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# ACCEPTING OR RESISTING CORRUPTION?

**Responses to Corruption and Competence in Highly Corrupt  
Environments**

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## ABSTRACT

The literature studying citizen responses to exposed political corruption is rapidly growing. While some studies explore how information credibility and group identities can reduce the electoral impact of the exposure of corruption, this article addresses different mechanisms for weak electoral accountability for corruption: public works provision and corruption prevalence. It uses a vignette experiment embedded in a national survey in Peru to isolate the causal effect of political corruption on electoral support. The results suggest that even types of corruption with side benefits would be harshly punished when attributed to incompetent politicians. They also indicate that while voters punish corruption more leniently when a candidate is competent, they respond negatively to corruption regardless of the prevalence of corruption, which casts doubt on the idea that voters in highly corrupt environments are tolerant of corruption.

**Keywords:** Corruption, Survey Experiments, Elections, Public Works Provision, Latin America

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## 1. Introduction

A rapidly growing literature on citizen responses to corruption has advanced our understanding about how information credibility and group identities can reduce the electoral impact of the exposure of corruption (Anduiza, Gallego, & Muñoz, 2013; Botero et. al., 2015; Weitz-Shapiro & Winters, 2017). In comparison, we know less about how some contextual conditions undermine informed voters' ability to punish corrupt candidates. While we know that economic gains are one prominent factor explaining why voters sometimes overlook corruption (Fernández-Vázquez, Barberá, & Rivero, 2016; Manzetti & Wilson, 2007; Rosas & Manzetti, 2015; Zechmeister & Zizumbo-Colunga, 2013), we are still unclear about the nuances of the relationship between corruption accusations and candidate competence in public works provision, and our existing knowledge about the trading of corruption for economic wellbeing has not yet offered guidance about how this exchange plays out in highly corrupt environments.

The exciting empirical literature about the longstanding idea that tolerance of corruption is a function of the benefits voters associate with corrupt politicians has produced mixed evidence. While some studies have found that economic side benefits could help protect corrupt politicians from electoral penalties (Marko Klašnja & Tucker, 2013; Zechmeister & Zizumbo-Colunga, 2013), other research finds the opposite, that good performers are punished with larger penalties (Esaïsson & Muñoz, 2014; Winters & Weitz-Shapiro, 2013). We therefore need more research to clarify the intricate nature of the relationship between corruption and economic welfare. The present paper builds on the literature's disagreement and analyzes the relationship with additional nuance. I focus on the specific ways in which economic wellbeing drives voters' tolerance of corruption. One version of the link that is often found in the literature suggests that certain *types of corruption* bring side benefits that would render corruption innocuous to voters. Instead, I argue that economic performance induces voters to evaluate corruption of competent politicians in a fundamentally different way from that of incompetent ones. This is an important distinction, because if voters are more lenient with corrupt candidates who are competent, even types of corruption that carry side benefits will be harshly punished when attributed to incompetent politicians.

This article makes several contributions that advance our understanding of the micro-foundations of political accountability for corruption. Theoretically, it distinguishes between the above-mentioned versions of voters' exchange of corruption for economic wellbeing. Moreover, it identifies a type of selective public good, infrastructure projects, which can affect voters' decisions to support a corrupt candidate. Empirically, this paper explicitly evaluates how voters' expectations of corruption may moderate the impact of corruption. Existing cross-national studies showing that voters overlook corruption to preserve economic wellbeing in highly corrupt environments but do not do so in low

corruption environments have not tested this effect directly. The present paper separates the goods provision effect from the “they are all corrupt” effect by manipulating voters’ expectations of corruption and leveraging within-country variation of corruption perceptions.

Lastly, this article draws from data of a survey experiment in Peru, a low-middle income country with a long history of corruption and weak rule of law (Quiroz, 2008). Like other young democracies, this developing country has enacted reforms aiming at increasing government transparency and strengthening political institutions, but these reforms have been implemented unevenly (Levitsky, 2013; Vergara & Watanabe, 2016). More importantly, although corruption has become one of the most critical problems for Peruvians in recent years, corruption concerns vary considerably across the country. Only a handful of regions see corruption as the top political concern, while the rest are primarily worried about the more pressing matters of crime and unemployment.

The paper will proceed as follows. First, I review the existing literature on the interaction between corruption, candidate competence, and voters’ expectations of corruption and present the arguments and hypotheses. Second, I describe the survey experiment I designed for Peru and compare it to other candidate vignettes in corruption experiments. The third section presents the results of the experimental study. The final section discusses some of the key implications of the findings and concludes.

## **2. Corruption, Competence, and Voting**

In spite of the prevailing view that elected officials who are charged with wrongdoings are able to hold on to office or retain popular support, recent experimental studies find that exposing corruption can help prevent the persistence of dishonest officials in government (Ferraz & Finan, 2008; Banerjee et al., 2010; Bobonis et al., 2010). This divergence has renewed the interest in understanding precisely how and when voters use this evidence to inform their candidate evaluations and decide their vote (for good reviews of this literature see de Sousa and Moriconi (2013) and De Vries and Solaz (2017)). Some experimental studies show that the effect of exposing corruption depends on the severity of the malfeasance (Chong et al., 2015) and on the credibility of the sources of information (Botero et al., 2015, 2017; Weitz-Shapiro & Winters, 2017). Other noteworthy studies show that voters are more likely to overlook corruption cases that affect their own party, their own ethnic group, or male politicians (Anduiza et al., 2013; Banerjee & Pande, 2009; Barnes, Beaulieu, & Saxton, 2017). Another strand of the literature focuses on how certain contextual and institutional factors may influence voter responses to exposed corruption (Chang & Golden, 2007; Charron & Bågenholm, 2016; Kunicová & Rose-Ackerman, 2005; Schwindt-Bayer & Tavits, 2016; Xezonakis, Kosmidis, & Dahlberg, 2016). But our understanding of why and how certain political contexts are more conducive to political accountability is still incomplete.

Among the contextual factors that may influence the decision to punish a corrupt candidate, the economy is one of the most prominent (Manzetti & Wilson, 2007; Rosas & Manzetti, 2015; Zechmeister & Zizumbo-Colunga, 2013). Several studies suggest that tolerance of corruption is a function of the economic gains voters associate with corrupt politicians, but those studies focus on different forms of corruption or economic gains, and they reach divergent conclusions. Some experimental studies find support for the idea that citizens are pragmatic with regards to corruption, showing that they would tolerate corruption as long as the state of the economy was good (Klasnja & Tucker, 2013; Klasnja et al., 2017). Similarly, other studies show that corruption cases that ensure jobs, service delivery, or other economic gains are less severely punished than those that do not (Botero, Castro Cornejo, Gamboa, Pavão, & Nickerson, 2017; Marko Klasnja, Lupu, & Tucker, 2017; Konstantinidis & Xezonakis, 2013). However, still other studies find no support for the ‘tradeoff hypothesis’, showing that voters are unlikely to support a corrupt politician even if this politician delivered public goods (Winters & Weitz-Shapiro, 2013), or that competent politicians will in fact pay higher costs for corruption than incompetent ones (Esaiasson & Muñoz, 2014). How can we reconcile these diverging findings?

One step toward making sense of the mixed evidence is to consider the channels through which economic benefits might motivate voting for corruption. A standard account of the trade-off hypothesis attributes tolerance of corruption to differences in *corruption types*, because certain corruption practices may bring side benefits that would render them acceptable. Demanding bribes in exchange for public contracts, for example, could be seen as less reprehensible than receiving illegal campaign donations from large corporations. The first type of corruption would produce identifiable side benefits such as jobs and services, whereas the second type would be obscure about how the average voter might benefit from it and would reveal instead a corrupt leader gaining undue political advantage. While all types of corruption involve some form of private gain from public office, only some types of corruption have evident welfare consequences for the electorate (Fernandez-Vazquez et al., 2016).<sup>1</sup>

The notion that voters deem some corruption types more acceptable than others is consistent with the longstanding idea that voters might reward corruption if they materially benefited from it (Rundquist et al., 1977). Several empirical studies have examined the interpretation of the tradeoff hypothesis that is based on corruption types. For example, Klasnja et al. (2017) finds that corruption that brings construction jobs is punished less harshly than corruption that does not. Botero et al. (2017) finds that corrupt behavior described as clientelism would cost candidates less than corrupt behavior that is mainly seen as private enrichment.<sup>2</sup> Important non-experimental studies also highlight the role of welfare consequences of certain *corruption types*. Fernandez-Vazquez et al. (2016) for instance finds that welfare-enhancing types of corruption are less detrimental to electoral success than welfare-reducing types. That is, citizens see some forms of offenses as less reprehensible when they have the potential to improve the material wellbeing of their communities.

However, another plausible instance of the relationship between economic gains and corruption would be one in which voters overlook corruption because the allegedly corrupt politician can sometimes be seen as a competent representative as well. By focusing on *candidate type* rather than on *corruption type*, this second interpretation of the trade-off hypothesis allows us to separate the acceptability that certain corruption practices carry from the economic benefit that voters may associate with certain types of politicians. This distinction is important, because while corruption might bring side benefits, it is still possible that some corrupt mayors were less successful at revitalizing the economy than others. Similarly, among candidates who are accused of comparable dishonest behavior, some politicians could be more effective in approving advantageous public policies than others. Good economic performance, therefore, would indicate that this authority figure is well-suited for the job, motivating voters to evaluate corruption qualitatively differently among competent politicians than among incompetent ones.

This subtle difference between two types of channels through which economic benefit shields corrupt politicians is particularly relevant in contexts of uninstitutionalized party systems, in which partisanship is generally weak and non-programmatic linkages dominate (Kitschelt, 2000; Roberts, 2013). When voters cannot rely on party or policy cues to make judgments about electoral choices, they may find signals of quality in candidates' revealed attributes. Candidate type becomes a very important piece of information to guide voting. In fact, candidate type can be such a strong signal that it might motivate voters to overlook corruption evidence. Indicators of candidate competency and efficiency would, therefore, assist voters in better evaluating a candidate's fitness for office and electing highly skilled politicians. While acknowledging the importance of previous findings that voters are indeed less likely to disapprove of corruption types with side benefits, this paper examines another mechanism for the '*rouba mas fax*' based on candidate type: the role of a candidate's reputation of being an efficient public manager. We should expect to see that citizens punish corruption less harshly in a

competent candidate who has shown the ability to deliver collective benefits while in office.

Studying how candidate traits might influence the way corruption is punished has important consequences for the experimental design. Ideally, we would design an experiment that holds the type of corruption constant, thereby allowing us to test how candidate competence has a distinct effect on citizens' responses to an identical type of corrupt behavior. With a few exceptions (Winters & Weitz-Shapiro, 2013 and Esaiasson & Muñoz, 2014), the research on the tradeoff hypothesis has mostly examined the failure of political accountability as a result of voters' tolerance of certain corrupt acts. Here, I propose to examine it as result of the value voters assign to candidate competence traits. The focus on candidate type is important because even if corruption brought side benefits, voters would still punish it if corruption came from incompetent politicians.

The two studies that focus on candidate traits found only partial or null evidence of corruption tradeoff, and none of them considered the alternative hypothesis that voters condone corruption because of high societal levels of corruption. Winters & Weitz-Shapiro (2013) tested a version of the tradeoff, showing the voters prefer corrupt but competent to honest but incompetent. The limitation of this test, however, was that it assumed an additive relationship between honesty and competence, and did not explicitly test the conditional relationship proposed in this article. In effect, they did not evaluate whether corruption effects *depend* on candidate competence. This paper focuses on this nuanced understanding of the tradeoff, in which candidate type induces voters to evaluate corruption of competent politicians in a fundamentally different way from that of incompetent ones. Esaiasson & Munoz (2014) were able to implement a test for this interaction, but they found no evidence in favor of what they called the “dampening” hypothesis. As a result, we do not have strong empirical evidence of the conditional relationship between corruption and competency.

*Hypothesis 1a: The electoral penalty for corruption is smaller for politicians who are competent than for those who are incompetent.*

Another step toward making sense of the mixed evidence in previous work is to consider the type of economic gains for which the literature has suggested that voters might reward competent authorities. These gains have ranged from competence in promoting local economic development to competence in delivering selective goods such as public works or patronage jobs. While subnational authorities often claim credit for infrastructure projects that have the potential to directly impact the material wellbeing of constituents, public works provision is particularly susceptible to corruption (Locatelli, Mariani, Sainati, & Greco, 2017). The public procurement system is often plagued with secretive arrangements between public officials and construction contractors. In fact, the central actor in one of the largest recent corruption scandals in Latin America is the international giant Odebrecht, a construction company that has admitted to paying some \$800 million in bribes to public officials

across the region. If politicians competent in public works provision were generally perceived as lacking integrity, this perception could be one of the reasons why some studies did not find support for an explicit exchange of corruption for public works. It is possible that if a community receives outstanding public works provision under an authority accused of taking bribes, citizens might take competence as a sign of greater opportunities for corruption.<sup>3</sup> This discussion yields the following hypothesis:

*Hypothesis 1b: The electoral penalty for corruption is larger for politicians who are competent than for those who are incompetent.*

Another explanation for the mixed evidence in favor of the explicit exchange idea would be that voters condone corruption in competent politicians in part because they expect corruption to be generally widespread among the political elite. In high corruption environments, the comparative disadvantage of a corrupt candidate would be underestimated because of the large probability that other electoral alternatives would also be corrupt, and because of the prospect that any honest candidate would not remain upstanding for a long time (Bauhr & Charron, 2017). Therefore, when voters' prior expectations are that corruption is a normalized practice, new information about one official's honest or dishonest behavior might be overlooked. In other words, we should expect that corruption information would not affect voting behavior uniformly across populations with different prior beliefs about corruption (Arias, Larreguy, Marshall, & Querubin, 2016).

Past research has explored the role that voters' expectations of corruption play in certain attitudes towards corruption. Corbacho et al. (2016) find in an experiment embedded in a household survey in Costa Rica that citizens are more willing to bribe a police officer when they perceive a high level of corruption in society. Similarly, Barr & Serra (2010) find that among undergraduate students at Oxford University, the individuals' propensity to bribe someone was associated with the level of corruption in their home countries. While this literature focuses on examining the impact of social norms on the likelihood that individuals would engage in corruption, there is less systematic evidence regarding how beliefs about societal corruption may affect citizens' readiness to punish it. Some important experimental studies have indirectly focused on individuals' propensities to punish corrupt behavior. In a cross-national study, Marko Klašnja and Tucker (2013) indirectly attribute differences in voters' attitudes toward corrupt but efficient governments to country levels of widespread corruption. Also, Cameron et al. (2009) find that greater exposure to corruption in daily life builds greater tolerance of corruption.<sup>4</sup> Similarly, Pavão (2018) finds that acceptance of corrupt practices increases in contexts of high corruption.

Putting together these studies, the evidence suggests that the environmental degree of corruption affects citizens' electoral reactions to new cases of corruption. Voters would overlook corruption accusations when they perceived that the practice of corruption was so widespread that all candidates were likely to be corrupt or that throwing one rascal out would do little to reduce the



normalization of corruption in society. The present paper, therefore, extends the proposition that prior beliefs about societal levels of corruption matter for tolerance of corrupt acts (Pavao, 2018; Cameron et al., 2009) and for willingness to engage in corrupt acts (Corbacho et al., 2016), to the study of how the pervasiveness of corruption in society influences the individual decision to electorally punish corrupt acts of officeholders. This discussion yields the following hypothesis:

*Hypothesis 2: The electoral penalty for corruption is smaller when a voter expects corruption to be prevalent than when a voter expects corruption to be limited.*

### **3. Experimental Design**

This study uses a candidate vignette to randomize the information about not only a hypothetical candidate's corrupt record but also their competence in delivering public works and their district's level of corruption. Similar factorial designs have been used in other survey experiments of corruption as a way to test multiple hypotheses by randomly modifying components of a vignette (Hainmueller, Hopkins, & Yamamoto, 2013). The vignette was embedded in a nationally representative survey in Peru and fielded during a three-week period from November 2nd to November 23rd of 2015 by a local survey firm, Ipsos-Apoyo.<sup>5</sup> A sample of 1,308 Peruvians was randomly drawn using a stratified two-stage cluster sampling with replacement. The sample was first stratified into 5 regions: Center, North, South, Lima, and Amazon. Then, districts were randomly sampled from within each region with replacement, and from each district, neighborhoods were randomly sampled. Face-to-face interviews were conducted using electronic devices to record the data.

The variation of the three experimental factors of interest of two levels each resulted in eight vignettes. Respondents were randomly exposed to one of these vignettes and then immediately asked to judge the hypothetical politician in the vignette by stating how likely someone like them would cast a vote for this candidate. Overall, this experimental approach was adopted as an unobtrusive way to measure the socially desirable attitude of rejecting a corrupt candidate.<sup>6</sup> First, it does not expose a respondent to multiple vignettes that would make them aware of the experimental variations. Second, it presents a vignette with a rather complex hypothetical candidate that has multiple qualities, making it difficult for the respondent to notice the key factors manipulated in the vignette. And, finally, it asks for the attitudes of a third person, allowing the respondent to answer honestly without explicitly stating their preference.<sup>7</sup>

Holding constant the type of corruption, this vignette varied first whether the hypothetical candidate was accused of wrongdoings or not. In the corruption condition, therefore, respondents were given information that the fictional politician had been criticized for receiving bribes in exchange for public contracts, and in the control condition the hypothetical politician had instead been praised for performing these contracts in an honest and transparent manner. The type of corruption was

receiving bribes for public contracts, which, unlike illegal campaign funding or private enrichment, can potentially have positive economic consequences for the public (e.g. a concession for a large infrastructure project could generate jobs and promote economic development). In the competent condition, respondents were exposed to a candidate that had enacted more public works than the majority of mayors, whereas in the incompetent condition the candidate had completed fewer works than the majority of mayors. Notice that all candidates were described as completing some amount of public works for the benefit of their communities, but some candidates were outstanding and others were mediocre. Finally, in the prevalent corruption condition, the former mayor was running for office in a district known for its high levels of corruption, and in the limited corruption condition, this district was instead known for its low levels of corruption.<sup>8</sup>

The experimental setting and the wording of the vignette were carefully selected to increase success in eliciting honest responses. The Peruvian case helps maximize the chances of properly testing the effects of perceptions of widespread corruption as they vary greatly within the country, while allowing for realism in the experimentally manipulated contextual conditions. Corruption has become one of the most important concerns of Peruvians, but this concern is nevertheless more acute in certain regions than in others.<sup>9</sup> To ensure the authenticity of the manipulations, which is a major challenge of such experiments (Druckman, Green, Kuklinski, & Lupia, 2011), the language of the vignette was adapted to Peruvian politics. By presenting a type of corruption that is frequently seen by Peruvians, such as taking bribes in exchange for public contracts, I make sure that subjects take the stimulus seriously and respond in a meaningful way. Also, by presenting the hypothetical legislative candidate as a former mayor, I make sure that the public works provision treatment is realistic. Moreover, to rule out the possibility that corruption is overlooked due to lack of credibility of information presented in the experimental vignette, I hold the source of the information constant and attribute the accusation to an international anticorruption organization, as a way to guard against less trustworthy national sources (Botero, Cornejo, Gamboa, Pavao, & Nickerson, 2015; Weitz-Shapiro & Winters, 2017).<sup>10</sup>

In terms of comparability, this design most approximates Winters and Weitz-Shapiro (2013)'s survey experiment in Brazil, in which they modify candidate competence while holding corruption type constant as bribes in exchange for public contracts. Nevertheless, this study differs from their study in three important regards. First, this study explicitly tests a non-additive model of corruption voting, in which a candidate's competence trait influences the way voters punish corruption. While their experiment focuses on the important question of whether the benefits of a competent administration can offset the cost of corruption, this study's main focus of attention is rather how the influence of corruption on vote changes across candidate competence levels. Second, this study disentangles the effect of public works provision from that of voters' expectations of corruption in government by manipulating the level of prevalence of corruption in the district where the hypothetical candidate is

running for office. Third, the present experiment is different from previous studies of corruption in that it investigates accountability for a legislative candidate, a case of accountability that has been relatively under-studied in the recent boom of experimental studies of corruption. Having a subnational authority switching office instead of retaining the same office serves a way to reduce the over-reporting of rejection of a corrupt candidate.<sup>11</sup> Seeking reelection is so disreputable in the Peruvian context that only 17% of district mayors, 10% of provincial mayors, 16% of governors, and 20% of legislators were reelected in the last regional and national elections (Aragón & Incio, 2014). Furthermore, in addition to carrying a distinct disadvantage, reelection for subnational authorities in Peru has recently become an unrealistic political ambition, as term limits were enacted in 2015.

#### 4. Results

The main outcome of interest is the respondent’s willingness to cast a vote in support of the hypothetical candidate. I measured this outcome variable using a 1-7 scale of the likelihood that a respondent will opt to vote for the candidate, where 1 is very unlikely and 7 very likely. For ease of the analysis, I transform it to a scale of 0-100, where greater numbers represent higher electoral support.

**TABLE 1, (THE EFFECT OF CORRUPTION ON ELECTORAL SUPPORT (0-100))**

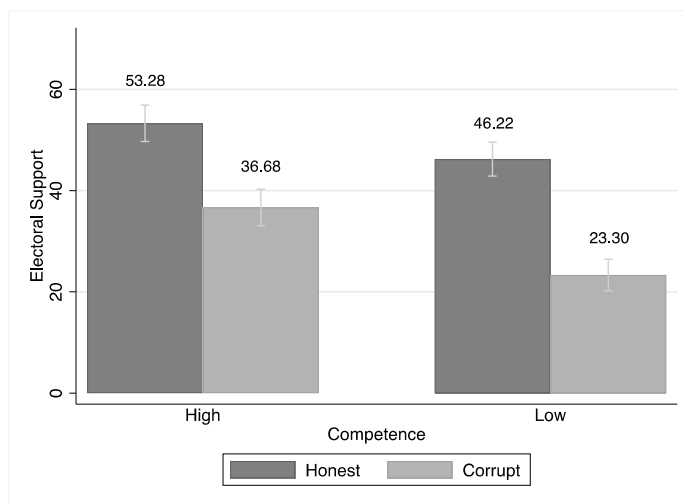
	Combined	Corrupt	Honest	ATE	P-value
Support	39.88	30.10	49.74	19.64	0.00
Stand. Error	(0.92)	(1.24)	(1.25)		

ATE = average treatment effect

Table 1 lists the mean values of support under the “corrupt” and “honest” conditions, the difference in means, and the corresponding standard errors. It shows that when a hypothetical corrupt candidate is contrasted with an honest one, support drops from 49.7 to 30.1, and this difference is statistically significant ( $p < 0.01$ ). That is, a corrupt record decreases candidate support by 19.6 points on the 0-100 scale. To measure the standardized effect size, I divide the average treatment effect of corruption (ATE) by the average of the two groups’ standard deviations to reveal that the corruption treatment caused a decrease of 0.63 standard deviations. This strong negative effect of corruption suggests that when presented with a hypothetical situation, citizens are willing to take notice and reject a corrupt official. It confirms the intuition that alleged corrupt behavior has a considerable effect on candidate support, a finding that is consistent with the effect of audits found in large-scale field experimental studies (Chong et al., 2015; Ferraz & Finan, 2008; Olken, 2007).

Do public works help candidates accused of corruption gain electoral support, or do they harm their electoral bids even further? In support of hypothesis 1a, I find that voters evaluate corruption of competent politicians in a qualitatively different manner from that of incompetent ones. Figure 1 displays the heterogeneous impact of corruption on electoral support for a hypothetical candidate in the two candidate competence conditions. The penalty for corruption is 6.30 ( $p < 0.1$ ) greater for those politicians who fail to deliver public works, as the conditional average treatment effect of corruption goes from -16.59 ( $p < 0.01$ ) in the competent condition to -22.89 ( $p < 0.01$ ) in the incompetent condition. Even though the difference of corruption effects under the high and low competence in public works conditions is only significant at the 90% confidence level, this finding provides some evidence in favor of the idea that voters would be more lenient toward corrupt politicians who successfully deliver tangible benefits to their constituencies.<sup>12</sup>

**FIGURE 1, (SUPPORT BY CORRUPTION AND CANDIDATE COMPETENCE IN PUBLIC WORKS PROVISION)**

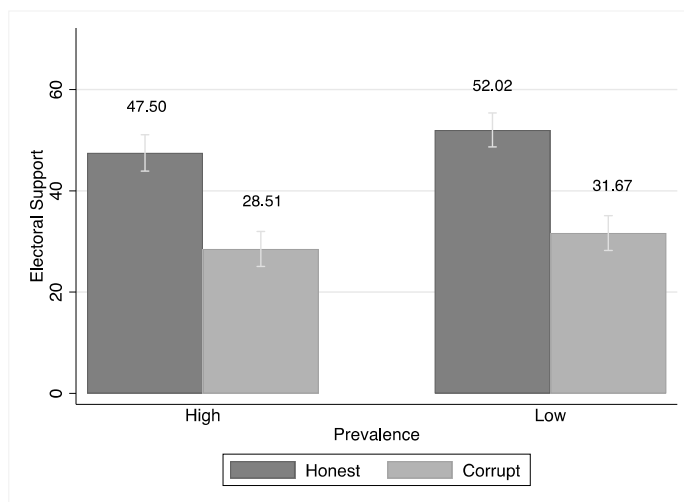


A substantive interpretation of the significant reduction in punishment for corruption suggests that voters evaluate corruption with a different mindset when the alleged corrupt candidate is a competent politician. This finding runs against hypothesis 1b that public works could increase the electoral costs of corruption by signaling greater government involvement in corruption. In contrast to the studies in Spain and Sweden (Esaiasson & Munoz, 2014), in which researchers found that corruption is more costly for competent politicians than for incompetent ones, competence in public works provision mitigates rather than exacerbates the influence of corruption on vote in this Peruvian sample.

Turning our attention to the second hypothesis, are citizens more lenient with an official's

wrongdoing when corruption is normalized? To explore the ‘they are all corrupt’ hypothesis that corruption is penalized less when it is considered a widespread phenomenon, I examine whether the corruption effect is conditional on the level of corruption prevalence. Against hypothesis 2, I do not find evidence of this relationship. Figure 2 shows that the electoral punishment is slightly smaller, though not statistically significant, for corrupt candidates under the high prevalence of corruption treatment condition (-18.98 with  $p$ -value $<0.01$ ) than under the low prevalence of corruption condition (-20.35 with  $p$ -value $<0.01$ ). Although electoral penalties are on average 1.37 points lower for candidates who run in a low corruption environment than they are for candidates in a high corruption environment, I cannot reject the possibility that this difference is not statistically different from zero. This finding suggests that, although voters do not overlook corruption when corruption is widespread, they do not apply a corruption penalty of a different magnitude in a context of low prevalence of corruption.

**FIGURE 2, (ELECTORAL SUPPORT BY CORRUPTION PREVALENCE AND CORRUPTION)**



To better understand this null result, I explore whether it is possible that the perception of corruption as a widespread phenomenon motivates voters to penalize all candidates, be they corrupt or honest. Would voters take cues from the environment and hold all leaders accountable for corruption observed in society, including an honest candidate who was not accused of any wrongdoing? As expected, we find that upstanding candidates suffer when corruption is widespread. In Table 2, the significant average treatment effect of widespread corruption suggests that all candidates are negatively affected when corruption is perceived to be high, and the conditional average treatment effects indicate that the honest candidates are particularly disfavored by perceptions of widespread corruption. This observation is in line with what Chong et al. (2015) found in Mexico about how corruption information decreased not only incumbent party support but also challenger party support

and voter turnout. It also speaks to a broader literature on the demobilizing effects of corruption (Bowler and Karp, 2004; Chang and Chu 2005; Carreras and Vera 2018, Kostadinova, 2009; Seligson 2002; Sundström & Stockemer, 2015).

**TABLE 2, (THE EFFECT OF WIDESPREAD CORRUPTION ON ELECTORAL SUPPORT (0-100))**

	Combined	Honest	Corrupt
Limited Corruption	41.73	52.02	31.67
	(1.32)	0.09	0.10
Prevalent Corruption	38.04	47.5	28.51
	(1.28)	(1.83)	(1.75)
Difference	-3.70**	-4.52*	-2.47

Notes: Standard errors in parentheses. \*p < .10, \*\*p < .05, \*\*\* p< .001

I have presented evidence in favor of hypothesis 1a suggesting that the cost of corruption is mitigated by the competence of a candidate in delivering public works, but it is possible that the tradeoff effect is only present in highly corrupt environments. If the candidate were instead running in a context where corruption is rare, then the shielding effect of competence in delivering economic benefits might turn ineffective. To uncover where the trading effect comes from, I calculate the conditional effect of corruption on candidate competence at different levels of corruption prevalence. Contrary to our expectation, the trading is not present in the high prevalence of corruption group. Table 3 shows the coefficient estimates of electoral support for the respondents in the subgroups of high and low prevalence separately. While competence does mitigate the effect of corruption in the full sample, it does not seem to matter in this way for the subsample of respondents in the high prevalence of corruption treatment. Hence, perceptions of widespread corruption do not appear to be driving the competence-corruption trading strategy.

**TABLE 3, (TRADING BY PREVALENCE OF CORRUPTION)**

Variables	Full Sample			Sub Sample	
	Combined	Prevalent Corruption	Limited Corruption	Prevalent Corruption	Limited Corruption
Corruption	-22.89***	-21.84***	-23.95***	-19.49***	-23.46***
	[2.46]	[3.56]	[3.40]	[5.50]	[4.10]
Competence	7.05**	7.12**	7.10**	14.45**	11.16**
	[2.46]	[3.54]	[3.43]	[5.56]	[4.15]

Corruption * Competence	6.30*	5.59	6.91	3.40	3.65
	[3.48]	[5.01]	[4.82]	[7.96]	[5.95]
Intercept	46.23***	43.92***	48.53***	42.77***	46.61***
	[1.74]	[2.51]	[2.40]	[4.05]	[2.83]
N	1271	638	633	223	430

Notes: Standard errors in parentheses. \*p < .10, \*\*p < .05, \*\*\* p< .001

Finally, to take into account the possibility that our contextual corruption treatment was unsuccessful, in an additional analysis I excluded the cases of a mismatch between the treatment and underlying levels of institutional trust. That is, I restricted the analysis to only the most likely cases for a successful manipulation. For the limited treatment condition, I considered only those respondents living in a region of high trust in institutions, and for the prevalence of corruption condition, I included just the cases of low trust in institutions.<sup>13</sup> While this decision might interfere with the randomization, the new indicator of widespread corruption is not fully correlated with other contextual variables in the same way as an entirely observational indicator would. As expected, the conclusions are similar using both a full sample and a restricted sample of most likely cases; the mitigating effect of competence is not limited to highly corrupt environments.

## 5. Discussion

In this paper, I considered different ways the political context in which information is disseminated matters for political accountability for corruption. I identified and tested one particular form of tradeoff between corruption and economic performance that distinctly embodies the puzzle of voters condoning corrupt politicians: precisely how would candidate competence in public works provision influence electoral support for a corrupt politician? I found that the magnitude of the effect of corruption is conditional upon the candidate's perceived ability to provide public works, but not in the same direction that prior studies of corruption and public works provision have found (Esaïsson & Muñoz, 2014). In this Peruvian sample, rather than exacerbating the costs of corruption, public works provision mitigates the negative effects of corruption on vote. This outcome is in line with what the *'rouba mas faz'* literature suggests about the exchange of economic gains for corruption, yet it remains contrary to what the empirical literature examining public works provision had found so far.

Adding further nuance to the discussion, this finding indicates that punishment for corruption is not necessarily negated by candidate competence, but that citizens apply a smaller penalty for corruption if a politician has the reputation of an efficient public manager. Therefore, instead of a classical tradeoff relationship where voters prefer a corrupt but competent candidate to an honest but incompetent one (Winters & Weitz-Shapiro, 2013), the evidence suggests that voters evaluate

corruption of competent politicians in a qualitatively different manner from that of incompetent ones. Far from being fully acceptant of corruption, therefore, voters resist it quietly by taking cues from competence traits to decide when and how to penalize a corrupt leader.

This study also relates to a central debate on the role of social norms in the persistence of corruption. Building upon existing evidence, I argued that when voters expect corrupt behavior to be the norm among the political elite, they do not update candidate evaluations after a single accusation of corruption as they might if corruption were atypical.<sup>14</sup> Such a saturation effect is particularly concerning in the face of the increasing efficacy of oversight institutions and news media in scrutinizing and publicizing corruption around the world. Against expectations, however, I found that Peruvians do not overlook corruption when they view it as inevitable; they instead punish corrupt incumbents just as severely in both high and low corruption environments. This trend is in part due to the fact that voters blame all candidates for a highly corrupt environment, and this responsibility might especially hurt the honest candidates, setting an already low reference point.

Further exploring the role of the context of widespread corruption in electoral accountability for corruption, I found that the competence-corruption trading strategy is not particular only to highly corrupt environments. This finding runs against cross-national studies suggesting that voters condone corruption in candidates who create positive economic conditions in highly corrupt countries but do not overlook it in less corrupt countries (Klasknja and Tucker, 2013). Testing this conditionality directly by randomizing corruption levels across different candidate types, I found no effect. Furthermore, the replication of this null finding with a subsample of most likely cases suggests that it cannot be fully explained by a possibly unsuccessful treatment. Nevertheless, future studies should try other innovative methods to test directly how voters' expectations matter in political accountability for corruption.

Overall, these results suggest that voters apply differential penalties to corruption depending on candidate reputation of public works provision. Nevertheless, this finding should be taken with caution. Before over-extrapolating from a single experiment, other studies could explore in greater depth the nuances of corruption voting in highly corrupt environments. One interesting avenue for future research would be to compare these survey experimental results to a behavioral benchmark. Whereas some argue that survey experiments would underestimate corruption effects in comparison to field experimental measures using secret ballots (Boas, Hidalgo, & Melo, 2017), others have found that stated preferences in survey experiments match behavioral benchmarks rather well (Hainmueller, Hangartner, & Yamamoto, 2015).

Note also that I do not mean to say that corruption effects will always be mitigated by public works provision. First, it is possible that if electoral campaigns were more party-centered, the personal reputation of a candidate who 'gets things done' might not serve as a shield against corruption accusations. In real-world elections, policy issues might become more salient, especially in party-



centered elections, and other factors such as media or campaign strategies could also play an important role. Second, the effect of public works provision might be particularly strong in Peru where both subnational authorities as well as national representatives are expected to provide public works to their constituencies, directly or indirectly. Nevertheless, I anticipate these results to be relevant for any developing country where political representatives are seen as agents of constituents' demands vis-à-vis the central government.

Finally, the results of this study have implications for the challenges highly corrupt countries face in breaking the vicious cycle of corruption (Ashworth, Bueno de Mesquita, & Friedenber, 2013). While it is generally thought that social norms reinforce the persistence of corruption, these results suggest that when voters are exposed to credible information about corrupt behavior, even in the case of competent candidates, they will punish corruption. This implication calls into question the conventional image of citizens' high tolerance of corruption, and it points to the need for additional research that develops and tests theories that will elucidate the circumstances in which disseminated corruption information can affect political accountability for exposed corruption. More studies about corruption are urgently needed in contemporary Latin America, where abundant information about government officials' malfeasance inundates the news, and where growing awareness appears to be turning cynicism into resistance. Finally, while electoral accountability is only one of the many mechanisms that can help prevent corruption in government, the changing citizen attitudes toward corruption can play a central role in the development of new and more effective institutional checks on corruption.

# APPENDIX

TABLE A1, (SUMMARY STATISTICS)

Variable	Mean	Std. Dev.	Min	Max
Education Level	2.71	1.40	0	7
Age (18-70)	37.69	14.06	18	70
Female (0-1)	0.50	0.50	0	1
Socioeconomic Level (1-5)	3.22	1.03	1	5

TABLE A2, (BALANCE TESTS)

Variable	Combined N=1308	Corrupt N=652	Honest N=656	P-value
Age (18-65)	37.69	38.06	37.32	0.34
Female (0-1)	0.5	0.5	0.5	0.87
Education (0-7)	2.71	2.69	2.72	0.74
Socioeconomic (1-5)	3.22	3.23	3.21	0.83

FIGURE A1, (VIGNETTE)

*"Imagine that Juan is a candidate for congress in a region known for its [high/ low] levels of corruption. An international anticorruption commission has [criticized/praised] Juan for performing multiple public contracts in [exchange for bribes amounting to 1 million soles/ an honest and transparent manner] during his previous administration as mayor. Also, Juan is known because he enacted [more/fewer] works benefiting the population than the majority of the mayors in the country. Juan asserts that if he is elected congress member he will work to improve the quality of life in his region"*

TABLE A3, (CORRUPTION EFFECT ON ELECTORAL SUPPORT)

DV: Support (0–100)	Model (1)	Model (2)	Model (3)	Model (4)	Model (5)	Model (6)
Corruption	-19.76*** [1.74]	-23.62*** [3.01]	-23.50*** [3.00]	-23.50*** [2.69]	-23.42*** [2.97]	-23.50*** [2.98]
Competence	10.24*** [1.74]	7.11** [2.46]	7.13** [2.45]	7.13** [3.11]	6.98** [2.43]	7.13** [2.44]
Prevalence	-3.89** [1.74]	-4.60* [2.46]	-4.70* [2.45]	-4.70** [2.26]	-4.78** [2.44]	-4.70** [2.44]
<b>Corruption * Competence</b>		<b>6.25*</b> <b>[3.48]</b>	<b>6.57*</b> <b>[3.45]</b>	<b>6.57*</b> <b>[3.82]</b>	<b>7.19**</b> <b>[3.43]</b>	<b>6.57**</b> <b>[3.44]</b>
Corruption * Prevalence		1.45 [3.48]	1.43 [3.46]	1.43 [2.93]	1.41 [3.44]	1.43 [3.45]
Constant	46.61*** [1.74]	48.53*** [2.13]	51.92*** [6.61]	51.92*** [7.30]	53.09*** [6.63]	51.92*** [6.58]
Controls	No	No	Yes	Yes	Yes	Yes
N	1270	1270	1270	1270	1270	1270

Notes: Standard errors in brackets \*p < .10, \*\*p < .05, \*\*\* p< .001. Models 1-3 are standard linear regressions. Model 4 uses survey sampling weights and clustering. Model 5 is a multilevel regression with random effects specified at the district level. Model 6 is a multilevel mixed-effects generalized linear model for survey data. Controls in models 3-6 are gender, age, education, and socioeconomic level.

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<sup>1</sup> On a similar note Bauhr (2017) points out that the differences between need and greed corruption can have important consequences for citizens' mobilization in the fight against corruption.

<sup>2</sup> In an experiment investigating vote buying, Weschle (2016) reaches a related conclusion, that voters judge politicians who engage in corruption differently depending on how they use the money they receive.

<sup>3</sup> This idea could be in line with the popular saying '*el que no transa no avanza*' ('he who does not cheat does not get ahead'), according to which the only conceivable way of conducting political affairs is by making deals with privates seeking to obtain special treatment by illegal means. Hence, a politician with a reputation of being an efficient public manager might be suspected of corruption, even if no direct accusation against him was aired.

<sup>4</sup> Based on experiments conducted in four countries, they find a substantial cross-country variation in retribution for norm violators, leading them to report that people may be less willing to punish corruption when they see it in others.

<sup>5</sup> This survey was entrusted by a nonprofit organization, Proética, the Peruvian Chapter of Transparency International, which has run a survey every year since 2004. Results of all the annual corruption surveys can be found at: <http://www.proetica.org.pe/encuestas-corrupcion/>

<sup>6</sup> Although I did not expect a strong social norm in favor of punishing corruption in Peru, a country that is plagued by weak rule of law, I opted for a methodology that would guard us against any social desirability bias as much as possible.

<sup>7</sup> We take advantage of the third-person question wording to prevent the over-reporting of disapproval of a candidate described as corrupt in the vignette. Even though the wording of the question could introduce some noise in the responses, it diminishes the bias generated by social desirability.

<sup>8</sup> Note that I opted to manipulate the characteristics of the region described in the vignette, because a subject's perceptions about a hypothetical political scenario are easier to modify than their views about the environment they actually live in.

<sup>9</sup> In some regions, the percent of respondents who think corruption is one of the three most important problems in the country reaches as high as 50%, but in others, corruption is considered one of the three most important problems only for 25% of respondents (according to 2015 Peruvian National Household Survey). The massive ongoing scandal surrounding Brazil's construction company Odebrecht, which triggered the crisis leading to the resignation of President Pedro Pablo Kuczynski on March 2018, emerged after our survey work was completed.

<sup>10</sup> Following the definition by Weitz-Shapiro and Winters (2014), credible information is data produced by a source that does not have an incentive to lie about the information it disseminates.

<sup>11</sup> Recent studies of incumbency in developing countries have found that incumbents are less likely to win than challengers (Marko Klašnja et al., 2017; Marko Klašnja & Titiunik, 2017; Roh, 2017; Uppal, 2009).

<sup>12</sup> As an additional identification method, I also use a series of regressions to simultaneously add interaction effects between vignette factors and take into account the clustered structure of the data. Table A3 in Appendix reports the

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coefficient estimates, which show that the negative effect of corruption remains statistically significant across different model specifications, and that the interaction effect also appears significant, confirming the intuition that competence moderates the effect of corruption on electoral support.

<sup>13</sup> Low and high trusting regions are coded with data from the 2014 National Household Survey (ENAH0).

<sup>14</sup> One study of accountability in Mali have placed a similar emphasis on the role of citizens' expectations (Gottlieb, 2016). When citizens underestimate government, they hold politicians to a lower standard and sanction poor performers less often.