broadly consistent with the earlier theoretical discussion, is as follows: In two-party plurality systems, parties have strong incentives to monitor one another and reveal corruption. In multiparty plurality systems, this incentive is weakened because of the collective action problem discussed earlier. In multiparty PR systems, the collective action problem is less acute, because even if the political benefits of disclosing the incumbent's corruption flow to multiple opposition parties, the disclosing party does stand to gain something in terms of higher vote share. PR also has the benefit of allowing easier entry, so voters can vote for a non-corrupt party with a similar ideology, without worrying about contributing to the election of an ideologically less-preferred party.

within-country evidence as well, most notably Nyblade and Reed (2008), who study legislative malfeasance in Japan. Consistent with the theoretical discussion above, this study distinguishes between instrumental political corruption ('cheating') and venal personal corruption ('looting') and finds that the former is more likely for politicians who have very strong incentives to cultivate a personal vote (due to electoral competition), while the latter is more likely for politicians who are very secure. Thus, the overall relationship between personal vote incentives and corruption appears to be non-monotonic, with those legislators facing an intermediate level of political competition least likely to be implicated in any form of scandal.

B. District Magnitude

A second important dimension of variation across democratic electoral systems, at least within PR systems, is the number of legislators elected per district in each election. This legislator-to-district ratio is conventionally referred to as 'district magnitude', though the nomenclature can be somewhat confusing because 'magnitude' here refers to the number of legislators elected in each district, not to the population or geographic size of the district.

District magnitude may affect corruption by intensifying or muting the tendencies of open-list and closed-list PR systems, respectively, to produce candidate-centric or party-centric elections. In open-list PR systems, a larger number of legislators per district generally implies more intra-party competition for preference votes, and so open-list PR coupled with high district magnitude tends to produce especially candidate-centric elections. By contrast, when district magnitude is small, the tendency of an open-list PR system to generate intra-party competition is more attenuated, and inter-party competition becomes relatively more significant. The effects of district magnitude are quite different in closed-list PR systems. In those systems, smaller district magnitude increases rather than decreases individual candidates' incentive to cultivate a personal vote: When very few legislators are selected in each district, whichever legislators are at the top of the party list have strong incentives to build a personal reputation with voters, because in practice a vote for the party is really a vote for those individuals. By contrast, when district magnitude is large in a closed-list PR system, voters are more likely to vote by party than by candidate—the top candidates from the major parties are almost guaranteed a seat, it is less clear which individual candidates are on the margin, and therefore voting decisions are more likely to be based on party preference than on attachment to particular candidates farther down on the list. (Carey and Shugart 1995).

Given that the previous section established that the relative propensity of candidate-centric systems and party-centric systems to produce corruption is indeterminate theoretically and unclear empirically, it probably comes as no surprise that cross-country quantitative studies of the impact of district magnitude on perceived corruption produce mixed—and mostly null—results. Some studies find that larger district magnitude—more legislators per district—is associated with lower perceived corruption (Verardi 2004), while others find that larger district magnitude is associated with higher perceived corruption (Testa 2010). But most cross-country studies either find no statistically significant relationship between district magnitude and perceived corruption (Panizza 2001; Persson et al. 2003; Tavits 2007; Campante 2009), or find a relationship that is not very robust, losing statistical significance in plausible alternative specifications (Persson et al. 2003; Serra 2006).²²

Of course, given the fact that theoretical analysis predicts that the impact of district magnitude depends on whether the system uses open or closed lists, it may not make much sense to look for simple correlations between district magnitude and perceived corruption. A handful of studies have taken this into account, but again the results are unclear. At least one influential study found that (1) in open-list systems, higher district magnitude (more legislators per district) is associated with higher levels of perceived corruption, but that (2) this relationship does not hold in closed-list systems—with the result that open-list systems tend to have higher levels of perceived corruption when district magnitude is relatively small (fewer than approximately 15 legislators per district), but open-list systems have higher levels of perceived corruption than closed-list systems when district magnitude is large (Chang and Golden 2006). The proposed explanation is that when districts are very large, the intra-party competition for

²² Although most research on the impact of district magnitude on corruption relies on cross-country comparisons, using perception indexes as the proxy for corruption, some researchers have attempted to exploit within-country variation in district magnitude, using more objective measures of corruption. The leading study in this vein is Chang and Golden (2006), which examines variation in district magnitude in Italy prior to 1994 (during which time Italy used an open-list electoral system). Rather than relying on corruption perceptions, the study estimates corruption by taking the ratio of government spending on public capital to actually existing amounts of public infrastructure, on the assumption that a high ratio implies losses due to corruption. This study finds that larger-magnitude districts had worse spending-infrastructure ratios. However, this result appears not to be robust to the inclusion of a dummy variable for ‘southern Italy’, which has historically been viewed as more corrupt, and this calls into question the robustness and generalizability of the finding.

personal votes induced by an open-list system produces higher levels of electoral corruption, and because of the large number of candidates and seats, monitoring will be less effective and candidates will be less likely to be caught and held accountable for corruption. However, this intriguing finding appears not to be terribly robust: an attempted replication, using more recent data and a larger sample, was unable to reproduce the results (Tavits and Potter 2012). Thus, there still seems to be relatively little strong evidence on whether district magnitude has a substantively meaningful impact on corruption.

C. Presidentialism vs. Parliamentarism

A third salient institutional difference across democratic systems concerns the method for selecting the chief executive. There are two main models (though there are also many variants and hybrids as well): parliamentary systems, in which the chief executive—usually called the Prime Minister—is selected by the legislature, and presidential systems, in which the chief executive—usually called the President—is directly elected by the citizens. Does this fundamental institutional distinction within democratic systems have significant effects on the amount or type of corruption within those systems? Yet again, the theoretical predictions are not straightforward, and the empirical evidence at the aggregate level is not dispositive.

First, the theory: At least in principle, a presidential system is supposed to create a greater division of power, as both the legislature and the executive—which, by virtue of their separate elections and possible partisan divisions, are more likely to have different interests and objectives—participate in the policymaking process. This is not invariably true: some presidential systems concentrate most important powers in the president, with the legislature relegated to a subordinate role. But let us assume for the moment that presidential systems do have a greater separation of powers—and consequently more checks and balances—in the lawmaking process than do parliamentary systems. The implications of this institutional difference for corruption are not clear. On the one hand, it might be harder for private actors to cut corrupt deals with the government in a presidential system, because they might need to bribe both a sufficient number of legislators *and* the president in order to secure certain policy favors. On the other hand, for precisely the same reason, it would be easier for corrupt private actors to *prevent* policy changes—including changes that would crack down on their corrupt activities—if they only need to buy off the president *or* the legislature. Furthermore, as was true in the earlier discussion about the effective number of parties, there is a trade-off here between different effects on voter information: Inter-branch competi-

tion may increase the amount of information voters have about corruption, as the legislative and executive branches—institutional (and perhaps partisan) rivals—have an incentive to monitor one another. But this division may also create or exacerbate a ‘clarity of responsibility’ problem, as voters may not know whom to credit or blame for the government’s failure to effectively control corruption.

Of course, as noted above, some presidential systems do not actually feature more checks and balances than parliamentary systems, because in practice they concentrate most important powers in the president, who may also have a number of institutional advantages over the legislature. When that is the case, the analysis differs in important respects, but the bottom-line predictions remain complicated, and perhaps indeterminate: Concentration of power in the president, and the marginalization of the legislature, may reduce the clarity of responsibility problem and enable the president to act more decisively (if he or she chooses to do so) against corruption. At the same time, the concentration of power in the president may make it much more difficult for the legislature to monitor and check the president, enabling the latter a freer hand to engage in various forms of corruption, should the electoral mechanism prove an inadequate constraint.

Perhaps unsurprisingly, given the uncertainty suggested by the theoretical discussion, the empirical evidence concerning the net impact of presidentialism on corruption is thin, and the results are decidedly mixed. Most of the existing evidence comes from cross-country studies that include an index variable for presidentialism among a set of potential explanatory variables, with one or more of the standard corruption perception indexes as the outcome measure. A few studies in this vein find suggestive evidence that presidential systems are associated with lower perceived corruption (Testa 2010; Brown et al. 2011), but other studies find that presidential systems have higher levels of perceived corruption than do parliamentary systems (Panizza 2001; Verardi 2004; Gerring and Thacker 2004; Lederman et al. 2005; Halim 2006). And perhaps the most common finding in studies on this topic is the absence of any statistically significant correlation between the ‘presidentialism/parliamentarism’ index variable and perceived corruption, at least when a plausible set of control variables is included (Adsera et al. 2003; Chang and Golden 2006; Keefer 2007; Pellegata 2009; Tavits and Potter 2012; Schleiter and Vonayza 2014).

Another complication for this sort of empirical inquiry is the fact that, as with district magnitude, the impact of presidentialism on corruption levels may depend on the legislative voting rule. One notable study found that the combination of presidentialism with closed-list PR appeared to be particularly associated with very high perceived corruption levels

(Kunicova and Rose-Ackerman 2005), though there are some questions about the degree to which these results are actually driven by the hypothesized variation in electoral institutions.²³ Another study looking at similar interactive effects reached somewhat different conclusions, finding suggestive evidence that the combination of a parliamentary system with PR had the lowest perceived corruption, while countries that used plurality electoral systems (whether presidential or parliamentary) had the highest perceived corruption, and those that combined PR with presidentialism fell somewhere in the middle (Halim 2008).²⁴

CONCLUSION

This chapter opened with a question: Do democratic elections help reduce corruption? After over two decades of sustained research, the answer is, alas, unclear. But, while the relationship between democracy and

²³ There are two concerns about this study that may be worth highlighting. First, and more generally, the Kunicova and Rose-Ackerman (2005) study counts countries as 'democracies' if they hold periodic elections and exceed a cutoff in the Freedom House score, even if the same party always wins the election. This leads them to classify a number of one-party-dominant states (including, for example, Singapore and Zimbabwe) as democracies, even though many of those countries are classed as 'autocracies' in other data sources, such as Polity IV. It is not clear how these countries should be classified for purposes of this research question. Including autocracies (with formal but not genuine elections) might bias the results if, for example, these countries are more likely to adopt certain formal electoral rules, but excluding one-party-dominant countries on the grounds they are not 'true democracies' might introduce a different kind of bias, because the electoral system might be one determinant of whether a single party can maintain perpetual control. Second, on the joint effect of presidentialism and closed-list PR specifically, it is worth noting that 13 of the 23 countries in the Kunicova and Rose-Ackerman (2005) dataset that feature this combination are in Latin America (and only six Latin American countries in the dataset do not feature this combination), and the regression specifications that look at the joint effect of presidentialism and closed-list PR do not include region dummies. In the specifications that include the regional dummies but not the interaction terms, the Latin American regional dummy is associated with higher perceived corruption. It is thus difficult to tell whether Latin America has higher-than-expected corruption because so many Latin American countries feature the undesirable combination of presidentialism and closed-list PR, or whether the apparent adverse effect of that combination is actually a spurious result driven by some other features specific to Latin America.

²⁴ Halim (2008) emphasizes, however, that these findings are only suggestive and should be interpreted with caution. Moreover, in contrast to Kunicova and Rose-Ackerman (2005), Halim (2008) does not distinguish open-list from closed-list PR.

corruption remains uncertain, we nonetheless have a much better sense of the complexity and nuance of this relationship than we did when that research began in earnest. An appreciation of that complexity makes the inconclusive and at times contradictory results of the cross-country empirical research easier to understand, even as the lack of a clear empirical resolution to the core questions remains frustrating.

That is not to say we have learned nothing from the cross-country empirical work. We do seem to have rather robust evidence of a non-linear relationship between democracy (or duration of democracy) and perceived corruption, with only long-standing, well-established democracies exhibiting notably lower levels of perceived corruption than other polities (though we must be cautious about the inferences we draw from that correlation). There is also some suggestive evidence of a non-monotonic relationship between some potential explanatory variables—such as the degree of political competition, the length of incumbent time horizons, and the degree to which the electoral system promotes cultivation of a ‘personal vote’—and corruption. But on the whole, the cross-country evidence has not produced many consistent, robust findings.

This is the point where one is sometimes tempted to say: ‘More research on this issue is needed.’ But while that may be true, an alternative reasonable conclusion might be that ‘more (cross-country) research on this issue is not likely to prove productive’, because the institutional dynamics are so complex and contingent, and the available cross-country evidence is so inherently limited, that it is not clear running ever-more regressions on the same datasets is likely to produce sufficiently robust results to move the discussion forward. Yet this is not a counsel of despair. The research to date has suggested a couple of avenues that appear to be worth further exploration.

First, one of the more interesting findings to emerge from the existing research is that democracy—or particular variations in democratic institutions—may have more consistent and predictable effects on the *type* of corruption than on the *level* of corruption. We might not be able to consistently predict, for example, whether open-list PR or closed-list PR systems will have more corruption, but we might be able to predict with more confidence that open-list PR systems will tend to have more candidate-centered, instrumental political corruption, while closed-list PR systems will likely have more venal personal corruption and party-directed corruption. We might not be able to say whether the transition from a stable autocracy to a fractious democracy will increase or decrease corruption, but we might still be able to predict a transition from long-term collusive corruption to more short-term embezzlement and extortion. The research is still not quite far enough along to develop a full schema for the

primary corruption risks associated with different political systems, but such a schema seems potentially within our grasp, and work in this direction may prove more useful than trying to figure out whether, on average, democracy or a particular feature of democracy is associated with higher or lower corruption. Better understanding of how corruption risks vary across political systems has a practical as well as intellectual payoff, in that one may be able to design more appropriate anti-corruption measures when one has a clearer sense of the most salient corruption risks in different contexts.

Second, greater attention to the various causal mechanisms through which democratic institutions might affect corruption might help us to produce more research that focuses specifically on those mechanisms (and intermediate outcomes associated with those mechanisms), rather than trying to answer the high-level question about average effects on corruption. We could focus more attention, for example, on how anti-corruption enforcement policy varies across countries with different institutions, or on the factors that influence the entry of anti-corruption parties into politics, or on how different electoral systems affect the production and dissemination of information about corrupt activities. This sort of research might not directly address the questions about average effects of democratic institutions on corruption, but might prove more helpful in understanding the relative significance of different potential causal mechanisms, which in turn might prove more useful in crafting appropriate policy interventions.

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