



Fredrik Malmberg

The Rotting Fish? Institutional Trust, Dysfunctional Contexts, and Corruption Tolerance

A multilevel study of the justification of low-level corruption in a global perspective





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THE ROTTING FISH? INSTITUTIONAL TRUST, DYSFUNCTIONAL
CONTEXTS, AND CORRUPTION TOLERANCE



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Förord

När jag tog ut mina magisterspapper i statskunskap från Åbo Akademi efter fem år i Åbo, och flyttade tillbaka till min gamla hemstad Borgå sommaren 2014, hade jag ingen aning om att jag snart skulle vara tillbaka vid ÅA och än en gång studera, fastän denna gång på doktorandnivå. Jag hade inga som helst planer på att doktorera. Inte heller då jag strax senare på hösten blev ombedd att hålla föreläsningarna i en kurs på basis av temat i min magistersavhandling (demokrati och korruption), vilket jag tackade ja till. Detta blev min första erfarenhet av att få undervisa.

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Åbo den 16 oktober 2019

Fredrik Malmberg

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LIST OF ABBREVIATIONS

BBC	British Broadcasting Corporation
BPI	Bribe Payers Index
CPI	Corruption Perception Index
CC	Control of Corruption
CNN	Cable News Network
ESS	European Social Survey
ETM	Evolutionary Theory of Morality
GCB	Global Corruption Barometer
GDP	Gross Domestic Product
GE	Government Effectiveness
HDI	Human Development Index
ICAC	Independent Commission Against Corruption
ICC	Intra-Cluster Correlation
IMF	International Monetary Fund
LAPOP	Latin American Public Opinion Project
NGO	Non-Governmental Organization
NPM	New Public Management
OLS	Ordinary Least Square
PD	Power Distance
RCT	Rational Choice Theory
SD	Standard Deviation
SDB	Social Desirability Bias
SES	Socio-Economic Status
SLT	Social Learning Theory
SOP	Standard Operating Procedure
TI	Transparency International
UA	Uncertainty Avoidance
UN	United Nations
UNDP	United Nations Development Programme
UNU-WIDER	United Nations University World Institute for Development Economics Research
US	United States
VIF	Variance Inflation Factor
WB	World Bank
WGI	Worldwide Governance Indicators
WIID	World Income Inequality Database
WTO	World Trade Organization
WVS	World Values Survey

ABSTRACT

Tolerance of bribery, tax evasion, and other forms of what can be considered a type of low-level (societal) corruption or an indicator of civic morality, or rather the lack thereof, has been a much-debated phenomenon within the social sciences. Are some societies or cultures more accepting of corrupt practices, and if so, why? Do dysfunctional structures and corrupt elites generate dysfunctional citizens who tolerate free riding behavior (the so-called rotting fish thesis), or is corruption tolerance part of a “larger culture” that affects the quality of public institutions (the so-called *raccomandazione* thesis)? The central question examined in this study is hence “Do dysfunctional societal contexts generate dysfunctional citizens with a higher tolerance of corrupt behavior?”.

This overarching research question and the subsidiary research questions derived from it are approached using multilevel analysis of World Values Survey data from over 80 different countries from around the globe. The aim of these analyses is to empirically examine the relationship between both subjective and objective measures of societal dysfunctionality and corruption tolerance, operationalized using an index of corruption tolerance. A key individual-level factor is argued to be trust in the institutions that exercise government authority and are tasked with the implementation of public policy, namely the police, the courts, and the civil service (bureaucratic distrust). Public administrations and individual civil servants are generally expected to perform their duties in an evenhanded and efficient manner. Failure to meet these expectations may have deleterious consequences for the legitimacy and utility of the formal norms that citizens and firms are expected to follow, possibly resulting in wider acceptance of “uncivic” free riding behavior. The focus of this study lies partly on the conditions under which bureaucratic distrust influences corruption tolerance, and if/how the nature of this relationship varies depending on country characteristics such as the level of socio-economic development and economic inequality, the extent of public-sector corruption and government efficiency, and economic performance. However, this study is also interested in the potential direct effects of these contextual factors.

The results of the analyses in this study suggest that citizens who distrust the implementing authorities and perceive public officials as corrupt generally have a higher tendency of tolerating corruption. Moreover, out of the five previously mentioned main macro-level variables, only economic inequality is significantly related to corruption tolerance. Societies with a high level of economic inequality tend to show a higher tolerance of practices that can be understood as corrupt. Finally, the results suggest that the effect of bureaucratic distrust tends to be significantly weaker in highly unequal and highly corrupt societies, possibly due to varying expectations among citizens in different societies. Citizens in relatively equal societies with low levels of corruption are argued to have higher hopes and expectations of public institutions and officials, which can have negative consequences in the form of a higher corruption tolerance if they feel that they have been unfairly treated by the state.

ABSTRAKT

Tolerans gällande tagande av mutor, skattesmitning och andra former av vad som kan anses vara en typ av (samhällelig) korruption på låg nivå eller ett mått på medborgerlig moral, eller snarare avsaknaden av det, har varit ett omdebatterat fenomen inom samhällsvetenskaperna. Är vissa samhällen eller kulturer mer accepterande av korrupt praxis, och i så fall varför? Genererar dysfunktionella strukturer och korrupta eliter dysfunktionella medborgare som tolererar fusk och snålskjutsåskande på allmänhetens bekostnad (den s.k. *rotting fish*-tesen), eller är korruptionstolerans en del av en "mer övergripande kultur" som påverkar kvaliteten på de offentliga institutionerna (den s.k. *raccomandazione*-tesen)? Den centrala frågan som undersöks i denna studie är därmed "Genererar dysfunktionella kontexter dysfunktionella medborgare med en högre tolerans angående korrupt beteende?".

Denna övergripande forskningsfråga och de forskningsfrågor som är härledda från den granskas med hjälp av flernivåanalys av World Values Survey-data från över 80 olika länder världen runt. Målet med dessa analyser är att empiriskt undersöka förhållandet mellan både subjektiva och objektiva mått på samhällelig dysfunktionalitet och korruptionstolerans, operationaliserat med hjälp av ett korruptionstoleransindex. En nyckelvariabel på individnivån argumenteras vara förtroendet för de institutioner som utövar statlig auktoritet och har till uppgift att implementera offentlig policy, nämligen polisen, rättsväsendet, och statsförvaltningen (byråkratiskt misstroende). Den offentliga administrationen och de individuella tjänstemännen förväntas generellt utföra sina plikter på ett opartiskt och effektivt sätt. Ett misslyckande i att uppfylla dessa förväntningar eller krav kan ha skadliga följder för legitimiteten och nyttan av formella normer som medborgare och företag förväntas följa, vilket möjligtvis kan resultera i en mer omfattande acceptans av fusk och korruption. Studiens fokus ligger delvis på omständigheterna under vilka byråkratiskt misstroende påverkar korruptionstolerans, och om/hur detta förhållandes natur varierar beroende på ländernas strukturer när det kommer till socio-ekonomisk utveckling och ekonomisk ojämlikhet, graden av offentlig korruption och statlig effektivitet, samt ekonomisk prestanda. Dock är den även intresserad av de potentiella direkta effekterna av dessa kontextuella faktorer.

Analysresultaten tyder på att medborgare som misstror de implementerande myndigheterna och uppfattar offentliga tjänstemän som korrupta generellt tenderar ha en högre korruptionstolerans. Dessutom verkar ekonomisk ojämlikhet vara den enda av de fem tidigare nämnda makrovariablerna som har ett signifikant samband med korruptionstolerans. Samhällen med en hög nivå av ekonomisk ojämlikhet tenderar ha en högre nivå av tolerans gällande praxis som kan uppfattas som korrupt. Slutligen så tyder resultaten på att effekten av byråkratiskt misstroende tenderar att vara märkbart svagare i samhällen med hög ojämlikhet och omfattande korruption, möjligtvis på grund av varierande förväntningar bland medborgare i olika samhällen. Medborgare i relativt jämlika samhällen med låga nivåer av korruption argumenteras ha större förhoppningar och förväntningar på offentliga institutioner och tjänstemän, vilket kan ha negativa konsekvenser i form av högre korruptionstolerans ifall de upplever sig ha blivit orättvist behandlade av staten.

PART ONE

Theory and conceptualization

1. Introduction

“The Fish Rots from the Head Down” – old proverb

The 18th century French philosopher Jean-Jacques Rousseau (1712 – 1778) expressed the thought that men and women are born good and pure of nature only to be corrupted by society and the prevailing institutions¹ at a later stage (Lane & Ersson 2000, 1). A similar notion is repeated in the very old proverb cited above, where “the fish” can be viewed as a metaphor for the general society and “the head” for the institutions or the elites that comprise or shape these institutions. In other words, the moral sturdiness of the broader layers of society is to some degree a function of the perceived behavior and morality of those at the top and those that represent the state.

A central objective of this dissertation is to test this claim with a focus on a specific category of institutions and a specific societal phenomenon that many would label a serious threat towards social order and political stability, namely the *bureaucratic or order institutions* that comprise the state apparatus itself and *corruption tolerance*, i.e. citizen views of corrupt and uncivic behavior. How confidence in public authorities interacts with contextual factors central in theories of modernization, such as socio-economic development, economic inequality, or institutional quality and economic performance, in shaping attitudes toward corrupt practices is largely unexplored in the relevant literature. This is where the current monographic research piece hopes to make its most significant contribution in the fields of good governance and citizen opinion concerning norms of civic behavior.

There are several strong reasons why it is important to examine which factors generate a higher corruption tolerance.² For instance, it may illuminate why the willingness to behave corruptly is significantly stronger in some groups or societies, or why the willingness to oppose corruption or act as whistleblowers is weaker (Moreno 2002; Lavena 2013; Lascoumes & Tomescu-Hatto 2008). In other words, it may facilitate the building of a “corruption-resistance” by giving policy makers and anti-corruption practitioners additional empirical data on the factors that produce the kinds of “uncivic” attitudes that may ultimately result in corrupt behavior. This in turn could result in more efficient and well-functioning states that are ready and able to meet the demands of ordinary citizens.

Bribery, an act commonly regarded as the most typical form of what is often considered to be “corruption”³, and other related behaviors that aim to provide private benefits at the expense of the wider community and the public good, is widely seen as unethical, immoral and deplorable in all societies due to the uncivic betrayal of trust,

¹ See [section 1.4](#) in this chapter for a brief discussion on the use of the word “institution”.

² See [section 1.3](#) in this chapter for a more extensive discussion on this topic.

³ See discussion on “what is corruption?” in [section 1.2](#) of this chapter.

waste of resources, and other negative externalities commonly associated with these types of behavior. In spite of a broad agreement on the undesirability of these types of free riding behavior, previous studies have found significant cross-country and cross-regional variation in what some scholars call “low-level corruption tolerance”⁴ (Pozsgai Alvarez 2015), i.e. in attitudes regarding the justification or acceptance of corrupt or free riding behavior such as bribe taking or tax evasion (e.g. Moreno 2002). For instance, while value-mapping surveys show that a large majority of respondents (70-80 %, WVS 2015) claim that they find someone accepting a bribe completely unacceptable, there still remains a significant portion of survey respondents who say that they consider it acceptable praxis, at least under some circumstances.

A short clarification, which is expanded upon in later sections, is in place regarding the exact meaning of the term “corruption tolerance”, as it is generally used here. This dissertation does not intend to focus solely on attitudes regarding the abuse of public office or power, so-called “public corruption”, which is the contemporary conception of corruption. Due to both practical and theoretical reasons, it has adopted a relatively broad definition of corruption. A definition that is not focused on any specific forms of behavior (e.g. bribery or nepotism) but more on corruption as a wider “syndrome”⁵, a decay of civic duty among citizens of a society, that can potentially be caused by the widespread malfeasance of public officials or some other factors. Moreover, the study intends to utilize the extensive literature on corruption as a theoretical starting point for explaining variations in the attitudes of interest in this dissertation.

The great majority of the current literature on corruption and good governance has focused on the input, i.e. the political, side of the government, and has explored the significance of the political system and various kinds of institutional configurations such as the electoral or the party system (Dahlberg & Holmberg 2013). One major recurring research theme has been the impact of democracy on corruption, and a growing number of empirical studies have depicted a non-linear relationship between these two concepts (see e.g. Malmberg 2014). These studies have therefore concluded that the introduction of democratic elements such as free competitive elections is not enough; something *more* is needed if one hopes to get corruption under control and wishes to generate a relatively good and civic citizenry. This “more” requires, according to some calculations made by scholars, a period of several decades (at least 40 years according to Lambsdorff [2006]) for the democratic system to “consolidate” enough, during which “new” kinds of (political) corruption may run rampant,

⁴ Throughout this study, it will mainly be using the term *low-level corruption tolerance* or just *corruption tolerance* when discussing this phenomenon. When discussing its results, it will refer to low-level corruption tolerance, however, for the sake of brevity it will leave out the low-level part. For a discussion regarding the difference between low-level and high-level corruption tolerance, see [section 1.2](#) in this chapter.

⁵ Compare with Johnston (2005) and the discussion in Chapter 2, [section 2.1.2](#).

resulting in losses of faith in the democratic system and possibly in a return to various forms of authoritarianism.

A growing number of empirical studies have linked trust, both interpersonal and institutional, to corruption and unethical behavior. Enrico Colombatto (2003, 363), for instance, argues that under several circumstances corruption may be “a rational and understandable reaction to institutional failures” and/or even a legitimate tool to achieve widely shared goals. This view is shared by Donatella Della Porta (2000, 205), among others, who claims that the “lack of confidence in government actually favors corruption insofar as it transforms citizens into clients and bribers who look for private protection to gain access to decision-makers”. Trust is often argued to influence behavior and the willingness to cooperate in a pro-social manner and is thereby very likely to have an impact on individual tendencies of resorting to both illicit means of influence and other malfeasance that serves self-interest (Sööt & Rootalu 2012, 82).

Susan Rose-Ackerman and Bonnie J. Palifka (2016, 236) meanwhile argue that the large majority of people in societies perceived to have extensive amounts of corruption view corrupt behavior such as bribery, nepotism, and cronyism as “a detour around the constrictions of a dysfunctional state”, even though they largely condemn such behavior. If this statement is true, there should be a greater prevalence of voiced corruption acceptance in so-called “dysfunctional states”⁶ with low-quality public services that are unable to meet the demands of ordinary citizens, or at least in the minds of those who *perceive* the state as dysfunctional and, therefore, unworthy of their trust. However, is there sufficient empirical evidence to support the prevalence of a rationalization and justification of corrupt behavior in the minds of individual citizens based on institutional quality or perceived social injustices? Alternatively, are there some “cultural” explanations that can be traced far back in time that explain any current cross-country differences in views on malfeasance? These are some of the questions explored in this study.

Utilizing an immense quantity of high quality, individual level survey data, accumulated over more than three decades, this study examines the link between confidence in the implementing institutions (the police, the courts, and the civil service), and why some members of society find corruption to be justifiable, while most do not. Furthermore, it also examines why some societies seem to be more tolerant of corrupt and uncivic behavior. Additionally, it also examines the potential impact of public sector performance, measured using different indicators of institutional quality, and other so-called “ecological” effects in a multilevel framework, while also considering possible cross-level interactions. One of the main questions that this study seeks to answer is therefore: What is the role of public institutions and social structures in explaining individual and societal differences in corruption tolerance? According to

⁶ See [section 1.4](#) in this chapter for a brief discussion on the use of the word “dysfunctional”.

Maria Kravtsova, Aleksey Oshchepkov and Christian Welzel (2014, 8), “[t]here is a small but growing body of papers that analyze factors determining individual willingness to engage in corruption or propensity to justify it [...], but they do not pay much attention to social values”. This study therefore builds on these relatively few previous studies on the individual determinants of the propensity to justify corrupt behavior with a focus on the relationship between the citizens, the state, and the civic culture.

The structure of this dissertation is as follows: This dissertation is divided into two main parts. The first part (**Part I**), of which this introduction chapter (**Chapter 1**) is a part of, lays out the theoretical and conceptual foundations for the present study, building on previous research on corruption, civic attitudes, trust, social capital, inequality, and other related research areas. First, the research questions are presented, after which the central concepts of this study, “corruption” on one hand and “corruption tolerance” on the other hand are discussed and clarified conceptually. The distinction between these two concepts is central to the theoretical discussion that comes later in this study. Following this, the reasons why corruption tolerance should be studied are discussed, and this introduction is wrapped up with a short discussion regarding the often used ambiguous words “institution” and “dysfunctional”, words included in the title of this dissertation that play central roles in the theoretical discussion to come.

The following chapter (**Chapter 2**) starts by providing some general theoretical arguments as to why a rational citizen or a group of citizens could perceive corruption and bribe taking as justifiable in some cases or contexts. This chapter also presents a few typologies of corruption that are useful to bear in mind when thinking of how attitudes may vary and how different kinds of societies experience different kinds of corruption. Next, some arguments are provided as to why and how institutional trust or confidence in the public authorities, especially in the bureaucratic implementing institutions that constitute the state apparatus itself, and the general (perceived) quality of the public sector are linked with the individual tendency to justify corrupt or unethical behavior. The focus here is on individual- or *micro-level* (subjective) factors that may influence attitudes towards deviant behavior. The next section moves up the ladder of abstraction to consider potential contextual country- or *macro-level* predictors of corruption tolerance. Do dysfunctional societies produce equally dysfunctional citizens? In the final two theoretical sections, this study considers potential *cross-level* interaction or moderating effects and the hypotheses are summarized. It is argued that the level of economic inequality in a society and the institutional quality has a modifying influence on the effects of confidence that depends on prevalent expectations of fair and impartial treatment from public officials.

Part II is the empirical part of this study and begins by presenting the research design (**Chapter 3**), which includes the operationalization of the variables, an

illustration of the research model, and descriptions of the method of analysis and the data sources used in this study. The following chapter (**Chapter 4**) presents the results of the empirical analyses. It also briefly discusses the implications of the results for the hypotheses presented in the previous chapter and concludes with a few robustness tests. The final chapter of this study (**Chapter 5**) summarizes and discusses the results and the conclusions that can be inferred from them based on the theoretical discussions in Part I. This final chapter also considers the limitations of this study, and touches upon a few policy recommendations based on the conclusions, while providing some recommendations for future studies. Finally, this chapter concludes with some remarks on the discussions in the previous chapters.

1.1 Research questions

After this introduction to the themes of this study, this study moves on to discussing the precise research questions that are examined here. The dissertation operates with one main research question, which in turn is divided into three subsidiary or “sub”-research questions concerning the impact of more specific factors. The overarching research question that sets the whole theme of this dissertation reads as follows:

Main research question: *Do dysfunctional societal contexts generate dysfunctional citizens with a higher tolerance of corrupt behavior?*

This overarching research question sets the main theme of this dissertation and is in turn divided into the following three subsidiary research questions that structure the theoretical and empirical parts of this dissertation:

Sub-research question 1: *Do bureaucratic distrust and self-perceived public sector corruption affect corruption tolerance?*

Sub-research question 2: *Do dysfunctional social contexts affect corruption tolerance?*

Sub-research question 3: *Is the relationship between bureaucratic distrust and corruption tolerance moderated by the self-perceived extent of corruption and/or different social contexts? If so, how?*

The theoretical foundations for these research questions and the hypotheses derived from them are laid out and presented in the next chapter (Chapter 2). In the next section, the two central concepts of this study, “corruption” and “corruption tolerance”, are examined closer.

1.2 What is corruption tolerance?

The phenomenon encapsulated in the terms “corruption tolerance”, “corruption permissiveness” or “corruption acceptance”, whichever term one chooses to use, is utilized in a number of different ways in various studies and contexts (for a review, see e.g. Pozsgai Alvarez 2015). There is even an ongoing scholarly debate regarding if it is even rational to apply these terms in many of the cases where they are applied today.

The main goal of this section is to clarify what exactly this study principally refers to when discussing corruption tolerance, which is the most frequently used term for this phenomenon in this particular study. Before moving on to discussing this topic, however, we first need to take a brief general look at the first part of this concept, namely “corruption”. What is it exactly?

What is corruption?

Providing an exact and uncontroversial answer to this question is no easy task. Corruption is a multidimensional phenomenon and probably one of the most complex and oldest concepts in the social sciences, as we will see. There is no universally agreed upon definition of corruption, and there are both extremely broad and extremely narrow definitions, however, these various definitions will not be elaborated upon here beyond a few examples (for a more comprehensive discussion, see e.g. Mikkelsen 2013).

The word “corruption” itself has its roots in the Latin verb *corrumpere*, where a translation could read *to break up, annihilate, destroy, spoil, make worse, or weaken*.⁷ These translations reveal an intrinsic negative connotation that gives a good idea of how much (or rather how little) people value activities viewed as corrupt and those individuals who engage themselves in such activities. In a literal sense, when something becomes corrupted it comes apart into considerably smaller, weaker, and vulnerable pieces of a whole (Mikkelsen 2013, 358-359). Hence, corruption is often metaphorically described as a cancer or an infectious disease on society and the root of many of the misfortunes that can befall an organized society, including, among other things; poverty, inequality, political instability, and a general atmosphere of distrust towards both other members of society and the governing institutions (Groop 2013, 21).

The early pre-modern conceptions of corruption, originating from great thinkers such as Plato, Machiavelli, Montesquieu and Rousseau (see e.g. Friedrich 1972), were very broad and focused mainly on the moral character of individuals, societies and cultures. Corruption, when referring to people, was understood as the decay or

⁷ University of Notre Dame Latin Dictionary (2019).

unravelling of communities, and as a deviation from moral duty or loss of virtue, which was believed to manifest itself as behavior contrary to public or civic duty (Mikkelsen 2013, 359). This broadness in turn meant that these conceptions were arguably of limited use in the institutional engineering that followed the liberal revolutions where the new social engineers strived to limit the types of behavior that had earlier often been the norm in absolutist monarchies, such as, for instance, the sale of public offices to the highest bidders (known as *venal office*) or close acquaintances. Niccolò Machiavelli, whom Mark E. Warren describes as “the period’s most perceptive student of corruption”, regarded corruption primarily as a moral condition, “measured by the distance between a people’s collective character and moral standards of everyday conduct as defined by their Christian context” (Warren 2004, 329). Rousseau, whose ideas were briefly touched upon in the beginning of this dissertation, meanwhile claimed that all human beings were born good and pure, but became corrupted by civilization and their surrounding society. Corruption has therefore historically been seen in political thought as a “decay of the body politic” or societal corruption, a dangerous impurity or damaging infection in the moral fabric of a political community (Dobel 1978).

The old Romans, whose success in the accumulation of wealth and power was argued to have resulted in a general moral decay that contributed to the eventual downfalls first of the Roman Republic and then the subsequent Roman Empire, is often used to exemplify this (Hindess 2012). One common theme also explored in the sociological literature is how “success” and socio-economic development, or rather various forces of modernization may engender feelings of normlessness and alienation (what Durkheim [2013 [1893]] calls “anomie”) that may prove fertile for both self-damaging behavior⁸ and various forms of malfeasance and corruption. However, the limitation of corruption specifically within the politico-administrative sphere, or in the gray area between the public and private spheres, craved by the new societal engineers required conceptions centered on specific standards of conduct within this particular sphere, and a prerequisite for this was the existence of commonly agreed upon rules that regulate the public sphere.

Warren has identified two historical developments that according to him were essential to the development of politically practical concepts of corruption. The first innovation was i) *rationalized bureaucracies* with clearly written rules and codes of conduct, while the second was ii) the idea that *an institution can be superior to the individual constituting it* (Warren 2004, 329). These two developments together gave birth to guidelines that enabled an identification of corruption in behavioral terms, rather than purely as moral decay, and this in turn gave the conceptual tools needed in order to limit and combat behavior identified as corruption within the public sector.

⁸ Émile Durkheim (2006) associated anomie with suicide in one famous study from 1897.

The “modern” narrow and most frequently utilized definition of (public) corruption as “*abuse of public office or power for private gain*” originates from these developments and focuses on (public sector) elite conduct that is contrary to the rules and demands of a public office and often aims at self-enrichment.

Many of the contemporary studies of corruption proceed from a variant of the aforementioned narrow definition of corruption. However, there are some notable exceptions. Michael Johnston (2005, 12), one of the most prominent scholars in the field of corruption research, for instance, defined corruption as “*the abuse of public roles or resources for private benefit*” (italics in the original, see also Chapter 2, [section 2.1.2](#) of this dissertation and Johnston’s “syndromes of corruption”). The main difference between this definition and the previous one is that while the former holds that a public office holder or authority always must be involved for it to be considered corruption, the latter does not hold the same requirement. The latter can be interpreted as a somewhat broader definition, including the abuse of public resources for private benefit as an attribute of corruption. This definition could therefore arguably also cover various forms of embezzlement that involve public resources such as taxpayer money or public property.

J. Patrick Dobel (1978, 960), in his “theory of corruption”, uses a similarly broad notion of what he calls *societal or state corruption* (contrast with *individual corruption*) as “the moral incapacity of citizens to make disinterested moral commitments to actions, symbols and institutions which benefit the common welfare”, i.e. disloyalty towards the state and the common good. He further argues that “[t]he corruption of states and the corruption of people proceed hand-in-hand [...] to take corruption seriously is to take civic virtue seriously” (Dobel 1978, 972). Focusing exclusively on the behavior of public officials would then not only be insufficient but also futile when examining the “corruption of states” and its causes.

Johnston (2005, 12) in turn argues that instead of focusing on specific actions (e.g. bribe taking), or *sporadic corruption*, i.e. corruption that occurs irregularly, it is more fruitful to focus on what he calls *systemic corruption*, i.e. corruption that is primarily the result of weaknesses of institutions or processes. The reason for this is the varying degree of ambiguity involved in the words “abuse/misuse”, “public”, “private”, and “benefit”, which are often widely contested both academically and elsewhere. Many actions, especially those that can be found in the gray zones between public and private, are extremely difficult to categorize with absolute certainty as either “corrupt” or “not corrupt”. It can for instance be very difficult to identify the exact moment when private resources become public resources (or *vice versa*).⁹ Is it after your money has

⁹ In many states, the boundaries between public and private resources or between public and private actors have become somewhat fuzzy, to say the least, during the last few decades. The emergence of the so-called “post-modern state” and New Public Management (NPM) is argued to have led to “a blurring of conventional divisions between different spheres of activity, notably the public and private sectors” (Heywood 2018,

actually been transferred to the tax authorities, or is before, when you are bound by law to pay the taxes?¹⁰ Johnston furthermore argues that the previously mentioned ambiguity or contention regarding the exact meaning of corruption can be turned into an advantage at a systemic level as “useful indicators of difficulties or change at the level of participation and institutions” (Johnston 2005, 12). Frequent abuses of public resources by private citizens, or acceptance thereof, could for instance be a sign of disputed boundaries between “public” and “private”, and signal critical institutional weaknesses such as frequent abuses of power by the public officials themselves.

Due to this inherent conceptual ambiguity of corruption and the broad definition of corruption tolerance utilized in this dissertation (see below), this study has decided to adopt Johnston’s (2005) broader definition of corruption as **the abuse of public roles or resources for private benefit**.

Paul Heywood (2018, 9), among other scholars, points out that the word “corruption” is generally treated as if its meaning is self-evident. He argues that this practice “acts as an obstacle to moving the anticorruption agenda forward” and that “[a] main drawback to discussing “corruption,” without any adjectives, is that we cannot reach any kind of consensus, other than at an abstract or generic level, over what it comprises” (Heywood 2018, 10). Furthermore, it is important to distinguish between different types and forms of corruption so that we may examine how they relate to both one another and to other factors. There are a multitude of different corruption typologies in the corruption literature, some of which were already mentioned (individual/societal corruption and sporadic/systemic corruption), and we will continue to briefly examine a few of them here and a few later on in this study.

To start off, corruption can be divided into *public(-sector) corruption* on one hand and *private(-sector) corruption* on the other hand. Public corruption embraces the earlier discussed duty of public officials as its starting point, while private corruption consists of malfeasance that takes place in the private sector without the public sector or any government officials involved (Rose-Ackerman & Palifka 2016, 7). Private corruption may involve workplace malfeasance such as sexual harassment, unethical decision-making, workplace theft, insider trading, business-to-business malfeasance such as corporate espionage, bribery of other businesses or their employees, and other forms of behavior that break the rules of a workplace and/or the law, or are perceived as unethical business practices (Mikkelsen 2013, 360). This latter type of corruption falls outside the scope of this study because it involves neither public roles nor (at least in most cases) resources. Corruption, as it is generally used in this dissertation, does not include all types of malfeasance or deviant behavior such as ordinary theft or fraud.

15). Heywood (2018, 15) further claims that in many states “there no longer exists a clear separation between the respective remits of public and private providers: not just in terms of policy delivery, but increasingly in terms of policy design, especially in relation to financial and regulatory matters”.

¹⁰ “Render unto Caesar the things that are Caesar’s” (Biblehub 2019).

Another vital distinction that has been made in the corruption literature is that between *political, elite* or *grand corruption* on one hand and *bureaucratic* or *petty corruption* on the other hand (Rose-Ackerman & Palifka 2016, 11).

Grand corruption involves fewer but more powerful actors (e.g. top-level politicians, bureaucrats, and businesspersons) and substantial sums of money and other valuable benefits such as public procurement contracts and favorable legislation. Petty corruption, meanwhile, involves ordinary citizens, grass-root-level bureaucrats and smaller sums of money and less valuable benefits such as a driver's license or business permit (Rose-Ackerman & Palifka 2016, 11). Moreover, petty corruption, which is considerably easier for citizens to observe than the distant and opaque grand corruption, is said to be more common in less wealthy societies while grand corruption is argued to be the dominant form of corruption in wealthy consolidated democracies.

This distinction is highly relevant, as we will see later in this dissertation, due to the observation made by some scholars (see e.g. Uslaner 2008) that the type of perceived corruption (petty or grand) has important implications for how it affects attitudes concerning, for instance, the general trustworthiness of fellow citizens.

A large majority of prior corruption research has focused on the causes and consequences of corruption as a general phenomenon in contemporary societies (see e.g. Treisman 2000; Montinola & Jackman 2002; Lambsdorff 2006). These studies have met quite a lot of criticism largely due to a) the difficulties involved in the conceptualization of this phenomenon, and b) the substantial difficulties involved in operationalizing it and observing it directly due to its highly illusive nature.

What is corruption tolerance?

The notion in the present study to empirically analyze and compare attitudes towards corruption is far from a novel one. There have been quite a few case or area studies of how citizens in different societies perceive corruption and the criteria they use to judge the acceptability of illegitimate behavior (see e.g. López López et al. 2017; Lascoumes & Tomescu-Hatto 2008).

One groundbreaking study of variations in public opinions on corruption was written by Arnold Heidenheimer (1970), who divided corruption into three different types: Black, white, and grey corruption. Black corruption indicates according to this typology actions that a majority consensus of both elite and mass opinion would condemn and punish on grounds of principle. White corruption meanwhile indicates actions that this majority consensus would not condemn nor punish as vigorously due to the perceived costs involved in enforcing such rules. Grey corruption, on the other

hand, indicates a lack of consensus or a dissonance in elite contra mass opinion on whether certain actions should be condemned and/or punished (Heidenheimer 1970).¹¹

However, there have been relatively few previous studies that have examined the connection between various country- and individual-level variables and the willingness to accept or tolerate corrupt behavior across multiple societies (see e.g. Lavena 2013; Kravtsova et al. 2017; Pop 2012).

There have been some related empirical studies concerning “the roots of civic morality” (Letki 2006) or so-called rational-choice corruptors (Bohn 2012, 2013). However, none, to the best of my knowledge, has focused specifically and systematically on the relationship between a) confidence in the implementing institutions¹², b) institutional quality, and the attitudes of interest with the scope and scale of the present study.

Previous literature on corruption tolerance can be divided into two categories based on the definition of corruption tolerance and the *type* of corruption involved, i.e. high- or low-level corruption (Pozsgai Alvarez 2015; see earlier discussion).

As was already discussed, high-level (or grand) corruption involves senior politicians, administrators, and other elites, and concerns relatively large sums of money or other valuable benefits, while low-level (or petty) corruption involves mostly lower level officials and ordinary citizens, and concerns smaller sums or benefits. One key differentiating factor between these two categories is the accessibility of corrupt dealings to ordinary citizens: The average citizen tends only to have access to relatively low-ranking public officials and petty resources, and can therefore only engage in corrupt actions with them.

The first category includes studies that define corruption tolerance as “citizens’ support for corrupt politicians” (Pozsgai Alvarez 2015, 102). The studies belonging to this category examine why citizens continue to give their support to corrupt governments and politicians even though they are often aware of the fact that the public actors are likely to be involved in corrupt dealings (e.g. Chang & Kerr 2009; Manzetti & Wilson 2009; Pani 2011). Meanwhile, the second category includes studies that define corruption tolerance as “citizens’ willingness to engage in corruption” (Pozsgai Alvarez 2015, 102). The focus of the present study lies mainly on this second category of definitions, of which one example is Gabriela Catterberg and Alejandro

¹¹ Usually elites want to see an action punished while others do not, and the majority is ambiguous on the subject (Lascombes & Tomescu-Hatto 2008, 24). Examples of grey corruption are (certain types of) lobbying or political appointments for non-political offices, which tend to be formally legal but are sometimes perceived as morally questionable practices by certain groups.

¹² In a similar fashion to Kravtsova et al.’s (2017, 14) study of postmaterialism, this study will not interpret the relationship between institutional trust and corruption tolerance as a *causal* relationship, but rather as a *correlation*. Institutional trust will function more as a sort of individual-level proxy of perceived institutional quality, because both confidence and attitudes towards corruption are likely to be simultaneously determined by a third factor.

Moreno's (2006, 42) definition of what they call corruption permissiveness as "*the willingness to justify acts of corruption in society*".

"Corruption" is in this context understood in the previously discussed older and considerably broader sense as a decay of the body politic or citizen misconduct involving public resources, as opposed to the more narrow (political) elite misconduct, which may involve various types of low-level corruption or "free riding" activities involving the public sphere or the public good. This broader perspective of corruption thusly resembles somewhat the one adopted by Raymond Fisman and Edward Miguel (2007, 1022), who examined the "corrupt" behavior of UN diplomats with regard to parking violations, and interpret it as "reflecting their underlying propensity to break rules for private gain".

Ordinary citizens are arguably more likely to be willing to accept such acts in which they themselves or their family can personally engage and benefit from, which excludes most forms of elite or high-level corruption where the corruptors tend to be economic agents with repeated interactions with government officials. This would thereby suggest that an individual could have both a high tolerance of low-level corruption and a low tolerance of high-level corruption or vice versa. Eric Uslaner (2008), for instance, has argued that ordinary people blame growing inequality on the immoral and corrupt behavior of elites, which they condemn and criticize, while at the same time excusing and justifying low-level or petty corruption in which they themselves willingly participate.

However, one could also imagine there to be some spillover effects where a citizen's support for corrupt government officials (i.e. high-level corruption tolerance) could influence his or her own willingness to engage in "grass root corruption" or vice versa. Factors that explain high-level corruption tolerance, such as the occurrence of widespread clientelism and vote buying, could therefore also potentially contribute to predicting low-level corruption tolerance.

The index used to measure low-level corruption tolerance in this study is very similar to the "civic morality index"¹³ used by Natalia Letki (2006, 312) to study attitudes regarding "the acceptability of certain types of public good related behavior". Only one (acceptability of bribe taking) of the four items included in Moreno's (2002) corruption permissiveness is excluded from Letki's index (see Chapter 3, [section 3.1.1](#)). This study's dependent variable can therefore also be understood in a broader sense as not just acceptance of (public) corruption in the strict modern public office-centered sense¹⁴ that we saw earlier, but also as the opposite concept of *civic morality*. A concept

¹³ Stephen Knack and Philip Keefer (1997, 1256-1257) used a similar index to assess the "strength of norms of civic cooperation". However, this index also included WVS items asking about the justifiability of "keeping money that you found" and "failing to report damage you've done accidentally to a parked vehicle", i.e. questions that capture honesty in general, rather than attitudes toward free riding behavior and the public good.

¹⁴ I.e. as "abuse of public office or power for private gain", which may include such practices as bribe taking, nepotism, etc.

that Letki (2006, 306) describes as “honesty in the context of the public good [...that] leads citizens to maximize public rather than private gains, therefore deterring them from engaging in corruption and free-riding”.

Following this logic and combining the two previously discussed definitions with the earlier adopted definition of corruption, this study has chosen to define corruption tolerance as **the willingness to justify the abuse of public roles or resources in order to maximize private gains.**

The average citizen rarely has the resources (money, contacts, etc.) needed to take advantage of the system in such a way that he or she can extract large benefits from it. This observation in turn suggests that he or she often has to settle with “minor” or “grass-root” forms of corruption, such as claiming undeserved government benefits, avoiding fares on public transports, or cheating on taxes. The key similarity between “grass-root” and “elite” corruption is therefore that it involves individuals or groups striving to maximize private benefits at the expense of the rest of society or the public good, i.e. acts of disloyalty towards the state (Dobel 1978).

However, this dissertation will address both low- and high-level corruption tolerance in order to give a more complete and nuanced picture of corruption tolerance as a broader phenomenon, and how these two tolerances could potentially interact with each other.

1.3 Why study corruption tolerance?

What determines individual- and country-level variations in attitudes toward abuse of power and other related “social order norms”? Why are some individuals, societies and/or cultures perceived to be more tolerant of both high-level and low-level corruption compared to others? The answers to these questions may aid in explaining why the general willingness to oppose corruption, for instance by acting as what is called a “whistleblower”¹⁵, might be weaker, and why the willingness to participate in corrupt exchanges might be stronger, in some social groups and societies compared to others (Moreno 2002; Lavena 2013; Lascoumes & Tomescu-Hatto 2008).

Take for instance France as an illustration due the notably high corruption tolerance-level observed in this advanced European democracy (see [Figure 4.3](#) in Chapter 4, section 4.1). Survey evidence concerning “ambiguities” in attitudes toward corruption in France reveal that French citizens have a higher overall tendency of tolerating both corruption and tax avoidance compared to the average European citizen (European

¹⁵ Whistleblowing entails reporting practices that attempt to “reveal fraudulent inside behavior to internal or external authorities” (Lacoumes & Tomescu-Hatto 2008, 30).

Social Survey [ESS] in Lacoumes & Tomescu-Hatto 2008, 36).¹⁶ The authors' own survey finds, among other things, that "a large number of French citizens consider it normal to solicit the help of elected officials in seeking solutions to personal problems" (Lacoumes & Tomescu-Hatto 2008, 36).

Moreover, the survey also reveals that, in the authors' own words, "[...] what resembles a chain reaction, the high level of tolerance of corruption makes the practice of whistleblowing appear almost unethical. Reporting is often seen as an uncivic practice and provokes negative reactions among a large part of the population" (Lacoumes & Tomescu-Hatto 2008, 37). High levels of tolerance regarding modes of behavior linked with the phenomenon known as corruption could therefore be deleterious to any efforts to control it efficiently if it makes ordinary citizens less likely to report it and less likely to take an active stance against malfeasance. On the contrary, they may instead take active measures to try to sabotage anti-corruption measures by, for instance, ridiculing those who resist demands for bribes and are willing to "blow the whistle" on such practices.

In some endemic cases, many may even show admiration towards those who dare exploit the system using corrupt methods. There is for instance a 1997 report from an anti-corruption commission in the Philippines where the head of this commission, Eufemio Domingo, laments that

[w]e have all the laws, rules and regulations and especially institutions not only to curb, but to eliminate, corruption. The problem is that these laws, rules and regulations are not being faithfully implemented...I am afraid that many people are accepting (corruption) as another part of our way of life. Big-time grafters are lionised in society. They are invited to all sorts of social events, elected and re-elected to government offices. It is considered an honor – in fact a social distinction – to have them as guests in family and community affairs (Balgos 1998, in Quah 2004, 65).

Hence, it is of considerable importance that policymakers are provided with further empirical evidence concerning different factors that might conspire to make citizens more inclined to accept these types of "anti-democratic" and "illiberal" behaviors and which particular social groups are most susceptible to these kinds of dispositions.

The ambition of this study is thus to develop a model of the impact of the performance of public policy implementing institutions, measured using both subjective individual-level measures and objective country-level measures, on corruption tolerance, while taking into account various contextual or "ecological"

¹⁶ Sixty-seven percent of Europeans judge it completely unacceptable for a public official to accept a bribe, while the corresponding percentage for French citizens is 49. Similar patterns can be seen concerning tax avoidance: While fifty percent of Europeans perceive it as completely unacceptable to pay cash to avoid the VAT, the corresponding percentage for French citizens is 32 (Lacoumes & Tomescu-Hatto 2008, 36). The average score on the corruption tolerance index used in this study is approximately 49 for France compared to 38 for all included cases (see [Figure 4.3](#) in section 4.1).

factors such as the extent of economic inequality. The purpose of this dissertation is thus to contribute to the existing research in this area by examining the potential effects of a number of different variables that characterize the relationships between citizens and administrators of public policy on the tendency to condone corrupt behavior within varying contexts.

What do we have to gain in learning which individual- and country-level factors affect the level of tolerance toward corruption? One answer already hinted at in the previous paragraphs is that these types of studies enable us to identify structural weaknesses in our institutions that shape and influence individual views, values and behavior, spawning so-called “cultures of corruption”. This in turn might empower policymakers to reform these institutions and structures, influencing the degree to which citizens perceive corruption and their willingness to justify illicit actions. In short, it could be of use in detecting, strengthening, and sustaining a general willingness in society to combat corruption and refrain from participating in it (Lavena 2013, 345-346).

Moreover, as stressed by Eric Chang and Nicholas Kerr (2009, 6), “anti-corruption policies can be most successful if geared toward removing institutions that induce corruption tolerance”. One study of high-level corruption tolerance, for instance, demonstrates that those who are more tolerant of bribery are significantly more likely to be supportive of governments perceived as corrupt¹⁷ (Manzetti & Wilson 2009). Corrupt governments are unlikely to promote (effective) anti-corruption legislation and if the citizens are less likely to “throw out the rascals”, it could indicate that a significant change in a country’s corruption situation is doubtful.

Finally, it deserves to be emphasized that studies in psychology have demonstrated that individual attitudes can be good predictors of *de facto* behavior in moral dilemmas. Icek Ajzen and Martin Fishbein (1977, 912), in their review of 109 investigations¹⁸ into the association between attitudes and behavior, conclude that “[a] person’s attitude has a consistently strong relation with his or her behavior when it is directed at the same target and when it involves the same action”. Studies have also indicated that so-called “rational-choice corruptors”¹⁹, i.e. individuals that are prepared to justify bribe giving as a practical necessity, are more likely to experience corruption, possibly due to their higher willingness to participate in acts that “expedite” transactions with public officials (Bohn 2012).

¹⁷ However, this effect is found to be smaller than both the economic variables and government effectiveness, i.e. factors that are argued to predict clientelism (Manzetti & Wilson 2009).

¹⁸ Ajzen and Fishbein (1977) found that the inconsistencies in statistical significance of earlier studies often were a result of low or partial correspondence between attitudinal and behavioral entities (*action* and *target*), i.e. inadequate measurements.

¹⁹ Rational-choice corruptors were respondents who answered “Yes” (15.9 %) to the survey question “Given the way things are, sometimes paying a bribe is justified” in the Americas Barometer survey 2012 administered in 24 countries (Bohn 2012, 75).

However, with all of this said, it is important to bear in mind that attitude is only one of several components that factor into how a person actually behaves. Many other factors, such as the perceived probability that the official will accept the bribe and withholds from reporting it, the discretion and capacity of the official to meet the wishes of the bribe giver, the bribe giver's willingness to take risks and the size of his²⁰ social stakes, or the perceived social approval or disapproval of "cheating the system", tend to have a decisive role to play in situations where bribe giving is an option (Klitgaard 1991; Lee & Guven 2013; Pop 2012; Corbacho et al. 2016). The same generally goes for other forms of illicit behavior. Positive attitudes towards illicit acts are therefore not necessarily always related to actual deviance, which begs for a closer examination of these associations.

1.4 On the use of the words "institution" and "dysfunctional"

A short clarification regarding to what exactly this dissertation refers to, when it talks about "institutions" on one hand and "dysfunctional" on the other, is in order before moving on to the next chapter. This section starts by briefly examining the concept of institutions.

The title of this dissertation includes the words "institutional trust" and various forms of the word "institution" are used throughout this study, however, what does the word actually mean and how is it used here? The word itself is quite an ambiguous and much-debated concept²¹ with basically two fundamentally different senses. An institution can either be defined as "simple rules or norms [that] constrain the actors, who take the existence of institutions into account when they orientate their behaviour"²², or as organizations with interests and behavior patterns of their own such as banks (financial institutions) (Lane & Ersson 2000, 36-37).

In this dissertation, the term "institution" is used in the latter, wider, holistic sociological sense where institutions are composed of not only rules and norms but also activity, values, and beliefs. The study contemplated on using the words "actor" or "organization", but found them ultimately to be too narrow and opaque for its purpose, which is to take into account what the public institutions actually do or how they perform in the eyes of the general public.

In contrary to the political actors, the modern bureaucratic ones tend to be fairly universal and governed by the same basic principles, which are discussed later, out of the necessity to preserve social order. What matters here is therefore how well the

²⁰ This study says "his" because many studies have shown that men are more likely to participate in corruption than women.

²¹ See Lane and Ersson (2000) for a more thorough discussion of institutions.

²² The so-called rational choice approach to neo-institutionalism (Lane & Ersson 2000, 37).

institutional arrangements (the organizational part) of these institutions comply with or conform to the *institutional environment* (the formal rules and norms), in the terms used by Lance Davis and Douglass North (1970).

Another pairing of words included in the title of this dissertation is “dysfunctional contexts”.²³ But to what kind of contexts does it indicate exactly? According to the Merriam-Webster (2019) online dictionary, the word “dysfunctional” refers to something “characterized by or exhibiting dysfunction: such as a: not functioning properly: marked by impaired or abnormal functioning [...or] b: characterized by abnormal or unhealthy interpersonal behavior or interaction”.

Focus here is on the dysfunctional consequences of certain kinds of societies and institutions. In this dissertation, the term “dysfunctional” is used in a very broad way to mainly characterize societies plagued by extensive corruption, inefficient bureaucracies, low levels of socio-economic development, high levels of inequality, and/or poor economic growth. Contextual factors that previous studies have argued to be the source of much unhappiness and despair among the populations of these societies: low social trust, crime, conflicts, oppressive governments, and general social instability (e.g. Banfield 1958; Dobel 1978; Rothstein & Uslaner 2005; Uslaner 2008; Paskov & Dewilde 2012; Rothstein 2013; Fukuyama 2014), as we will see later on in this dissertation.

²³ I would like to thank one of the reviewers, Gissur Erlingsson, for pointing out the value of adding this part to the conceptual discussion.

2. Theoretical framework and hypotheses

This chapter commences by discussing the phenomenon of corruption tolerance from various theoretical perspectives, including philosophical, economic, sociological, and ethical views on socially deviant behavior that challenges civic morality and public order. This discussion also includes the functional perspective introduced by the so-called revisionist school of thought, spearheaded by Nathaniel H. Leff (1964) and Samuel P. Huntington (1968), among others, who argue that corruption might have an important role to play in processes of economic and political modernization in developing countries.

Following this rather abstract theoretical discussion about the potential *beneficial* effects of corruption, the study moves on to a more specific theoretical discussion concerning how individual-level institutional trust and perceptions of public corruption, country-level socio-economic development, inequality, institutional quality and performance, as well as the cross-level interaction between these factors, might influence individual attitudes regarding corruption. The hypotheses of this study are introduced continuously throughout this discussion.

2.1 When and where is corrupt behavior the rational choice?

As previously mentioned, social surveys tend to show that there are those who seem to have higher levels of tolerance towards behavior that is generally viewed to be contrary to widely recognized principles of civic morality²⁴, including bribe taking, and that there are wider bases of acceptance in some societies compared to others.

What explains this observed variation? Are some individuals, groups, societies and cultures “by nature, history or tradition” more “morally deviant” or *myopic* than others or is it (in some cases) a rational reaction to certain institutional constraints or societal conditions? In other words, is the variation in attitudes toward free riding (“anti-social capital”) among citizens explained by “culture” and historical long-term experiences of social organization (the *raccomandazione* thesis; Banfield 1958; Putnam 1993; Uslaner 2004), by the quality and performance of public institutions and the perceived honesty and fairness of elites (the rotting fish thesis; Rothstein 2013; Rothstein & Stolle 2002; Rothstein & Teorell 2008), or by some other explanations?

The economic concept of self-interest, or what critics often call greed, and the tendency to free ride is widely considered the cognitive basis of corrupt behavior (Rose-Ackerman & Palifka 2016). Nevertheless, what additional factors regulate the

²⁴ According to Letki (2006, 306), civic morality “refers to the sense of civic responsibility for the public good, and thus entails obedience to the rules, and honest and responsible behavior”.

propensity of human beings to behave self-interestedly in a societally harmful and unproductive manner and how do these various variables interact? This chapter begins its exploration of these questions by first delving deeper into the basic nature of human beings, or what the great philosophers called “the state of nature”, and the prerequisites of social order.

2.1.1 Philosophical, economic, sociological, and ethical perspectives on human nature, civic duty, and the role of the state

On human nature

The history of political philosophy is characterized by two competing views on human nature: the egoistic perspective (Epicureanism) versus the altruistic perspective (Stoicism). Both perspectives agree on that human beings are inclined to watch over their own interests, but they disagree on whether they are also inclined to care for others (Lane & Ersson 2000, 40).

The Epicurean philosophers on one hand emphasize the importance of self-interests and argue that human motivation is ultimately determined by the love of oneself. Rules of proper conduct hence become vital in limiting egoism and channeling it along specific paths of behavior in order to render social life possible. These rules may be divinely inspired as in religion or they may be imposed by the domination of powerful rulers with the ability to punish those who break the rules. Alternatively, they may originate from mutual consent as a pact or a contract between the subjects and the ruler(s) (Lane & Ersson 2000, 40-41). The Stoicist line of thought on the other hand emphasizes that human beings have a natural tendency towards virtue. It is claimed that human beings know by the use of reason that certain rules are valid and necessary for the formation of humanity, a union of mutual respect where members naturally take care of one another, i.e. behave altruistically. Some means of controlling egoism are still required, however, because reason does not always triumph over other instincts. Hence, the mission of Stoicism is first to clarify how much humans have in common and second to devise enforcement mechanisms (Lane & Ersson 2000, 41). But how would these enforcement mechanisms actually work or how could rules of proper conduct be made more self-enforceable, without the need of constant policing by rulers or religious authorities?

The 18th century Scottish philosopher David Hume (1711 – 1776) argues that man has a natural interest in social order and justice but is inclined towards *myopia*, i.e. shortsightedness, which tends to tip the scale in favor of egoism and the hunt for

personal²⁵, immediate advantages, often of a material kind (Lane & Ersson 2000, 43-45). If matters of self-interest (governed by *particularistic norms*) clash with broader societal interests (governed by *universalistic norms*) and if the potential consequences of a breach against the latter are believed to lie very remote in a distant future, people tend to prioritize the former when forced to choose.²⁶

The science of economics has traditionally viewed humans as *homo economicus*, or economic man, a consistently rational, calculating, and self-interested atomistic creature who always tends to act according to what is best for his or her own particularistic interests, following a basic cost-benefit calculation that contains all the relevant situational facts (Rational choice theory [RCT]; see e.g. Becker 1976).²⁷ One consequence that follows from this particular view of basic human nature is argued to be the so-called *free rider problem*. Corrupt actors are argued to bear a close resemblance to so-called *free riders* from a collective action scenario (Schweitzer 2004, 27). A free rider is a person who refrains from contributing to a common good due to a cost-benefit calculation in which he concludes that his individual costs outweigh the actual benefits of participating; he reckons on that he will be enjoying the fruits of the labor *irrespective* of his own contribution thanks to the contribution of most other people. In the case of societal corruption, the common good in question is social order: By refraining from behaving corruptly and displaying disloyalty towards the common good, people contribute to the preservation of social order (Dobel 1978). However, if a person calculates that his particularistic gains from corrupt behavior outweigh the possible benefits of abstaining from it, and especially if the risk of detection and potential sanctions are miniscule, he is more likely to behave corruptly due to his faith in the continuation of the social *status quo*.

This is where the issue of myopia, or shortsightedness, enters the picture. The corrupt actor fails to take into account how his own actions, or rather *perceptions* of his actions, may influence the cost-benefit calculations of others, i.e. the cumulative (contagion) effects of his behavior, which may result in a complete breakdown of social order, especially in the long run. Furthermore, a corruptly behaving actor shows no regard for the disadvantages (resulting from the deal or act) to those who do not take part in the corrupt act (in economic terms, *negative externalities*), which may result in the emergence of distrust and an erosion (or non-emergence) of “socially positive social capital”²⁸ or important institutions (Graeff 2004, 52).

²⁵ “Personal” or “self-interest” in this case tends to include family and/or close friends, but may even be extended to larger in-groups such as political parties or cliques.

²⁶ A person may for instance believe that he or she will be punished in the afterlife by divine retribution.

²⁷ For critique of the purely individualistic, “fully rational” view of human nature and the idea that human beings were primordialially individualistic (“the Hobbesean fallacy”) see, for instance, Thaler and Sunstein (2008) and Fukuyama (2011, 48).

²⁸ Contrast this “type” of social capital to negative social capital which is beneficial for the one who possesses it (i.e. the corrupt actor), due to its corrupt exchange enabling function, but detrimental for the rest of society (Graeff 2004).

What then is the key factor that facilitates social order if pure self-interest tends to prevail over altruism, or rather feelings of *civic duty*²⁹, because of myopia? Hume gives one simple answer: the State. Legislation sets the boundaries for human behavior and enforcement mechanisms (the police, the judiciary) oversee compliance, resulting in that “[...] men acquire a security against each other’s weakness and passion, as well as against their own, and, under the shelter of their governors, begin to taste at ease the sweets of society and mutual assistance” (Hume 2003 [1738], 383).

Alas, the mere existence of the State is not enough. There must be clear and institutionalized ethical principles that help to guide the behavior of and the relationships between and among both ordinary citizens and public officials. From where then do these ethical principles originate and how are they related to corruption?

Modern ethics versus tribal ethics

Concerning ethics and people’s reactions to corruption, one can claim that they are the consequence of a conflict between two different kinds of ethics that have evolved since the dawn of humankind (López López et al. 2017, 263). Before the development of large modern social structures such as cities, states and empires, humans were (and still are in certain cases³⁰) organized into extended families or tribes that offered shelter from starvation, natural catastrophes, predators, and other humans and tribes, and worshipped common ancestors (Fukuyama 2011). Every action or inaction that furthered the interests of the tribe (the in-group) and facilitated its survival and prosperity was considered good or “ethical” behavior, including theft from other tribes or the killing of members from competing tribes. Commandments such as “Thou shalt not steal” or “Thou shalt not kill” only applied *within* the tribe among tribe members, and did not pertain to out-groups or non-members (López López et al. 2017, 263).

The tribal stage of human history lasted for thousands of years (and, as noted, still continuous in some parts of the world) and strongly influenced individual thinking or human instincts³¹, but in the contemporary world most individuals live in considerably larger societies where codes of ethics have also evolved as a result of diversification (López López et al. 2017, 263). The family (extended or otherwise) still exists as an institution, but stealing from others to provide for your own family and kin or other in-groups (party, religious or ethnic group, etc.) is no longer considered ethical behavior according to the modern ethics that mostly have superseded so-called tribal

²⁹ Altruism, i.e. concern for the welfare of others, could imply simply one or two other persons, but it is used here in the wider “civic duty” sense where individuals are motivated by a concern for the wider community or the state (Orviska & Hudson 2003, 86).

³⁰ There are still some places in the world today, such as Papua New Guinea, where humans are still organized in tribal ways (Fukuyama 2011).

³¹ As noted by Fukuyama on the issue of human nature (2011, 66) “[a]ll human beings gravitate toward the favoring of kin and friends with whom they have exchanged favors unless strongly incentivized to do otherwise”. Not favoring our own kin and friends does not come naturally for human beings.

ethics as the dominant system of ethics. The instinct or desire to favor kin and comrades in all situations is far from dead, however its strength relative to modern ethics and ideals may vary across different places and contexts depending on such factors as the strength of the state, as we will see later. Where state institutions are weak, clans, tribes, mafia families, or other similar informal institutions tend to take their place and perform the duties formally assigned to them, such as keeping order and adjudication.

Sometimes a conflict may still arise between modern ethics on one hand and tribal ethics on the other, which may cause a power holder to, for instance, favor an in-group member or accept a bribe in order to support their family. Moreover, conflicts may also arise *among* different types of modern ethics, such as duty-based ethics and consequentialist ethics. We will examine this closer using the act of bribery as an example.

Bribery, i.e. the “use of a reward to pervert the judgement of a person in a position of trust” (Nye 1967, 284), is the most common form of what is widely perceived as corrupt behavior from the perspective of modern ethics. From a Kantian duty- or rule-based ethics perspective, corrupt behavior of this sort on the behalf of a wielder of (delegated) power is always wrong. It is a breach of duty where the agent (the receiver of the bribe) betrays the trust of the principal (who has delegated the power) and acts against the best interest(s) of said principal in return for a (often monetary) reward or a promise of a reward in the near future (Kant et al. 2002).³² This can be seen as a fundamentally *moralistic* view that unequivocally condemns corruption without any regard to its possible beneficial consequences³³ (see the critique by the so-called revisionists). According to this view, it is not the *consequences* of a person’s actions that determine if they are right or wrong, but the way they *comply with the rules* designed to guide the behavior of the office-holder, i.e. the duty. There are, however, hypothetical situations where the use of a bribe could be considered justifiable from a more modern ethical perspective. The classic example often used in the corruption literature is the “political prisoner-evil regime”-scenario where a prison guard accepts a bribe in return for releasing a political prisoner held by a corrupt or “evil” regime.³⁴

If, on the other hand, an individual would apply a set of ethical principles building on consequentialism or utilitarian analysis he or she could argue that a corrupt act is ethical if the total sum of winners exceeds the total sum of losers. In other words, if the benefits are greater than the losses in that particular situation, at least in a myopic perspective. There are at least a couple plausible alternative scenarios where this sort

³² One could argue that the actual results of the bribe may be in the best interest of the principal but this study finds it unlikely. In that case, a bribe would hardly be necessary at all.

³³ With “beneficial consequences”, this study mainly refers to more wide-reaching consequences that may even benefit society as a whole, not just specific individuals.

³⁴ This is sometimes called “noble cause corruption”. Authors often give the example of using bribery to save Jews from concentration camps in Nazi Germany (Rose-Ackerman & Palifka 2016, 10).

of ethical thinking could result in the conclusion that the use of bribes, or indeed some other type of corrupt tactic, is morally justifiable.³⁵

One could imagine, for instance, an entrepreneurial individual who intends to set up a firm but he or she requires a business license or a permit for this purpose. It could potentially be very costly and time-consuming for the prospective entrepreneur if there are many bureaucratic hurdles to pass and if the quality of the public service is substandard with long transactional delays. The result could even be that the individual abandons the idea altogether. A potential solution to this problem could be a relatively small additional payment to the service provider that “cuts” the red tape, i.e. bypasses the bureaucratic hurdles and provides a short cut to the business license/permit. The “grease money” could result in a new business venture and potentially many new job opportunities and new sources of tax revenue, thereby ending in a plus-sum situation in the mind of the owner of the newly established business if he considers the red tape to be excessive and over-encumbering. The bribe would thereby be the lesser of two evils if the other alternative were exit from the venture. In cases where the public servant demands a bribe for the service, paying may be the only alternative if the individual truly wishes the permit application to be successful (see e.g. De Soto 1989).

The rationalization in the scenario described above is an example of the classic cost-benefit analysis from economic theory used to appraise the desirability of a certain option, in this case bribe paying. In the next section, a useful typology of two distinct general forms of low-level corruption is presented, where individuals or firms pay bribes to either [a] obtain benefits to which they *are not* entitled to normally, alternatively to skip a certain cost such as a fee or a tax, or [b] to obtain benefits to which they *are* entitled to *without* additional payments.³⁶

³⁵ This argument also holds for other types of free riding, such as cheating on taxes. If a person for instance believes that he or she can make “better”, i.e. more efficient, use of the money that otherwise would be paid as taxes, they are more likely to try to cheat.

³⁶ Shleifer and Vishny (1993) divided corruption into two separate types based on the occurrence of direct losses in state resources: “Corruption with theft” (tax evasion and fee avoidance) and “corruption without theft” (bribe extortion above and beyond official fees).

2.1.2 Typologies of corruption scenarios

Before moving on to discussing ideas concerning the so-called “functionalistic” role of corruption, a few additional typologies (see Chapter 1, [section 1.2](#)) are presented that are useful to keep in mind when analyzing why attitudes toward corruption may vary across different scenarios.

Corruption does not vary only in *form* (e.g. bribery vs. nepotism) but also in *type* with regard to the individual relationships and motivational aspects of the actors involved in corrupt transactions (Bauhr 2017). Similarly, corruption does not vary across countries only in *quantity* but also in *substance*, meaning macro differences in the kinds of corruption that societies experience that result from variations in the extent of political and economic liberalization and in the strength of different kinds of institutions and influences the consequences of corruption (Johnston 2005).³⁷ The section begins by examining the variations in the types of corruption scenarios on the individual-level before moving on to the societal-level.

Corruption is a highly complex phenomenon that can be divided into a multitude of different types or forms, each with their own potential causes and consequences. Some scholars have argued that corruption can generally be divided into two separate ideal types based on either the relationship between the briber (the person who pays the bribe) and the bribee (the person who accepts or demands the bribe) or, alternatively, the supply side motivations for engaging in corruption: [a] *Extortive or need corruption* and [b] *collusive or greed corruption* (Klitgaard 1991; Bauhr 2017).³⁸

The scenario described in the previous section can be classified as a case of collusive or greed corruption. A person in need of a certain public good or service (the license or permit) is provided with a short cut that allows him or her to skip some costly paper work in return for a relatively small remuneration to the service provider. The public official who provides the public good is hence considered to be helping the client reach his or her goal by providing a special advantage, which a corruption-free society would not allow, even though the official’s own actions are more likely motivated by self-interest rather than altruism. Extortive or need corruption, on the other hand, can be described as a situation where a person or firm in need of a certain public good or service is blackmailed into paying a bribe or perform some kind of service to the public official in return for something that he or she would have received free of charge or for a considerably smaller fee, alternatively considerably quicker, in a corruption-free

³⁷ I want to thank one of the reviewers of this dissertation, Staffan Andersson, for pointing out the value of adding this part to the discussion in this section.

³⁸ Some cultures have their own words for these different types of petty corruption. Bardhan (1997, 1323, cited in Rose-Ackerman & Palifka 2016, 51), for instance, points out that in Russian there is a difference “between *mzdoimstvo*, taking a remuneration to do what you are supposed to do anyway, and *likhoimstvo*, taking a remuneration for what you are not supposed to do”.

society. The official in this scenario is erecting barriers instead of pulling them down, thereby hindering the attainment of the client's goals.

Of course, the collusive corruption scenario is highly dependent on that the public official has a relatively large amount of discretion and influence that can open up the proposed short cut through the bureaucratic paperwork. This is commonly not the case in modern rational bureaucracies, at least not in the lower ranks where monitoring is relatively strict, and several officials are involved in the same cases. The extortive corruption scenario is therefore likely to be the most frequently occurring scenario and this can have especially severe implications for the poor who may lack the resources to be able to pay for the basic services that they need. Uslaner (2011, 148) thusly states that “[c]orruption acts as a tax on the poor [...; t]hose in fortunate financial circumstances (the “well-off”) can afford bribes, but the poor often do without basic services”.

It can however be very difficult for the individual or the firm to identify which type of bureaucratic corruption characterizes a particular transfer. Scholars such as Gunnar Myrdal (1968) and Oskar Kurer (1993) argue that corrupt public officials have incentives to create distortions in the economy in the form of new red tape that causes additional delays to the transactions, thereby creating new opportunities for speed money collection. The barriers that the official “helps” to pull down may originally have been raised by the official himself or his accomplices, which means that what may seem like collusive or “helping hand” corruption in the eyes of the bribe giver is actually a case of extortive or “hindering hand” corruption. It is also highly likely that the public official does his utmost to make it *seem* like he is helping the potential rent source in order to increase his chances of securing a bribe. A friendly-minded target is (quite naturally) more willing to relinquish the cash and keep quiet about it than a hostile minded one who feels threatened by the bribe-extorting official.

The nature of and the basic motivations behind these two previously described corrupt exchange scenarios are, as we can see, completely different, and it is therefore also reasonable to expect the consequences to differ, both concerning the corrupt act itself and eventual engagement in anti-corruption efforts (Bauhr 2017). A citizen engages in corruption either to get fair treatment (need corruption) or to get a special illicit advantage (greed corruption). Both those who engage in need corruption and those who engage in greed corruption would benefit from a corruption-free society, due to the earlier discussed negative impacts of corruption on, for instance, the national economy (Mauro 1998), however, as pointed out by Monika Bauhr (2017, 564), “the advantages of a corruption-free society are far from equally distributed between citizens”. Citizens engaged in need corruption are likely to be the primary beneficiaries of a corruption-free society, while the advantages for those engaged in greed corruption are likely to be quite blurry and to occur with a relatively large time-lag. Furthermore, there is likely to be very tangible drawbacks for the “greed corrupt” who

cannot access the same set of privileges in a non-corrupt society (Bauhr 2017), which means that their elite resources become considerably less useful in achieving specific goals such as securing a top education for their children.

Bauhr (2017) argues that it is this distinction in basic motivation that influences a person's inclination to oppose and willingness to fight corruption, where "greed corruptors" have a much greater tendency to tolerate corruption and to free ride on other people's efforts to reduce corruption. The next section discusses the so-called functionalistic view of corruption that argues that it can under certain conditions "grease the wheels of economy", thereby bringing prosperity and other positive societal consequences. Under what conditions can corruption be perceived as positive for society as a whole and not just for certain individuals? However, before moving on to the next section, as promised, this section will take a moment to consider variations in the kinds of (systemic) corruption that societies experience or *syndromes* of corruption, using Johnston's (2005) terminology (see Chapter 1, section 1.2).

Johnston (2005; 2014) posits a typology where he divides macro (and meso³⁹) level corruption scenarios into four different syndromes of corruption: [1] Influence Markets, [2] Elite Cartels, [3] Oligarchs and Clans, and [4] Official Moguls. According to Johnston (2014, 32), these syndromes "reflect underlying trends in, and balances or imbalances between, participation and institutions: how people pursue, use, and exchange wealth and power, and the social, political, economic, and state institutions within (or outside of) which they do so".⁴⁰

Hence, the Influence Markets syndrome reflects consolidated democracies with highly competitive markets and strong institutions, where wealthy private interests seek to use their wealth to influence public decision-making processes by, for instance, acquiring exclusive access to decision makers and/or financing their election campaigns.⁴¹ Elite Cartels meanwhile reflects consolidating democracies in the middle of a liberalization process, with only moderately strong institutions, where elites collude in networks to share corrupt benefits and stave off rising political and economic competition.⁴² Oligarchs and Clans reflect transitional societies where a small number

³⁹ Johnston (2014, 31) is careful to point out that the syndromes do not reflect "system types", that there is considerable variation within the four groups, that a society can move between these different categories over time, and that we can find several different syndromes at work in various areas, regions, sectors, and levels of a society.

⁴⁰ Contrast this taxonomy to Rose-Ackerman and Palifka's (2016, 277) similar, but less comprehensive and more bribe-focused one, which posits four types of *highly corrupt* states based on the location of the bribe recipients within government (Many, at bottom vs. Few, at top) and the number of bribers (Few vs. Many). Hence, the following ideal types are posited: [1] Bilateral monopoly, [2] Mafia-dominated state, [3] Competitive bribery, and [4] Kleptocracy. The bargaining (monopoly) power of government officials versus corrupt private actors is argued to determine the overall impact of corruption on society and the distribution of gains between bribers and bribes.

⁴¹ The United States, Japan, Germany, Australia, France, the UK, and Uruguay are given as examples of Influence Markets (Johnston 2014, 34).

⁴² Italy, South Korea, Botswana, Argentina, Belgium, Brazil, Israel, Poland, Portugal, South Africa, and Zambia are given as examples of Elite Cartels (Johnston 2014, 34).

of highly influential and wealthy individuals, backed by personal followings, compete with one another (often violently), while striving to take advantage of weak institutions in order to further increase their power and wealth.⁴³ Finally, the Official Moguls syndrome reflects undemocratic regimes where powerful individuals or small groups who wield both state and personal power (often called “kleptocrats”) use this unchecked power to enrich themselves with impunity in a context of recent economic liberalization and weak institutions⁴⁴ (Johnston 2014, 30-34).

The point of the previous discussion was to once again highlight the very important observation that corruption does not vary merely in quantity but also in quality or substance, in addition to spatial variations subnationally and across government levels and sectors (Heywood 2018). This is one thing that the standard cross-country corruption indices, such as the Corruption Perception Index or the Control of Corruption indicator, have been heavily criticized⁴⁵ for failing to take into account when they measure corruption on a unidimensional scale with single-country scores, often with a focus on the occurrence of bribery (Andersson 2017). A Swedish case study by Jonas Linde and Gissur Erlingsson (2013), for instance, found that country indices have difficulties in capturing the nature and extent of corruption in countries characterized by strong local self-government, where corrupt activities are largely expected to occur on the local level. The study also showed that a relatively large share of Swedes believed their politicians and public officials to be corrupt, and that the extent of corruption has increased during the last decades, even though Sweden continues to be ranked among the six least corrupt countries in the world by TI. This in turn could have serious consequences for general system support in Sweden (Linde & Erlingsson 2013, 598-599).

This focus on bribery of public officials, which tends to be common in the latter two syndromes where institutions tend to be weak and disorderly, creates a blind spot for the types of corruption that occur in the previous two syndromes where state institutions are at least moderately strong and capable and public sector corruption is often more about sophisticated ways of gaining access and influence within public institutions or elite networks (e.g. conflict of interest) (Andersson 2017). The reason for this focus on bribery is of course that every-day payoffs to poorly paid police officers or doctors (or “petty corruption”) is considerably easier to observe than cases of political corruption in elite networks. This is all very understandable from a practical viewpoint with regard to data collection. When you think of corruption, you often tend to think of bribery. However, from a theoretical and empirical viewpoint it leads to a

⁴³ Russia, the Philippines, Mexico, Bangladesh, Bulgaria, Colombia, India, Malaysia, Niger, and Senegal are given as examples of Oligarchs and Clans (Johnston 2014, 34).

⁴⁴ China, Kenya, Indonesia, Algeria, Chad, Haiti, Iran, Kuwait, Nigeria, Rwanda, Syria, and Uganda are given as examples of Official Moguls (Johnston 2014, 34).

⁴⁵ For more critique of the macro corruption indices, see for instance Galtung (2006).

distorted picture of corruption as a global phenomenon. As argued by Staffan Andersson (2017, 70), if corruption measures ignore other forms of corruption “[t]his can lead to misinterpretation of the prevalence and nature of corruption in the given setting, and to a focus on corruption types/problems that are not the most pressing”.

2.1.3 A functionalistic perspective: Can corruption “grease the wheels”?

Huntington (1968) and several other early theorists from the so-called revisionist⁴⁶ school suggested a functionalistic view to help explain the prevalence of corruption in transition and developing countries. This group of scholars hypothesized that it may make the economies of developing nations run smoother by enabling businesses and individuals to escape the smothering effects of inefficient laws and government regulations that distort the functioning of these economies. This in turn would allow them to cut back on both monetary and temporal costs, enabling more innovation, trade, business creation and economic growth (Leff 1964; Leys 1965; Bayley 1966; Huntington 1968). In the corruption literature, this reasoning is often called the “grease the wheels”-hypothesis, while the opposite view, i.e. that corruption exacerbates poor economic development even further, is called the “sand the wheels”-hypothesis.

Over the next few pages, the arguments on which the “grease the wheels”-hypothesis is based will be examined more closely, in order to give a clearer and more exhaustive understanding of why corruption may be the more rational behavioral mode for some individuals or firms when dealing with inefficient and unreliable public service delivery. The study will also present a quick overview of the state-of-the-art concerning the empirical support for this hypothesis *vis-à-vis* the alternative one. However, it is important to bear in mind that the primary interest of this dissertation lies in why some individuals may *believe* that corruption is a justifiable or even preferable alternative, not in the *actual*, beneficial, or detrimental, consequences of corruption. There is also quite a high chance that the act of, for instance, paying a bribe really is beneficial for both the giver and the recipient, at least in the short run, but in the long run and on a societal level it is likely to do more harm than good when it is aggregated (Rose-Ackerman & Palifka 2016, 83-91). The same goes with the act of cheating on taxes: The person who evades taxes may have a better idea how to use the money than the state, but if many people do it, it can have serious consequences for the state’s ability to provide quality services.

Many corruption theorists tend to assume that the central government is constantly and actively pursuing economic development on a countrywide scale, and that a

⁴⁶ The terms “revisionists” or “functionalists” were coined by their adversaries in order to differentiate them from the traditional “moralistic approach”, which they feared may bias the research into the economic consequences of corruption and result in cultural relativism concerning the western definition of graft (Méon & Weill 2010).

corrupt and inefficient bureaucracy hinders or limits the execution of policies aiming at heightened productivity and economic growth, thereby “sanding the wheels” of the economy. However, this may not always be the case according to some scholars. Leff (1964, 389) argues that corruption may be used by groups that “are more likely to promote growth than is the government”, which he also argues is often the case in developing country contexts, thereby pushing forward development in these countries through this “enhanced participation in policy formulation”.⁴⁷ In the words of Huntington (1968, 386), “[in] terms of economic growth, the only thing worse than a society with a rigid, overcentralized, dishonest bureaucracy is one with a rigid, overcentralized, honest bureaucracy”. It could therefore be expected that a low confidence in the abilities of the public servants or the government to deliver quality public goods or services, or economic development in general, could result in a greater tendency to accept corruption as a personal security mechanism in order to cope with insecurity and uncertainty.

Other theoretical arguments concerning the potential beneficial effects of corruption include the claims that corruption enhances bureaucratic predictability and that it allows poorly remunerated civil servants to supplement insufficient wages⁴⁸ with bribe money, thereby strengthening their work ethics. Leff (1964, 395-396) asserts that corruption can reduce uncertainty and increase investment “[b]y enabling entrepreneurs to control and render predictable [the governmental] influence on their environment”. Individuals or firms can use bribes to escape taxation if government spending is inefficient, thereby freeing up resources for investments. Colin Leys (1965) and David Bayley (1966) further claim that informal payments under the table may act as incentives for attracting capable and motivated civil servants who otherwise may have opted for a better paid job in some other sector. The authors also argue that the existence of widespread corruption can provide means of accessing the state apparatus to minorities who otherwise would lack any means of influencing policies that affect themselves. They may for instance be discriminated due to personal prejudices amongst the bureaucrats themselves or because of formal discriminatory decisions made by the political elites. Bribes may potentially offer a way around these discriminatory practices.

⁴⁷Leff (1964, 389) describes corruption as “an extralegal institution used by individuals or groups to gain influence over the actions of the bureaucracy”.

⁴⁸Government employees were paid very little, if anything, in early- and premodern societies, especially on the local (village) level, and were often allowed to pay themselves whatever they felt that they deserved out of the taxes that they collected (Smith 1971, 427). In tsarist Russia, for instance, there was for a long time a system in place called *kormlenie* (feeding), where the subjects were supposed to “feed” the representatives of the ruler (i.e. the officials) with both edibles and material supplies (Suhara 2003, 389). This praxis partially continued in many colonies where the colonial masters turned a blind eye on the corrupt behavior of tax collectors, in order to save on wage costs.

2.1.4 The *raccomandazione* thesis: Amoral familism and the historical origins of civic virtue

While the “rotting fish” thesis (which is elaborated upon in [section 2.3.3](#) of this chapter) argues that corruption trickles down from the top from selfish, myopic, and unaccountable leaders to the broader bases of society, the *raccomandazione* thesis in turn emphasizes that corruption is an integral part of a larger culture with long historical roots (Uslaner 2004, 79). The term *raccomandazione* refers more specifically to the Italian practice of seeking personal favors from influential people in high places.

The proponents of the the *raccomandazione* thesis often refer to the concept of *amoral familism*⁴⁹, a term coined by Edward C. Banfield in his renowned study from 1958 of a “backward” village in the southern parts of Italy.⁵⁰ This term refers to “the inability [of a community] to act together for their common good or, indeed, for any end transcending the immediate, material interest of the nuclear family”⁵¹ (Banfield 1958, 10). In other words, loyalty to the in-group is prioritized at the cost of the wider community when the interests of these two groups do not meet or if they clash with one another. This in turn hinders cooperation and results in an absence of organized action for the solving of local problems such as shortcomings in educational opportunity, flawed infrastructure, or the lack of a stable and effective party organization (Banfield 1958, 30-31). Additionally, it gives rise to nepotism and patronage due to the strong feelings of moral duty and social pressure to act in ways that favor those closest to you.

Building on Banfield’s pioneering study, Robert Putnam set out to elaborate further on the roots of civic-mindedness and the consequences of amoral familism in his seminal work “Making Democracy Work: Civic Traditions in Modern Italy” (1993). This highly influential study, which aimed to explain differences in the performance of political institutions in twenty Italian regions, came to the conclusion that differences in civic engagement, which could be traced far back in time⁵², are the main explaining factors of why the institutions of the northern regions have performed so much better than their counterparts in the south.⁵³ Putnam argues that this long history of civic engagement has generated communities rich with social capital and citizens with a

⁴⁹ Alternatively, amoral individualism, in case if an individual lacks close kin. Banfield also notes that the term is somewhat misleading: The individual does not lack a moral, it is simply restricted to only include one’s family. Other counterparts to Banfield’s family-specific concept include amoral clanism, amoral groupism, and amoral classism (Huntington 1965, 411).

⁵⁰ Banfield (1958) used the fictitious name “Montegrano” to protect the original name of the town.

⁵¹ The author claims that a combination of three factors produces this phenomenon: [1] High mortality rates, [2] certain land tenure conditions, and [3] a lack of the extended family-institution (Banfield 1958, 10).

⁵² Putnam (1993, 162) traced the regional differences back even as far as to the 11th century.

⁵³ Putnam tells a little story about a meeting with a reform-minded Italian politician from the south to whom he told about his findings. After hearing about the findings, the politician complained: “What you seem to be telling me is that nothing I can do will improve my region. Our fate was sealed hundreds of years ago.” (Putnam 1993, 188).

greater interest in the common good and cooperation, who possess higher levels of generalized trust, social tolerance and political interest, are more active politically, and are generally endowed with norms of citizenship (Zmerli 2010, 665). In other words, resources that the people of Banfield's "backward" village generally lacked.

One way to understand this cultural, "alternative" explanation of differences in attitudes toward corruption is by relating it to the earlier discussion regarding the relationship or conflict between what was called "tribal ethics" on one hand and "modern ethics" on the other. Tribal ethics dominate over modern ethics in these "backward" societies, but the real question is *why*. Why have modern ethics failed to become the dominant system of ethics in some societies where the interests of the family, tribe or clan prevail over the interests of the larger society? Why is there a greater lack of solidarity between different social groups, which creates incentives for corruption, in some societies compared to others?

One plausible answer to these questions, which was already briefly mentioned in previous sections, has to do with the strength of the state or what in the development community often is called "state capacity". State capacity, which can be defined as a state's "ability to implement official goals, especially over the actual or potential opposition of powerful social groups" (Skocpol 1985, 9), can be estimated in several different ways. One way is to measure it indirectly, by examining subjective evaluations of the level of trust in public institutions. In the next section, the study discusses how bureaucratic distrust or a lack of confidence in the impartial implementing institutions could be related to corruption tolerance, which is part of the aforementioned "rotting fish" thesis. Later, it will also discuss other alternative indicators of state capacity and institutional quality.

2.2 Bureaucratic (dis)trust and corruption tolerance

2.2.1 What is institutional trust?

The level of trust in governmental organizations and agents has received a great amount of both academic and non-academic attention during the last few decades, largely as a result of the so-called “crisis of confidence” observed by some scholars in contemporary democracies (Marien 2011; Catterberg & Moreno 2006). Numerous studies have investigated both the causes and consequences of trust or confidence⁵⁴ in various governmental institutions, in addition to the many contributions to the theoretical debates regarding how to conceptualize and measure this highly debated and complex phenomenon.

Nevertheless, what exactly does trust in public authorities entail and in what ways does it differ from other types of trust? In order to be able to answer these questions we first need to briefly elaborate on the more general concept of trust and its different varieties.

Trust is arguably the most valuable resource available to free market-based economies and a vital ingredient for well-functioning societies and institutions. It enables cooperation between trustor and trustee even though there remains uncertainty and risk regarding the future behavior of the different actors involved and the consequences of their actions (or inactions!). It enables us, for instance, to board a passenger plane and put our lives in the hands of the pilot and the rest of the crew, to trust the storage of our money to banks rather than in our mattresses, to lend our possessions to friends or neighbors, or to try out new and innovative solutions to our problems (Offe 1999). In short, “[t]rust helps us solve collective action problems by reducing transaction costs” (Uslaner 2005, 4).

Early research in human psychology concluded that there are two dimensions to trust: *Competence* and *care* (or *trustworthiness*) (Hovland et al. 1953). Trust in the competence of a trustee refers to beliefs or judgements regarding the ability of the trusted individual or organization to reach stated goals or act in a consistent manner (Houston & Harding 2013, 55). Proof of competence, in the form of information on previous performances and evaluations of the quality of the provided services, is thereby usually required by the trustor. Care or trustworthiness, in contrast, refers to

⁵⁴ Some authors use the words trust and confidence interchangeably, while others argue that they are separate constructs. Sonja Zmerli, Ken Newton, and José R. Montero (2007), for instance, argue that “trust” should be used exclusively in interpersonal situations, while “confidence” is appropriate when examining attitudes towards institutions. Claus Offe (1999, 44) similarly argues that trust can in some ways be seen as the “opposite” of confidence. Misplaced trust is always perceived as the trustor’s own fault, while misplaced confidence is attributed to other, exterior factors, such as bad luck, chance, or Providence. The situation is furthermore aggravated by the fact that some languages only have a single word that covers both concepts. For an excellent discussion on the matter, see Cole and Cohn (2016).

beliefs about the manner in how the trustee would consciously manage the given trust. Would the trustee take the interests of the trustor into account or is he or she purely driven by raw self-interest? In other words, does the trustee have the trustor's interests at heart?

Scholars commonly call trust in public authorities or abstract systems *institutional trust* in order to conceptually distinguish it from the two other often-discussed varieties of trust, *interpersonal/particularized trust* and *generalized trust* (Rose-Ackerman & Palifka 2016, 248-249). The concept of institutional trust builds on the notion that citizens expect public organizations and government representatives to behave in a neutral, competent, and impartial manner while implementing public policies (Rose-Ackerman & Palifka 2016, 253). There should be no suspicions whatsoever that personal affections or considerations influence the decision making or actions of a public-sector official. All business with public administrations should be based on clear, public rules, and not on personal feelings or calculations of profit maximization.

Many authors use the umbrella term "political trust" in their studies, and while there is quite a strong consensus about the importance of this concept, considerable amounts of disagreement exist concerning the "true" meaning of this concept and its causes and consequences (Zmerli & Hooghe 2011, 2-3). Consequently, the theoretical status of this concept remains according to Sonja Zmerli and Marc Hooghe "highly dubious".

Russell Hardin (1999) argues that the words "trust" and "I trust you" in their ordinary meaning implies that a person possesses relevant, specific and sufficient knowledge regarding the motivations, actual behavior, and other important factors of the individual, group or organization whose trustworthiness is under evaluation. This is what we base our trust in our neighbors and colleagues on. We can form personal, dyadic, reciprocal, and iterative relations with other people, which are likely to produce a relatively clear picture of their competence and trustworthiness. However, most or at the very least many citizens lack firsthand experience when it comes to the government or public officials in general, and cannot therefore sincerely claim to be in possession of knowledge of the kind that is required for trust formation in the traditional sense of the word. Scale issues alone make it virtually impossible to learn to trust a sufficient number of individuals within an organization. It is therefore illogical for citizens to trust institutions, and political trust thereby becomes meaningless, following this line of logic (Hardin 1999, 23-24; Zmerli & Hooghe 2011, 3). Hence, there is a wide scholarly agreement on a rather clear conceptual difference between trust in *individuals* on one hand and trust in *institutions* or organizations (abstract systems) on the other.

What do scholars then usually mean when they talk about trust in institutions or political trust? Hardin's (1999, 38-39) answer to the question "what is trust in government?" is that it is not realistically possible or even rational to have trust in public organizations, but what we can have are strong expectations based on the

perceived predictability of the organization and its *reputation*. A person can have a certain degree of confidence, based on general knowledge about the history of the organization, in the abilities of the organization or the civil servant to function in an expected way. As argued by Hardin (1999, 39), “[i]t is not a relationship of trust or distrust [...], at best, much of the time it is a relationship of inductive expectations”. In other words, the basis of institutional trust can be said to lie in *normative expectations of how a public actor ought to behave*. This notion of institutional trust can be traced back to the 1960s and David Easton (1965), who argues that citizen attitudes toward the political system generate what he calls *diffuse support*, which can be contrasted against *specific support*, i.e. support for a certain regime or a political decision. Diffuse support implies that a citizen sees a certain institution and/or its decisions as legitimate and is ready to comply with them even though he himself may not agree with them.

What becomes clear from this discussion is that political trust is seen by scholars as a completely different beast altogether in comparison to interpersonal trust. At best it is considered to be very thin and mostly resembles “a general recognition of authority and a benign attitude towards political institutions” (Zmerli & Hooghe 2011, 3).

Finally, it must be emphasized that, ultimately, this study examines two dimensions of institutional quality: one subjective (institutional trust), and one more objective. Letki (2006, 309) argues that the accuracy of the subjective assessments of institutional trustworthiness is “irrelevant”, because what really matters is whether citizens *believe* that they can afford to trust the institutions as “a reflection of institutional legitimacy”. This dimension will therefore be complemented and contrasted with indicators of the more “objective” dimension, which are discussed later. How well do individual perceptions of institutional quality mirror more objective indicators and do they all impact civic morality in the same way in different contexts? In the next section, however, the study discusses the reasoning behind why it has taken the route of focusing specifically on one specific part of the public sector, namely the *public administration*.

2.2.2 Why focus on (lack of) trust in the public administration?

Many of the previous investigations into the causes and consequences of institutional trust have either bundled together both trust in political or representational institutions (political parties, the Government, the Parliament) and trust in “non-political” or bureaucratic institutions (the civil service, the police, the courts) charged with the implementation of public policy, or have solely focused on the former kind of trust (e.g. Marien & Hooghe 2011; Sööt & Rootalu 2012; Tavits 2010). However, as this study will demonstrate over the following pages there are several strong theoretical and empirical reasons to believe that this is not an adequate strategy for the purposes of this particular study. This study delimits its institutional trust variable to the implementing or *bureaucratic* institutions due to the following reasons.

Firstly, this study aims to include as many different countries and political systems as possible in the empirical analyses, including both (more or less) democratic and non-democratic systems. Consequently then, not all countries have an identical set of basic political institutions. Some institutions may be entirely absent in certain countries such as China, which lacks a *de facto* multi-party system, while in other countries they may be severely restricted or deeply flawed when it comes to fulfilling the purposes for which they are intended in representative democracies. Some political institutions such as parliaments are only elaborate set pieces or smoke screens designed to give an air of democratic legitimacy to extremely centralized authoritarian regimes. In these non-democratic countries, it would be only natural for the citizens to distrust the existing political institutions that mainly represent the interests of the ruling elite(s). Examining the relationship between confidence in political institutions and corruption tolerance in these particular countries where the political institutions are *by definition* corrupt and lack democratic accountability would thereby be a meaningless exercise.

While political institutions may radically differ in both structure and function between different states, implementing institutions on the other hand resemble out of practical necessity their counterparts in other countries to a significantly higher degree. No sovereign contemporary state in existence is entirely without a police force, court system or civil service of some kind. All states, whether democratic, semi-democratic or non-democratic, benevolent or repressive, rich or poor, are in need of civil servants with discretionary powers who distribute valuable goods and services or impose onerous costs (Rose-Ackerman & Palifka 2016, 51). Inefficient and corrupt implementers of public policy contribute to economic stagnation and undermine the legitimacy of both democratically chosen and autocratic regimes, potentially resulting in civil uprisings⁵⁵ or military coup d'états. It therefore lies in the best interest of all

⁵⁵ The Arab Spring, for instance, which began in Tunisia is claimed to have started from the demonstrations that followed after the police confiscated a local fruit vendor's cart, and demanded a bribe in return for the cart, which the fruit vendor, Mohamed Bouazizi, refused to pay and instead set himself on fire and later died (CNN 2016).

regime types to be able to effectively limit bureaucratic corruption in their respective countries.

Some studies have even demonstrated that authoritarian regimes are sometimes perceived as better capable of controlling corruption than their more democratic counterparts in other countries. Andrei Shleifer and Robert Vishny (1993), for instance, argue that extremely centralized authoritarian governments such as the Philippines under Ferdinand Marcos, the Soviet regime or Indonesia under Suharto, were able to centralize and monopolize corruption itself, thereby creating predictability and certainty (concerning, for instance, the size and frequency of bribes), hence avoiding repetitive and competitive bribery that scares away potential investors, financial institutions, and other economic actors. Only a limited number of handpicked (loyal) officials were given the “privilege” to accept bribes, either directly or through intermediaries, and a large share of these bribes went directly to the bank accounts of the power holders who in return turned a blind eye on this praxis. This way the rulers were able to secure the loyalty of important elites without sacrificing economic growth and drowning the country in a free-for-all rent seeking.

Secondly, Bo Rothstein and Dietlind Stolle (2002, 10), in their study of institutional trust as a determinant of generalized trust, argue that there are three main reasons why it is essential to distinguish the *representational* side from the *implementation* side of the political system in these types of studies. The first reason is that institutions dominated by politicians have as their basis of trust (or distrust) *partisanship*, while institutions dominated by civil servants in turn build their trust on their own reputation of being *impartial* (Rothstein & Stolle 2002, 10; Rothstein & Teorell 2008; see later discussion on impartiality and corruption). A Government consisting of one or a few political parties, or a Parliament where the ruling party or parties hold a majority, is expected to pursue ideological goals in a partisan way. People with similar ideological leanings as the ruling parties are therefore expected to possess a higher confidence in the Government or the Parliament, compared to those who support the opposition or otherwise have differing ideologies. Political trust influenced by ideological leanings (specific support) is thereby less likely to be correlated with attitudes toward the state as an institution (diffuse support) and norms of civic behavior (Rothstein & Stolle 2008).

Rothstein and Stolle’s second reason is that unlike the representational institutions, the so-called *order institutions* (the courts, the police, and other legal institutions) have a special task of detecting and punishing those who use *opportunistic* (or, using the authors’ own preferred word, *treacherous*) strategies, i.e. those who should not be trusted due to their tendency to break this trust. The last and third reason is, according to Rothstein and Stolle 2002, 10-11), “that the impartiality, efficiency [sic] and fairness of street-level political institutions are important dimensions of institutional trust and confidence that can be conceptually separated from conventional trust in politicians, parties, and “the government””.

Thirdly, it should yet be emphasized that the stated focus on confidence in the implementing institutions is not due to a wish to deny or downplay the important role played by the political institutions, such as the Parliament, in explaining variations in corruption tolerance. On the contrary. The representative institutions constitute a significant part of the proverbial fish head referenced to in the beginning of this dissertation due to their part in both the propagation of and opposition to grand corruption, which in turn tends to either feed or constrain corruption on the lower levels of government as a sort of institutional spillover effect (Rose-Ackerman & Palifka 2016, 185-186). Kimmo Grönlund and Maija Setälä (2012, 5-6) for instance note that the normative expectations towards them are at least partly similar as towards the judiciary and the police in a democratic context. Dishonesty and corruption also have a tendency to negatively affect people's trust in the representative institutions, but the issue of expected impartiality is arguably considerably more complex in their case.

Democratically elected representatives are expected to define the public interest by responding to political pressures, which means that being partial in favor of their constituents and supporters is arguably part of their job description (Warren 2006, 803-804). Consequently, this makes it harder to justify the application of the traditional office-based conception of public corruption, which Warren accuses of not being political enough, on the behavior of elected politicians. Warren (2006) has therefore suggested an alternative definition of political corruption in representative democracies, namely as *duplicitous exclusion* of those who have a rightful claim of being included in a decision.

Several scholars have even claimed that a distrusting attitude towards the representative institutions and the political process could be beneficial in some cases and a sign of a healthy democratic society (for a summary of the arguments concerning "the critical citizen", see e.g. Marien & Hooghe 2010; Geissel 2008). A less "gullible" citizenry that is discontent with how democracy works is argued to be better equipped to critically examine government policies and governance, thereby putting pressure on officials and holding them accountable on a constant basis. Benjamin Barber, for instance, has maintained that "a certain amount of rational distrust is necessary for political accountability in a participatory democracy" (Barber 1983, in Aitalieva 2017, 5). Some scholars have even suggested a public choice view of government as a Leviathan that deserves to be mistrusted by citizens as a kind of self-preservation mechanism against the predatory behavior of the state (Aitalieva 2017, 5).

Fourth and finally, social surveys and empirical studies confirm that people in general tend to be less trusting of representative institutions and elected officials (politicians), in comparison to the public administration and nonelected officials (Grönlund & Setälä 2012; Houston & Harding 2013). This observation seems to confirm the notion that a certain level of distrust is perfectly normal in representative democracies and that the normative expectations toward the representative

institutions are more ambiguous and “political”. Additionally, Grönlund and Setälä (2012, 17) conclude “that the expectation of incorruptibility of officials is held (almost) universally [...; r]egardless the level of corruption in their country, people value the honesty and impartiality of public officials”.

The main reason for choosing to focus on the implementing institutions is simply an attempt to distill “unhealthy” distrust in the government institutions as a whole from a more “healthy” distrust and skepticism that may have its roots in democratic discontent, partisanship or personal feelings toward individual politicians or parties. Based on the previously discussed (theoretical) necessity to disentangle the “twin concepts” of political trust and bureaucratic trust from each other, the following definition of “bureaucratic distrust”, the key individual-level independent variable of this study, is hereby adopted:

Bureaucratic distrust refers to a general expectation that the public administration will not perform its duties in an impartial and/or efficient manner.

2.2.3 Institutional trust and corruption

Corruption research has identified institutional distrust as both a cause and a consequence of various kinds of corrupt behavior. One often cited study that provides empirical evidence of the latter causal relationship was carried out by Christopher Anderson and Yulya Tverdova (2003). Their analysis of surveys conducted in sixteen mature and newly established democracies around the globe shows that citizens in countries perceived to have higher levels of public corruption also display more critical evaluations of the performance of the political system and a greater distrust of civil servants. These results are supported by Grönlund and Setälä (2012, 18), among others, who demonstrate that “people’s perception of the honesty of officials is positively associated with both trust in parliament and trust in the legal system”.

Many of the cross-country studies that have found a relationship between corruption and institutional trust have not measured the level of corruption *per se*, but rather *perceptions* of corruption. This, however, can be highly problematic due to similarities in operationalization between these two concepts. Political or institutional trust is often measured using questions such as “How often can you trust the government to do what is *right*?” or “Is Government run by a few people looking out for their *own interests* or run for the benefit of all?” (Morris & Klesner 2010, 1265). These questions could almost directly be substituted with the question “Do you think the government is corrupt?” i.e. “do you perceive that public officials abuse their power for private gain?”. It is therefore important to take into consideration if these questions *de facto* measure at least in part the same underlying phenomenon: the level of distrust

toward public officials and institutions. This could mean that a low institutional trust also implies perceptions of widespread corruption, which in turn, in the words of Stephen Morris and Joseph Klesner (2010, 1266), could “create the expectation of corruption and inductively feed corrupt behavior, whereas corruption itself deductively confirms and reinforces people’s expectations of others”.

Other studies confirm the existence of a discrepancy between *actual* corruption and *perceived* corruption. Morris (2008), for instance, claims that they are mildly related and have different causes and consequences, while Mitchell Seligson (2002) notes that perceptions are considerably more pronounced and widespread than the actual victimization of corruption. The corruption literature is quite clear on the point that perceptions of corruption are something “more than” corruption itself. The question thus remains how institutional trust or distrust is linked to actual corrupt behavior, intent or even attitudes.

2.2.4 Institutional trust, social capital, and uncivic behavior

While quite a large body of empirical studies has examined the determinants of institutional trust, relatively fewer have taken a closer look at the potential *consequences* of varying levels of confidence or trust in public authorities.

Rothstein and Stolle’s (2002) analysis of survey data from Sweden and the World Value Study found that generalized interpersonal trust, which they consider to be the most important part of Putnam’s (1993) concept of *social capital*, could be explained by an individual’s institutional trust (particularly trust in the order or implementing institutions) and their perceptions of fairness and impartiality. Christian Bjørnskov (2004) in turn demonstrates in a survey-based study of 29 European countries a strong negative correlation between generalized trust and corruption. Social capital is argued to be vital in overcoming so-called *social dilemmas*⁵⁶ or collective action problems such as endemic corruption, where cooperation would benefit all but is only possible if agents trust that (almost all) other agents will cooperate, i.e. it is conditional on the expected behavior of others (Rothstein & Eek 2009; Ostrom 1998). For instance, it would not make sense to be the only parent or one of few parents who abstain from paying a bribe to a teacher in order for one’s child to pass an exam or get a certain grade. Cooperation tends to be costly in both time and money and therefore requires strong incentives that can be viewed as a kind of “cooperation insurance”.

Trusting “most people” blindly without this insurance of cooperation would be pure and dangerous gullibility in societies that do not consist purely of saints. People do not believe that “people in general” will refrain from behaving opportunistically or

⁵⁶ Also known as social traps (Rothstein 2003).

illegally because they have some kind of intimate knowledge concerning their morality or behavioral history, but because they have confidence in that the same rules apply to them all and that the game is not rigged. However, it is not enough that the rules formally apply to all: they must also be convincingly enforced by well-resourced and able institutions. If these two conditions are perceived to be met, people are more likely to make the *inference* that it is safe to trust others and play by the rules, while the opposite may be true otherwise (Rothstein & Eek 2009, 89). In other words, citizens may be more averse to taking the risk of trusting strangers who might cheat them in societies where these conditions are not perceived to be (fully) met (Bigoni et al 2015, 1339). It can therefore be argued that strong formal institutions can play this same role in regard to substituting or combatting both corruption, which can be seen as a sort of informal institution, and corruption tolerance, a sort of “anti-social” capital.

The causation argued by Rothstein and Stolle (2002) receives support in an experiment-based study involving two student groups in Sweden, a high trust/low corruption country, and Romania, a low trust/high corruption country (Rothstein & Eek 2009). The authors of this study find “that corrupt behavior by public authorities clearly influences people’s trust in them, in both the Romanian and Swedish samples” and that people lose their trust in the general population if they encounter deceitful behavior by public authorities (Rothstein & Eek 2009, 106-107). The conclusion that the causal pathway mainly goes from institutional trust to social trust is further substantiated by recent empirical evidence from, among others, Kim Sønderskov and Peter Dinesen (2016) and Ran Tao, Dali Yang, Ming Li and Xi Lu (2013). The former, who utilize a cross-lagged panel model, find that institutional trust is the most important predictor of generalized trust, even if the authors cannot rule out a (limited) feedback effect from the latter type of trust (Sønderskov & Dinesen 2016, 20).

However, while several empirical studies present evidence of that a lack of confidence in the fairness, impartiality and competence of public bureaucrats erodes social trust, it is at the same time argued to increase the expected utility of a third type of trust, namely *interpersonal* or *particularized trust* (Rose-Ackerman & Palifka 2016, 250-252). The basis of this trust is not self-interest and commonly agreed upon rules of conduct, but family, clan, love or friendship, i.e. close personal relationships containing strong mutual obligations to other members of the same in-group. In societies where citizens generally do not expect to receive impartial treatment by government representatives, and where generalized trust is consequentially quite low, people are more likely to believe that they require personal ties either to the public officials themselves or to powerful private patrons with the kind of connections that can help to facilitate the matter in question. In other words, when formal institutions are perceived as ineffective, people instead turn to personal connections and informal institutions such as nepotism and other forms of corruption.

Several studies have examined the relationship between institutional trust and the propensity to behave in an ethical way. One such study by Sofie Marien and Marc Hooghe (2011) finds that lower levels of political trust⁵⁷ is related to a more condoning attitude toward illegal behavior⁵⁸ in 33 European countries. Their assumption was that a low trust in public authorities causes a more widespread questioning of the legitimacy of these institutions and a lesser willingness to comply with their decisions, i.e. the laws and regulations of society which are considered to be mere *recommendations* rather than obligations (Marien & Hooghe 2011, 282). This in turn may result in a higher frequency of law-breaking behavior among the populous where *vice* may almost become a *virtue* and the dishonest, who are able to “cheat the system” by quicker and cheaper means, are seen as cunning and resourceful (Rose-Ackerman & Palifka 2016, 259-260). Other studies have come to similar conclusions when it comes to other kinds of illegal or risk-taking behaviors. Martin Lindström (2008a; 2008b), for instance, finds low levels of political trust (in the Swedish national parliament) to be associated with the illegal use of drugs and the purchase of illegal liquor in Sweden. Consequently, one could also infer that some individuals would be more willing to try to influence the implementation of policies and decisions that they find illegitimate using corrupt exchanges.

One of the relatively few empirical micro-level studies to have systematically examined if distrust in political institutions produces actual corrupt behavior among ordinary citizens and *vice versa* focused on 17 countries in Sub-Saharan Africa (Cho & Kirwin 2007). The findings in this paper indicate a circular relationship between corruption and distrust, where citizens’ experience with corruption leads to distrust, which in turn tends to increase experiences of corruption. Both distrust in institutions generally and dissatisfaction with government services (health care and education) specifically are found to be both a cause and a consequence of direct encounters with corruption. This leads the authors to conclude that “the experience of corruption decreases popular satisfaction with government service delivery in basic health care and education sectors and perceptions of an unjust government service delivered by corrupt public officials motivates citizens to pay a bribe or give a gift to obtain public services” (Cho & Kirwin 2007, 16).

Another study by Mari-Liis Sööt and Kadri Rootalu (2012) analyzed data from an original survey conducted among Estonian public-sector employees and found that trust in institutions⁵⁹, age and nationality are the most influential factors when it comes

⁵⁷ “Political trust” is in this case measured using an index constructed out of four items from the European Values Survey (EVS): trust in parliament, the justice system, the armed forces and the police (Marien & Hooghe 2011, 275).

⁵⁸ “Legal permissiveness” is assessed using three questions from the EVS regarding the justifiability of a certain action: Cheating on taxes if you have a chance, claiming government benefits to which you are not entitled, and paying cash in order to avoid paying sales tax (Marien & Hooghe 2011, 274).

⁵⁹ Sööt and Rootalu’s (2012, 87) trust index contained questions regarding three political institutions: The judiciary, the police, and politicians.

to the opinions of public officials regarding corrupt and unethical behavior. Respondents that had a higher level of trust tended to have both a higher awareness of corruption⁶⁰ and a lower tolerance of it. Charles H. Blake (2009) comes to similar conclusions with regard to ordinary citizens in his analysis of data from the fourth wave of the World Values Survey (1999 – 2004). The results of his logistic regression of 64 countries⁶¹ reveal that those who expressed confidence in the police were 16 percent less likely to express acceptance of corruption. However, the statistical significance of this relationship disappeared when he restricted his analysis to include only the Latin American countries⁶², a geographical region singled out by scholars as especially tolerant of corrupt behavior (Blake 2009, 102-104; Lavena 2013; Moreno 2002). Blake's latter findings are contradicted in another similar study, which includes six Latin American countries⁶³ in OLS multiple regression models that contain data from WVS 2005 – 2007 (Lavena 2013). Individuals with a high confidence in public institutions⁶⁴ tended to be less permissive of corruption.⁶⁵

One empirical survey-based study that challenges the commonly held assumption of a negative relationship between trust and corruption focuses separately on both public official and citizen attitudes in Estonia, a young post-communist democracy (Tavits 2010). This study finds no evidence in either case that supports the theory that generalized trust or institutional trust⁶⁶ significantly affects a person's "corruptibility", i.e. willingness to engage in corruption. However, it must be noted that in the case of the citizens, Margit Tavits' (2010, 1262-1263) "corruptibility" measure relies on a direct question regarding their involvement in corruption ("Have you ever paid a bribe or offered a gift to a public official in order to influence the provision of a public service?"). The officials are meanwhile confronted with hypothetical scenarios where they have to choose between participating in the corrupt exchange or not. These measurements are therefore distinctly different from the "bribe justification" measurements of other studies, which could explain the insignificance of the trust variables.

⁶⁰ Sööt and Rootalu's (2012, 88) corruption awareness index contained four questions regarding hypothetical situations involving different forms of corruption. Higher values reflected that the respondent held a narrow definition of corruption.

⁶¹ Blake (2009, 102) excludes five countries classified as not free by Freedom House due to concerns about the reliability of survey responses: Belarus, China, Egypt, Iran, and Vietnam.

⁶² Argentina, Brazil, Chile, Colombia, Dominican Republic, El Salvador, Mexico, Peru, Uruguay, and Venezuela.

⁶³ Argentina, Brazil, Chile, Mexico, Uruguay, and Guatemala.

⁶⁴ Government, civil service, police, and political parties.

⁶⁵ Measured using Moreno's (2002) index of corruption permissiveness.

⁶⁶ Tavits' (2010) trust in government variable was measured taking an average of the responses to questions concerning the courts, the police, and the politicians.

Interestingly, Tavits' (2010, 1263) study also included an independent variable labeled as "Perceived acceptability of corruption"⁶⁷, intended to increase reliability by measuring the concept of "definitions", as part of the "social learning" effects (see discussion on social learning theory [SLT] in [section 2.3.3](#) of this chapter). Consequently, the results for both public officials and private citizens show a significant and strong impact on the likelihood of engaging in corruption even when controlling for wages (public officials) or extortion⁶⁸ (general public), which was unsurprisingly observed as being the by far strongest predictor of bribe paying. Tavits (2010, 1275) therefore concludes "that willingness to engage in corrupt behavior is more likely when one does not define corruption as morally or situationally wrong".

While those who are less confident in public authorities are generally expected to be more tolerant of corruption, those who are more confident are meanwhile expected to be significantly less tolerant due to the following reasons. People with a high confidence in the implementing institutions are expected to be more sensitive or "allergic" to those occurrences that can defile or stain the image of the public institutions and go against their normative values, thereby resulting in a loss of confidence. Additionally, they are argued to be more likely to believe that the chances of escaping justice are slim, and that all members of society have the same chances and opportunities (Pop 2012, 30). Earlier studies have also empirically demonstrated that trusting citizens have a higher willingness to support policy goals and allocate resources to them, in addition to being significantly more willing to both accept and follow the decisions of authorities they consider trustworthy and legitimate (Chanley et al. 2000; Tyler 2006; Tyler & Huo 2002; Levi & Stoker 2000; Grimes 2008).

The theoretical arguments and empirical evidence discussed above give quite a clear indication of how the relationship between confidence and corruption tolerance would generally tend to look like. Hence, the first hypothesis in this study is formulated as follows:

Hypothesis 1: Individuals who are more distrusting of the implementing institutions (the police, the courts, and the civil service) tend to be more tolerant of corrupt behavior.

In addition to examining the link between bureaucratic distrust and corruption tolerance, this study also intends to take a closer look at another key factor on the individual level, namely *self-reported levels of perceived public corruption*. The aim is to examine both the direct effects of self-reported levels of perceived corruption, as well as its interaction with bureaucratic distrust, on corruption tolerance. Here, the study

⁶⁷ This variable included four questions concerning hypothetical third person scenarios involving different types of corrupt exchanges. The respondent was supposed to answer on a 4-point scale how strongly they agree that it is corruption (Tavits 2010, 1263).

⁶⁸ I.e. if they were asked to pay a bribe.

begins by presenting the hypothesis of the direct effect of perceived corruption and later on it will discuss potential indirect or moderating (interaction) effects of perceived corruption. Unfortunately, the *extent of public corruption*-question was only included in the third wave of the World Values Survey (1995 – 1999), which consequently limits those analyses that include this variable to this specific time period and the 56 countries included in this wave. The following hypothesis is formed based on the previously discussed arguments:

Hypothesis 2: Individuals who perceive a greater extent of public corruption tend to have a higher corruption tolerance.

2.3 Dysfunctional societies and corruption tolerance

This theoretical section discusses the potential effects of different macro indicators of societal “dysfunctionality” on attitudes towards corrupt and uncivic behavior. Are citizen attitudes and values influenced or shaped by the structures of the surrounding societies and the quality of the public institutions, or are they simply peculiar characteristics of certain cultural heritages transferred from parents to children through processes of socialization? In other words, do dysfunctional and weak states produce dysfunctional citizens?

The umbrella term “dysfunctionality”, as we saw in Chapter 1, [section 1.4](#), refers in this case to the extent of poverty and economic inequality in a country, and to the quality of the public institutions, factors that are widely considered to have an impairing effect on the cohesiveness of societies and social wellbeing (e.g. Kotzian 2014). This section begins by discussing the potential effects of the level of socio-economic development and poverty on corruption and attitudes toward corrupt behavior, after which it will continue on to addressing the potential effects of economic inequality. Lastly, this section will conclude with a discussion concerning how different aspects of institutional quality may influence people’s perceptions of corrupt and uncivic behavior.

2.3.1 Socio-economic development and corruption tolerance

In the literature on corruption, one factor constantly resurfaces as one of the, if not *the*, strongest predictors of the extent of corruption: a country’s level of socio-economic development, often operationalized as GDP per capita or with the Human Development Index (see e.g. Treisman 2000; Lambsdorff 2006). A great number of

empirical studies have demonstrated that public corruption tends to be perceived as more widespread in socio-economically less developed countries and that corrupt and criminal practices tend to prosper in contexts of extensive and deep poverty. However, do these observations also indicate that the populations of these countries possess values and attitudes that are more conducive to corrupt and uncivic practices?

While it is difficult to separate the socio-economic causes from the consequences (see e.g. Mauro 1998), most scholars would still agree that a low level of development and deep-seated poverty create a fertile soil for both low- and high-level corruption. The issue of socio-economic development and corruption has received a lot of attention during the last few decades, partly due to a change in attitudes toward public corruption, which used to be seen mainly as a domestic problem, among development aid donor organizations such as the World Bank or the IMF.⁶⁹

Several attempts to explain the relationship between socio-economic development and corruption have been made, including various ways that it can increase public accountability by, for instance, giving rise to a well-educated middle class with higher demands on public goods and services, better paid civil servants who are less willing to risk their stable livelihoods for illegal gains, or more resources in general to invest in anti-corruption initiatives such as e-government or ethics training (e.g. Rose-Ackerman & Palifka 2016). However, the focus of this section is not directly on elites or government structures, but on the grass roots, i.e. the attitudes and values of ordinary citizens. Does the level of development also translate into more or less tolerant attitudes regarding corrupt and uncivic behavior?

As we will see, there are somewhat conflicting theoretical expectations regarding the exact relationship between socio-economic development and general attitudes toward corrupt and uncivic practices. On one hand, socio-economic development is argued to generate postmaterial or emancipative values, which are in turn argued to be conducive to liberal democracy and pro-democratic attitudes. However, on the other hand, emancipative values are furthermore argued to include norm and authority challenging attitudes and values that revolve around the needs of the individual rather than those of the collective. This latter dimension of value change may generate conditions suitable to choices where the individual prioritizes his or her own self-interest before the public good, while the former should strengthen attitudes that are hostile towards such non-democratic and uncivic practices (Welzel 2010; Welzel & Inglehart 2008; Kravtsova et al. 2017).

⁶⁹ Former World Bank President, James D. Wolfensohn, "made a groundbreaking speech on the "cancer of corruption" to all the Bank's shareholders at the 1996 Annual Meetings, placing the issue squarely on the development agenda for the first time for a multilateral institution. "Let's not mince words - we need to deal with the cancer of corruption..." Wolfensohn said. "Let me emphasize that the Bank Group will not tolerate corruption in the programs that we support, and we are taking steps to ensure that our own activities continue to meet the highest standards of probity.'" (The World Bank [1])

Modernization theorists all the way from Karl Marx and Max Weber to Samuel Huntington and Ronald Inglehart, just to name a few, have long argued that socio-economic development brings with it profound value change, although there has been a lot of disagreement and debate regarding exactly *what kind* of value change and if the direction of the value change is dependent on prevailing societal traditions. Next, this section will therefore examine the arguments for why a low level of socio-economic development could be related to a higher level of corruption tolerance in a society.

Does poverty breed corruption tolerance?

Some scholars argue that the extensive corruption in developing countries may be a syndrome of unfinished processes of modernization or a residual of traditional societies living on in the collective memory of citizens. Johann Graf Lambsdorff (2010, 1), among others, has noted that “[t]here is widespread belief that “western societies” apply a more vigorous definition of bribery [...] and are thus superior in their moral standards”. Many western business companies have for instance excused their bribing of foreign officials in non-western countries by referring to “local customs and traditions” or business necessity⁷⁰, which has accordingly made companies from so-called relatively “corruption-free” wealthy countries an important source of public corruption, a fact often ignored by most corruption indices⁷¹ and the governments in these countries.

Several renowned scholars have claimed that the “moral superiority” of western nations is a result of the high levels of prosperity and modernization that these countries have attained in comparison to the so-called developing world. According to Huntington (1968, 378), modernization entails a gradual change in the basic values of a society towards universalistic- and merit-based norms, loyalty to and identification with the nation-state (“the public interest”), and ideals of equal rights and obligations in relation to the state. Corruption is therefore argued to be a natural consequence of the modernization process where traditional values and norms collide with modern ones, resulting in “opportunities for individuals to act in ways justified by neither” (Huntington 1968, 378). Customs that previously were sanctioned or even advocated, such as using your official position to aid your kin or seeking out political patrons for assistance in strictly private matters, could suddenly become illegal and officially unacceptable.

⁷⁰ Lambsdorff (2010, 3) provides an example of this with observations from panel discussions where such a position was stated by representatives from the Federation of German Industry, and a citation from Lord Young, former head of Cable and Wireless and Secretary of State for Trade and Industry for the United Kingdom, who said in a BBC interview that “Now when you’re talking about kickbacks, you’re talking about something that’s illegal in this country, and that of course you wouldn’t dream of doing ... but there are parts of the world I’ve been to where we all know it happens, and if you want to be in business, you have to do.”

⁷¹ Transparency International’s Bribe Payers Index (BPI) is an exception that ranks countries based on perceptions regarding the supply side of corruption (Bribe Payers Index 2017).

Traditional societies are claimed to lack a clear-cut distinction between the private and the public spheres, and between traditional “tribute giving” and outright bribery on one hand, and the “special obligations” linked to any favor on all societal levels on the other hand (Myrdal 1968, 413-414; see also Treisman 2000, 404). This blurriness of the boundaries between public and private roles is thereby argued to lower the social stigma of both the exploitation of public positions for private gain and the giving of “gifts” in return for specific favors.

There are some well-founded reasons to believe that widespread poverty may be related to attitudes that are more accepting of corrupt practices. Abraham Maslow’s (1970) renowned motivational theory, the *hierarchy of needs*, argues that basic physiological and psychological needs have to be fulfilled prior to being motivated by higher needs related to esteem and self-actualization. According to Maslow, the lower levels of this hierarchy include needs related to survival, such as food, water, rest, security, safety, belongingness, and love, while the higher levels contain such needs as the need for independence, status, prestige, personal growth, and, most pertinently, the need for moral standards and ethics. For instance, if people are hungry and lack the resources needed to buy food for their family, they are consequently more likely to steal some bread, even though theft is both morally and legally condemned and sanctioned by society and religion.

Similarly, a person who lives in great insecurity and the threat of violence is more likely to resort to bribe giving, *clientelism*⁷², or other illicit practices in order to fulfill the need for personal security. Scholars largely agree that the phenomenon of clientelism, which is closely related to corruption, thrives in poor democracies with weak institutions unable or unwilling to deliver programmatic public goods that target broader layers of the population, including even those who have not sworn their vote or loyalty to a specific politician or party beforehand (Manzetti & Wilson 2009, 81-83). Poverty is said to make citizens more willing to support corrupt politicians⁷³ and governments, or at least turn a blind eye to high-level corruption, in return for club goods or “bribes” such as jobs, contracts, permits or more basic goods (e.g. a Christmas turkey, a toaster or a pair of shoes), and is thereby argued to loosen the mores of social morality. A tolerance of high-level corruption could in turn translate into a tolerance of low-level corruption following that the patron is likely to function as a role model to the client due to his higher socio-economic status and perceived success in life.

⁷² There is no universally accepted definition of clientelism, but James C. Scott (1972, 92) for instance defines it as a relationship “in which an individual of higher socioeconomic status (patron) uses his own influence and resources to provide protection or benefits, or both, for a person of lower status (the client) who, for his part, reciprocates by offering generous support and assistance, including personal service, to the patron”.

⁷³ One often cited case comes from Brazil, where the supporters of Adhemar de Barros, one of the most prominent Brazilian politicians from the 1930s to the 1960s, liked to exclaim “Rouba, mas faz!” (“He steals, but delivers!”) (Manzetti & Wilson 2009, 84).

Another argument as to why corruption tolerance may be negatively related to socio-economic development is that developed countries tend to have more highly educated citizenry that may be better equipped to understand the negative consequences of different forms of corrupt practices and act on the information, in addition to being more likely to identify themselves with the country as a whole rather than with specific in-groups (Uslaner 2002; Uslaner & Rothstein 2016). The citizens in these countries also tend to possess the skills needed to find gainful employment and live under more secure conditions, where they may feel that clientelistic networks or bribe-paying are unnecessary for achieving sufficient and stable living conditions for themselves and for their families (Uslaner & Rothstein 2016, 229).

As was already touched upon in an earlier section of this dissertation, some scholars contribute the observed lack of cooperation and public-spiritedness in extremely poor and “backward” societies to a special kind of ethos called “amoral familism” (Banfield 1958). The previously described existential pressures generated by unfulfilled basic needs feed this kind of ethos where the needs and interests of the immediate family come first and civic morality or the common good comes second or third.

However, there are also some reasons to believe that the general attitudes and values in less developed countries might not actually differ from those in developed countries, and that they may even be *less* tolerant of corrupt practices. Next, this study will examine the arguments that suggest that a higher level of socio-economic development could engender a higher tolerance of corrupt and uncivic behavior.

Do forces of modernization engender a greater tolerance of corrupt practices?

The existential pressures produced by unfulfilled basic needs are argued to increase the utility of so called “collectivistic” or “survival” values and conformity to group norms, which in turn increases the demand for authoritarian institutions to enforce them (Welzel 2014). The pioneer of cross-cultural psychology, Harry C. Triandis (1995 in Welzel 2014, 33), argues that “collectivism is the psychological response to existential hardship because hardship makes people dependent on kinship solidarity”. This dependency on solidarity could consequently make people less tolerant of disobedience and free riding behavior in general if it has the potential to hurt the collective in any way. Strict social norms may therefore be valued more highly in less developed societies due to their greater utility and potential lack of (effective) alternative enforcement methods (see Kotzian 2014 and [section 2.3.3](#) in this chapter).

Socio-economic development and processes of modernization are in turn argued to result in that a growing number of citizens no longer value strict obedience to authorities and norms of civic virtue to as high a degree as in less developed, more traditional societies (Zmerli 2010, 671; Kravtsova et al. 2017). The utility of survival values such as norm conformity decline as people possess more action resources (e.g. higher wages and levels of education, more spare time and better health) to spend on

realizing their potential, which in turn gradually increases the utility (and demand) of freedom to do just that. A growing share of people adopt what Christian Welzel (2014) calls “emancipative values”, which refers to the human development towards empowerment and emancipation from domination by various kinds of authority (e.g. religious, political, etc.). However, there is also a chance, at least in the short run, that social norms may become almost completely eroded as a consequence of modernization forces such as urbanization. Urbanization may lead to what Émile Durkheim (2013) calls “anomie”, i.e. feelings of norm- or rootlessness, when large urban centers, where people do not even know their next-door neighbors, replace tight rural communities, where “everybody knows everybody” and community norms are familiar to most if not all villagers.

Moreover, scholars such as John Clammer (2012; see also Hao & Johnston 2007) claim that forces of globalization and processes of neo-liberal market-driven development, which have been heavily promoted by global financial institutions like the IMF, the WTO and the World Bank, have engendered so-called “market-cultures” that have fundamentally reframed various aspects of morality. It is argued that “capitalism transforms social relations, brings into existence new social strata, monetises what were formerly gift or cooperative rather than commoditised relationships, [...and] introduces new values (including the alien idea that time is money)” (Clammer 2012, 121).

Self-interest or greed becomes viewed as something resembling “good” and people are encouraged to get rich, which stands in stark contrast to more traditional values often rooted in religion espousing a rich spiritual life and altruism, rather than materialism and self-interest. Social solidarity thereby stands at risk of being eroded (or not to form at all) as all attention is turned towards individual rather than collective interests and gains. Furthermore, the negative moral consequences of this “reframing of morality” are argued to be felt the strongest in transition economies where the capitalist economy is still a relatively fresh experience (Clammer 2012, 128). Market-driven driven development and globalization is further argued to intensify both international and domestic inequalities, which, as we will see in the next section, can potentially have devastating consequences for civic morality and social order in a society.

Empirical research has supported the claim that individuals in more developed societies have a higher likelihood of placing greater emphasis on the previously described postmaterialist or emancipative values and/or being surrounded by people who express these kinds of values (Inglehart 1971; Welzel 2010). Postmaterialists are described as people who “do not take for granted the norms prescribed by external sources of authority, including the family, religion, or the state [...] and decide for themselves which social rules and norms to follow” (Kravtsova et al. 2017, 4). Empirical studies have also demonstrated the existence of a link between postmaterialism and

individualism/autonomy, which suggests inherent distrusting and elite challenging views towards authorities (Welzel 2010, 2013; Dobewall & Strack 2014; Catterberg & Moreno 2006). Based on these observations one could expect postmaterialists to be more tolerant of corruption and free riding behavior, but studies have also associated postmaterialism with support for democracy and transparency, civic activism, generalized trust, and impartiality (Welzel 2010; Welzel & Inglehart 2008).

These last observations suggest that the impact of socio-economic development is more complex than one might expect at first glance and that there are conflicting expectations regarding the diffusion of so-called postmaterialist values. Kravtsova et al.'s (2017) multilevel study of the link between postmaterialist values and the approval of bribery suggests that the individual level link is dependent on the contextual share of the surrounding postmaterialists. Individuals who put a greater emphasis on postmaterial values generally tend to be more tolerant of corruption, while the so-called ecological effect operates in the other direction. Highly affluent countries possessing a larger share of postmaterialists demonstrate a significantly higher overall disapproval of corruption among their populations, *and* a negative individual-level relationship between postmaterial values and the acceptance of bribe taking. Kravtsova et al. (2017, 229) argue that the reason why the social effects of postmaterialism lead to a greater *disapproval* of corruption, instead of a greater approval, can be explained with the help of the *evolutionary theory of morality* (ETM, see Krebs 2008). In short, this theory argues that humans have a natural tendency to think and behave prosocially following an evolutionary process that has resulted in that prosocial attributes are more likely to spread⁷⁴ and gain support in a population.

Empirical evidence of this phenomenon is provided by Jong-Sung You and Sanjeev Khagram (2005), who note that individuals in high-income countries perceive less corruption but are more likely to justify bribe taking and cheating on taxes. Kravtsova et al. (2017) on the other hand found no evidence of a greater tendency to condemn bribery in more developed countries or any significant relationship at all with economic development.

As we have seen, there are highly conflicting expectations regarding the potential effects of socio-economic development and forces of modernization on levels of corruption tolerance in various societies, and it is not entirely clear which of these effects dominate, if any. However, based on the earlier discussed concept of “amoral familism”, which is said to thrive in extremely poor, “backward” societies (Banfield 1958), and the arguments that predict the diffusion of so-called “democratic values”, such as equality, through more equal and universal opportunities of acquiring educational services, the following hypothesis regarding the direct effect of socio-economic development on attitudes toward corruption is formed:

⁷⁴ For more on how the ecological effects are argued to work, see Kravtsova et al. (2017, 227-229).

Hypothesis 3: Corruption tolerance tends to be higher in socio-economically less developed societies.

2.3.2 Economic inequality and corruption tolerance

Besides the level of socio-economic development of a country, another related factor has also received extensive attention among scholars when it comes to explaining why some societies are perceived to be more corrupt, less trusting, and less public-spirited than other societies, namely the level of *economic inequality*, i.e. the distribution of wealth in a society. These studies have looked at the consequences of how equally resources are distributed within a society when it comes to both social capital and corruption (e.g. Dobel 1978; Uslaner 2008). This section begins by discussing the impact of economic inequality on corruption, where social capital (usually proxied by generalized trust) is argued to be an important intermediate variable, before moving on to a discussion concerning the (claimed) more *indirect* influence of economic inequality and generalized trust, which are argued to have a more *direct* causal relationship.

Does inequality breed cultures of corruption?

While empirical studies have indicated a strong causal impact of inequality (commonly measured using the Gini index) on generalized trust, they have in turn also demonstrated weak correlations between economic inequality and various indices of perceived corruption. However, several studies have linked high levels of economic inequality with widespread corruption (Dobel 1978; You & Khagram 2005; Gyimah-Brempong & Munoz de Camacho 2006; Uslaner 2008). As discussed in the previous section, corruption favors those who can afford to pay sizeable bribes for substantial benefits, and disfavors those who are more dependent on formally free or subsidized government services and goods. Members of affluent and influential elites can use their deep pockets and valuable contacts to strive to preserve the status quo, i.e. hinder the redistribution of wealth, through high-level payoffs and patronage, thereby creating vicious circles of corruption and rising inequality (You & Khagram 2005).

There is some empirical evidence that supports the theory that economic inequality makes people more likely to behave corruptly. The study by You and Khagram (2005), for instance, indicates that economic inequality may affect the morals of the people, rich and poor alike, and make them more accepting of corrupt practices through normative mechanisms.

You and Khagram (2005, 138-139) provide several theoretical arguments as to why economic inequality could potentially contribute to increasing the corruption tolerance

of both rich and poor alike. Firstly, growing levels of inequality result in higher stakes for the rich who “have more to lose through fair political, administrative, and judicial processes”, which often imply high societal pressure for redistributive policies and higher levels of progressive taxation (You & Khagram 2005, 138). Corruption may in some scenarios be the most effective way for the affluent and privileged ones to avoid the kind of policies that aim to narrow the income gap between rich and poor. Secondly, it also grants them more resources to invest in both legal and illegal influence-buying, which can include such activities as political lobbying, election campaign contributions, general political contributions, and even bribery with an aim of influencing legislative processes (grand corruption) or the implementation of laws (petty corruption). Thirdly, the poor often lack the necessary resources needed to be able to monitor the rich and the powerful efficiently. This implies that in highly unequal societies, where the middle class is either miniscule or (almost) completely absent, the risk of getting caught when engaging in corruption and being punished is substantially smaller, and this in turn might signal that corrupt behavior is more acceptable (You & Khagram 2005, 138-139).

Fourthly, the poor are often the main targets or engagers when it comes to petty corruption, and if a large share of a highly unequal society is engaged in petty corruption it eventually might become viewed as something “normal” or “everyday”. In other words, a great bulk of the people now sees the widespread petty corruption as appropriate behavior. This phenomenon has been noted by Uslaner (2008, 92), who, when analyzing corruption attitudes in transition countries, observes that “grand corruption makes people less trusting of others and more envious of those who have become wealthy by dishonest means, while petty corruption has little effect on people’s attitudes”. Ordinary people at the bottom of the income ladder excuse their own participation in corruption by rationalizing to themselves and others that they are the victims and that they have no choice but to pay the bribe so that they can secure a certain public service for their family, thereby deserving absolution. This self-rationalization in turn becomes considerably easier if they can observe others like them, or “better” than them, behaving similarly and point out that they are far from the only ones acting in such a manner.

A potential fifth reason as to why inequality might generate corruption tolerance is related to the theme of the next section, namely institutional quality and government performance. Economic inequality is claimed to be “an important indicator of government performance” and empirical studies point to a negative relationship between inequality and trust in government (Aitalieva 2017, 1). Perceptions of high inequality could be interpreted by citizens as a sign of that the government does not really care about the interests of ordinary citizens (Dobel 1978). Economic inequality, and in extension poverty, could therefore potentially be seen as an indicator of

government performance in relation to desirable (long-term) outcomes from public policy. As mentioned, this subject is expanded upon in the next section.

Inequality is argued to erode social solidarity and give rise to strong tensions between those at the top and those who have less, resulting in “all for all” scenarios where different social groups harbor deep mistrust and enmity against one another (Rothstein & Uslaner 2005; Dobel 1978). Uslaner (2011) has developed a model that links inequality, corruption, and trust in government into something that he calls an “inequality trap”. He claims that the institutional accounts of the causes and consequences of corruption, which have been highly popular among academics, are in fact lacking, and in turn proposes a structural account of corruption that rests upon both inequality and generalized trust. While he admits that the earlier mentioned simple correlation between inequality and public corruption on a country level is “minuscule”, he still urges that “[i]nequality matters because *people think it matters*” (Uslaner 2008, 54).

Uslaner (2011, 143; see also You & Khagram 2005; Dobel 1978) provides three key pathways ways by which inequality breeds corruption:

1. *[By] leading ordinary citizens to see the system as stacked against them [...];*
2. *creating a sense of dependency of ordinary citizens and a sense of pessimism for the future, which in turn undermines the moral dictates of treating your neighbours honestly; and*
3. *distorting the key institutions of fairness in society, the courts, which ordinary citizens see as their protectors against evil-doers, especially those with more influence than they have [...].*

He furthermore argues that “[o]rdinary citizens (far more than elites) believe that you cannot get rich without being corrupt and that corruption plays a large role in promoting more inequality” (Uslaner 2011, 147). The following cautioning by Alexis de Tocqueville from his classic book “Democracy in America” (1835) does a superb job of illustrating the previously discussed arguments regarding the corrupting influence of inequality and the line of reasoning involved in these causal processes:

[W]hat is to be feared is not so much the immorality of the great as the fact that immorality may lead to greatness. In a democracy, private citizens see a man of their own rank in life who rises from that obscure position in a few years to riches and power; the spectacle excites their surprise and envy, and they are led to inquire how a person who was yesterday their equal today is their ruler. To attribute his rise to his talents or his virtues is unpleasant, for it is tacitly to acknowledge that they are themselves less virtuous or less talented than he was. They are therefore led, and often rightly, to impute his success mainly to some of his vices; and an odious connection is thus formed between the ideas of turpitude and power, unworthiness and success, utility and dishonor. (Alexis de Tocqueville 2003 [1835], 203)

There is also some empirical evidence that supports the argument that inequality erodes social solidarity, defined as “the willingness to contribute to the welfare of other people” (Paskov & Dewilde 2012), resulting in the previously described “all for all” high-corruption equilibrium.

Can rising inequality decrease corruption tolerance?

Based on the previously discussed theoretical arguments and the empirical evidence it is reasonable to expect corruption tolerance to be higher in less egalitarian societies. However, recent micro-level empirical evidence provided by Ioana Pop (2012), whose study included 43 European countries, seemingly contradicts the theoretical expectation that inequality fosters corrupt behavior in ordinary citizens: Individuals in countries with a greater economic inequality (Gini) tended to show a lower acceptance of corrupt acts.⁷⁵ This finding could according to the author be explained by the fact that corruption mainly benefits a small minority that can afford to buy unfair advantages over the poor grand majority. The highly visible inequality, injustice, and grand corruption in these societies is argued to make ordinary people more sensitive towards corruption, which they associate with the high inequality, and thereby less accepting of it and its effects (Pop 2012, 30-31).

This is in fact also consistent with the observations of Uslaner (2008, 54), who argues that people blame growing inequality on the dishonesty of public officials and business leaders, and refers to anti-corruption riots in China where the peasants have protested against the corrupt behavior of the elites and their own poverty. The consequences of free riding behavior such as tax evasion and the usage of bribes become arguably clearer in more unequal societies or in societies that have experienced a sharp decline in equality, and this in turn may make the population more intolerant of that sort of behavior.

Evidence could thereby point at a possible *non-linear* statistical relationship between economic inequality and corruption tolerance. Pop’s (2012) study included several transition countries with relatively low levels of economic inequality that resulted from their communist heritages and lack of free markets. Many observers have noted that post-communist countries tend to have widespread occurrences of corruption, which many scholars claim to be a result of their socialist heritages where circumventing the cumbersome and ineffective public bureaucracies became a way of survival in an environment with scarce resources, resulting in an incorporation of corruption tolerance into the very norms and values of these societies (Pop 2012, 30; Sandholtz & Taagepera 2005; Karklins 2005).

⁷⁵ Acceptance of corruption is measured using a modified version of Moreno’s index, where the European Values Study (EVS) questions are first turned binary before they are computed into a summative scale of 0 to 4 (Pop 2012, 31).

Wayne Sandholtz and Rein Taagepera (2005, 110) present findings that they claim, “suggest that corruption is not just the product of immediate material incentives, but is also powerfully influenced by cultural orientations that are acquired through socialization in a society’s historical heritage”. Moreno (2002, 8) also notes in his study on corruption permissiveness that post-communist countries have the highest average level of tolerance among all the observed regions, which is why this study will control for these particular countries in its empirical analyses.

However, because of its Eurocentric focus, Pop’s study excluded many extremely unequal societies, many of which can be found on the African continent and in Latin America.⁷⁶ Public attitudes toward corruption could therefore be quite different in a high inequality setting, where citizens are likely to be accustomed to extremely high gaps in income and consumption, compared to countries with low- or medium-levels of economic inequality. These extremely unequal societies are arguably those where “cultures of corruption” are likely to be most vibrant: inequality breeds cynicism among ordinary people regarding the chances of attaining success in life without being ruthless and corrupt. This cynicism in turn may erode the public spiritedness of the ordinary citizens and make them less likely to strive for the common good and abstain from free riding behavior.

The following hypothesis is hereby formulated:

Hypothesis 4: Corruption tolerance tends to be lower in societies with intermediate levels of economic inequality, but significantly higher in extremely unequal societies. [non-linear relationship]

⁷⁶ Chile, for instance, has a Gini coefficient of around 55 in 2000, while South Africa has 63 in 2013, on a scale from 0 – 100 (The World Bank 2017).

2.3.3 Institutional quality, economic performance, and corruption tolerance

The two previous sections discussed how the extent of poverty and the distribution of economic resources could potentially affect general attitudes toward behavior that undermines the common good. Now it is time to shift the focus back to the public institutions again and discuss the potential consequences for civic morality of living in societies with dysfunctional public institutions that produce unsatisfactory outcomes.

The rotting fish argument: Does public corruption and inefficiency increase corruption tolerance?

Former US president Jimmy Carter (1977 – 1981) expressed that “a country can expect a government as good as its people” (paraphrased in Rose & Mishler 2011, 118). However, the arguments presented in this study suggest that it is possible to reverse this statement to suggest “a country can expect a people as good as its government”, i.e. that elite misconduct and a general weakness of government generates citizen misconduct.

The people that constitute the different branches of government can be said to provide important role models for ordinary citizens, and the behavior and performance of representatives from the former group may have a significant influence on the public-spiritedness of those from the latter. This is arguably the core of the rotting fish argument. Before discussing the potential relationship between institutional quality and corruption/corruption tolerance, however, this study first needs to elaborate on what “institutional quality” actually is and how it can be defined. Later on, the study will discuss how it is operationalized for its empirical part.

Good governance, government performance, public sector performance, or institutional quality⁷⁷, whichever term a person chooses to use, is a hotly debated subject among both academics and policymakers, but a wide consensus is still missing regarding what exactly it should entail, how it should be defined, and the most suitable way to measure it (Kaufmann et al. 2010; Van de Walle 2009). As with most, if not all, phenomena of interest to social science researchers, there are both wide and narrow definitions of institutional quality. However, instead of just summarizing these definitions, this section will start by examining the general characteristics of good and bad governance.

Bribe paying could widely be viewed as justifiable or even a normal part of the administrative processes in countries with long delays in transactions, widespread corruption and onerous amounts of bureaucratic paperwork (Dong et al. 2012, 15). One

⁷⁷ This study will mostly be using the term “institutional quality” due to the reason that it finds it clearer and more precise than the term “governance”.

scholar, Hernando De Soto (1989), and his research team experienced this first hand during an experiment while setting up a small garment factory in Lima, Peru. The intention of the research team was to follow bureaucratic regulations and procedures without having to resort to any bribe paying, but this simply became an impossible task. In the end, they are reported to have been asked for “speed money” ten times and twice it became necessary for further continuation of the experiment (De Soto 1989, in Torgler & Valev 2010, 557). The demand for additional payments may be so strong or the professional ethics may be so weak⁷⁸ that the administrative machine cannot function properly without these informal remunerations.

The perceived quality of public institutions may signal the chance of being detected and sanctioned when engaging in corrupt transactions or other illegal activities, and the widespread existence of opportunities that only open up through bribery. Low institutional quality may on one hand imply weak accountability and too much discretion for individual public officials, which according to *principal-agent theory* implies greater *informational asymmetries* between government agents and their supervising principals to whom they are duty bound.⁷⁹ This lack of information regarding the daily activities of individual agents creates incentives for both bribe taking and bribe giving, if there exists a *goal conflict* between the principals, who are presumed to represent the public interest, and the agents, who are expected to behave corruptly if the benefits of such behavior outweigh the costs (Persson et al. 2013; Klitgaard 1991).

However, poor institutional quality may on the other hand also imply excessive⁸⁰ or inefficient monitoring of the everyday work of public officials, i.e. too little discretion or autonomy, which can have a negative impact on the length or frequency of bureaucratic transactions, or on the perceived competence of individual bureaucrats. Highly detailed and rigid regulations and standard operating procedures (SOPs) that prevent agents from, in the eyes of the citizens, “following common sense”, may send signals of incompetence, untrustworthiness, and unreliability on behalf of the agent(s).

Furthermore, as argued by Claus Offe (1999, 53), “[t]he absence of trust is rather likely to condition a type of behavior on the part of the non-trusted that is rigidly and ritualistically following orders and seeks to hide behind established rules and routines”. Moreover, if a public organization (the government) judges that it cannot afford to give its own officials at least some discretionary powers, out of fear that they will abuse them or neglect their duty, then how could ordinary citizens place their trust in them? A delicate balance is therefore clearly required between accountability and monitoring on one hand, and discretion and flexibility on the other, if the aim is to

⁷⁸ For instance, due to low public wages.

⁷⁹ The principal can for instance be a senior/higher level official, a politician or an ordinary citizen.

⁸⁰ As argued by Fukuyama (2014, 546-547), red tape can be so complex that it actually makes it hard it for the principal to supervise if rules are being followed.

reach a high institutional quality and win the trust of the citizens (Fukuyama 2014). Here it is again important to remember that the public bureaucracy within a certain country is not a monolithic entity. Some specific organizations or institutions may thus require more discretion and autonomy to function more efficiently, while others should have less.

Francis Fukuyama (2014) argues that the problem with inefficient bureaucracies in rich countries with a relatively high state capacity⁸¹, such as the United States, is not necessarily too *much* discretion, as it often is in poor countries such as Nigeria, but rather too *little*. Growing demands in advanced democracies for more democratic accountability in the form of formal procedures intended to increase the transparency and responsiveness of administrative agencies have often had the opposite effect. Transaction costs have increased while innovation and risk taking has decreased, which in turn has led to even greater demands for more accountability and, ultimately, distrust and perceptions of illegitimacy. The question then is which factors, more precisely, explain how people judge their government and its institutions?

According to Rothstein and Stolle (2002), public institutions such as the legal system have two key aspects on which people judge them: *fairness* and *efficiency*. Uslaner (2011, 144) claims that fairness is “the key to the connection between law and corruption” due to the reflection of the advantages of some individuals or groups that is inherent in it. If citizens perceive the police or the courts as unfair and partial, they are more likely to express a low confidence in them, and this may in turn lead people to believe that the only way to become successful is by taking part in corrupt exchanges. Grönlund and Setälä argue that “[c]orruption is likely to reduce trust in institutions, because it is *contradictory to the idea of impartiality* [...; c]orrupt institutions and public institutions do not treat citizens impartially, they do it unequally on the basis of how able and how willing citizens are to perform personal reciprocal favors” (emphasis added, Grönlund & Setälä 2012, 5). Rasma Karklins (2005, 103) meanwhile argues that public corruption “undermines public spiritedness and commitment to serving the public good”.

Corruption as a term refers in this institutional context to the earlier discussed contemporary narrow conceptualization of corruption that focuses on the public sector and the rules and demands of a public office (in other words, public corruption). It is therefore important to keep it theoretically separated from the broader conceptualization of “corruption” in corruption tolerance, which focuses on the general attitudes and values of ordinary citizens rather than on the (perceived) behavior of bureaucratic and political elites and office holders.

Fairness, impartiality and efficiency are not expectations reserved solely for the legal system. They pertain to the entire implementing side of the political system, i.e. the

⁸¹ Fukuyama (2014, 541-543) argues that a high state capacity consists of three different parts: [1] technocratic competence or professionalism (education & experience), [2] cohesion based on shared norms or a strong *esprit de corps*, and [3] resources such as an adequate pay.

legal and administrative⁸² branches of government charged with the implementation of public policy (Rothstein & Stolle 2002). This is the main reason why this study focuses on the following two aspects of institutional quality, which are called *procedural quality* in order to separate them from the second dimension of institutional quality (see the next section): *government efficiency* and *the extent of public sector corruption*, i.e. abuse of public office for private gain.

However, the commonly used aggregated measures of both government efficiency and corruption are often found to be so highly correlated that it may be impossible to include both at the same time in the same models due to the issue of collinearity. While some studies have argued that government intervention in the economy and excessive red tape generates corruption as a result of the consequent reduction in transparency and competition (Kaufman & Wei 1999; Goel & Nelson 2010), other studies have argued that corrupt actors often have incentives to create administrative barriers (or at least preserve them) and longer handling times in order to collect larger or a greater number of rents (Myrdal 1968). Consequently, because of this arguably very close reciprocal relationship between inefficiency and corruption, this study will mainly be using one single aggregated measure of procedural quality, namely an indicator of the ability of the state to control corruption, which can also be interpreted as the perceived extent of corruption in a society.

This has also been the strategy of other related studies such as the one by Mattias Agerberg (2018, 1), who argues that corruption “is now understood [...as] arguably the most blatant example of poor institutional quality”. High public sector inefficiency combined with low levels of corruption (especially petty), or high levels of corruption together with high efficiency, seems like a very improbable scenario. An indicator of the government’s ability to control corruption in an efficient manner is hence used in this study as a proxy for both dimensions of institutional quality.

The decision to include a measure of corruption in this study is also motivated by *social learning theory* (SLT; Bandura 1971). This theory assumes that exposure to signals from the surrounding environment influences and shapes individual behavior by differentiating common, and therefore often formally and/or informally acceptable, behavior from socially deviant, often unacceptable or taboo, behavior (see also Akers 1998). People perceive that their fellow citizens react in a certain way in relation to the dysfunctional environment and consequently the threshold and the shame of behaving similarly becomes significantly smaller. In other words, “if everybody’s doing it, it can’t be that bad”, becomes the way of reasoning among many when it comes to

⁸² However, as pointed out by Rothstein and Stolle (2002, 17), the high-level civil service may in fact be perceived as partisan and as an extension of the elected public officials in many countries. One example of such a country is the United States where high-level civil servants are indeed often politicized (Peters & Pierre 2004). Rothstein and Stolle’s (2002, 16) factor analysis of confidence in various “political” institutions suggests that confidence in the civil service falls under the same dimension as the institutions of the elected officials (the parliament, the government and the political parties).

corruption in countries where corruption is very common. Research by Inge Amundsen (1999, 5), among others, supports this theory and he argues that “as corruption spreads, the social acceptance of it may also increase [..., w]hen it is generally understood that there is a climate of corruption, still more people will believe it is inevitable and expected”.

The inability of the state to control the corrupt behavior of its administrators and politicians, thereby providing clean public services and political processes, could therefore increase the willingness to tolerate corruption through several different causal pathways. Firstly, it may spawn a sense of *inevitability*. People might feel that they have no choice but to accept corrupt and free riding behavior as a rational response to an inefficient and corrupt institutional environment where you may feel forced to pay a bribe to get anything done in a reasonable time. Secondly, people are more likely to perceive that others behave in similar ways when confronted with similar challenges in relation to the state, and this could further reinforce the feeling that what they are doing is inevitable or even acceptable and just. Thirdly, the government’s inability to keep corruption under check could further signal that high-level politicians or even state institutions such as the courts are in the pockets of affluent elites, which further erodes the state’s legitimacy. High-level corruption involving large sums of money or other highly valuable resources might be compared to the significantly smaller sums often involved in low-level corruption, and this comparison could provide even deeper feelings of justification.

Some empirical evidence in support of the “rotting fish” thesis is provided in a very recent study carried out by Nan Zhang (2017) on the determinants of accountability norms. This study performed a laboratory experiment in the form of a corruption game in order to elucidate if there are differences in the willingness to report bribery between students originating from the northern regions of Italy on one hand and the southern regions on the other (see [section 2.1.4](#) in this chapter), and if these potential differences are dependent upon the quality of the enforcement institutions. Zhang (2017, 12) concludes based on the evidence from this experiment that there is very little to support the notion proposed by the earlier discussed “raccomandazione” thesis that corruption has a cultural base that promotes a tolerance of illicit behavior among Southerners in Italy. There was no significant difference in reporting rates across different subgroups, holding the institutional configuration constant (Zhang 2017, 11). However, there was a significant institutional effect indicating that participants were more willing to report bribery under strict enforcement, i.e. more efficient and credible enforcement authorities that show a high responsiveness to grassroots monitoring.

Prior empirical evidence in support of this theorized negative (positive) relationship between institutional quality and corruption tolerance (civic morality) is also provided by Letki (2006, 321), who concluded based on evidence from 38 countries that quality

of government⁸³ “is an important factor increasing the citizen’s civic morality”. Meanwhile Pop (2012) found no significant relationship between the level of (perceived) corruption⁸⁴ and the acceptance of corrupt acts in 43 European countries, and Kravtsova et al. (2016) came to a similar conclusion regarding control of corruption and the justification of bribery in 95 countries.

Can high-quality institutions substitute anti-corruption norms?

While many scholars have argued that weak and dysfunctional public institutions promote a tolerance of illicit behavior among ordinary citizens, some have also suggested the possibility that individuals in countries with uncontrolled and endemic corruption might be *less* tolerant of corrupt practices than their peers in countries with higher quality institutions. Pop (2012, 30), for instance, argues that individuals in more corrupt countries are more likely to perceive the unfair consequences of corrupt practices which bestow valuable advantages on those that can afford them while punishing those who cannot. Furthermore, they are also more likely to come in direct contact with this type of unfair competition that could further reinforce their negative feelings towards various forms of corruption.

Endemic grand corruption, uncovered in high-profile corruption scandals, could result in a deep moral disgust towards such undemocratic and widely condemned immoral practices, possibly resulting in widespread protests and anti-corruption movements against corruption, as has been the case in many countries, with several recent examples from Russia and Brazil. This point is also argued by Rasma Karklins (2005) and Bo Rothstein and Daniel Eek (2009, 106), who state that their data “seems to confirm the hypothesis that it is not the case that people who live in highly corrupt societies come to morally accept corrupt behavior by public officials”. These people could therefore have a higher tendency to officially condemn bribe taking, while still feeling forced by “the system” to take part in it in one way or another.

Similarly, one might also imagine that citizens in “cleaner” countries where petty corruption is considerably rarer and where confidence in authorities is generally higher, might develop a more tolerant attitude toward such a “invisible” and rarely noted phenomenon as corruption. If corruption and the negative consequences of corruption remain hidden and out of sight from the ordinary citizen, it may instead generate feelings of ambivalence or apathy towards such behavior, rather than anger and antagonism. Many a citizen in the relatively corruption-free developed West may not simply take these issues seriously due to the apparent lack of corruption in their own vicinity.

⁸³ Letki (2006) operationalized quality of government using a composite index consisting of four dimensions from the Worldwide Governance Indicators (WGI): Government effectiveness, regulatory quality, rule of law and control of corruption.

⁸⁴ Operationalized using the Corruption Perception Index (CPI).

Empirical evidence that might support the argument that institutional quality could be positively related to corruption tolerance is provided by Ting Gong, Shiru Wang and Jianming Ren (2015), who based their analysis on an original survey conducted among university students in Hong Kong and Mainland China. Results from this survey, which compared perceptions of corruption, implied that “the Mainland [China] students who hold weak formal institutions responsible for pervasive corruption, instead of taking it as an excuse to forgive corrupt individuals, reckon on personal power to fight corruption and, thus, show statistically less tolerance for corruption in hypothetical scenarios” (Gong et al. 2015, 475). A lack of confidence in public organizations could lead to feelings of great frustration with their incompetence in keeping corruption levels down, and this might in turn result in feelings of a more personal responsibility in regards to staying clean from corrupt practices and putting pressure on others to stay clean. Meanwhile, students in Hong Kong, where the government has claimed considerable fame for its anti-corruption accomplishments, showed a tendency to push the responsibility of fighting corruption over to government agencies such as the Independent Commission Against Corruption (ICAC), resulting in displays of tolerance of individual corruption under certain specific circumstances (Gong et al. 2015, 475-476).

The argument that corruption tolerance may be positively related to governmental quality is also consistent with the findings of Peter Kotzian (2014) regarding civic norms and law abidance. The study, which included 17 countries, found that “[h]igher welfare spending [and governmental quality] substantially decreases the importance assigned to abidance to laws” (Kotzian 2014, 72-73). One plausible explanation for this finding could according to the author be a *substitution process* whereby developed welfare states have effective institutions that substitute the civic norms needed for the citizens to exercise control over the political system. Countries without an effective “third party” control system that guarantees social order have a significantly greater need for strong social norms (e.g. “thou shalt not steal”) that keep society from descending into chaos and a “all for all” situation (Kotzian 2014, 74; Rothstein & Uslaner 2005). Norms regarding law abidance and, presumably, that one should avoid free riding on the public good should hence become significantly weaker in societies where there are other alternative means of controlling citizen behavior and voluntary norm abidance is not necessary to as high a degree.

However, this study finds the earlier discussed theoretical arguments and empirical evidence concerning a potential negative relationship between institutional quality and corruption tolerance more compelling, which leads it to formulate the following hypothesis:

Hypothesis 5: Corruption tolerance tends to be higher in countries with a lower level of procedural quality.

Does economic performance influence corruption tolerance?

As was discussed earlier, bureaucratic efficiency and the extent of public sector corruption is likely to be highly correlated. However, instead of using a separate aggregated measure for the government efficiency dimension, this study will utilize a different kind of proxy that is not as clearly related to governmental quality or performance as the previously discussed aggregate measures. This indicator may or may not actually be a result of the efficiency or quality of the public sector, but more importantly, the citizens are likely to *perceive* it as a prominent indicator of government efficiency and legitimacy, namely a country's *economic performance* (Newton 2006; Easton 1965).

As argued by Letki (2006, 310), “[e]conomic growth is a basic criterion of a government’s efficacy, thus influencing government’s legitimacy”. A recent economic decline, not to mention an actual economic crisis, may have a negative impact on citizen confidence in the ability of the state to govern the economy and reduce poverty, which in turn may reduce the general willingness to abide by the law and stay clear from using bribes or other corrupt tactics. The inability of the state to uphold its end of the bargain in the “social contract” by providing economic opportunities to its citizens may in turn cause them to rebel against the social order upheld by the state, thus resulting in a higher frequency of free riding behavior.

Some empirical evidence in support of this potential relationship between economic performance and civic norms is provided in both Kotzian (2014) and Letki (2006). While Kotzian finds that economic performance in the form of recent GDP growth has a positive effect on law abidance and civic engagement, Letki meanwhile finds that citizens living in low-unemployment countries have a significantly higher level of civic morality.

Based on the previous discussion regarding the impact of economic performance on corruption tolerance the following hypothesis is formulated:

Hypothesis 6: Corruption tolerance tends to be higher in countries with a poor economic performance.

However, the study also expects procedural quality to have a greater likelihood of having an impact on corruption tolerance due to the more long-term or “sticky” effects of poor institutional quality, which tends to be more stable than economic performance.

2.4 The moderating effect of dysfunctional contexts

Previous sections have mostly discussed potential *direct* effects of a. bureaucratic distrust and b. various indicators of state dysfunctionality. The aim of the present section is to discuss potential moderating effects of the previously presented indicators of dysfunctional societies on the earlier proposed association between bureaucratic distrust and corruption tolerance.

Even though the potential direct effect of, for instance, socio-economic development or economic inequality on attitudes toward corruption is likely to be weak or non-significant⁸⁵, there may still be significant indirect effects through bureaucratic distrust, which was earlier argued to be a key predictor of socially deviant behavior. The key question of this section is therefore: Under what conditions is bureaucratic distrust more likely to be associated with corruption and free riding condoning attitudes?

The following section will discuss the indirect effects in the same order as in the previous section concerning the direct effects, beginning with socio-economic development. Many of the arguments are closely related to the ones in the previous section, so this study will strive to keep them short to avoid repeating itself. First, however, the section starts by briefly elaborating on why this study has opted to include so-called *cross-level interactions* in its models.

Why include cross-level interactions?

Most studies have assumed that the impact of institutional trust is uniform across cases (e.g. Letki 2006; Pop 2012; Kotzian 2014). However, a few studies have noted that the correlation between institutional trust and corruption tolerance tends to be significantly weaker in some countries such as the ones in Latin America (Blake 2009; Andrews 2008).

Studying corruption tolerance or civic morality is a very complicated task, especially if one also aims at explaining differences between different countries and/or periods. Very few respondents admit to finding for instance bribe taking acceptable, which means that the measure of corruption tolerance is highly skewed, and this fact pertains to most countries and time period from whence there is data available. Consequently, there is quite a limited variation in corruption tolerance between different countries, a factor that makes it difficult to explore the effects of various contextual factors that previous studies have linked with various kinds of corruption. The limited variation in the data combined with the limited number of higher-level cases available makes it simply very difficult to find significant differences.

In order to deal with this complicating factor this study has decided to include cross-level interactions in its models to see if the contextual factors have indirect effects

⁸⁵ The effects are likely to be weak due to the limited variation in the dependent variable.

through its key individual level variable “Bureaucratic distrust”. As was mentioned earlier, this study does not consider institutional trust to be a *cause* of attitudes toward civic norms regarding free riding, but rather a correlate or a symptom due to their endogeneity. Both bureaucratic distrust and corruption tolerance are likely to be caused by other, and as this study would argue, similar exogenous forces or shocks. If the previously discussed contextual factors really are sources of uncivic attitudes and values, then it could be expected that the correlation between bureaucratic distrust and corruption tolerance is stronger in such contexts where the deep distrust of the state institutions actually stems from extensive poverty, inequality, and poor institutional quality and performance. For instance, in countries with extensive public sector corruption, i.e. low procedural quality, it could be expected that the relationship between bureaucratic distrust and corruption tolerance is significantly stronger than in countries with a high institutional quality such as the Scandinavian countries. However, based on the theoretical importance of prevailing citizen expectations highlighted in other studies (e.g. Ariely & Uslaner 2017), it could also be the case that the association is significantly weaker in the previously mentioned contexts.

One important reason why it is worthwhile to include cross-level interactions is that it may illuminate under what conditions bureaucratic distrust is most strongly related to corruption tolerance. For instance, one could argue that in contexts where the association between bureaucratic distrust and corruption tolerance is very weak or even completely absent, traditional approaches to civil service reform and other efforts that aim to increase confidence in public institutions are more likely to fail in boosting civic morality. In such cases it may be more important to focus on other relevant factors, such as alleviating poverty or inequality.

2.4.1 The moderating effect of socio-economic development

Earlier it was hypothesized that corruption tolerance tends to be higher in less developed countries where people live in less secure environments where bribe giving and patronage may become a way of dealing with this insecurity. However, does this (also) reflect as a contextual effect on the trust-corruption tolerance relationship? Does the relationship between institutional trust and corruption tolerance differ depending on the level of socio-economic development in a country?

One could expect the correlation between bureaucratic distrust and corruption tolerance to be stronger in socio-economically more developed countries, where citizens are more likely to lack personal experience of the negative consequences of corruption and free riding. A high confidence in authorities in highly corrupt countries could furthermore be a sign of support for the government in general and the widespread occurrence of clientelism or vote buying. Participation in clientelistic

networks could foster more condoning attitudes towards certain types of corrupt behavior such as bribe taking and nepotism, not least if it relates to the behavior of the patron himself or his associates. Studies have most commonly associated clientelism with developing country settings and poorer voters who are more susceptible to clientelist offers (Hicken 2011, 299). This could potentially indicate that highly trusting individuals tend to be more permissive of corrupt behavior in countries with low levels of economic development and widespread clientelistic networks.

Distrusting citizens perceive more public corruption than their more trusting peers in both highly developed and less developed countries. However, their reactions to this perceived corruption are argued to differ in the different contexts: The distrusting ones in the less developed countries are argued to adapt a more tolerant attitude towards corruption than their brethren in the wealthy countries, who (at least partly) have adopted more postmaterial values that advocate equality and fairness.

Hypothesis 7: The association between bureaucratic distrust and corruption tolerance is weaker in less developed societies.

2.4.2 The moderating effect of economic inequality

Earlier this study hypothesized about the potential direct effects of economic inequality on the general attitude towards corrupt and uncivic behavior. Highly unequal societies were assumed to be more tolerant of corrupt acts than societies that have a more equal division of resources and opportunities. However, what about possible indirect or moderating effects of economic inequality on the relationship between this study's key individual-level variable, bureaucratic distrust, and corruption tolerance? Are citizens who are more distrusting of public institutions more or less likely to justify acts of corruption in societies with high levels of economic inequality?

There are at least two hypothetical reasons why the relationship between bureaucratic distrust and corruption tolerance could vary across different contexts of (in)equality, the first having to do with the prevailing *expectations* of citizens and the second with the question "Who are the stakeholders in a corrupt system?".

Firstly, one could imagine that the association between bureaucratic distrust and corruption tolerance could be stronger in societies with a highly unequal distribution of resources and opportunities *if* citizens attribute this inequality to the unfairness and partiality of the public institutions and accordingly perceive them as illegitimate (Rothstein 2011; Tyler 2006; see earlier sections). However, in theory the association between these two micro-level factors could also be weaker in highly unequal societies due to differences in expectations regarding the behavior of public authorities such as the police or, more precisely, an *adjustment to prevailing circumstances*. Long historical

experiences of high levels of economic inequality and endemic corruption could potentially mean that the citizens of these kinds of societies have become socialized not to expect fair and evenhanded treatment from public authorities (Ariely & Uslaner 2017; Uslaner 2008). They become demoralized and see corruption as something that is inevitable and beyond their control, albeit not necessarily acceptable. Their lack of expectations may instead suggest that the honesty and performance of public institutions such as the police, which they perceive to be in the pocket of a rich minority, does not have a significant impact on their own personal morality (Andrews 2008, 178; see also next section).

Meanwhile, citizens in societies with a relatively equal distribution of resources are claimed to hold greater expectations (and demands) regarding their public institutions and officials (Ariely & Uslaner 2017; Uslaner 2008). They see unfair treatment as, in the words of Gal Ariely and Eric Uslaner (2017, 350), “a violation of the integrity of the governmental system”. Societies with relatively low levels of inequality have a significantly greater growth potential for inequality that can be blamed on the hypothetical corrupt behavior of elites. A loss of confidence in the public institutions could therefore potentially have a significantly larger negative impact on the legitimacy of these institutions in the eyes of the citizens in more equal contexts than in the previously discussed highly unequal ones. This negative impact would in turn based on earlier arguments be related to a higher tendency to condone low-level corruption and free riding.

The results of Ariely and Uslaner’s (2017) recent empirical study of 31 countries suggest that people who perceive unfair treatments are considerably more likely to perceive (grand) corruption and that these perceptions are higher in more unequal countries. However, the results also indicate that “[t]he impact of fair treatment on corruption perceptions is much greater in more equal countries, where people are far more likely to expect fair treatment” (Ariely & Uslaner 2017, 358). The authors therefore conclude that perceptions of fair treatment are less important in highly unequal societies.

Secondly, in theory one could even expect the relationship between bureaucratic distrust and corruption tolerance to be the opposite of the earlier hypothesized one in highly unequal societies due to the following reason.

Corruption can be perceived as an informal institution or rather a system of informal institutions. As argued by Fukuyama (2011, 526) “[a]ny institution or system of institutions benefits certain groups in a society, often at the expense of others, [...] and t]hose elite groups [who] have a stake in existing institutional arrangements [...] will defend the status quo as long as they continue to remain cohesive”. Groups that benefit from corrupt arrangements within public institutions, i.e. stakeholders, are arguably more likely to possess a greater confidence in these institutions than those who do not. Conversely, those who suffer the most from the consequences of corruption in highly

unequal societies, i.e. the poor majority that lacks the means to benefit from corruption, are likely to be relatively less tolerant and more welcoming of institutional change and tighter control. Consequently, there could exist a wealthy minority with a privileged access to power, a (relatively) high confidence in the corruptible authorities, and a higher than average tolerance of corrupt practices. However, this group could include some lower SES individuals too who benefit from clientelistic arrangements.

Based on these arguments, one could therefore expect the effects of distrusting attitudes towards implementing institutions to vary across societies with differing degrees of economic equality. More specifically, this study expects the level of bureaucratic distrust to matter less in highly unequal societies where corruption tolerance is generally higher. The following hypothesis is hereby formulated:

Hypothesis 8: The association between bureaucratic distrust and corruption tolerance is weaker in highly unequal societies.

2.4.3 The moderating effect of institutional quality and economic performance

In addition to exploring the direct effects of institutional quality on corruption tolerance, this study is also interested in possible interaction effects between institutional trust and institutional quality. Does the relationship between confidence in implementing institutions and corruption tolerance differ depending on the institutional quality?

Theoretically, one could imagine that the relationship between bureaucratic distrust and corruption tolerance could be weaker, or even the opposite, in countries with a low institutional quality or performance due to similar reasons as discussed in the previous section, namely expectations among the public and the occurrence of significant stakeholder groups that benefit from a corrupt system either directly or indirectly.

Christina Andrews (2008) notes in her bivariate analysis of the correlation between confidence in institutions and civic morality in 30 countries that the Latin American countries showed the weakest correlations. Moreover, she also notes that this group has the highest number of correlations in the opposite direction, i.e. that a higher confidence is related to a lower civic morality. The author speculates that “[o]ne explanation for these results is that in Latin America public institutions are still *too frail* to impact the civic morality of their citizens” (Andrews 2008, 178, emphasis added). Thus, she arrives to the conclusion that confidence in institutions and civic morality only seem to be related in Western democracies and in post-communist countries, while factors such as inequality or unemployment matter more in explaining civic morality in developing countries. People from countries with long histories of “frail”

institutions do not generally come to expect neither impartiality nor efficiency from the public institutions, and are therefore not as deeply affected, at least with regard to their own civic morality, when confronted by corruption and unprofessionalism among public administrators as those who expect more from their public institutions.

This “adjustment-hypothesis”, which was also discussed in the previous section, is consistent with the empirical observations from a recent survey in the Western Balkans⁸⁶ concerning citizens’ opinions of the police. The survey finds that “[t]he perception of high corruption of the police survives simultaneously with a relatively high level of trust, which may indicate reconciliation with the fact that corruption is omnipresent in the institutions, and that citizens have become accustomed to it as an inevitable segment of public administration” (Mandić 2017, 22). Furthermore, one could also theoretically argue that a low confidence in public institutions could correlate with less tolerant attitudes toward corrupt behavior and that this might especially be the case if a low confidence in government is a result of perceived corruption within the government or in society in general. Those unable to reap the rewards of a corrupt system, and who only suffer the costs, are arguably less likely to both trust the authorities and tolerate corrupt behavior.

Distrusting citizens in countries with high quality institutions, meanwhile, are considerably less likely to have any personal experience of (petty) corruption and a clear picture of its detrimental consequences. They are therefore less likely to hold as negative a view of this more “alien” phenomenon because, as was discussed earlier, efficient institutions may have substituted at least to some degree their anti-corruption norms (Kotzian 2014).

Moreover, due to the more sophisticated and clandestine forms that corruption tends to take in advanced democracies with well-consolidated institutions such as the Nordic countries (Erlingsson et al. 2014; Andersson 2017), it does not automatically follow that the public sectors in these countries are perceived by their citizens as less corrupt and more trustworthy. Gissur Erlingsson, Jonas Linde and Richard Öhrvall (2014) demonstrate that there is quite a large distrust towards public officials in the aforementioned countries, and that relatively many citizens, especially in Sweden and Iceland, do not believe that public officials treat citizens fairly (see also [section 2.1.2](#) of this chapter). Additionally, the scholars observe a link between perceptions of dishonest bureaucrats and dissatisfaction with the performance of the political system (Erlingsson et al. 2014, 114). This potent combination of high expectations and perceptions of unfair and partial treatment could together contribute in producing the kinds of attitudes that are of interest in this study.

Based on these theoretical arguments and empirical observations, this study expects the positive effect of bureaucratic distrust on corruption tolerance to be weaker in

⁸⁶ Albania, Bosnia and Herzegovina, Montenegro, Kosovo, Macedonia, and Serbia.

countries with a poor institutional quality, which encompasses on one hand procedural quality (extent of corruption and level of efficiency) and on the other hand economic performance. However, just as was noted earlier, the study also expects procedural quality to have a greater likelihood of having an impact due to the more long-term or “sticky” effects of poor institutional quality on public mentality. The following hypothesis is hereby formulated:

Hypothesis 9a: The association between bureaucratic distrust and corruption tolerance is weaker in countries with a low procedural quality (high corruption and inefficiency) and poor economic performance.

Furthermore, in addition to examining the cross-level interaction effect between the individual-level indicator of confidence in the bureaucratic institutions and a measure of country-level perceived corruption, this study will also investigate whether there is an interaction effect between the former variable and the micro-level measure of *self-perceived* extent of corruption among public officials.

This study expects there to be a similar interaction effect as with the macro-level corruption indicator. The level of confidence in public authorities should not matter to as high a degree when it comes to explaining the level of corruption tolerance of individuals who perceive that almost all public officials are engaged in corruption. Both those citizens who have a high confidence and those who have a low confidence have come to expect corruption and inefficiency as something almost approximating normality, at least to some degree. Citizens with a high confidence who perceive no or almost no corruption, on the other hand, are more likely to hold very high standards when it comes to corrupt or deviant behavior. They hold clear expectations of both impartiality and efficiency from their public institutions. The following final hypothesis is thusly formed:

Hypothesis 9b: The association between bureaucratic distrust and corruption tolerance is weaker among individuals who perceive a greater extent of public corruption.

2.5 Summary of formal hypotheses

The hypotheses derived from the previously discussed theoretical arguments and empirical findings are summarized below:

Hypothesis 1: Individuals who are more distrusting of the implementing institutions (the police, the courts, and the civil service) tend to be more tolerant of corrupt behavior.

Hypothesis 2: Individuals who perceive a greater extent of public corruption tend to have a higher corruption tolerance.

Hypothesis 3: Corruption tolerance tends to be higher in socio-economically less developed societies.

Hypothesis 4: Corruption tolerance tends to be lower in societies with intermediate levels of economic inequality, but significantly higher in extremely unequal societies. [non-linear relationship]

Hypothesis 5: Corruption tolerance tends to be higher in countries with a lower level of procedural quality.

Hypothesis 6: Corruption tolerance tends to be higher in countries with a poor economic performance.

Hypothesis 7: The association between bureaucratic distrust and corruption tolerance is weaker in less developed societies.

Hypothesis 8: The association between bureaucratic distrust and corruption tolerance is weaker in highly unequal societies.

Hypothesis 9a: The association between bureaucratic distrust and corruption tolerance is weaker in countries with a low procedural quality (high corruption and inefficiency) and poor economic performance.

Hypothesis 9b: The association between bureaucratic distrust and corruption tolerance is weaker among individuals who perceive a greater extent of public corruption.

PART TWO

Research design, results, and conclusions

3. Research design

This chapter presents the research design used in this study, beginning with a discussion concerning the way the variables are operationalized. After this discussion follows an illustrated figure of this study's research model and a detailed description of the method of analysis. Lastly, the sources of data utilized in this study are presented.

3.1 Operationalization of variables

The chapter begins by discussing how the variables are operationalized, starting with the dependent variable, corruption tolerance, and then moving on to the micro- and macro-level predictors. The data for all macro-level predictors included in this study originate from at least one or a couple of years prior to the survey occasion when the phenomenon of interest, corruption tolerance, was measured.

3.1.1 Dependent variable: Corruption tolerance

One problem, which needs to be settled before an attempt is made to answer the earlier listed research questions, is how can the earlier conceptualized and defined phenomenon of interest in this thesis, low-level corruption tolerance (see Chapter 1, [section 1.2](#)), be operationalized?

A review of previous studies related to this one reveals that two different strategies have mainly been utilized in the literature that has applied quantitative methods in an attempt to elucidate the determinants of corruption tolerance both within and across different societies. The first one has employed an index constructed by Alejandro Moreno (2002) while the second one has made use of a single survey item. Both strategies will now be briefly discussed, starting with the index-based operationalization strategy, and rounding off with a discussion regarding which one of these two strategies (in a modified form) is the main strategy utilized in this thesis.

Moreno's (2002) solution to the problem of how to measure corruption tolerance is the construction of an index, which he chooses to call an "index of corruption permissiveness", based upon four different questions asked in the World Value Survey (WVS). In his article, Moreno (2002, 3) defines corruption permissiveness as "*the extent to which individuals tend to justify certain practices that can be considered to be corrupt*". The questions from the WVS that form the backbone of the index are based on the extent

that individual respondents are prepared to justify the acts or behaviors included in the following four survey items:

- [1] “claiming government benefits to which you are not entitled”,
- [2] “avoiding a fare on public transport”,
- [3] “cheating on taxes if you have a chance” and
- [4] “accepting a bribe in the course of their duties”,

on a scale from 1 to 10 where 1 indicates that the corrupt practice is “Never justifiable” and 10 indicates that it is “Always justifiable” (Moreno 2002, 4).

Other researchers such as Roberta Gatti, Stefano Paternostro and James Rigolini (2003) have chosen a slightly different, more parsimonious, strategy for the operationalization of corruption tolerance. They decided to only utilize the question concerning whether they think that “someone accepting a bribe in the course of their duties” can always be justified, never be justified, or something in between, as a proxy for the respondent’s attitude toward such rule-breaking and explicitly corrupt behavior. However, as argued by some scholars, there are at least three advantages to using a multi-item index of corruption tolerance instead of just a single-item one (Williams & Martinez 2014).

Firstly, it may be difficult for a single-item question to adequately capture different inter-related aspects of the earlier defined concept of corruption tolerance and it may furthermore be negatively affected by random errors in measurement. Secondly, errors tend to be averaged out in a multi-item index, which indicates a greater reliability. Thirdly, a multi-item index pools together information that the different items have in common, and is therefore likely to produce superior score reliability (Williams & Martinez 2014). Moreover, as we saw in earlier discussions (Johnston 2005, 2014; Andersson 2017; see Chapter 2, [section 2.1.2](#)), some scholars have argued against a unidimensional measurement of corruption (and, indirectly, corruption tolerance) with a focus on bribery. Previous research has shown that corruption varies greatly in both form and scale, and some forms of corruption are more common in certain types of societies (or parts of societies, e.g. sectors or government levels) than in others (Johnston 2005, 2014). Bribery, for instance, is more common in economically less developed societies where civil servants are poorly remunerated, while it is relatively rare in advanced post-industrial societies, such as the Nordic countries, where “undue influence” or “conflict of interest” or other more “gray” forms of corruption are more frequent (Andersson 2017).

Certain forms of corruption are furthermore more morally ambiguous than others and can arguably be placed on several different points on a lengthy “moral scale” that goes from one extreme to another. For instance, some would probably argue that bribery, or at least the high-level type involving larger sums, is more morally

repugnant than for instance nepotism, where a person in a position of power favors their kin. Similarly, in accordance with the broad definition of corruption adopted in this study, many would probably argue that the abuse of entrusted power is a considerably worse crime than a simple abuse of public resources perpetrated by ordinary citizens. Of course, the “level of immorality” of an act is arguably also highly dependent on many contextual factors, such as who are the potential victims and how many are there, the extent of the direct and indirect damage, and what was the purpose of the act (self-enrichment, support to a party or family member/friend, ideological, etc.) (Etzioni 2017).

Exclusively focusing on the act of bribery, the most clear-cut form of corruption in the modern sense of the word, and tolerance thereof, would result in too narrow a view of the broader phenomenon of corruption. Hence, this would miss many important nuances of the more and less sophisticated forms of corruption, which can have very serious consequences, especially when aggregated (Dobel 1978; Andersson 2017).

When constructing indices that aim to measure specific social or political phenomena it is inevitable that some measurement problems will arise. One such problem highlighted by Moreno (2002, 4) himself is that the answers to the previously mentioned survey questions might be contaminated with social desirability biases, which signifies that it may be difficult for respondents to answer truthfully to the questions due to a fear of being judged and frowned upon by their surrounding society and peers in particular. Despite this problem, Moreno still judges that the additive index allows for sufficient cross-country and cross-regional variation, thus allowing us to come to some conclusions. Other survey-based studies that have used similar questions regarding various hypothetical scenarios agree that these measures have face validity, and that they suffer less from social desirability bias than more direct questions regarding a person’s involvement in corruption and other forms of unethical behavior (Tavits 2010, 1262).

In order to maximize the limited variance and deal with the skewness of the dependent variable, this study has decided to chiefly utilize a heavily modified version of Moreno’s index of corruption permissiveness, which is also utilized by Pop but with a different scale. Instead of aggregating all four items as they are and taking the average value, this study will follow the same path as Pop (2013, 31) and recode all four scales so that all respondents who answered that the four corrupt practices were justifiable to some degree receive a value of 1 while those who declared them “never justifiable” receive a value of 0.

A reliability analysis reveals that the four items have a Cronbach’s Alpha of 0.807 in the full sample, which indicates that respondents scoring high on one variable tend to score high on all four. The recoded items are then computed into a 5-pointed summative scale that measures the acceptance of corrupt practices and varies between the scores 0, 25, 50, 75 and 100, where a higher value indicates a greater tolerance (see

Chapter 4, [Figure 4.1](#)). However, the study will also strive to control the robustness of its results using various alternative measurement strategies, including Moreno's original corruption permissiveness index.

The average score on the corruption tolerance index for the entire pooled sample is 38.3 (SD = 38.3) but there is quite a large variation across different countries and country-waves, with the lowest country/country-wave average in Bangladesh (5.6)/Bangladesh (4th Wave, 3.5) and the highest in the Philippines (64.2)/ India (6th Wave, 78.6).

3.1.2 Independent variables and control variables

The aim of this section is to describe the operationalization of the independent variables and the control variables included in this study. The section begins by looking at how the individual- or micro-level variables are operationalized.

3.1.2.1 Micro-level variables

Bureaucratic distrust

Bureaucratic distrust is operationalized using an aggregated measure of institutional trust. Earlier studies have demonstrated that all the different trust judgements concerning both political and implementing institutions generally can be added into one single scale that measures institutional trust (see e.g. Marien 2011).

However, as was mentioned earlier in this study (see Chapter 2, [section 2.2.2](#)), there is evidence of covariance⁸⁷ between the trust judgements regarding the implementing institutions, which compels this study to aggregate these into an index of bureaucratic distrust. A reliability analysis reveals that the Cronbach's Alpha of a scale containing the three items (trust in the police, courts, and civil service) is 0.743, which indicates that respondents scoring high on one variable tend to score high on all three. The scale of this index run from zero to 10, where a higher value indicates a greater mistrust towards public officials or organizations.

Unfortunately, the question that measures people's confidence in the courts is missing in wave 4 (2000 – 2004) of the World Values Survey, resulting in a loss of both countries and country-waves. This study has therefore decided to only include the items regarding confidence in the police and the civil service in order to maximize the

⁸⁷ Marien (2011, 18) notes some covariation between the police and the legal system "due to sources other than [a] general attitude of "trust in political institutions"".

number of higher-level units. This indicator is treated as a continuous variable with a scale that ranges from zero to one where one indicates a complete lack of confidence. However, this study will also perform its analyses using the three-item index and report if there are any substantial differences in the results.

The average score on the bureaucratic distrust index for the entire pooled sample is 0.5 (SD = 0.25), but there is quite a large variation across different countries and country-waves, with the lowest country/country-wave average in Uzbekistan (0.19)/Vietnam (5th Wave, 0.18) and the highest in the Dominican Republic (0.7)/Argentina (4th Wave, 0.75).

Self-perceived extent of public corruption

Perceived extent of public corruption is operationalized using the following question in wave 3 of the World Values Survey: "How widespread do you think bribe taking and corruption is in this country?" (1 = Almost no public officials engaged in it; 2 = A few are; 3 = Most are; 4 = Almost all public officials are engaged in it). This item will initially be treated as a dichotomous variable that varies between zero (almost none or a few are engaged) and one (most or almost all are engaged) in the micro-level analysis. Later on, it is treated as a continuous variable with a scale that ranges from zero to one where one indicates a high level of self-perceived corruption in the interaction analysis.

The average score (in original metrics) on this micro-level corruption perception indicator is 2.9 (SD = 0.8).

Micro-level controls

Socio-economic status

Six different standard questions in the WVS regarding socio-economic status (SES) are included in the analyses as individual-level controls: *Age, gender, income, education, marital status, and employment status.*

Age is included because aging is often argued to be strongly related to people's attitudes toward rule breaking or deviant behavior. A person's age is argued to have an effect through either some type of socialization effect where people acquire greater social stakes as they grow older, thereby becoming more reluctant to risk losing hard-earned resources (the desistance theory), or through some biological process where the aging of the organism affects individual behavior (the aging theory, Gottfredson & Hirschi 1990).

Gender is likewise included due to the frequently observed greater aversion towards, and lesser involvement in, corruption, tax evasion, and other kinds of rule breaking behaviors observed among women. This in turn is claimed to be either due to

differences in nature between men and women, where men are more competitive and risk-taking than women, or due to differences in opportunity structure, where men are more often in direct contact with public authorities (Torgler & Valev 2010).

Income is included due to the assigned importance of the amount of resources available to invest in corrupt activities or, alternatively, to cope with unsecure conditions. High-income individuals may on one hand have more opportunities to behave corruptly, but low-income individuals may on the other hand perceive corruption as a personal security mechanism (Jaime-Castillo & Martinez-Cousinou 2012). More affluent individuals are furthermore argued to have a higher likelihood of cheating in order to attain private benefits and further increase their resources, due to a sense of greed where affluence begets a sense of self-entitlement and a feeling of being “above the law” in some cases (Grundmann & Lambsdorff 2017).

Education is controlled for due to the simple reason that education is claimed to foster civic values and attitudes and increase understanding about the negative consequences of bribery and other similar behaviors (Uslaner & Rothstein 2016).

Finally, *Marital status* and *Employment status* are included partly because of the same reasons as age, i.e. higher social stakes: Those who are married or/and are employed may risk their marriage, job and social status if they choose to behave in a corrupt and dishonest way (Kravtsova et al. 2017).

Age and *income* are treated as continuous variables and grand mean centered in the analyses. Some of the initially categorical variables are transformed into dummy variables in order to facilitate the estimations. *Gender* was recoded so that the respondent receives a one if the respondent is female and zero if the respondent is male. *Education* was transformed so that the respondent receives a one if he or she has a university degree and a zero for all other educational levels. *Marital status* was transformed so that the respondent receives a one if the respondent is married and zero otherwise. *Employment status* is transformed so that the respondent receives a one if the respondent is unemployed and zero if the respondent has another employment status.

Religiosity

In addition to the previously discussed standard controls for socio-economic characteristics, it was also judged necessary to include a simple measure of how religious a respondent perceives him or herself to be. Corruption tolerance and civic morality tends to be viewed as “a manifestation of individuals’ broader moral code” (Letki 2006, 315), and is thereby intimately linked with religion, which generally tends to condemn corrupt and socially deviant behavior (Beets 2007), and religious values that should be controlled for.

The indicator of religiosity used in the current study is based on the WVS survey item asking “How important is God in your life?” on a scale of one (“Not at all

important”) to 10 (“Very important”), which is treated as continuous and recoded to range from zero to one.

Generalized trust

As a final micro-level control, this study will include the often-used proxy for social capital, i.e. the level of generalized trust. People with a high generalized trust are often argued to have a greater tendency to cooperate with other people outside their own in-groups, and are thereby seen as less likely to free ride on the public good and turn to corrupt practices (Uslaner 2004).

This variable is operationalized using the standard survey question used to measure social capital in the literature: “Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people?”, which is recoded to range between zero (“Most people can be trusted”) and one (“Need to be very careful”).

3.1.2.2 Macro-level variables

Socio-economic development

The widely used term “development” (and “poverty” for that matter) is rather fuzzy and there is an extensive debate among scholars regarding the correct way of operationalizing this phenomenon (see e.g. Milenkovic et al. 2014).

The commonly used gross domestic product (GDP) per capita measure has received a lot of criticism due to its alleged narrowness and inability to capture other important non-economic dimensions that are argued to be important determinants of the wellbeing of populations, such as happiness, life expectancy, access to education, internet connectedness or gender equality. Economic growth alone is widely argued to be insufficient as an indicator of how developed a certain society is or how capable its citizens are in comparison to other societies’, which is why this study has opted to use the term *socio-economic development* rather than mere economic development.

However, despite the previously mentioned criticism directed towards this measure, this study has still decided due to reasons of data availability to mainly utilize GDP per capita, which is “the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products” divided by midyear population (The World Bank [2]).

The data for this variable are retrieved from a secondary source⁸⁸, the V-Dem extended dataset (2018), and it has been transformed by taking the natural logarithm

⁸⁸ The original source is the Maddison Project Database (2018).

(ln). An alternative, education-based development indicator will also be used to control the robustness of the findings. The Education index, which is an integral part of the widely used Human Development Index, is calculated using mean years of schooling and expected years of schooling (UNDP 2018).

The data for this variable in turn originate from the United Nations Development Programme's (UNDP) Human Development Reports. The scale of both development indicators have been recoded to range from zero to one in order to facilitate interpretation.

The average GDP per capita (in \$) for the entire pooled sample is 8817.14 (SD = 7669.20) but there is a very large variation across different countries, with the lowest country/country-wave average in Tanzania (4th Wave, 534.76) and the highest in the United States (5th Wave, 30199.81).

Economic Inequality

Economic inequality is operationalized in this study using the standard measure of inequality, the (income based) Gini index, which measures how unequal the distribution of income is as a Gini coefficient on a scale from zero to 100. The data for this variable originate in part from both the V-Dem extended dataset (2018) and the UNU-WIDER (2017) World Income Inequality Database (WIID). The scale of this variable has been recoded to range from zero to one in order to facilitate interpretation.

The average original score on the income based Gini index for the entire pooled sample is 39.39 (SD = 9.86) but there is a relatively large variation across different countries, with the lowest country/country-wave average in Slovakia (19.45)/(4th Wave, 534.76) and the highest in Zimbabwe (73.3) (5th Wave, 30199.81).

Institutional quality and economic performance

Procedural quality

Procedural quality, i.e. the efficiency and "cleanliness" of government activities, is operationalized using different measures of efficiency and corruption, two of which are retrieved from the Worldwide Governance Indicators (WGI; The World Bank [3]) project, a set of cross-country indicators of governance developed by Daniel Kaufmann, Aart Kraay and Massimo Mastruzzi (2010). The WGI measure governance in over 200 countries since 1996 and consist of six broad dimensions of governance: "Voice and Accountability", "Political Stability and Absence of Violence/Terrorism", "Government Effectiveness", "Regulatory Quality", "Rule of Law" and "Control of Corruption".

This study has chosen to utilize two of the six governance indicators in its empirical analyses, namely **Government Effectiveness** (GE) and **Control of Corruption** (CC).

The former indicator captures “perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies”. The latter in turn captures “perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as “capture” of the state by elites and private interests” (Kaufmann et al. 2010, 4). As can be inferred from the two previous quotations, the chosen indicators are based exclusively on subjective assessments of public sector efficiency and corruption, gathered from various household, firm and expert surveys.

There are three reasons why Kaufmann et al. (2010, 17-18) decided to use perception-based measurements of governance. The first reason is that the behavior of agents is influenced by how they perceive reality. The authors argue that “[i]f citizens believe that the courts are inefficient or the police are corrupt, they are unlikely to avail themselves of their services”⁸⁹ (Kaufmann et al. 2010, 18). Investors are similarly more likely to base their investment decisions on expert evaluations and perceptions of reality rather than on actual cold hard facts. The conclusion is thusly that perceptions influence reality and therefore possess intrinsic value.

The second reason is that there are very few real alternatives when assessing some important questions or phenomena related to governance. Corruption, for instance, is a very illusive phenomenon that does not leave a lot of concrete evidence due to its illegal nature. This makes it almost impossible to objectively measure some aspects of governance (Kaufmann et al. 2010, 18). The third and final reason mentioned by the authors is that available objective data tend to capture so-called “official” or *de jure* aspects of government praxis, which may differ from the actual or *de facto* reality that individual agents or citizens confront on a daily basis. Bribe taking may for instance formally be prohibited by law, but informally widely tolerated in some parts of the public sector. Official statistics regarding the quality of service delivery can be manipulated by those in power, and is therefore unreliable as an indicator of institutional quality.

However, correlation analysis shows that these two measures have an extremely high correlation (Pearson’s $r = .939$), which raises the issue of multicollinearity and compels this study to analyze them in separate models to see which is the better predictor. This gives a good indication of how closely entangled inefficiency and corruption truly are, with inefficiency giving strong incentives for the use of bribes and with corrupt public officials colluding to engender ever more bureaucratic obstacles with the hope of extorting bribes, as argued by Myrdal (1968).

⁸⁹ Or the citizens may instead turn to informal institutions such as corruption or organized crime, as this study has argued in earlier sections.

The scale of this variable has been recoded to range from zero to one. The average original score on the Control of Corruption index, which ranges between -2.5 (very corrupt) and 2.5 (very clean), for the entire pooled sample is .095 (SD = 1.06) but there is quite a large variation across different countries, with the lowest country/country-wave score in Iraq (-1.39)/Georgia (3rd Wave, -1.39) and the highest in Finland (2.45).

Economic performance

This study's second dimension of institutional performance is more interested in the potential *outcome* of government activities rather than in the activities themselves. Here this study has decided to focus on economic performance, operationalized using the cumulated⁹⁰ rate of growth in GDP of the five previous years before the survey occasion. The data used for this variable originate from the WGI dataset (The World Bank [3]). However, alternative indicators of economic performance are also used (see Chapter 4, [section 4.2.2.3](#)). The scale of this variable has been recoded to range from zero to one.

Macro-level controls

Post-communist countries

In addition to the previously discussed macro-level independent variables, this study will also include a couple of system-level controls, the first of which is a dummy for the former communist countries. The specific historical experiences of scarcity, inefficiency and corrupt public institutions is argued to have resulted in the diffusion of resilient norms that are conducive to corrupt behavior.

Similarly, dummies for the Latin American or East Asian countries could also have been included in the analyses, due to the earlier mentioned high level of corruption tolerance observed in some of the countries in these regions. However, the study opted not to include them, due to there being no specific common historical experience or critical juncture in the recent history of these particular countries comparable to that of the post-communist countries and the collapse of the Soviet Union and the rest of the socialist systems in Eastern Europe.

Furthermore, adding dummies for these particular cases would not be that helpful in telling us what *exactly* is so special about these countries, other than their weak institutions, high levels of inequality or other potential explanatory factors that are

⁹⁰ The average rate of growth and the rate of growth in the previous year are also tested.

controlled for elsewhere. The post-communist countries are arguably unique in this regard and therefore deserve a dummy variable.

Duration of democracy

The second macro-level control variable included in the analyses is an indicator of how long a country has been democratic since 1900 without any significant interruptions in the prevailing form of government. The data for this variable originate from the Boix-Miller-Rosato (2014) dataset.

Studies have demonstrated that long⁹¹, uninterrupted periods of democratic governance are required for countries to experience any significant reductions in perceived corruption (e.g. Treisman 2000). One reason for this is probably that it takes a long time for new fragile democratic institutions to consolidate so that they can become better at resisting corrupt abuses. Another reason could be that it takes time for democratic values and norms to take root in a society after it has made the transition from an autocratic system to a democratic one, as people slowly adjust to their newly won liberties and political rights. This adjustment is likely to be especially difficult for older generations who are more used to living under autocratic rule and have formed their basic values and norms under such circumstances (Inglehart 1971).

Only the current democratic regime is taken into account and not brief democratic experiences in the beginning of the 20th century, as in the case of Estonia, which was categorized by the Polity Project as a democracy between the years 1919 and 1933 before first suffering a democratic breakdown and then occupation by the Soviet Union and (briefly) Nazi Germany from 1940 onward until 1991 when the current democratic period began (Polity Project 2019; *Encyclopedia Britannica* 2019). This study finds it unlikely that such distant and short-lived experiences of democratic governance have left any strong and enduring impressions on the values of ordinary citizens and has therefore chosen to focus on the length of more recent experiences of democracy. In Estonia's case, the relevant period is therefore from 1991 to the year of the survey in question.

The year 1900 was chosen as a threshold year mainly because it represents, in the words of John Gerring, Philip Bond, William T. Barndt and Carola Moreno (2005, 341), "a period [...] in which mass democracy becomes a world-historical phenomenon (no longer restricted to the US and a few European states)" and because of data availability. However, this study will also try using alternative indicators of democratization, such as a country's degree of democratization (polity index, Polity Project 2019) and

⁹¹ Daniel Treisman (2000) found that at least 40 years of consecutive democracy was needed for even a small decrease in corruption level.

dummies for autocracies and/or anocracies. The scale of this variable has been recoded to range from zero to one.

3.2 Research Model, Method of Analysis, and Data Sources

This section will take a closer look at the research model, the method of analysis, and the data sources utilized in this study. After this methodological discussion, the study will move on to the empirical analyses themselves. We will begin by examining the research model.

3.2.1 Research model

The following figure (Figure 3.1) illustrates the research model used in this study:

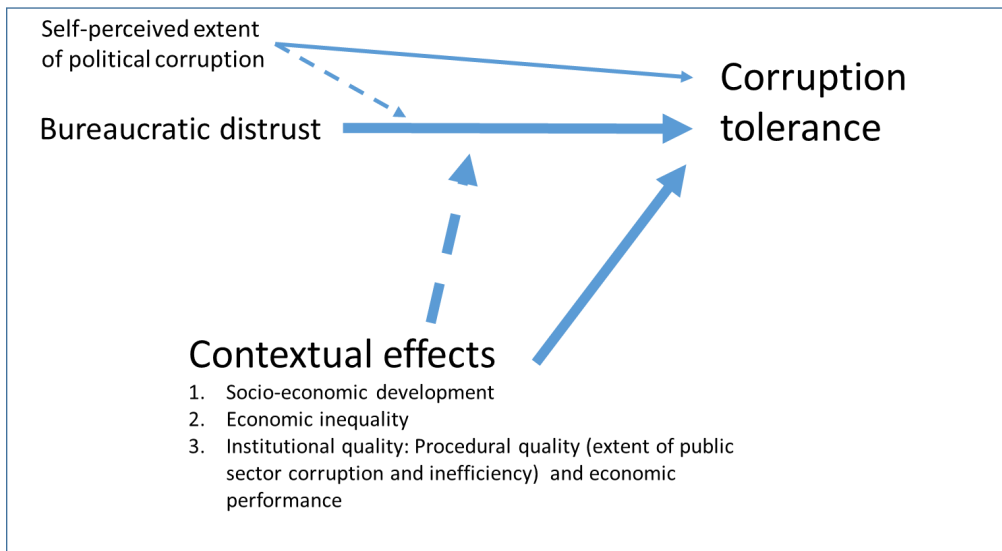


Figure 3.1 Research model

3.2.2 Method of analysis

The main method of analysis utilized in this dissertation is *three-level hierarchical multilevel modeling* (see [Figure 3.2](#)) where the primary units of observation are individuals (the first level) nested within country-waves, (the second level) which in turn are nested within countries (the third level), and the outcome variable of interest, “Corruption tolerance”, is treated as a *linear outcome*. All continuous variables included in this study have been centered around their grand mean values in order to facilitate the interpretation of the intercept.

There are several reasons why using multilevel analysis is recommended as an alternative to the more traditional single level methods in order to answer questions of interest to social scientists. Next, this section will briefly summarize some of the advantages of including more than one level in the analyses.

One of the central assumptions of linear regression models is that the variance is *homoscedastic*, i.e. that the size of the error term, or *residual*⁹², is the same across the values of an independent variable. This means that there should be no patterns whatsoever among the residuals. However, this is often not the case in statistical analyses based on real world data: Individual cases are often grouped or *clustered* into subgroups where the patterns regarding the effect of the independent variable on the dependent variable can vary quite substantially between different clusters of cases. For instance, members of a given society often share certain social norms regarding, *inter alia*, ethics, trust and reciprocity, and also to a high degree answer under the same public and private institutions. This often also equates to that their attitudes toward different societal phenomena are likely to be correlated, corruption included. To ignore the realistic complexity intrinsic to naturally occurring dependencies and fit only single-level models could therefore result in inefficient standard errors and the loss of important information (Jones & Duncan 1998).

⁹² The differential between the predicted (modeled) value and the actual sample value.

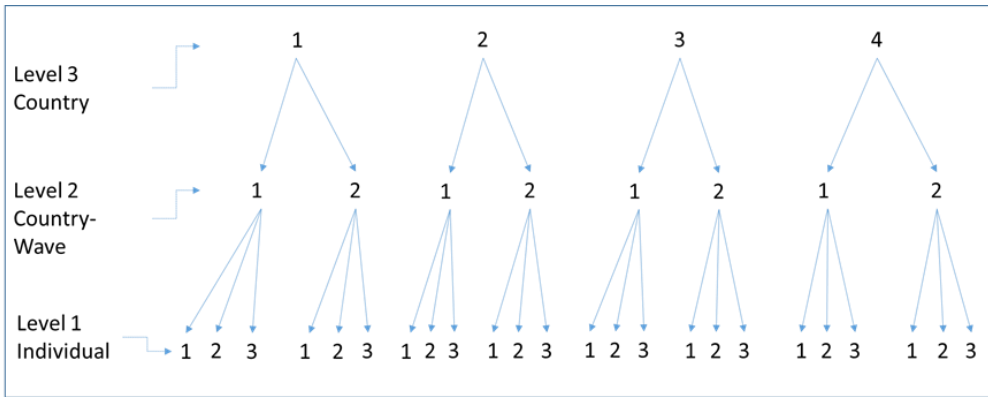


Figure 3.2 Three-level structure

Multilevel modeling relaxes the usually held assumptions of independence between the observations on varying data levels and should therefore be particularly suitable for studies involving hypotheses about the influence of group-specific contextual factors such as culture or institutional structures. One of the key advantages of multilevel techniques is thusly argued to be that they facilitate the exploration of such contextuality and complexity that would otherwise have remained quite inaccessible using standard procedures, paving the way for a much richer set of analyses. This “analytical enrichment”-effect could further be strengthened by the multilevel approach’s ability of modelling simultaneously at each level; enabling the separation of “compositional” effects from “contextual” effects (Jones & Duncan 1998, 23-26).

If this study would instead choose to ignore the autocorrelation it could, in the words of Kelvyn Jones and Craig Duncan (1998, 22), “result in incorrect estimates of precision, giving incorrect confidence limits and tests”. Another technical advantage lies in the ability of multilevel models to “distinguish between [...] two different levels of variation through the random parameters” (Jones & Duncan 1998, 22). This means that the explanatory powers of higher-level predictors are more likely to be correctly estimated when using multilevel techniques.

3.2.3 Data sources

This study utilizes high quality data from the official WVS aggregate file, which pools together individual-level data from all six waves. The number of countries included in the World Values Survey was very limited in the first two survey waves covering the periods 1981 – 1984 and 1990 – 1994 (10 and 18 countries respectively).

High coverage was attained only since the third wave (1995 – 1999; 57 countries) and this study has therefore chosen to include data exclusively from the four latest waves of the survey in its main analyses: 1995 – 1999 (Wave III), 2000 – 2004 (Wave IV), 2005 – 2009 (Wave V), and 2010 – 2014 (Wave VI). This sample includes in total more than 300 000 individuals from over 90 different countries representing all global regions of relevance. However, after the deletion of cases where there are data missing for key variables of interest, the final sample includes 84 countries, 170 country-waves, and around 230 000 individual respondents.

Other data sources for the macro-level variables include the V-Dem extended dataset (2018), the Worldwide Governance indicators (The World Bank [3]), the UNDP (2018) Human Development database, the UNU-WIDER (2017) World Income Inequality Database (WIID), and the Boix-Miller-Rosato (2014) and Polity Project (2019) datasets.

4. Empirical analyses

This chapter presents the results and findings of the empirical analyses and compares them to the earlier discussed hypotheses and the findings in previous empirical studies. It starts by presenting a few descriptive statistics of the variables that also demonstrate the variation in corruption tolerance across all the countries and country-waves included in the statistical analyses, before moving on to the main micro-, macro-, and cross-level analyses. Lastly, it discusses the robustness of the findings.

4.1 Descriptive analyses

The chapter begins by first looking at some descriptive analyses of the data included in this study. As can be seen from [Table 4.1](#), the average corruption tolerance in the 84 countries and the 170 country-waves included in these analyses is relatively low (~ 38 on a scale from 0 – 100). However, figures [4.3](#) and [4.4](#) indicate that there is quite a lot of variation in the average country- and country-wave-level corruption tolerance, ranging from as low as approximately 7.7 and 3.5 in Bangladesh (Waves 3 & 4; country average: 5.6) to as high as 64.2 (country average) in the Philippines and 77.3 in Thailand (wave 5). These findings indicate that the country context matters with regard to the variation in corruption tolerance, although, there seems to be a greater variation between different country-waves.

Table 4.1 Descriptive information of main variables

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Corruption tolerance	230 143	0	100	38.29	38.32
Bureaucratic distrust (police & civil service)	224 221	0	1	.5041	.252
Age	242 459	15	99	41.37	16.39
Gender (female)	242 953	0	1	.52	.500
Household income	223 900	1	10	4.67	2.32
Education (university degree)	242 953	0	1	.15	.36
Marital status (married)	242 953	0	1	.57	.495
Employment status (unemployed)	242 953	0	1	.10	.296
Religiosity	237 357	1	10	7.63	3.02
Generalized trust (high)	242 953	0	1	.71	.455
GDP per capita, logged	242 953	6.28	10.32	8.67	.964
Income inequality, Gini	242 953	19.45	73.30	39.39	9.86
Control of Corruption (WGI)	242 953	-1.39	2.53	.095	1.06
Cumulative growth (annual %) of previous 5 years (WGI)	242 953	-103.10	154.06	14.67	25.99
Post-communist country	242 953	0	1	.26	.437
Duration of current democratic regime (since 1900)	242 953	0	111	24.57	33.99
Valid N (listwise)	198 063				

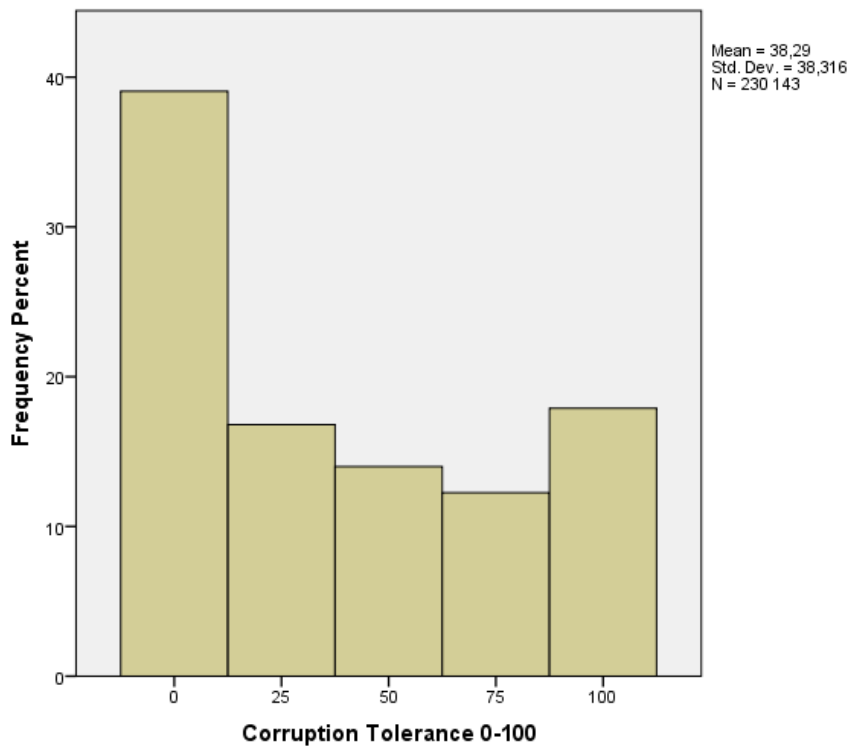


Figure 4.1 Dependent variable

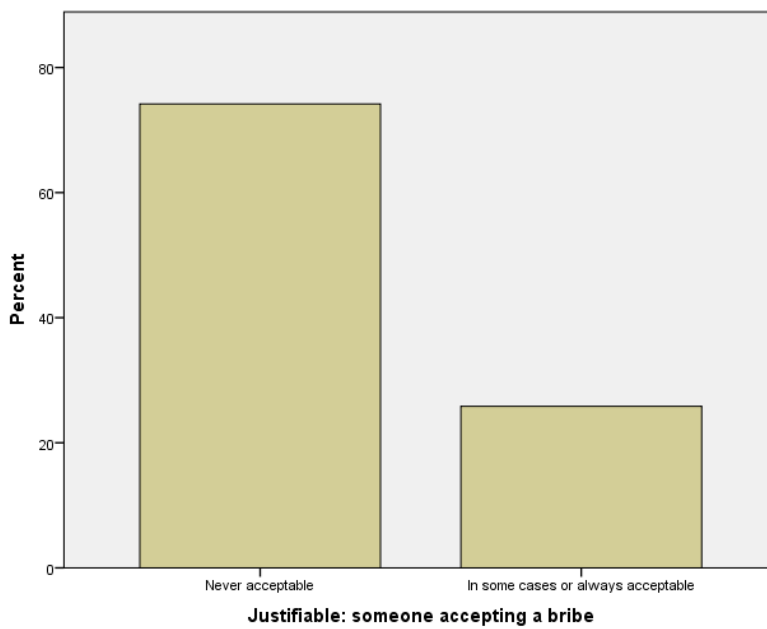


Figure 4.2 Tolerance of bribe taking

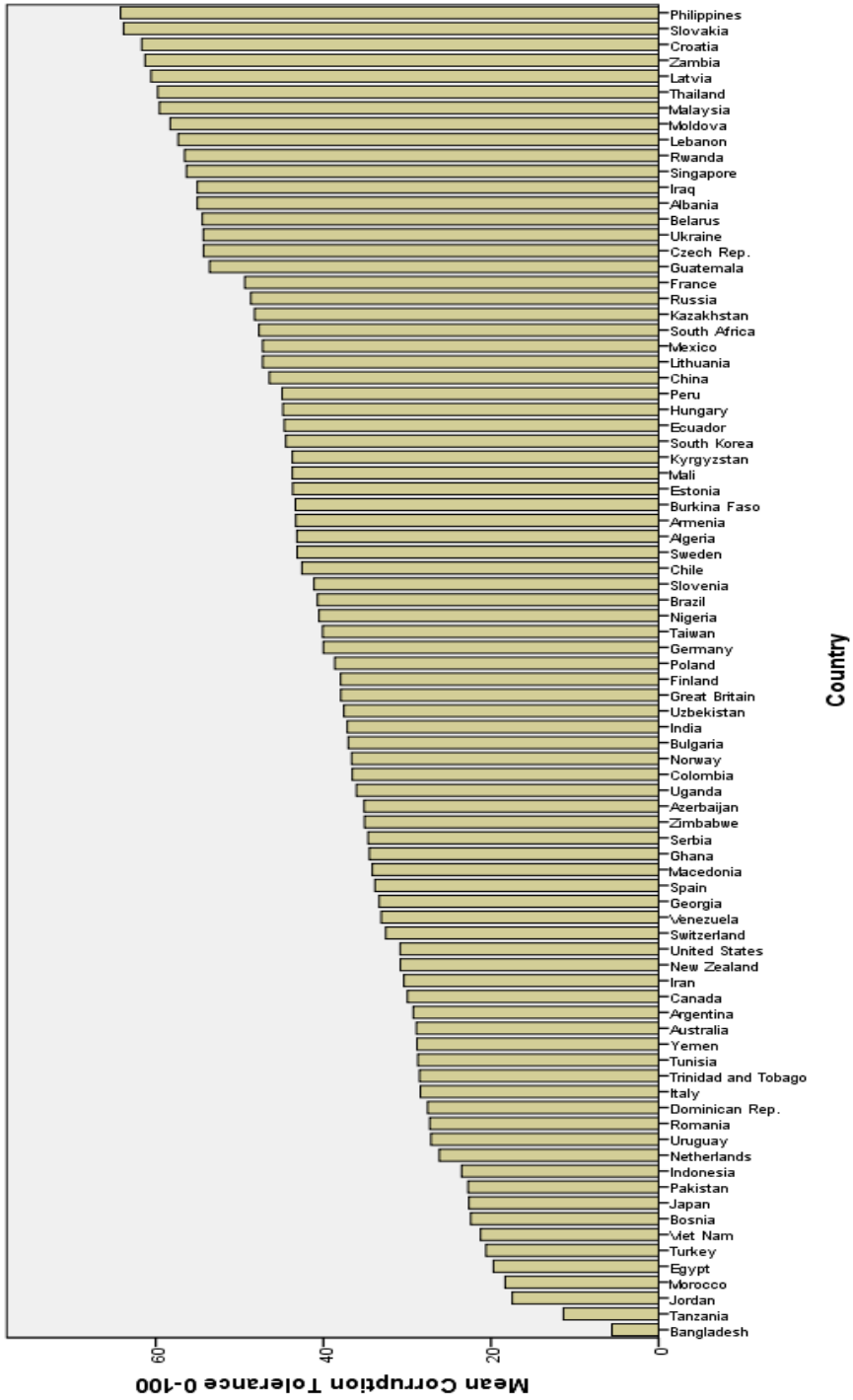


Figure 4.3 Average corruption tolerance in 84 countries (WVS Wave 3-6)

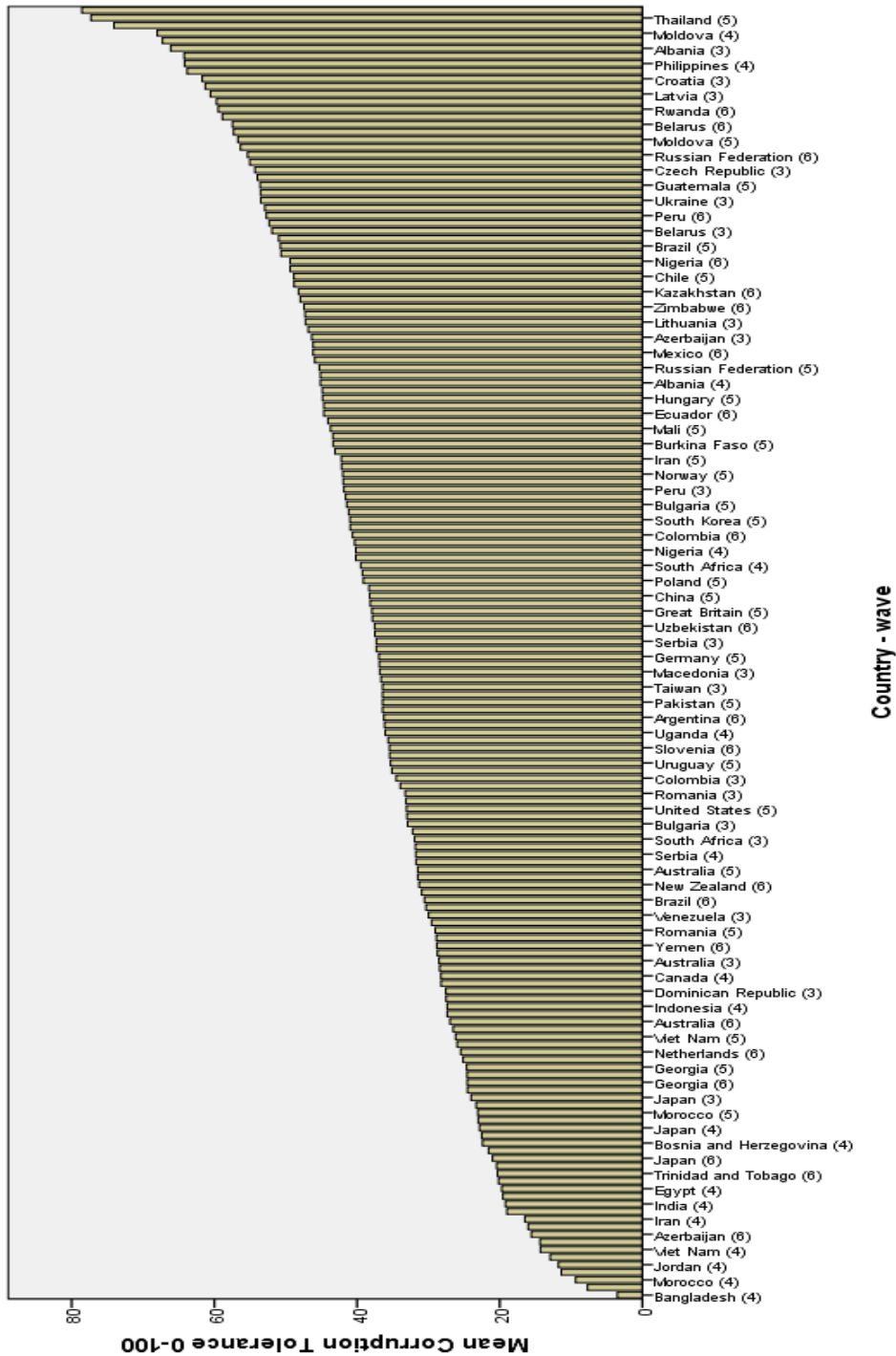


Figure 4.4 Average corruption tolerance in 170 country-waves (WVS Wave 3-6)

4.2 Multivariate Analysis

This section continues on to the multivariate analysis of the previously described data, starting with the micro effects before moving on to the macro (contextual) effects and finishing with the interaction effects. As a start, the section begins by analyzing the impact of individual characteristics and values.

4.2.1 Micro-level effects

As we saw from the figures in the previous section, there is a relatively large variation in the data between both countries and different country-waves. However, in order to estimate just how much of the variation is situated on the higher levels and how much is due to compositional (individual) characteristics, and which particular factors explain this variation, a number of multilevel models need to be estimated. The modeling strategy utilized here, which is divided into six different stages, is as follows:

In the **first stage**, a null model is estimated so that the estimated variance components in this model can be used to calculate the intra-cluster correlations (ICC), which indicate how much of the variance in corruption tolerance is explained at the country- and the country-wave-levels respectively (Hox et al. 2017). The ICCs in the null or empty model (Model 0) in [Table 4.2](#) are approximately 6.3 % at the country-level (level 3) and 7.5 % at the country-wave-level (level 2), which indicates that the remaining 92.5 % of the variation is explained by individual-level factors. All three variance components are highly significant ($p < 0.01$), which means that corruption tolerance not only varies significantly among individual, but also across country-waves and countries. The estimation that only 7.5 % from the variance is due to contextual factors indicates that the differences between individuals weigh more than the differences between countries or country-waves.

In the **second stage**, the study proceeds to estimating a model (Model 1a) that contains all individual-level predictors, except for the self-perceived corruption dummy variable, in order to ensure that the country-level variation is not solely a result of differences in population composition. Following this, in the **third stage**, it estimates a model (Model 1b) containing the second key micro-level variable of interest in this study, the indicator of the self-perceived extent of corruption, which limits the data to wave 3 of the WVS.

After having analyzed the micro-level effects, the study proceeds to the **fourth stage**, where it analyzes the effects of the macro-level variables of interest (Model 2 and 3). Having done this, it turns its attention in the **fifth stage** to the cross-level interactions between bureaucratic distrust and the key macro-level variables of interest and includes interaction terms in the next set of models (Model 4 and 5). Finally, in the **sixth**

stage of this empirical analysis, the study estimates a model of the interaction effect between bureaucratic distrust and the self-perceived extent of corruption on the probability of accepting or tolerating bribe taking (Model 6).

All continuous predictors have been grand mean centered and recoded to range between zero (the lowest value) and one (the highest value) in order to facilitate interpretation of the intercept.

Table 4.2 Relationship between bureaucratic distrust, self-perceived corruption, and corruption tolerance

Variables	Model 0	S.E.	Model 1a	S.E.	Model 1b	S.E.
Bureaucratic distrust			3.4***	1.3	6.0**	2.3
High self-perceived corruption (ref. low)					1.1**	0.5
Age			-23.8***	1.9	-33.2***	2.5
Female			-1.6***	0.3	-2.2***	0.5
Level of income			3.5***	1.2	0.5	1.7
University education (ref. other)			-2.1***	0.6	-2.2*	1.3
Married (ref. other status)			-2.6***	0.3	-4.0***	0.5
Unemployed (ref. other status)			0.9**	0.4	1.0	0.9
Religiosity			-11.1***	1.8	-10.9***	2.6
Low generalized trust (ref. high)			-1.7***	0.5	-3.2***	1.0
Intercept	38.7	1.4***	42.4***	1.4	44.0***	2.3
<i>Variance components:</i>						
Level 3, intercept	92.7	24.9	87.9	23.6	157.5	35.4
Level 2, intercept	109.8	16.7	103.2	15.7		
Level 1, intercept	1262.4	3.7	1225.6	3.9	1171.8	8.1
N of countries (level 3)	84		84		40	
N of country-waves (level 2)	170		170		-	
N of individuals (level 1)	230143		198063		42175	
Estimation:	IGLS		IGLS		IGLS	
-2*loglikelihood:	2297390.7		1971389.3		417903.4	

Note. Robust standard errors, ***p-value<0.01, ** p-value<0.05, * p-value<0.1 (2-tailed tests). All continuous variables have been grand mean centered.

4.2.1.1 Bureaucratic distrust, perceived corruption, and corruption tolerance

Turning to the first key individual-level variable of interest, “Bureaucratic distrust”, the results show that, as expected, its coefficient is positive and highly significant in Model 1a (p<0.01), which indicates that the less confidence or more distrust individuals have in the administrative institutions, the more tolerant they are of corrupt practices, a finding that *supports hypothesis 1*.

Low confidence in the public authorities charged with the implementation of public policy and the preservation of public order is related to a more authority challenging attitude towards the legitimacy of these normatively impartial institutions and a lesser

willingness to comply with social norms or show solidarity with the rest of society and the public good (Tyler 2002; Marien & Hooghe 2011). [Figure 4.5](#) illustrates this positive relationship.

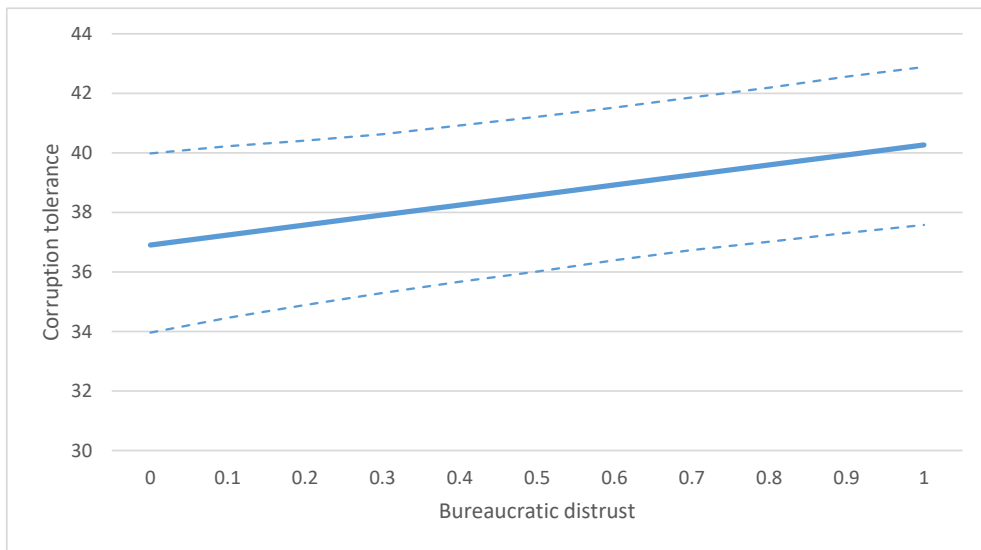


Figure 4.5 Bureaucratic distrust and corruption tolerance

Individuals who demonstrate a very low confidence or a high distrust in public authorities are more likely to be less optimistic and to draw the conclusion that hard work (and honesty) do not generally bring success⁹³, and that free riding on the public good is the preferred (and widely chosen) mode of behavior, especially if it confers benefits to that person’s “tribe” or in-group (e.g. family or clique). However, as was stated earlier, both institutional trust and corruption tolerance are likely to be endogenous and caused by other exogenous factors such as the quality of public services. Macro-level predictors are therefore introduced in the following models in order to check if commonly argued causes of institutional trust/distrust explain the higher-level variation in corruption tolerance. Before turning to the macro effects, however, the results for the second key micro-level variable, “Self-perceived corruption”, and the micro-level controls are inspected.

The other key individual-level variable, which indicates the respondent’s perception of how widespread corruption is among public officials, shows a significant estimated coefficient and a positive sign, thereby *supporting hypothesis 2*. Respondents who perceive that most or almost all public officials are engaged in corruption tend to be

⁹³ A WVS item indicating the respondent’s view on the relationship between hard work and success is positively and highly significantly ($p < 0.01$) related to acceptance of bribe taking (results not shown but available upon request), suggesting that those who perceive that “[h]ard work doesn’t generally bring success - it’s more a matter of luck and connections” (WVS 2018) are more tolerant of corruption.

significantly more accepting of corrupt behavior in comparison to those who perceive that only very few or almost no one is engaged in such activities. However, the size of the coefficient is quite small relative to the other significant coefficients: The difference between the respondents who perceive only a little or no corruption and those who perceive a lot is approximately only a single percent.

4.2.1.2 Micro-level controls

The correlations between corruption tolerance and the other individual-level controls in Model 1a are generally in agreement with the expectations and results of previous studies.

First, as previous studies have also demonstrated, age is found to be quite a strong predictor of corruption tolerance. As the individual grows older, he or she tends to become less tolerant of deviant behavior due to various socialization effects related to aging such as the rising stakes or costs of participating in corrupt exchanges or behaving in a socially deviant manner (Torgler & Valev 2010).

Second, women have a tendency to be less tolerant of corruption compared to men, which potentially could be related to differences in the competitive natures of men and women (Lee & Guven 2013). Empirical evidence from the economics literature has demonstrated that men tend to be more competitive and consequently more likely to resort to foul play and cheating in order to get ahead of the competition.

Third, those with a higher income tend to show a greater tolerance of corruption (and, as recent experiments have demonstrated, a lower tax morale), proposedly due to what is described as a “psychological force” that makes affluent people more likely to cheat in these kinds of scenarios, i.e. a sense of greed (Grundmann & Lambsdorff 2017). However, the income variable is non-significant in Model 1b, which consequently challenges this finding.

Fourth, those with a higher education are more likely to condemn corruption, arguably as a result of the civic knowledge, skills and values that are conveyed via the education system to the more highly educated who are thereby in a better position to understand the consequences of corrupt and uncivic behavior (Uslaner & Rothstein 2016).

Fifth, religiosity is found to be negatively linked with corruption tolerance. Respondents who consider God to be more important in their lives tend to be less tolerant of corruption, presumably due to the ethical and moral guidance derived from the various religious frameworks that tend to condemn lies, dishonesty, greed, and deception, i.e. modes of behavior closely related to various forms of corruption (Beets 2007).

Sixth, married people have a lesser tendency to justify corruption, possibly due to similar reasons as with aging, i.e. a greater risk aversion due to larger stakes (Kravtsova et al. 2017). Seventh, the study finds a positive effect of unemployment. However, the effect is miniscule and does not turn up significant in Model 1b nor when Moreno's original additive corruption permissiveness index is used.

In addition to the standard socio-economic status (SES) control variables (plus a measure of religiosity) usually included in these types of analyses, a commonly used proxy for social capital, namely generalized or interpersonal trust, was also included in the analyses. People with a higher confidence in public authorities are more likely to possess higher levels of generalized trust and social capital (Rothstein & Stolle 2002), which could potentially indicate that at least a part of the impact of bureaucratic distrust is indirect, via generalized trust. According to the results, the effect of a low generalized trust ("you cannot be too careful" vs. "most people can be trusted") is significant ($p < 0.05$), but negative, i.e. a low generalized trust is related to a lower corruption tolerance.

However, this finding is in fact in line with previous findings regarding the link between interpersonal trust and the importance that citizens attach to civic norms regarding law abidance.⁹⁴ According to Kotzian (2014, 66), "[i]f persons believe people to be basically bad, unhelpful, and not to be trusted, they are likely to perceive it as necessary to have them constrained by laws and norms". Distrusting persons who fear their fellow men are therefore (somewhat) more likely to emphasize that uncivic behavior cannot be tolerated at any cost and that the Machiavellian "wicked man" must be restrained by force and strong social norms. It must though be underscored that generalized trust matters only to a negligible degree and that the coefficient turns non-significant in some of the models, especially those that utilize Moreno's original index.

Now, having covered the predictors on the individual level, the analysis will switch level and turn its focus from the individual- or micro-level variables to the country- or macro-level variables instead in the next section.

⁹⁴ Operationalized with the European Social Survey question, "[i]n order to be a good citizen, how important is it [...] to always obey to laws/regulations?" (Kotzian 2014, 81).

4.2.2 Macro-level effects

The present section changes focus from the micro-level characteristics to the macro-level contextual factors in order to investigate if the level of socio-economic development (natural log of GDP per capita), income inequality (Gini), institutional quality (Control of Corruption), and/or economic performance (Economic growth) can contribute to explaining the observed macro-level differences in corruption tolerance across countries and/or country-waves.

Model 2 in [Table 4.3](#) shows the estimated effects of the key system-level variables, together with the previously discussed individual-level ones but without any country-level controls. Model 3 meanwhile introduces in addition to the previously mentioned variables two macro-level controls plus a country dummy for an observed outlier case, Zimbabwe.

The introduction of the macro-level predictors in the analysis has quite a powerful impact on the dependent variable. However, much of this explanatory power seems to originate from just three explanatory variables: “GINI”, “Post-Communist Country” and the outlier dummy. Once these three variables are added to Model 1, the country-level variance component shrinks from around 88 in Model 1 to 60, i.e. by almost a third, while the country-wave component remains virtually unchanged.⁹⁵

⁹⁵ The country-level variables in Model 2 and Model 3 do not significantly improve the model’s fit to the data (due to the relatively large number of new parameters). However, the $-2 \times \log$ -likelihood or deviance decreased from 1971389.286 (Model 1) to 1971377.361 in a model with only the three previously mentioned variables (model not shown), a difference of 11.925. This difference can be seen as a χ^2 value with 3 degrees of freedom (three new parameters), which indicates a high statistical significance ($p < 0.01$).

Table 4.3 Micro- and macro-level effects

Variables	Model 2	S.E.	Model 3	S.E.
Micro-Level Characteristics				
Bureaucratic distrust	3.4***	1.3	3.4***	1.3
Age	-23.8***	1.9	-23.8***	1.9
Female (dum.)	-1.6***	0.3	-1.6***	0.3
Level of income	3.5***	1.2	3.5***	1.2
University education (dum.)	-2.1***	0.6	-2.1***	0.6
Married (dum.)	-2.6***	0.3	-2.6***	0.3
Unemployed (dum.)	0.9**	0.4	0.9**	0.4
Religiosity	-11.2***	1.8	-11.1***	1.8
Low generalized trust (dum.)	-1.8***	0.5	-1.8***	0.5
Macro-Level Characteristics				
GDP per Capita (ln)	12.2	9.8	8.3	9.5
GINI^1	19.1**	9.5	17.0**	8.5
GINI^2	75.6**	31.4		
GINI^3	-194.1***	61.1		
Control of Corruption	-16.2**	-6.6	-5.8	7.7
Economic growth	-5.9	-0.6	-1.1	14.9
Post-Communist Country			9.1**	3.6
Democracy duration			-0.1	4.9
Intercept	40.7***	1.7	40.2***	1.7
<i>Variance components:</i>				
Level 3, intercept	62.3	19.9	63.2	19.9
Level 2, intercept	106.3	16.1	105.0	15.9
Level 1, intercept	1225.6	3.9	1225.6	3.9
N of countries (level 3)		84		84
N of country-waves (level 2)		170		170
N of individuals (level 1)		198063		198063
Estimation:		IGLS		IGLS
-2*loglikelihood:		1971378.0		1971376.0

Note. Robust standard errors, *** p-value<0.01, ** p-value<0.05, * p-value<0.1 (2-tailed tests). All predictors have been grand mean centered.

4.2.2.1 Socio-economic development and corruption tolerance

This section begins the review of potential macro-level explanations by focusing on the first dimension of interest, *socio-economic development*, operationalized in the presented models using the natural log of a country's GDP per capita. Numerous studies have demonstrated that the level of socio-economic development and corruption tend to be highly correlated⁹⁶ and that more developed countries tend to be perceived as significantly less corrupt. However, is there also a relationship between development level and public *attitudes* towards corrupt and uncivic behavior? In other words, have the populations of poor countries a tendency to be more tolerant of corruption when compared to the populations of more affluent countries?

As we saw earlier in the theory section, there are somewhat conflicting expectations regarding the relationship between socio-economic development and corruption tolerance. However, based on the previously mentioned observations regarding the link between development and corruption, and the arguments that widespread poverty contributes to generating "cultures of corruption", social deviancy, and moral flexibility among citizens, it was hypothesized that socio-economically less developed societies tend to be significantly more tolerant of corrupt practices.

An inspection of the coefficients of GDP per capita (ln) reveals that it is *non-significant* in both models in [Table 4.3](#). Moreover, the coefficient shows a *positive* sign when institutional (procedural) quality is taken into account⁹⁷, which *contradicts hypothesis 3*, according to which countries with a higher level of socio-economic development should be *less* tolerant of corruption, not more. This finding mirrors the findings of Kravtsova et al. (2017) and Dülmer (2014), who report that the attitude regarding the acceptance of bribes is not related to a country's level of development, measured using the Human Development Index (HDI). However, this study also tried using an alternative indicator of development, the Education index⁹⁸, which is a component of the HDI and calculated using mean years of schooling and expected years of schooling (UNDP 2018). The coefficient for this variable is in turn highly significant ($p < 0.01$) and positive (24.6) as long as the corruption indicator is also included in the model. Once "Control of Corruption" is removed, it turns non-significant.

Based on these results it can be concluded that there is *no significant relationship between a country's level of development and corruption tolerance*: poor countries do not

⁹⁶ The correlation between GDP per capita and Control of Corruption is .729. This study ran tests for collinearity, but it does not seem to be a problem based on the resulting VIF-value of 2.152. The correlation with its alternative development indicator, the Education index, is smaller (.613, VIF=1.631), but the results were similar. This leads this study to conclude that the observed reaction is not due to collinearity.

⁹⁷ The coefficient does show an expected negative sign when this study includes it as the sole macro-level predictor, but its size is miniscule (-0.704) and non-significant, and it turns positive when it introduces its corruption indicator.

⁹⁸ Results not shown but available upon request.

have a significantly higher acceptance or tolerance of corrupt practices and free riding when compared to rich countries. On the contrary, there seems to be some indications of the opposite when one also considers institutional quality, although this might still be due to collinearity and should therefore be interpreted with caution. Now, this chapter will shift its attention to another related variable that concerns economic resources, or rather the distribution of them, namely economic inequality.

4.2.2.2 Economic inequality and corruption tolerance

This section turns its attention to the relationship between corruption tolerance and this study's second "dimension of dysfunctionality", economic inequality, operationalized using the income-based Gini index⁹⁹ where higher values indicate a higher level of income inequality.

Earlier in the theoretical discussion, it was hypothesized that there may be a *non-linear* statistical relationship between inequality and corruption tolerance based on a previous empirical finding that suggested a *negative* correlation between inequality and corruption tolerance (Pop 2012). A finding that contradicts many of the earlier theoretical arguments and empirical evidence regarding the impact of inequality on public attitudes regarding corruption and civic morality or social solidarity (Dobel 1978; You & Khagram 2005; Uslaner 2008; Kotzian 2014; Rothstein & Uslaner 2005; Paskov & Dewilde 2012). Pop's study, however, only included European countries, thereby excluding many of the extremely unequal societies often found in Latin America or on the African continent. Consequently, it was hypothesized that the relationship between inequality and corruption tolerance could potentially be non-linear, a hypothesis which this study's initial analysis (shown in Model 2 in [Table 4.3](#)) seemed to support as the results showed a highly significant ($p < 0.01$) cubic, tilted S-shaped relationship.

However, a closer look at the data reveals that this initially observed non-linear relationship is largely due to a couple of influential outliers (Slovakia and Zimbabwe) and once dummy variables for Zimbabwe (included but not shown) and for the post-communist countries in general are included (see Model 3 and the discussion regarding control variables), the non-linear relationship turns non-significant. A significant ($p < 0.05$) and strongly positive *linear* relationship between income inequality and corruption tolerance can now be discerned. This finding indicates that highly unequal societies tend to be significantly more tolerant of corrupt practices than their more equal counterparts, if one also takes into account the post-communist countries where

⁹⁹ Alternative versions of the Gini index base their estimates on wealth instead of income, but because it is more difficult to measure wealth than income, most Gini coefficients usually refer to income (Investopedia [2]).

economic resources historically tend to be relatively equally distributed as a consequence of their socialist heritages of previous lack of free markets and limited property rights (Karklins 2005). Figure 4.6 illustrates this relationship.

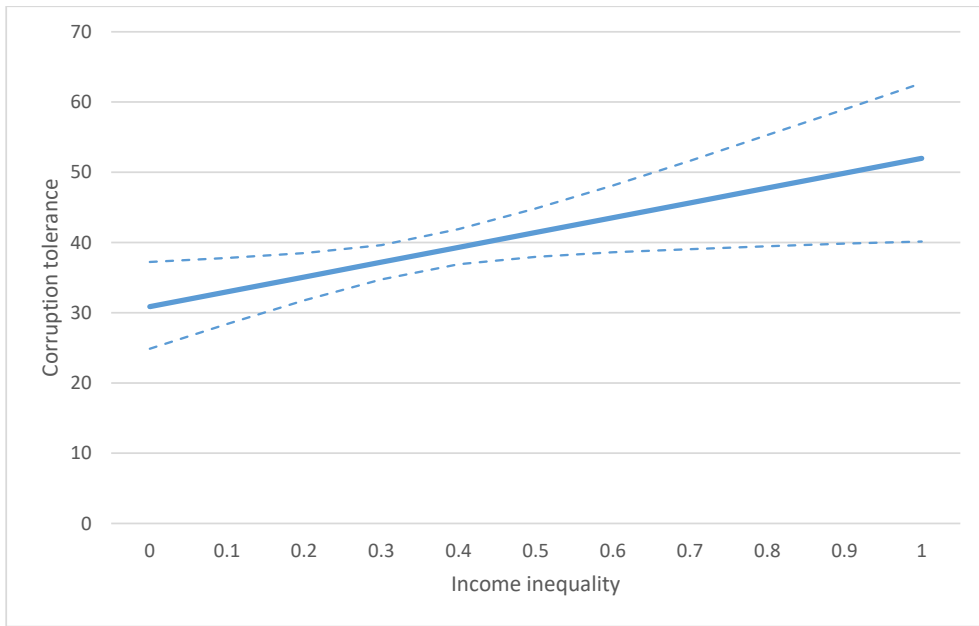


Figure 4.6 Income inequality and corruption tolerance

The evidence presented in the table and illustrated in the figure above suggest that the estimated average corruption tolerance is approximately 31 on a scale from 0 to 100 in the most equal societies (controlling for the post-communist countries) and 52 in the most unequal societies, *ceteris paribus*.

Based on this evidence, it may be concluded that hypothesis 4 is only partly confirmed: Corruption tolerance indeed tends to be *significantly higher in countries with a high level of inequality*, but there is *no evidence of a non-linear relationship* after having controlled for post-communist countries and outliers. However, it must also be noted that these results are relatively unstable and sensitive to changes in the model configuration, such as, for instance, the exclusion of certain influential cases (e.g. the Philippines, South Africa or some Latin American countries), and should therefore be treated with caution. More data on a more extensive number of country-level cases (especially extremely unequal societies) are needed before any firm conclusions can be drawn regarding the relationship between economic inequality and corruption tolerance.

4.2.2.3 Institutional quality, economic performance, and corruption tolerance

This section turns the spotlight to the results regarding the two outlined dimensions of institutional quality or performance: *procedural quality*, operationalized with the WGI's Control of Corruption indicator, and *economic performance*, operationalized with the cumulated growth in GDP of the five previous years before the survey occasion.¹⁰⁰ The section begins by turning its attention to what this study chose to call the "procedural" dimension of institutional quality.

Procedural quality and corruption tolerance

Earlier it was hypothesized that corruption tolerance should be higher in countries with a high level of public sector corruption and low efficiency, i.e. that corruption of the "head" (the state) or elite misconduct causes decay of the body politic or societal corruption. This hypothesis was based on the argument that if citizens believe that public institutions and office holders are corrupt, i.e. partial to those that can afford to buy unfair advantages, and inefficient, and if they perceive corruption as "the only game in town" and required to "get things done", they become more likely to view the formal institutions as illegitimate and instead turn to informal institutions such as clientelism. This could in turn increase their expressed tolerance concerning instances of bribery, cheating with taxes, and other related forms of uncivic behavior.

The first indicator of institutional quality, Control of Corruption, is significant ($p < 0.05$) in Model 2 and the sign of the coefficient is negative, which would seem to support hypothesis 4 that corruption tolerance tends to be higher in countries with higher levels of perceived corruption, i.e. lower institutional quality. However, the observed effect seems to be dependent on the inclusion of the socio-economic development level indicator. Once the non-significant "GDP per capita (ln)" variable is removed from the model, the Control of Corruption coefficient drops from around -16 to -8 but remains significant. Furthermore, this effect turns non-significant once the control for the post-communist countries is added to the model (see Model 3).

This finding is in line with the earlier mentioned non-significant results in Pop (2012) and Kravtsova et al. (2017) regarding the effect of institutional quality on bribe acceptance and does not support the conclusions of Moreno (2002) and Letki (2006) regarding its impact on "civic morality", a concept closely related to the phenomenon of interest in this study (see discussion in Chapter 1, [section 1.2](#)).

However, it is difficult to draw any definitive conclusions regarding the link between procedural quality and corruption tolerance due to the fact that it is difficult to tell if the above average corruption tolerance in post-communist countries is a direct

¹⁰⁰ This study also tried using the average growth during the same period and it produced similar results, but the effects were somewhat stronger for the other measures of growth.

consequence of the unique experiences during communist times or if it is a result of the high extent of corruption in these countries, or a combination of both factors. Either way one could still interpret these results as being consistent with the basic interpretation of the rotting fish thesis in the light that the well documented (see e.g. Karklins 2005) dysfunctionality of the Soviet and other socialist state institutions have often tended to produce a greater proportion of “dysfunctional” citizens with a higher tolerance of rule breaking behavior.

Hypothesis 5, i.e. that there is a negative association between procedural quality and corruption tolerance, however *cannot be confirmed* based on these results and their inconsistency.

Economic performance and corruption tolerance

Next, the study turns its attention to its second dimension of institutional quality, economic performance, which focuses more on the potential outcomes of government choices and institutional performance.

The coefficient for this variable demonstrates the expected negative sign in Model 2 but fails to reach statistical significance in the present models. Furthermore, it switches signs from negative to positive (but remains non-significant) when the dummy for the post-communist countries is introduced in Model 3 (see discussion regarding the controls in Chapter 3, [section 3.1.2](#)). After taking into account the cases that experienced deep economic contraction during or after the fall of the communist regimes and the collapse of the Soviet Union (Investopedia [1]), there is no evidence that recent economic performance is in any way related to prevailing attitudes towards corrupt practices.

An alternative indicator of economic performance, the natural log of the average inflation of the previous five years, behaves in a similar way as the growth variable, albeit turns up highly significant and positive (19.4) in the first model.¹⁰¹ However, when controlling for the former communist states, the previously highly significant positive effect of the inflation level becomes non-significant.

A third alternative indicator of economic performance, the level of unemployment, in turn fails to reach any conventional level of significance, and even turns up negative, thereby supporting the conclusion that there is no significant impact of recent economic performance, except for, perhaps, in the unique cases of the former Soviet republics in the immediate aftermath of the collapse of the Soviet Union. It is therefore possible that only a veritable economic catastrophe, such as the one that occurred in the former Soviet states (Investopedia [1]) or the Great Depression during the 1930s (and, more recently, the Great Recession [2007 – 2009]; Investopedia [3]-[4]), can have a significant impact on expressed public attitudes towards corruption and free riding, at least

¹⁰¹ Results not shown but available upon request.

temporarily as a civic protest to recent developments (see the next section). Ordinary economic fluctuations seem considerably less likely to have any meaningful impact on prevailing attitudes, at least in the short run.¹⁰²

These results seem contrary to those of Kotzian (2014) who found that economic performance has a positive impact on the acceptance of civic norms (especially law abidance and civic engagement), and partly similar¹⁰³ to the results of Letki (2006) who found no significant effect of GDP growth (of the previous year) on civic morality.

However, based on the inconsistency of these results it *cannot be confirmed* that economic performance has a significant impact on corruption tolerance (Hypothesis 6).

4.2.2.4 Macro-level controls

In addition to the previously discussed contextual variables, this study also included two macro-level controls in Model 3: A dummy for the post-communist states and an indicator of how long a country continuously has been designated a democracy since the year 1900, which is when the age of global mass democracy is perceived to have begun in earnest (Gerring et al. 2005).

Only one of these two control variables turns up significant ($p < 0.01$), namely the dummy for post-communist countries. Furthermore, the coefficient for this dummy variable shows a positive sign, which indicates that corruption tolerance is higher in these particular countries. A separate hypothesis for this variable was not formed, but this result was to be expected based on the arguments forwarded in Karklins (2004) and Sandholtz and Taagepera (2005), among others, who argue that “old habits die hard” and that a “culture of impunity”, especially among elite groups, has lived on in some of these states. While corruption tolerance is on average somewhat higher in this group of countries, there is quite a large variation within this group and between different country-waves, ranging from as low as 15.6 in Azerbaijan (Wave 6) and 22.4 in Bosnia and Herzegovina to 68 in Moldova (Wave 4) and 63.8 in Slovakia. [Figure 4.7](#) illustrates these differences across different country-waves.

¹⁰² However, one could imagine that it may have strong long-term effects, for instance, on child development (see Kalil 2013). Young people, especially those from low SES backgrounds who have experienced a strong economic downturn during their childhood, may become more pessimistic and cynical as young adults.

¹⁰³ However, Letki (2006) finds that citizens living in countries with low unemployment are significantly more disapproving of dishonest behaviour, but this study in turn found no significant effect of the level of unemployment.

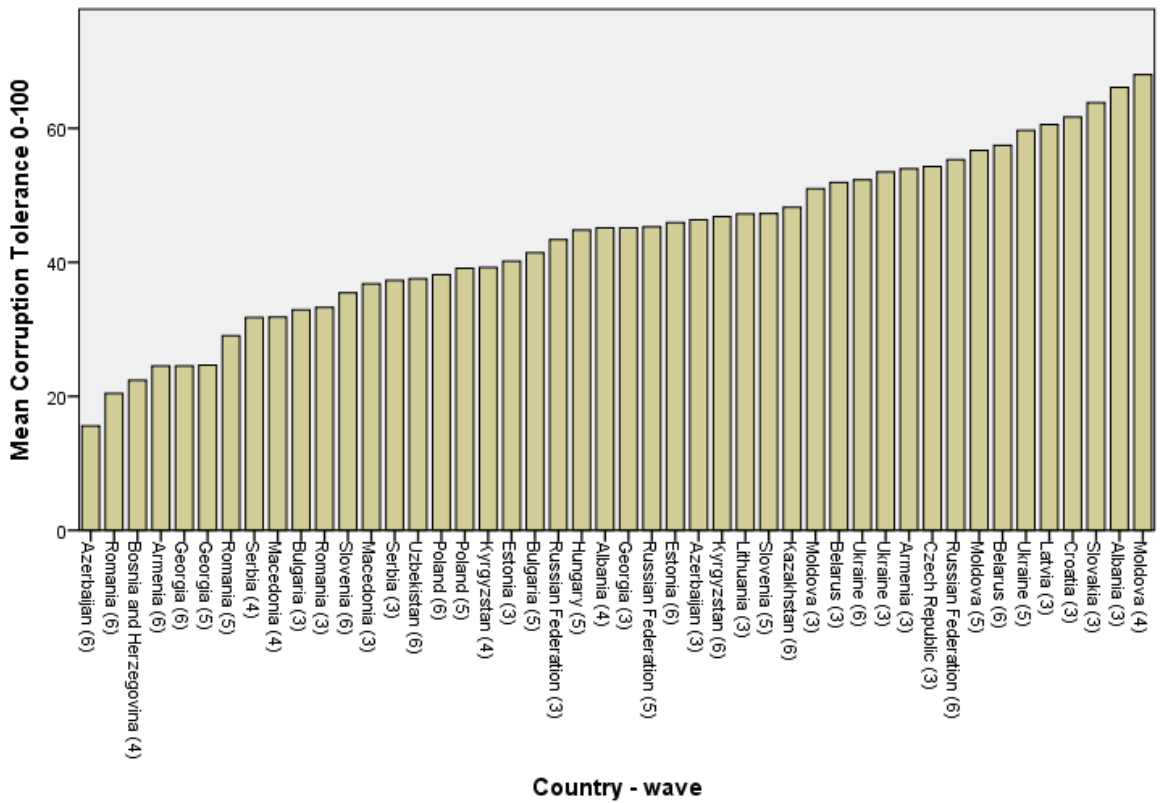


Figure 4.7 Average corruption tolerance in the post-communist countries

A certain pattern can be discerned from the above figure. Four out of the five¹⁰⁴ post-communist country-waves with the *highest* average corruption tolerance belong to the third wave (1995 – 1998), i.e. the wave closest to the years that marked the collapse of the communist systems (1989 – 1991), while relatively few¹⁰⁵ of the country-waves from the third wave belong to the least tolerant ones.

Moreover, four out of the five¹⁰⁶ post-communist countries with the *lowest* corruption tolerance belong to the most recent wave of the WVS (Wave 6). Albania, for instance, which has the second highest corruption tolerance in wave 3, has dropped to an average level by wave 4. All of this taken together is hardly a coincidence, but more likely due to gradual processes of *value change* driven by either long-term

¹⁰⁴ Five (Albania, Slovakia, Croatia, Latvia, the Czech Republic) out of the top ten post-communist country-waves with the highest corruption tolerance originate from Wave 3.

¹⁰⁵ Only Bulgaria (10th) and Romania (11th) are among the top 11 least tolerant country-waves.

¹⁰⁶ Four (Azerbaijan, Romania, Armenia, Georgia) out of the top ten post-communist country-waves with the lowest corruption tolerance originate from Wave 6.

developments (the accumulated experience from the communist era) or short-term events (the collapse of the communist systems) or a combination of both.

Inglehart (1971) has argued that value change principally happens through a process called intergenerational population replacement, where younger birth cohorts replace older ones in the population. Those generations whose basic values were shaped by the deeply dysfunctional and/or autocratic institutions during their formative¹⁰⁷ pre-adult years are gradually replaced by younger generations who grow up with relatively less dysfunctional and, at least in some cases, more democratic institutions. Moreover, those belonging to the former group become more conservative and less likely to take risks as they grow older (see the previous discussion on age and corruption tolerance), which would also point to a life-cycle effect when it comes to attitudes toward deviant behavior. This somewhat slow process could potentially explain some of the change that we can observe in the previous figure.

4.2.3 Interaction effects

This section explores potential interaction effects between the two key micro-level variables “Bureaucratic distrust” and “Self-perceived corruption” on one hand, and “Bureaucratic distrust” and the four key macro-level variables of interest, “GDP per capita (ln)”, “Economic inequality”, “Control of Corruption”, and “Economic Growth” on the other. The aim here is to explore if and how the relationship between confidence in the bureaucratic institutions and corruption tolerance varies within different contexts and/or across varying perceptions of the extent of public corruption.

First, the section looks at Model 4 in [Table 4.4](#) where Model 3 from the previous table is re-estimated while this time allowing the relationship between “Bureaucratic distrust” and “Corruption tolerance” to vary across countries and country-waves. The results show that the coefficient of “Bureaucratic distrust” has significant random components (Bureaucratic distrust/Bureaucratic distrust) that differ across countries and country-waves, which in other words indicates that the relationship between these two variables does vary across different contexts.¹⁰⁸

Next, cross-level interaction terms are introduced to the model to see if they can contribute to explaining any of the observed variance in effect. Looking at Model 5, the study finds two significant cross-level interaction effects concerning the key micro- and macro-level variables: “Bureaucratic distrustxGINI” and “Bureaucratic

¹⁰⁷ Inglehart (1971) assumes in the socialization hypothesis that people form their basic values in their pre-adult years and that they change very little after this period.

¹⁰⁸ Deviance decreased from 1971376.023 (Model 3) to 1970657.163 (Model 4), a difference of 718.86. This difference can be seen as a χ^2 value with 4 degrees of freedom (four new parameters), which indicates a very high statistical significance ($p < 0.01$) and that the more complex model is needed.

distrustxCorruption".¹⁰⁹ None of the two alternative indicators of socio-economic development shows any significant interaction effect at all, which indicates that there are no significant differences concerning the effect of bureaucratic distrust in different contexts of socio-economic development. The study thereby finds *no support* for hypothesis 7 that bureaucratic distrust is more strongly associated with corruption tolerance in more developed countries.

The following sections take a closer look at the significant interaction effects that the study *does* find and compare the results to the remaining hypotheses. Finally, the study will test hypothesis 9b, i.e. if there is a significant interaction effect in the expected direction between the two key variables on the individual-level.

¹⁰⁹ Deviance decreased from 1970657.163 (Model 4) to 1970631.633 (Model 5), a difference of 25.530. This difference can be seen as a χ^2 value with 4 degrees of freedom (four new parameters), which indicates a high statistical significance ($p < 0.01$).

Table 4.4 Cross-level interactions

Variables	Model 4	S.E.	Model 5	S.E.
Micro-Level Characteristic				
Bureaucratic distrust	5.3***	1.2	5.1***	1.0
Macro-Level Characteristics				
GDP per Capita (ln)	7.8	9.6	8.5	9.6
Income inequality	15.3*	8.4	17.4**	8.5
Control of Corruption	-4.9	7.6	-5.9	7.6
Economic growth	-0.3	14.9	0.4	15.3
Post-Communist Country	8.5**	3.5	8.5**	3.6
Democracy duration	-0.6	4.9	-0.5	4.8
Interaction effects				
Bureaucratic distrustxGDP			-10.4*	6.0
Bureaucratic distrustxGINI			-24.1***	5.5
Bureaucratic distrustxCorruption			11.0**	4.3
Bureaucratic distrustxEconomic growth			-17.9*	9.8
Intercept				
40.7***		1.7	40.8***	1.7
<i>Variance components:</i>				
Level 3, intercept	62.1	20.0	61.6	19.9
Bureaucratic distrust/intercept	-8.5	13.5	-2.8	12.1
Bureaucratic distrust/Bureaucratic distrust	65.0	18.3	46.5	14.7
Level 2, intercept	106.6	16.1	106.9	16.2
Bureaucratic distrust/intercept	-3.0	10.1	-6.6	9.7
Bureaucratic distrust/Bureaucratic distrust	61.6	12.6	55.1	11.6
Level 1, intercept	1219.3	3.9	1219.3	3.9
N of countries (level 3)		84		84
N of country-waves (level 2)		170		170
N of individuals (level 1)		198063		198063
Estimation:	IGLS		IGLS	
-2*loglikelihood:	1970657.2		1970631.6	

Note. Robust standard errors, ***p-value<0.01, ** p-value<0.05, * p-value<0.1 (2-tailed test). All models include the individual-level controls and all variables have been grand mean centered.

4.2.3.1 Interaction effect of bureaucratic distrust and economic inequality

Initially this section turns its attention to the cross-level interaction between bureaucratic distrust and a country's level of income inequality. Here the study finds that the coefficient for this interaction effect is highly significant ($p < 0.01$) and shows a negative sign, a finding that *supports* hypothesis 8 according to which the positive effect of bureaucratic distrust on corruption tolerance should be weaker in highly unequal societies where citizens are less likely to expect fair and evenhanded treatment from public officials. This would seem to suggest that the association between institutional trust and tolerance of corrupt practices truly is dependent to some degree on the context, in this case the level of income inequality. [Figure 4.8](#) illustrates this interaction effect.

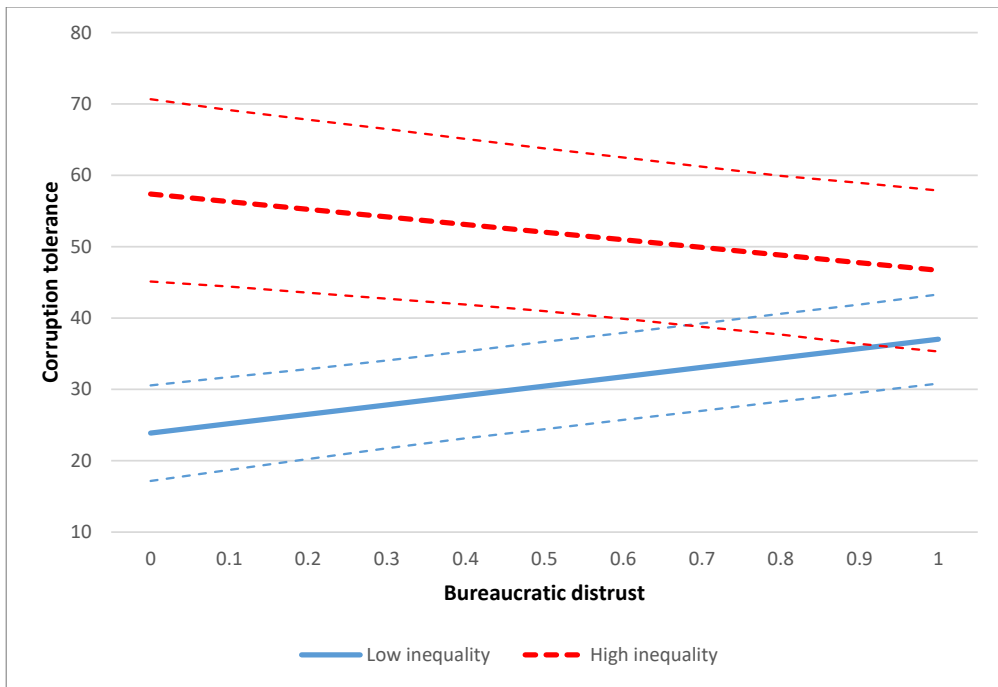


Figure 4.8 Interaction effect of bureaucratic distrust and income inequality

The mostly non-overlapping confidence intervals in the figure above support the previously established significant and statistically positive relationship between income inequality and corruption tolerance: People in highly unequal societies generally tend to have a higher corruption tolerance.

Additionally, we can discern from the figure that the estimated effect of bureaucratic distrust is strongly *positive* in a low inequality context but *negative* in a high inequality

context.¹¹⁰ As inequality rises, the effect of bureaucratic distrust weakens, until it may even turn negative, which indicates that those with a high confidence in the public institutions tend to be somewhat more tolerant of corrupt behavior than those with a low confidence. A highly distrusting individual is estimated to have approximately the same level of corruption tolerance, around 44 on a scale ranging between 0 and 100, *ceteris paribus*, in both a high and a low inequality context, and the largest difference in corruption tolerance is between the most trusting individuals. An individual with a high confidence in the public institutions is estimated to have corruption tolerance score of around 50 in a highly unequal context, while his or her counterpart in an equal context is estimated to have a corruption tolerance score of around 27.

A potential contributing factor that may help to explain this finding is related to the earlier discussed general expectations held by the citizens in these societies. A recent empirical study by Ariely and Uslaner (2016) indicates that ordinary citizens in unequal countries tend not to expect fair treatment by government officials. Partiality in favor of elites instead of impartiality is the prevailing norm, while ordinary people have to pay bribes for basic services and goods that they are righteously entitled to. If those in highly unequal societies are not as accustomed to expect public officials to be impartial, it is also likely that the correlation between a high distrust in public authorities and high corruption tolerance will tend to be significantly weaker.

Distrust may still matter to some degree, but clearly not nearly as much as in more equal societies where citizens have internalized stronger expectations of impartiality and fairness on behalf of state actors. Ariely and Uslaner (2016, 360) argue that citizens “are more likely to associate unfairness with corruption in the countries with more egalitarian income distributions [...and that] these greater expectations for honesty among public officials lead people to perceive unfair treatment as evidence of corruption”. If citizens perceive that the government treats them unfairly, they become more likely to perceive the regime as corrupt, even though this might not actually be the case, and the extent of corruption in the country is in fact very limited.¹¹¹

Another potential contributing explanation to this finding is that those who have a high confidence in the public authorities in these highly unequal (and highly corrupt) dysfunctional societies are those with personal stakes in the *status quo*, i.e. the prevailing institutions, that benefits them in certain ways (Fukuyama 2011, 526). They have a high confidence in a corrupt civil service, police force and/or judiciary *because*

¹¹⁰ For instance, in highly unequal Mexico (Gini ~55) the bivariate correlation between bureaucratic distrust and corruption tolerance is either negative (wave 3) or non-significant in all the included waves, while it is strongly positive and significant in Finland (wave 3 & 5), which is one of the most equal countries in the world according to the Gini index (~22).

¹¹¹ As Ariely and Uslaner (2016, 352) point out, unfairness and corruption is *not* the same thing. Many things in life (and in politics especially) are unfair, but that does not mean that it is corrupt. Politics is about winning and losing, and those who lose are more likely to perceive “foul play”, even though no actual corruption, i.e. abuse of public power for private gain, was involved.

they know that it is corruptible and favors them if given the right incentives. These stakeholders in the current highly unequal system, who could potentially belong to wealthy elite groups¹¹² or groups that benefit from clientelistic and patrimonial systems, are those able to use their resources (both real and social capital) to manipulate the political and bureaucratic systems in their advantage and to evade capture and prosecution by corrupt means. Those with a low confidence in the state are meanwhile the ones who have the most to lose from the prevailing unfair system, those at the bottom of society who are forced to pay onerous bribes in order to get access to public services and goods.

4.2.3.2 Interaction effect of bureaucratic distrust and procedural quality

Next, the study turns its attention to the other interaction term that showed any signs of significance, "Bureaucratic distrust x Corruption". Does the effect of bureaucratic distrust also vary across different contexts of procedural quality? The fact that the coefficient of this interaction term is significant ($p < 0.05$) suggests that this indeed seems to be the case.

Furthermore, the coefficients of this interaction variable show a *positive* sign, which indicates that the effect of bureaucratic distrust is stronger in countries that are deemed to have a higher procedural quality, i.e. a lower level of corruption. This *supports hypothesis 9a* that the positive association between bureaucratic distrust and corruption tolerance is weaker in countries with low procedural quality (high levels of corruption and inefficiency) where public institutions are perceived to be "too frail" to have a significant impact on civic morality (Andrews 2008).

Figure 4.9 illustrates the estimated difference in effect between two different categories of countries, countries with the lowest score on the Control of Corruption index and countries with the highest score.

¹¹² As we saw earlier, there are some indications that those with a higher income are more tolerant of corruption, which could be due to the fact that corruption mainly benefits the wealthy and punishes the poor.

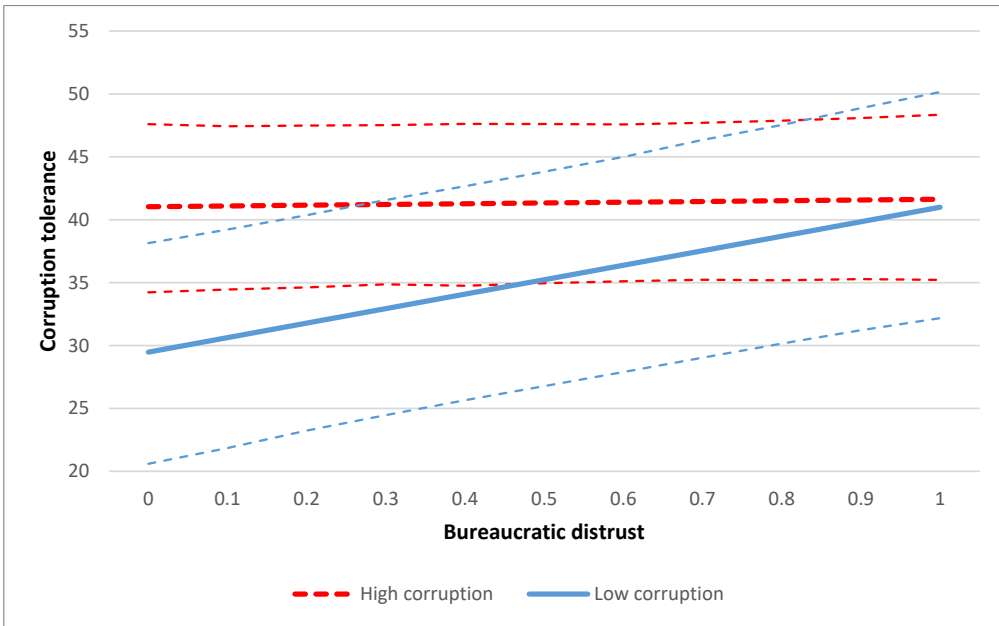


Figure 4.9 Interaction effect of bureaucratic distrust and control of corruption

As we can see from the overlapping confidence intervals in the figure above, there is no significant difference in overall corruption tolerance between a high corruption and a low corruption setting, which was already established in the previous section. However, there is a significant difference in the effect of bureaucratic distrust across these different contexts of institutional quality. The estimated difference between those with the lowest score on the bureaucratic distrust index and those with the highest is approximately 11 points on the corruption tolerance index in a low corruption context, *ceteris paribus*, while bureaucratic distrust has practically no relation at all with corruption tolerance in a high corruption context (the slope is almost completely flat). The estimated corruption tolerance of a person with the highest level of distrust is practically the same in both a low and a high corruption context, around 41, while the difference is much larger for the most trusting individuals, 29.5 and 41 respectively.

From this, it can be concluded that the attitude towards the implementing institutions seems to matter very little, if at all, in countries with governments of a poor institutional quality and endemic corruption. Meanwhile, in countries where the government and the civil society are quite successful in controlling corruption the impact of bureaucratic distrust is considerably larger. Here those who possess a very distrusting attitude tend to have a corruption tolerance that is very close in magnitude to the average tolerance in highly corrupt societies, while those who trust the authorities tend to have a very low tolerance of corrupt practices.

The explanation for this finding is likely to be similar to the explanation for the previous finding regarding inequality. Citizens do not generally expect fair and

efficient public services in societies with weak institutions and are hence not morally affected by their level of confidence in the public authorities. However, the differences between slopes seem smaller when compared to the previous interaction with income inequality and there is furthermore no sign of any negative association between bureaucratic distrust and corruption tolerance this time.

One could speculate that one reason for this could be that in relatively equal but highly corrupt societies there could be relatively fewer stakeholder groups who benefit from corruptible public institutions. As we saw in earlier discussions, corruption is argued to benefit the wealthy and the influential, at least in the short run, if the rest of society is weak, fractured, and unable to hold government accountable in an efficient manner by collective action (You & Khagram 2005). This condition is most likely to apply in highly unequal societies, where there are at least some “winners” in a high corruption equilibrium.

However, can this previously observed cross-level interaction effect of perceived corruption also be found on the individual level using a more subjective indicator? This question is explored in the next section.

4.2.3.3 Interaction effect of bureaucratic distrust and self-perceived corruption

Lastly, in the sixth and final model this study estimates a logistic model of the log odds of tolerating bribe taking containing an interaction between the two key individual-level variables, “Bureaucratic distrust” and “Self-perceived corruption” and data from the third wave of the WVS. The results of this model, together with the calculated probabilities, are shown in [Table 4.5](#).

Table 4.5 Interaction effect of self-perceived corruption and bureaucratic distrust on tolerance of bribe taking

Variables	Model 6	S.E.	Probability
Micro-Level Characteristic			
Bureaucratic distrust	0.3***	0.1	0.57
Self-perceived corruption	0.1	0.1	0.51
Age	-1.4***	0.1	0.2
Female	-0.1***	0.03	0.46
Level of income	0.01	0.1	0.50
University education (ref. other)	-0.2**	0.1	0.46
Married (ref. other status)	-0.2***	0.03	0.45
Unemployed (ref. other status)	0.04	0.05	0.51
Religiosity	-0.5***	0.1	0.37
Low generalized trust (ref. high)	-0.1	0.1	0.47
Macro-Level Characteristic			
Control of Corruption	-0.8***	0.3	0.31
Interaction effect			
Bureaucratic distrustxPerceived corruption			0.28
	-1.0***	0.2	
Intercept	-0.8***	0.1	0.31
<i>Variance components:</i>			
Level 2, intercept	0.3	0.1	
Bureaucratic distrust/intercept	0.01	0.1	
Bureaucratic distrust/Bureaucratic distrust	0.4	0.1	
N of countries (level 2)	40		
N of individuals (level 1)	43691		
Estimation:	IGLS (MQL1)		

Note. Robust standard errors, ***p-value<0.01, ** p-value<0.05, * p-value<0.1 (2-tailed test). All variables have been grand mean centered.

It was hypothesized earlier that self-perceived corruption, i.e. the extent of public corruption perceived by the respondent him/herself, has a moderating effect on the impact of bureaucratic distrust on corruption tolerance, similarly as with the previously demonstrated contextual cross-level impact of corruption. More specifically, it was expected that the positive effect of bureaucratic distrust on corruption tolerance is weaker among individuals who perceive a greater extent of public corruption. The highly significant ($p<0.01$), *negative*, coefficient for the interaction term in Model 6 reveals that this indeed seems to be the case: Perceptions of public corruption diminish the effect of a low confidence in public authorities on the

probability of justifying bribe taking. [Figure 4.10](#) illustrates this interaction effect, which closely resembles the previously observed interactions.

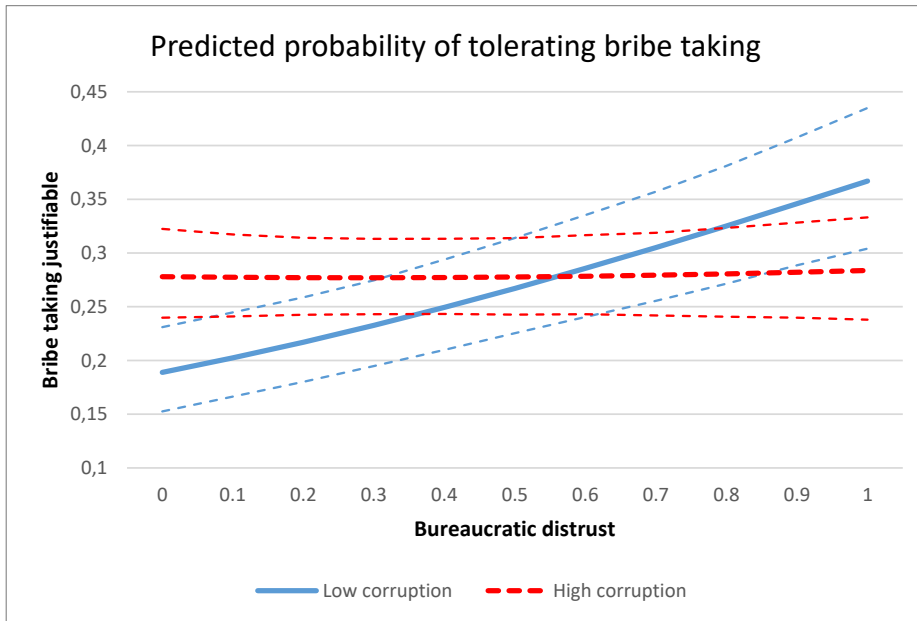


Figure 4.10 Interaction effect of self-perceived extent of corruption and bureaucratic distrust on probability of tolerating bribe taking

As noted, the pattern in the figure above on the micro-level closely mirrors the pattern that we saw previously on the macro-level regarding the interaction with the control of corruption indicator. Here we can see that those who perceive the least public corruption and who have the highest level of confidence in public authorities have the estimated very low probability of tolerating bribe taking of around 0.19, *ceteris paribus*. Meanwhile, the probability of tolerating bribe taking is almost twice as large, approximately 0.37, for those who perceive very little public sector corruption but still have a very low confidence in the implementing institutions.

However, for those who perceive a lot of public corruption, irrespective of their level of confidence in the authorities, their estimated probability of tolerating bribe taking remains approximately 0.28, *ceteris paribus*. This finding seems to support the earlier conclusion that the individual level of bureaucratic distrust does not seem to matter in a high corruption environment when it comes to predicting attitudes toward corrupt behavior.

4.3 Robustness checks

This final section of the empirical analysis chapter discusses the strategies used to check the robustness of the findings in this study. Firstly, as was already discussed in the previous result section and in the section on operationalization of the variables, multiple alternative indicators for the independent variables are utilized in order to check the consistency of the results. For instance, two different indicators of socio-economic development (logged GDP per capita and the Education index) are used to examine the impact of two distinct but closely related dimensions of the same phenomenon. All results from using the alternative predictor variables were reported, although not shown, in the previous section.

Secondly, and related to the first point, a few alternative versions of this study's dependent variable and a secondary method of analysis, logistic regression in a multilevel framework, are tested. The main alternative version of its dependent variable is a binary transformation of the bribe item used in its index of corruption tolerance, where respondents received a 0 if they answered that "accepting a bribe in the course of their duties" is never acceptable, and 1 if they considered it acceptable to some degree. However, this study also tried using similar binary transformations of the three other items included in the index, which are not considered to be acts of corruption in the strict modern sense of the word, but still are arguably important indicators of civic morality in general and attitudes towards what could be considered "moral" or "societal" corruption (cheating with taxes, etc.) (Dobel 1978, 960).

The two figures ([Figure 4.11](#) and [4.12](#)) below demonstrate results for two of these four items concerning the only independent macro variable found to be significantly related to corruption tolerance in the previous section, income inequality (GINI). First, in [Figure 4.11](#) we have the predicted probability of finding the main item of interest, bribe taking, acceptable, which is arguably perceived as the most serious ethical violation¹¹³ from a corruption standpoint and lies closest to the contemporary understanding of corruption, i.e. abuse of entrusted power for private gain.

¹¹³ About 73 percent of the respondents answered that bribe taking is never acceptable.

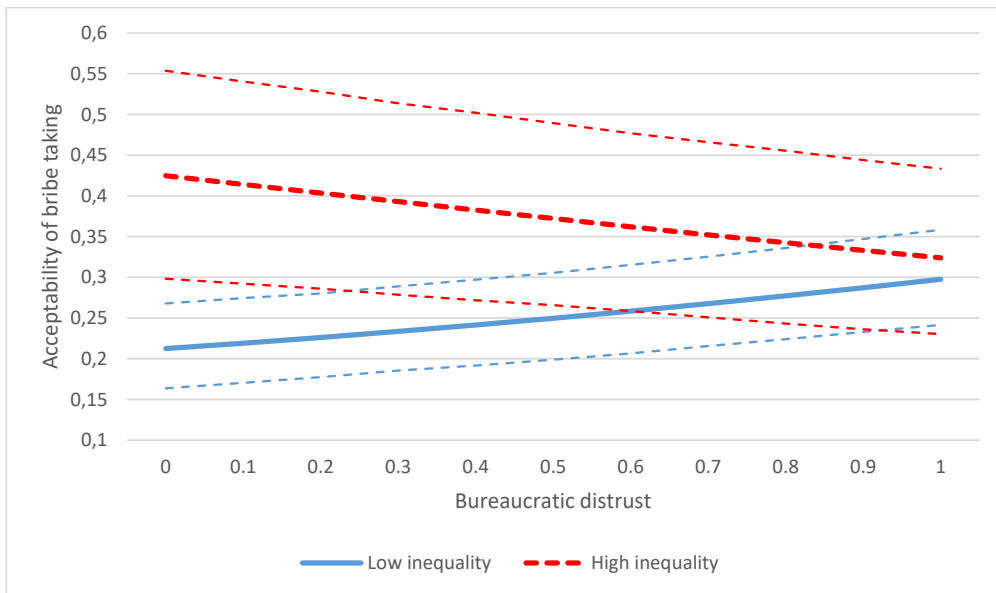


Figure 4.11 Interaction effect of bureaucratic distrust and income inequality on probability of tolerating bribe taking

As we can see from the highly overlapping confidence intervals in [Figure 4.11](#), there is no significant difference in the predicted probability of finding bribe taking acceptable between the most equal and the least equal societies included in the data.¹¹⁴ The sole significant difference that can be found is between the citizens with the highest level of confidence in public authorities, where those with a high confidence within the least equal societies are most likely to find bribe taking acceptable, while the opposite is true in the most equal societies.

The second figure ([Figure 4.12](#)) illustrates the results for what is most likely to be perceived as the least serious ethical violation¹¹⁵ of these four particular acts, namely the predicted probability of finding the avoidance of paying fares on public transports (free riding) acceptable.

¹¹⁴ None of the other macro-level variables were significant on a conventional level ($p < 0.05$).

¹¹⁵ About 55 percent of the respondents answered that avoiding paying fares is never acceptable. The corresponding percentages for “claiming government benefits” and “cheating on taxes” lie around 57 and 62 respectively.

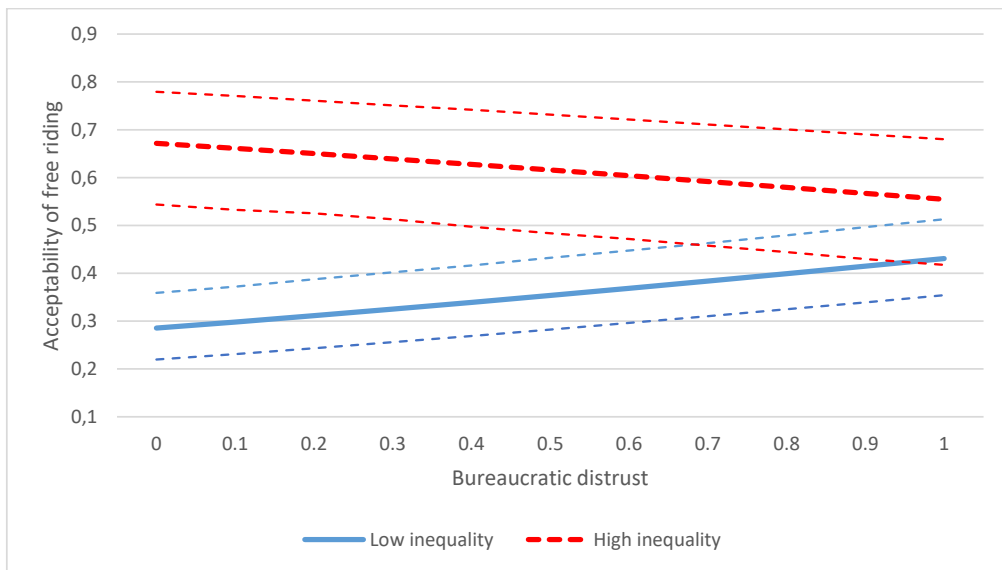


Figure 4.12 Interaction effect of bureaucratic distrust and income inequality on probability of finding avoiding paying fares on public transports (free riding) acceptable

In [Figure 4.12](#), we see a similar pattern as in the previous one, but there is considerably less overlap in the confidence intervals due to the considerably larger variation in stances on acceptability. Here we can see that citizens have a significantly higher overall probability of finding avoiding paying fares on public transports, i.e. free riding, acceptable in highly unequal societies. The only groups that show no significant difference in both types of societies are those who show the highest distrust towards the implementing institutions.

In sum, it can be concluded from this robustness test that there is no evidence of a significant relationship between any of the macro factors of interest in this study, including income inequality, which was still found to be the strongest predictor, and the probability of finding bribe taking acceptable. This particular item can be considered a “hard case” due to the strong social stigma and illegality associated with bribe taking and bribe giving, which is likely to produce a significant social desirability effect. However, the study does find evidence of a significant association between income inequality and the probability of finding fare avoidance on public transports acceptable, which can be considered an “easier case” and a rather milder form of citizen malfeasance compared to the other three survey items of interest.

This latter act of free riding on public transports is admittedly not corrupt behavior if one adopts a narrow definition of corruption (see Chapter 1, [section 1.2](#)). However, it can be perceived as a petty form of corruption if one instead chooses to adopt a broader definition of corruption as “decay of the body politic” or behavior related to free riding on a public good (public transports, in this case). The relative pettiness of this latter “corrupt” offence should also indicate that social desirability bias should be

considerably less of a problem than in the case of the other more serious items that tend to carry significantly larger penalties and social stigmas (Welsh et al. 2015).

Previous studies have highlighted correlations between country levels of corruption and other types of unethical behavior similar to the act of free riding on public transports, such as parking ticket violations among United Nations diplomats living in New York City (Fisman & Miguel 2007).¹¹⁶ These findings could therefore indicate that these types of behavior are intimately linked with corruption and could thereby function as “cultural” proxies for social norms that may generate more traditional forms of corrupt behavior. Of course, in this case it is not a question of public officials abusing their office but of ordinary citizens who justify free riding on a public good, which still fits the broader conceptualization of societal corruption that takes into account the abuse of public resources. Even minor abuses can have harsh societal consequences when they are aggregated over time.

Moreover, it is important to study attitudes towards minor infractions such as free riding on public transports or parking violations because research has pointed to the existence of a “slippery-slope” effect where the mechanism of moral disengagement¹¹⁷ allows individuals who have committed minor infractions in the past to gradually become more prone to justify more serious ethical violations in the future (Welsh et al. 2015).

As a third and final robustness check, this study controls for the potential confounding influence of certain cultural dimensions often claimed to be associated with the prevalence of corruption and corrupt behavior (Husted 1999; McLaughlin 2013). More specifically, it used the six measures of national culture¹¹⁸ developed by social psychologist Geert Hofstede. Are the previously presented findings only manifestations of some latent differences in cultural programming¹¹⁹, as argued by the earlier discussed cultural approaches (see Chapter 2, [section 2.1.4](#)) to cross-country differences in political behavior and attitudes?

Including these cultural variables in the main model (Model 3) does not substantially affect the earlier results concerning the main contextual effects, if anything, the GINI (and the GDP) coefficient increases in size and displays a higher level of significance ($p < 0.01$) than before. The only two cultural dimensions to display

¹¹⁶ Fisman and Miguel (2007, 1021) themselves argue that “[t]he act of parking illegally fits well with a standard definition of corruption, i.e., “the abuse of entrusted power for private gain,” suggesting that the comparison of parking violations by diplomats from different societies serves as a plausible measure of the extent of corruption social norms or a corruption “culture””.

¹¹⁷ Welsh et al. (2015, 116) describe moral disengagement as “a form of moral self-deception that allows individuals to justify unethical behavior and avoid self-censure”.

¹¹⁸ Power Distance, Individualism, Masculinity, Uncertainty Avoidance, Long Term Orientation, and Indulgence (Hofstede Insights [1]). Results not shown due to missing data for many of the country cases (data was only available for 55 of 84 cases), but available upon request.

¹¹⁹ Hofstede has defined “culture” as “[t]he collective programming of the mind that distinguishes the members of one group or category of people from others” (Hofstede Insights [2]).

any signs of significance ($p < 0.05$) are Power Distance (PD) and Uncertainty Avoidance (UA). Moreover, the PD coefficient displays the expected positive sign while the UA coefficient in turn displays a negative sign.

These results are at least partially¹²⁰ in line with previous research concerning the association between corruption and cultural values (e.g. Husted 1999; McLaughlin 2013). Hofstede (in Husted 1999, 343) describes Power Distance as “the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally”. High levels of PD are argued to be reflecting paternalistic modes of power, where the less powerful members of institutions are expected to show loyalty to their superiors in return for particularistic favors rather than due to more general legitimacy-related reasons (McLaughlin 2013, 86). Furthermore, an expert panel from a previous study mentioned in Husted (1999, 344) judged that people from a high PD culture should be more likely to perceive “questionable business practice as ethical”.

Taken together, this evidence would hence seem to suggest that not only is a relatively high corruption tolerance associated with the unequal distribution of *material wealth* (operationalized with the Gini index), it is also associated with high expectations and tolerance of an unequal distribution of *power*. While one could expect these two variables to correlate very strongly with each other, as money is often equated with power, this does not in fact seem to be the case according to correlation analysis. The two variables are according to this analysis positively correlated with each other, however, the correlation is relatively moderate (Pearson’s $r = .225$).

With regard to Uncertainty Avoidance, the picture becomes somewhat less clear. Hofstede (in Husted 1999, 345) defines UA as “the extent to which members of a culture feel threatened by uncertainty or unknown situations”. Husted argues that because corruption can be viewed as an uncertainty-reducing mechanism, it should therefore be more prevalent in high UA cultures. However, based on the previously described results there seems to be a *negative* relationship between UA and corruption tolerance, which would seem to conflict with this expectation.

¹²⁰ “Masculine” cultures are also sometimes argued to be associated with cultures of corruption due to their tendency to give high priority to values related with achievement and success (McLaughlin 2013, 86), however, this study found no significant effect of Masculinity.

5. Discussion and conclusions

The overarching goal of this multilevel study with a global focus has been to explore if tolerance of low-level corruption, conceptualized in a broad, classic Machiavellian sense as “decay of the body politic”, varies across contexts and if so-called dysfunctional social contexts (societal structures, such as the distribution of resources, and public institutions) engender morally dysfunctional or “uncivic” citizens with a greater tolerance of rule breaking behavior.

Additionally, it has also paid close attention to the association between varying levels of institutional trust, or more precisely, confidence in the normatively impartial public institutions, and corruption tolerance, and whether this association varies across contexts and in what ways.

A number of important implications and conclusions can be drawn based on the findings in both this study and in earlier related studies regarding what some scholars call low-level corruption tolerance (Pozsgai Alvarez 2015; Uslaner 2008). However, there are also a few weaknesses and limitations to this study and the conclusions that can be drawn from it, which must be brought to light so that the research community may find better ways of dealing with them in future studies and produce more nuanced analyses, not least regarding strategies of operationalizing corruption tolerance. Finally, this chapter provides some concluding remarks and tentative suggestions for future studies into this highly important topic.

5.1 Findings and implications

Several important findings and implications can be noted on the basis of the empirical results presented in the previous chapter. This section begins the review of the findings by focusing on the observed micro-level associations.

First, the individual-level evidence presented in this study indicate that citizens who harbor a deep distrust towards public authorities, such as the police or the judiciary, and perceive corruption as widespread among public officials tend on average to be significantly more tolerant when it comes to low-level corruption and rule breaking behavior. These two interrelated findings support earlier assertions concerning institutional trust as a subjective indicator of the perceived legitimacy of the state, which influences the willingness of citizens to obey formal institutions (laws, regulations, etc.) and public authorities, and abstain from free riding or rule breaking behavior that is otherwise viewed as completely unacceptable (e.g. Tyler 2006). Perceived corruption and incompetence contribute to the delegitimization of formal institutions and the legitimization of informal practices such as bribery or tax

avoidance. If individuals perceive injustice and partiality as the dominant behavioral strategy among public officials, who are normatively expected to behave in an impartial and evenhanded manner, they become less likely to behave in the way a “good citizen” is expected to behave and contribute to the public good.

Second, while there are some differences in the perceived justifiability of certain unethical behaviors across various societies and cultures, people do not generally come to tolerate bribe taking, cheating with taxes, and other forms of free riding, even though they in some cases may feel “compelled” to participate in it due to so-called descriptive norms, i.e. the perceived frequency of certain types of behavior (Köbis et al. 2015).

Corruption may become a sort of Standard Operating Procedure (SOP) in certain societies where people continue to take part in corrupt transactions and pay grease money or kickbacks, even though they strongly oppose and even resent it due to its intrinsic unfairness, because they believe that other people do likewise and that refusing to do so would be either foolish, useless or both (Köbis et al. 2015). This is argued to be the number one reason why many citizens in endemically corrupt societies may officially promote a highly critical view of corrupt practices such as paying bribes to the traffic police, while unofficially continuing to contribute to its reproduction.

People generally recognize that it is both legally and morally wrong (and socially condemned) and that there are severe negative externalities for society as a whole associated with this kind of behavior. This is evident from the empirical observations presented in this study and from the evidence discussed in earlier studies (e.g. Rothstein & Varraich 2017), which show relatively little variation across different societies and time periods. The considerably greater variation in perceived and experienced corruption across different societies demonstrates exactly why the “corruption trap” of a high corruption equilibrium is so devious and hard to break out from once a society is caught in it.

Here we can draw some parallels to recent research suggesting that this same phenomenon also applies to tolerance of or support for corrupt politicians (high-level corruption tolerance) in contemporary democracies (Agerberg, Forthcoming). When forced to choose, people generally prefer uncorrupt and honest, but less efficient, politicians to efficient and corrupt politicians (Allen et al. 2016).

However, in contexts of widespread political corruption citizens may have severe difficulties in telling honest politicians apart from dishonest ones (“all politicians are corrupt”), especially if suspicions of corruption and allegations of dishonesty are commonly used as political weapons to target political opponents. In these particular contexts, where there is often a lack of reliable and credible sources of information on the honesty of candidates, it can be more rational for an ordinary citizen to vote for the candidate who is positioned closest to his or her own political preferences and “gets things done” (*rouba mas faz*) or provides concrete clientelistic goods in return for the

vote, even though that candidate has a high likelihood of being corrupt. Better to vote for the devil that you know than for the devil you do not, or, alternatively, abstain from voting altogether. This might also explain why election turnouts tend to be significantly lower in more corrupt democracies (Stockemer et al. 2013).

Third, so-called dysfunctional contexts with deep-seated poverty, corrupt and incompetent public administrations and/or weak economic performance do not generally tend to produce or consist of dysfunctional citizens unable to distinguish between civic and uncivic behavior. At least not to any statistically significant degree when one also includes acts of a more unethical nature than mere free riding on public transports.

There is no evidence that a country's level of socio-economic development is directly related to its average level of corruption tolerance or that citizens in poor developing countries are generally more uncivic or less virtuous than citizens in more affluent countries. A lower level of development does not equal inferiority with regard to civic morality in general.

On the contrary, there is much evidence to suggest that increased material wellbeing and security make citizens more likely to question and challenge the legitimacy of different kinds of authorities and social norms. This could in turn in some cases, at least in the short-run, result in a growing prevalence of what can be considered "uncivic" norms and behaviors that may include various forms of corruption (Kravtsova et al. 2017). Moreover, there is also the earlier discussed risk that modernization of traditional societies and the espousal of neo-liberal policies and principles will lead to an extensive monetization of various aspects of social life (e.g. time, gifts, favors etc.), which can be conducive to corrupt behavior, especially in transitional societies (Clammer 2012; Hao & Johnston 2007). The risk is even greater if ordinary citizens perceive these processes of modernization to be associated with growing inequalities, as will shortly be discussed.

In sum, societies that are more affluent are not *ipso facto* more civic and honest or less corrupt than their poorer cousins. A rapidly increasing level of socio-economic development or modernization can instead potentially lead to what Huntington (1965) has called "political decay" and a breakdown of social order, unless governmental institutions and political development are able to keep up with the intensive economic growth and the consequential social changes (e.g. growing inequalities) and increasing demands in modernizing societies.

Likewise, there is no evidence of a significant direct association between institutional quality, economic performance, and corruption tolerance, after having controlled for the post-communist transition countries. Countries, which due to their unique historical experiences with extremely dysfunctional, although relatively strong, governmental institutions combined with a lack of impersonal free markets have to be treated as extreme cases of institutional failure (Rose-Ackerman & Palifka 2016, 258-

259). The low variance of the dependent variable and the high influence of the post-communist countries makes it impossible to ascertain for sure if there is an independent effect of institutional quality. Additional survey data, especially longitudinal, from a much wider spectrum of contexts are needed in order to be able to determine with greater certainty if and how institutional quality is related to uncivic, free riding-condoning attitudes.

Moreover, as we saw in Chapter 2, [section 2.1.2](#), several scholars have criticized the unidimensional single-score corruption indices for failing to register those forms of corruption that are more common in mature democracies. These forms take place on specific levels (e.g. local) or sectors of government and include conflict of interest and favoritism, which clearly violate the principle of impartiality, and other less clear-cut forms of corruption that are harder to detect (Andersson 2017; Johnston 2005; Linde & Erlingsson 2013). The studies by Andersson (2017) and Linde and Erlingsson (2013), for instance, find that Swedish citizens perceive public sector corruption as a significant (growing) problem although they very rarely pay bribes for public services. This finding may at least partially contribute to explaining why there is such a weak link between country-level measurements of corruption and this study's measure of corruption tolerance. Future studies should hence aim at finding multidimensional approaches to measuring corruption of various types, not just bribery.

Fourth, the sole contextual variable found to be significant in (almost) all models estimated in this study is economic inequality, operationalized using the income-based Gini-index. This finding is very much consistent with many of the previous arguments and observations regarding the destabilizing and adverse effects of high inequality on societal corruption, social trust, the rule of law and political stability (Dobel 1978; Rothstein & Uslaner 2005; Uslaner 2008; Paskov & Dewilde 2012).

Highly skewed distributions of economic resources not only have an adverse effect on social trust and, indirectly, on the extent of corruption in societies, as argued by Uslaner (2008) in his "inequality trap" thesis. They also seem to be associated with lower levels of civic morality, another important, but often forgotten or ignored aspect of the highly debated concept that is often denominated "social capital" and is argued to be vital for vibrant democratic societies (Letki 2006). Inequality of both wealth and opportunities is often suggested to have deep and profound effects on the coherence and solidarity in contemporary societies (e.g. Paskov & Dewilde 2012; Rothstein & Uslaner 2005).

Ordinary citizens do not consider themselves masters of their own fate in highly skewed societies and a sense of normlessness is likely to be more prevalent in these sorts of settings. The poor majority perceives corruption and other forms of malfeasance as both morally and legally wrong, but many still feel starkly compelled to take part in it in their own way, using whatever means they have at their disposal, even though they themselves usually are the principal victims in corrupt and unstable

political systems. The illegality or unethicalness of their own behavior seems minor and insignificant in comparison to the corrupt behavior of powerful elites, so consequently some may come to view it as justifiable in highly unequal and corrupt societies where success is often associated with patronage, nepotism and other forms of elite corruption. Hard labor and honest efforts in turn seem like dead ends in these contexts, if one hopes to climb the social ranks and reach elite or even middle class status. People distrust others and expect them to attempt to attain success and prosperity by means of cheating, and consequently they themselves become more likely to cheat, resulting in a self-fulfilling prophecy (Uslaner 2004; 2008; 2011).

However, eventually there may come a point when ordinary citizens have had enough with all the corruption and immorality in their surroundings, which may stoke an anger and resentment against all forms of corruption, both petty and grand, which they blame for the dysfunctionalities of their societies. People may lose faith in the democratic process and institutions, and some may turn to populist and anti-democratic leaders who promise easy and quick remedies that will rein in the corruption of the elites, or to left-wing parties who propose radical redistributions of wealth that result in yet further political turbulence, distrust and violence. This path of development is unfortunately familiar from many highly polarized countries in the Latin American context (see e.g. Fukuyama 2014).

As we saw earlier in the theoretical discussion, high levels of inequality and corruption tend to go hand in hand: high inequality tends to engender environments that are favorable to various forms of corruption, while corruption in turn tends to have an inequality increasing effect due to its elite-favoring nature (Uslaner 2008). It therefore seems probable that it is this vicious cycle of both extreme inequality and endemic corruption that has the greatest likelihood of generating higher than average levels of corruption tolerance (both low- and high-level) among citizens. This in turn further exacerbates the problem of creating and maintaining strong, autonomous and merit based institutions able to withstand the pressure of influential elites who distort public policies in their own favor. Autonomous and well-functioning public institutions demand a sufficient amount of public resources¹²¹, resources that are lost when the willingness to pay taxes becomes weaker, or the willingness to claim illegitimate social benefits¹²² grows stronger, not to mention the vast amounts of public resources that are both directly and indirectly lost due to corruption and outright waste.

The most obvious policy implication of this particular finding is of course a recommendation to strive to reduce inequality, especially in the most extreme cases in Latin America, sub-Saharan Africa and East Asia. However, to do this in practice can be quite difficult due to the “stickiness” of inequality, and it is likely to take quite some

¹²¹ For instance, to pay competitively high wages to public officials.

¹²² For instance, pensions for already deceased persons.

time to achieve even with the right policies in place (Jackman & Miller 2005; Uslaner 2008, see also next section). Another complementary pathway would be to try to erode the perceived connection between success and corruption by signaling to ordinary citizens that it is possible to achieve success in life without having to resort to unethical approaches.

Potential means of achieving this could be reforms that increase transparency in various fields of public administration such as taxation and public finances in general. Greater tax transparency regarding how much individuals and businesses have paid and how the money is used would increase incentives to improve service delivery, discourage tax evasion and the giving of unjustified tax exemptions to special interests, and, consequently, increase trust in the impartialness of government (Kornhauser 2005). These kinds of reforms, which are greatly facilitated by the growing digitalization of contemporary societies, could potentially send powerful signals through the media that the majority of wealthy individuals and businesses obediently pay their taxes, as good citizens ought to.

Other alternative methods of “virtue signaling” could include various types of information campaigns somewhat similar to the “I paid a bribe” initiative in India (I Paid a Bribe 2019), such as “I pay my taxes”- or “I never free ride”-campaigns on social media. Extensive information campaigns or just small reminders or prompts of statistical facts could provide the “nudge” needed to alter descriptive norms, especially in the relatively “cleaner” regions where the actual frequency of malfeasance is relatively small and for those persons who lack first-hand experience of real corruption (Köbis et al. 2015).

This could potentially trigger a virtuous cycle in these regions, however, it is important to keep in mind that there is always the chance that these transparency- or knowledge-increasing measures will backfire and instead feed the perceptions of that “everybody is corrupt”, especially in the relatively “dirtier” regions. Nevertheless, this could provide the opportunity for more targeted anti-corruption efforts where resources could be more efficiently concentrated to these more salient problem cases. Additional research into the effects of “sunshine” reforms and various kinds of information campaigns (especially on the internet and social media) on corruption norms and corrupt behavior is clearly needed.

Fifth, the significant random slope coefficients show that the association between bureaucratic distrust and corruption tolerance is not uniform and indeed tends to vary to some degree across different contexts. This observation is important because previous studies have generally assumed that the relationship is always uniform across different country contexts (e.g. Letki 2006; Pop 2012). Most studies have completely ignored the possibility that this particular association might vary across contexts (see Andrews 2008 for an exception).

While there is on average a positive relationship between a low confidence in public authorities and corruption tolerance, as was expected based on earlier results, there are also cases where this relationship is non-significant or possibly even negative, i.e. that those who demonstrate a high trust in the bureaucratic institutions tend to be more tolerant of corrupt and unethical practices than those who show a high distrust. This latter finding is consistent with the observations of Huntington (1968, 64), who notes that “both corruption and violence are illegitimate means of making demands upon the system, but corruption is also an illegitimate mean of satisfying those demands...he who corrupts a system’s police officers is more likely to *identify with the system* than he who storms the system’s police stations” (emphasis added). Those who identify with a corrupt system and prefer the status quo that serves their interests (i.e. the stakeholders) are hence arguably more likely to be more trusting of the corrupt system and to demonstrate a higher tolerance of corrupt and uncivic practices.

Sixth, of the four main contextual variables examined in this study, it seems like bureaucratic distrust interacts the strongest with income inequality (Gini) while the second strongest interaction is with corruption control. According to the previously demonstrated results, a high bureaucratic distrust is most likely to be related to a high corruption tolerance in the economically least skewed and least corrupt societies, while the relationship is non-existing or sometimes even negative in the most unequal and corrupt societies. This last observation implies that a high confidence in public authorities could in some cases be associated with a high corruption tolerance in extremely unequal and corrupt societies where corruption tolerance, as we saw, is on average significantly higher than in more equal societies with a relatively high state capacity.

The earlier discussed arguments derived partly from Ariely and Uslaner’s (2016) and Andrews’ (2008) recent studies could potentially assist in interpreting some of the results from where we looked at the relationship between the level of economic inequality and corruption tolerance. Perceptions of unfair treatment and that “the game is rigged” by shadowy elites, i.e. perceptions of grand corruption, is more likely to result in both distrust of the state and more favorable attitudes towards malfeasance and uncivic behavior in relatively more equal societies where the principles of fair and impartial treatment are held in very high regard and often taken for granted. More poetically speaking, one could say that the fires of revolution burn the brightest where the ideals are the loftiest. Expectations among citizens thusly play a key role also in this line of argument.

Ordinary citizens pay taxes and expect high quality and impartial service delivery in return for their well-earned money. If they for some reason perceive that these expectations have not been met adequately, they may lose faith in the system and become less willing to pay taxes and more likely to express more positive sentiments towards uncivic behavior such as bribery. In highly unequal societies, on the other

hand, ordinary people are less likely to perceive impartiality and fairness on behalf of public officials as the norm. They more or less willingly pay their taxes (or not) but they do not hold as high expectations of receiving fair and impartial treatment from the state, which they perceive to be in the pocket of the wealthy few. Consequently, when they encounter something that they perceive as unfair or partial treatment on behalf of the state, such as bureaucratic corruption, it does not influence their faith in the system or their willingness to obey the law as severely as in societies with a more equal distribution of resources. The public institutions are, in the words of Andrews (2008, 178), “too frail” to have any real direct impact on civic morality.

Another potential reason why fair and impartial treatment is likely to be valued somewhat higher in more equal societies could also be related to the earlier discussed prevalence of postmaterial values in society. In extremely unequal societies, where the proportion of citizens who live below the poverty line tends to be substantial, the emphasis on material values is likely to be strong. This in turn implies that as long as the government manages to fulfill at least some of their basic material needs they would still continue to perceive the government as legitimate, even if it is widely perceived as corrupt (see the discussion below on the case of Bangladesh). They would hence base their trust in government more on policy performance, such as the government’s progress in alleviating poverty or providing affordable living and decent health care, rather than on procedural quality.

In sum, as we move from a relatively equal society towards a greater degree of inequality and poverty, the expectation of fairness and impartiality loses its strength and its association with perceptions of grand corruption becomes weaker. This in turn results in a relatively lower corruption tolerance for the most distrusting citizens, as people no longer equal unfairness with grand corruption as strongly as in previous contexts.

However, as inequality grows, corruption also becomes more widespread, as it tends to do in highly unequal societies where it is considerably easier for affluent elites to practice state capture. People blame grand corruption¹²³ and the unethical behavior of the rich for the economic and social injustices in society, and they come to expect partiality, rather than impartiality, and unfairness, rather than fairness, which results in higher levels of corruption tolerance across the whole spectrum of institutional trust. Thus, it could therefore be argued that it is not the lack of trust in public authority that is the more likely cause of citizen misbehavior in extremely unequal and corrupt societies, but rather the perceived link or “odious connection”, in the words of Tocqueville, between malfeasance and success.

¹²³ As argued by Uslaner (2008), people associate grand corruption with inequality, not petty corruption, due to the smallness of the sums involved in bureaucratic corruption, which can involve for instance the giving of a small sum to a doctor or a traffic police.

The policy implications of these findings concerning the complex relationship between institutional trust and corruption tolerance is that traditional reforms aimed at increasing trust in public administrations, such as codes of conduct, increased administrative surveillance, professional training, more resources and greater transparency and bureaucratic competition, are likely to be relatively ineffective in reducing corruption tolerance in highly unequal and corrupt social contexts (Andrews 2008). The ethical behavior or perceived fairness of street-level public officials does not matter that much as long as the citizens perceive that the state institutions themselves are held captive by affluent elites through grand corruption, and are thus judged illegitimate (Uslaner 2008).

Ambitious reformers should therefore start from the top, i.e. from the head of the fish, and deal with the main problems of elite corruption on one hand and economic and social injustice on the other. Reducing societal corruption in general without tackling these larger issues of inequality and discrimination of non-elites hence seems like a fool's errand. As was already discussed, these are no easy matters to deal with, and the situation is further complicated by Ariely and Uslaner's (2017, 360) claim that citizens will show no support for the type of policies that will result in greater equality and less corruption due to their lack of faith in the government's ability to deliver public services.

In more equal and relatively cleaner societies, at least when bribery is concerned, on the other hand, the question of perceived fair treatment by government officials becomes more salient. In these contexts, "people see unfair treatment [...] as reflecting a corrupt regime" (Ariely & Uslaner 2017, 360). Reforms in these contexts should therefore focus more on strengthening and sustaining perceptions of fair treatment by both individual government officials and institutions. Here, one should also put more focus on combating the more common and ambiguous forms of public corruption, such as conflict of interest or favoritism (Andersson 2017).

Any indications of discrimination or maltreatment by even a single individual official or institution could potentially shake the confidence in the entire system and result in a greater tolerance of corruption and malfeasance. The more traditional approaches to evoking high ethical standards and integrity among public officials are arguably of a considerably greater utility in these kinds of social settings.

However, there are some good reasons to believe that these more traditional approaches are ultimately insufficient for the task at hand of reducing perceptions of unfair treatment. Many welfare programs are means tested, which implies that the government selectively singles out those social groups who are eligible to take part in programs that provide specific public goods or services (Rothstein 2003, 191). Means testing often tends to be a very complicated and difficult process largely due to many gray zones in the legal framework that should be applied to individual citizens. This procedure often raises suspicions of prejudices, stereotyping, or ignorance on behalf of

the means-testing bureaucrat, which of course in turn suggests partial and unfair treatment of certain individuals or groups. Rothstein and Uslaner (2005, 42) therefore advocate the establishment of universal social programs, i.e. programs “that are intended to create equal conditions for citizens regardless of their income, ethnic/religious background, sex, and race”.¹²⁴ Such programs are argued to “enhance social solidarity and the perception of a shared fate among citizens” (Rothstein & Uslaner 2005, 43), and should therefore arguably lead to a lower corruption tolerance.

Nevertheless, as was already mentioned in a previous paragraph, reforms such as universalistic welfare programs are difficult to implement in highly unequal settings due to the endemic lack of trust and sense of “shared fate” in these societies. Moreover, Rothstein and Uslaner (2005, 53) argue that universalistic welfare policies are hard to enact without an honest (and effective) government. This argument suggests that even though this study did not find a significant association between institutional quality and corruption tolerance, there is still the possibility of at least an *indirect* tie between these two variables, through inequality.

Societies with a low state capacity, on one hand, are unable to enact reforms that reduce economic and social injustice or prevent inequality from spiraling out of hand due to both resistance from powerful stakeholders and a lack of political support from ordinary citizens with low social and institutional trust. In countries with less inequality and higher state capacity, on the other hand, these kinds of reforms should be easier to enact, and should therefore be a high priority for policy makers who want to prevent vicious cycles and spur virtuous cycles of civic morality and good governance. The best advice for policy makers in countries caught in inequality or social traps (Uslaner 2008; Rothstein 2003), and for the supporting international community, is hence to concentrate efforts primarily on building a sufficient state capacity before moving on to other problems (see e.g. Fukuyama 2011; 2014).

At the same time, it is also of great importance to keep citizens educated of what they reasonably can and should expect in their dealings with the state and its representatives, and inform them of the criteria used in decision-making. This way we can try to avoid unrealistic expectations that may needlessly shatter trust in the state. What is often viewed as unfair treatment on behalf of the state and the legal system is not necessarily a sign of grand corruption, even though they are strongly connected (Uslaner 2008, 7). Often it is a result of a political conflict where the citizens who perceive unfair treatment are on the losing side. Other times, it may be a sign of lack of

¹²⁴ Universalistic social welfare programs do not of course mean that *everybody* always gets to take part in the program and receive, for instance, an equally sized benefit or grant (Rothstein 2003). It only implies that everybody has an equal *opportunity* of participating in the program and getting something, irrespective of income, race, gender, or other social group.

integrity among public officials, not public corruption (see Heywood 2018).¹²⁵ Politics and public administration needs to become clearer and more transparent for ordinary citizens so that they can, instead of rebelling against the state, become encouraged to take part in it more actively through different formal channels of political participation (Dobel 1978, 972). This way they can strive to change those policies that they perceive as unfair.

Lastly, one contributing factor to the initially observed higher than average corruption tolerance in the countries with the most equal income distributions is likely to be the communist heritage that several of them have, and the turbulent transitions from command to free market economies on one hand and from autocracy to democracy on the other. Such transitions may produce a “moral vacuum” and a sense of normlessness where the previous moral system has been violently torn down and a new one has not yet fully emerged to replace the old one.

Yufan Hao and Michael Johnston (2007) provide an example of this type of “crisis of values” with Post-Mao China, which launched market-oriented reforms in 1978. While the old Maoist view emphasized the socialist values of equality and solidarity before short-term economic development, new reform-minded leaders such as Deng Xiaoping instead encouraged people “to get rich and to get rich fast” (Hao & Johnston 2007, 589). This development together with the rapid economic growth that China experienced is argued to have generated a strong thirst for money and a kind of materialism where everything has a price¹²⁶, which in turn encouraged bribery, embezzlement, swindling, tax evasion, extortion, smuggling, speculation, and a long list of other unethical and often illegal practices (Hao & Johnston 2007).

However, because the transition was only partial in nature in China, and moreover state-controlled, it is highly likely that the consequences for civic morality in general were considerably less severe than in the countries that experienced a wholesale and very turbulent transition period. Furthermore, citizens in former communist countries are also, as we have seen, argued to be more likely to perceive higher levels of grand corruption and unfairness (Karklins 2005; Uslaner 2008). Consequently, they are arguably more likely to demonstrate higher levels of corruption tolerance as a result of perceptions of rapidly rising levels of inequality that erode or prevent social trust from developing. Policymakers in transition countries should therefore strive to prevent inequality from further increasing and implement the previously discussed reforms that may help to build social solidarity and decrease corruption tolerance.

¹²⁵ As argued by Heywood (2018, 4) “it is quite possible to act noncorruptly but also without integrity; for instance, by performing a task with little effort, habitually turning up late to work, or refusing to cover for colleagues”.

¹²⁶ Hao and Johnston (2007, 590) mention the story of a visitor who asked for directions in Canton and was told, “Sure I’ll tell you – if you pay me”.

5.2 Limitations and suggestions for future studies

All studies have their own strengths and limitations and this one is no exception in this regard. This section discusses the potential limitations of this study and some of the steps that have been taken in an attempt to minimize their confounding or distorting effects, in order to raise awareness of them so that scholars may hopefully find some more efficient ways of dealing with them in future studies. Furthermore, a few suggestions are provided for these follow-up studies.

A first obvious limitation concerns the important question of causal direction. It cannot be proven here without a doubt that negative perceptions of government institutions or high levels of inequality lead to higher corruption tolerance, rather than the other way around, i.e. that high levels of corruption tolerance lead to higher levels of inequality or poorly performing institutions. Put differently, it is rather impossible to conclude if the fish rots from the head down or from the body up based on the very broad empirical evidence presented in this study. Moreover, it is also very likely that the causal direction goes both ways if uncivic attitudes actually lead to a higher frequency of tax evasion, benefit frauds or even bribery and other unsavory practices. Practices that result in significant losses of valuable public resources, which in turn affects the public sector's ability to provide quality services and build up a sufficient resistance against attempts of covert influence. In other words, there is a high probability of "feedback mechanisms" between these variables.

However, the fact that institutional arrangements and incentive structures, such as the distribution of wealth, tend to be relatively sticky and durable (Jackman & Miller 2005; Uslander 2008) and unlikely to experience significant short-run changes without extensive reforms or strong exogenous shocks such as wars or revolutions, suggests that it is rather unlikely that current popular opinions or values can have any significant short-term effects on such conditions. At least as long as they do not lead to the aforementioned wars and revolutions that in turn lead to radical redistributions. Robert Jackman and Ross Miller's (2005) extensive examination of the matter instead points to the conclusion that values and norms are more likely to be endogenous and influenced by these previously mentioned incentive structure.

Furthermore, as economies grow and diversify, and citizens attain higher levels of education and adopt values of a more postmaterialistic kind, they are also likely to become more critical of the inequalities in their surrounding societies (e.g. Welzel & Inglehart 2008). This would further suggest that the causal pathway is more likely to go from structural inequality or institutional performance to public attitudes. People become more aware of their broader social, political and economic conditions, which in turn increases the likelihood that they will react in a certain way to said conditions. Another example of this structural rigidity is when formal democratic institutions are unable to accommodate the increasing number of critical citizens who feel a greater

need to participate politically in a more direct way than is currently possible with the representative institutions based on parties and elections (Dalton 2009).

Moreover, as emphasized by Jackman and Miller (2005, 196), the cultural explanations proclaim the *durability* of values, which implies very limited changes in values and behavior, while the institutional perspective points to changes in behavior as a result of changes in rules and incentives. The case with the post-communist countries in turn suggests that it was the very specific and much analyzed institutional failures of the socialist systems that contributed to shaping public opinions and norms in the societies in question, not some cultural or civic “backwardness” that can be traced far back in history. Hence, it is much more likely that perceptions of inequality or dysfunctional institutions have a considerably greater impact on general attitudes rather than the other way around. Values and norms may change quite rapidly while social structures and institutions tend to be more conservative, which can in turn have deleterious consequences for political order and democratic processes.

Nevertheless, additional research is needed in order to be able to determine with a greater confidence what the causal pathway actually looks like. Studies based on panel data and various laboratory and survey experiments are promising avenues in this regard. In any sense, as was mentioned earlier, this study has also taken some measures in order to try to deal with this causality problem. One important step is that all the data for the predictor variables originate from at least one or a couple of years *before* the measurement occasion for the dependent variable.

A second limitation concerns social desirability bias (SDB), which could potentially vary in strength or prevalence across different societies due to various cultural factors. It is easy to imagine that in some countries, cultures, or religions, it could be perceived as more taboo to admit to anybody else, and especially to an outsider, that for instance bribery or cheating with taxes or benefits is ever justifiable, even if that person is completely anonymous. Take for instance a country like Japan, which has one of the lowest levels of corruption tolerance according to the index used in this study¹²⁷, but is only in 20th place in the CPI 2017 with a score of 73. In more collectivist societies such as Japan, South Korea or China where conformity to social norms is highly celebrated, “losing one’s face” by confessing tolerance of deviant behavior may be perceived as considerably less acceptable than in more individualistic societies (Kim & Markus 1999; Oh 2013). This may in turn imply that the respondents in these kinds of societies with certain cultural predispositions are more reluctant to express their actual feelings and views regarding such matters.

However, this does not necessarily imply that collectivists are more likely to follow social norms. The study by Se Hyung Oh (2013), for instance, indicates that collectivists may signal or present a higher level of conformity, but their true or *internalized* level of

¹²⁷ Japan’s average score on the corruption tolerance index is 22.6 compared to the total average of 38.3.

conformity may not actually differ from that of individualists. Future studies should hence strive at finding and adopting more appropriate strategies to deal with the problem of SDB, which may confound the results of cross-cultural studies such as this one that deal with taboo subjects. Various kinds of survey techniques aiming at minimizing SDB would be useful in dealing with this problem in future cross-cultural studies that explore similar questions.

A third *potential* limitation or problem with this study concerns the operationalization of its dependent variable, corruption tolerance. Some critics are likely to argue that the index designed to measure this phenomenon is too broad and that ultimately, only one of the four items (tolerance of bribery) used to construct this index can really be defined as corruption in the contemporary sense of the word. However, this study would argue that this is not necessarily a problem, or at least not an insurmountable one, for a couple of reasons.

Limiting this study solely to attitudes regarding public corruption, i.e. corruption involving public officials, would result in too narrow a perspective for the purposes of this study. While the act of bribe taking or giving is often considered synonymous with corruption, many forms of behavior are not as clearly designated as "corruption". These more ambiguous cases, which sometimes are called "grey corruption" following Heidenheimer's (1970) famous typology (see Chapter 1, [section 1.2](#)), tend to be somewhat controversial and perceived by some as too petty to be what they consider actual forms of corruption. Choosing to focus exclusively on the act of bribery would arguably limit this study too much and unnecessarily, and would thereby exclude various types of embezzlement, collusion and other forms of "minor" malfeasance often associated with corruption. Corruption is, as we have seen in previous discussions, a considerably broader phenomenon than mere bribery and concerns several different aspects of civic morality. That is why this study chose to adopt a definition resembling the significantly broader and pre-modern view of corruption as "decay of the body politic" or "societal corruption".

Despite these remarks to the above-mentioned criticism, this study still generally agrees with the observation that the corruption tolerance index used here is somewhat too broad and cumbersome for the purpose of studying attitudes towards corruption across countries in a more detailed fashion, taking into account different dimensions of corruption such as public corruption. In lack of better alternatives, this study must make do with what it presently has at its disposal when it comes to worldwide surveys. There have been many fascinating case and area studies of corruption tolerance such as Lascoumes and Tomescu-Hatto's (2008) study of attitudes in France or the multitude of studies that have emerged from the Latin American Public Opinion Project (LAPOP) over the last couple of decades. However, we are still lacking detailed global surveys on corruption that enable statistical analyses of differences in public attitudes across both countries and time. Future waves of global studies such as the WVS should hence

strive to include a greater number of items that concern behaviors commonly thought of as (black) corruption, such as favoritism, nepotism, conflicts of interest, vote buying, etc., and behaviors that can be perceived as borderline (white and/or grey) corruption, such as lobbying or political appointments for non-political offices.¹²⁸

Furthermore, it would also be of great interest to have more attitudinal studies of so-called “corruption-free” environments such as the Nordic countries and other advanced democracies, especially with regard to various forms of grey corruption. Can we find similar ambiguities as was found in the French study concerning less clear-cut cases of what some perceive as corruption? Where do people and groups in these contexts draw the line between what is corrupt behavior and what is not? Do people perceive differences in the role of politicians on one hand and bureaucrats on the other when it comes to corruption? These are a few examples of the types of questions that future studies could and should attempt to answer.

A fourth limitation is that this study is located too high on Giovanni Sartori’s “ladder of abstraction”, i.e. it is too broad or generalizing, in order to be able to take into account more specific conditions that may have had an impact on the phenomenon of interest. As we saw earlier, there is a relatively large variation across individual survey waves within the same country context in some cases. This unexplained variation could potentially be the result of political scandals, conflicts or some other recent events or developments that may have had an effect on public opinion. Similarly, the very broad objective indicators used in this study are not sensitive enough to be able to take into account the potential impacts of different dimensions of institutional performance or the relative performance of political systems across time. Citizens may in some cases perceive that states that have performed very poorly in the past perform comparatively better today, at least within some areas such as poverty alleviation, health service or security provision, even though they still lag very much behind the highly developed countries in general performance. Take for instance the case of Bangladesh, the country that demonstrates the lowest level of corruption tolerance according to the index used in this study.

Previous studies have indicated a considerable gap between the by experts observed institutional trustworthiness and the public survey reported level of trust in public institutions in Bangladesh (Askvik & Jamil 2013). Bangladeshi citizens have tended to demonstrate a significantly higher trust in certain public institutions (especially parliament and central government) than would be predicted based on expert evaluations of institutional quality and comparisons with other developing countries. Naomi Hossain’s (2008) explanation for this observed gap is that there have been some fully legitimate and rational reasons for many Bangladeshi citizens, especially among the poor who constitute a very large proportion of the population of Bangladesh, to

¹²⁸ The seventh wave of the World Values Survey (forthcoming) includes corruption as a new topic and nine separate items concerning this topic (WVS [2]).

trust the government who has made some good progress, particularly since the 1990s, in alleviating poverty and providing public goods that fill their more materialistic needs.

Hossain's (2008) interpretation of the gap, if correct, could potentially support the institutional performance- or "rotting fish" thesis: The relative change towards better policy performance has induced ordinary citizens to show a greater loyalty towards the central government. However, it is extremely difficult to control for the relative performance across time of individual countries in a large-N study such as this one that strives to utilize more objective performance indicators that are comparable across countries. Hence, this could at least partly explain why the expected association between institutional quality and corruption tolerance is so seemingly weak or non-existing according to the results. In sum, relative performance across time or specific dimensions of institutional performance could matter more than general performance relative to other countries, at least with regard to institutional trust and in some contexts where poor citizens who espouse to more materialistic values have perceived some indications of a positive change in policy performance.

A fifth limitation closely related to the previously discussed criticism concerning the high level of abstraction is that this study is unable to take into account potential *intrastate* variation (Rose-Ackerman & Palifka 2016, 248). Heywood (2018, 12), among others, argues that we should stop our "near exclusive focus on nation-states as our unit of analysis—and with it, the increasing production of rank indices measuring the amount of corruption in any one state compared with another". The focus on nation-states is perfectly understandable given their claim to sovereignty and legitimate authority, however, it is also quite problematic. Aksel Sundström and Daniel Stockemer (2015), for instance, observe in their study of the relationship between corruption perceptions and turnout across 170 European regions that France's regions are located between the fiftieth and the eightieth percentiles in their relative corruption level across all regions. There is hence likely to be substantial variation in corruption tolerance across different regions within a state, such as for instance between the Southern and Northern regions/states of Italy or the United States, or between the former West and East Germany. Scholars should hence assert more effort into gathering cross-regional empirical data so that this variation can also be included in future multi-level studies.

5.3 Concluding remarks

The aim of this dissertation has been to contribute to the relatively meager literature on what many scholars call “corruption tolerance”, or more specifically “low-level corruption tolerance”. This is done by on the one hand reviewing the arguments and conclusions and summarizing the findings of previous studies, and on the other hand, contributing with some empirical evidence on potential determinants of corruption tolerance.

As we have seen, many studies have examined variations in the extent of corrupt behavior and various other types of uncivic behaviors such as tax evasion, but the willingness to take part in such acts does not automatically translate into a general acceptance of such behavior on the part of others or even themselves. People generally do not behave corruptly solely due to a certain type of psyche. To blame such behavior mainly on the moral depravation or greediness of the actors who take part in corrupt activities is, in the words of Gissur Erlingsson, Andreas Bergh, and Mats Sjölin (2008, 600), “not intellectually satisfying”. Individuals may feel that they lack any real options and have no choice but to behave in a certain way, and consequently find various ways of justifying and explaining their own behavior, but this does mean that they perceive it as a legitimate way of pursuing personal interests. The same goes for norms of accountability: Individuals from societies where public monitoring is weak and enforcement is ineffective may feel a greater unwillingness to report bribery and other malfeasance, but this does not imply that they are in general more tolerant or accepting of such behavior (Zhang 2017). As many previous studies on human behavior have shown, incentives are often key due to the myopia or shortsightedness of human beings.

The observations and evidence presented in this study in turn cast doubt on if we can truly even speak of a “cultural basis of corruption” and a link between indicators of governmental quality and mass attitudes towards malfeasance and uncivic behavior. The answer to the question “is there a cultural basis for corruption?” could be affirmative if we would choose to view the extent of inequality as a dimension or an indicator of political culture instead of a socio-economic indicator. This view could arguably be taken due to the earlier discussed stickiness of economic inequality. However, the relationship between the perceived corruption of public institutions and corruption tolerance is more ambiguous. Can we then really speak of an actual “tolerance” or should we instead find some other alternative term, such as “reluctant acceptance”, to characterize the situation in many societies caught in a high corruption equilibrium with poorly institutionalized public institutions? This study has no definitive answer here and it leaves it to others to attempt to answer this question. However, as we have seen in this study there seems to be some cases, although

relatively few, where one can truly speak of a higher tolerance of malfeasance and uncivic behavior.

One major theme that has been explored in this dissertation concerns the relationship between forces of modernization and attitudes towards malfeasance and uncivic behavior involving free riding on the public good and abuse of public resources. This study would argue here, similarly as Huntington (1968), that corruption tolerance and especially corruption itself should not simply be seen as a symptom of dysfunctional societies and an inherent rottenness, but more as a (unfortunate) side effect of these previously mentioned modernization processes.

Modernization inevitably leads to value change in broad layers of society, and some aspects of this value change can, as we have seen, be quite conducive to corruption, even though they are vital for further economic growth. The “spirit of capitalism” can be harnessed either in a way that is also beneficial for society as a whole or in a myopic way that is only beneficial for in-groups and potentially damaging for out-groups within a society. Public institutions play a key part in steering along which paths this spirit is channeled and for what purposes it is utilized. Fukuyama (2014) argues that clientelism, which is often associated with corruption, should be viewed as an early form of democratic participation in countries with a relatively poor and uneducated electorate and weak public bureaucracies that can be exploited by parties and individual politicians for clientelistic purposes. A well-resourced professional, merit-based and autonomous public bureaucracy can better resist such and other more nefarious attempts by “political entrepreneurs” who may feel tempted to direct their entrepreneurial energy and self-interest towards corrupt ends. Countries with robust and efficient public institutions are hence better equipped to block all manner of corrupt influence even though the general opinion towards malfeasance becomes less harsh as societal incentive structures change.

The empirical evidence presented in this study shows no obvious connection between perceived levels of corruption and government efficiency and the measure of corruption tolerance used in this study. Institutional quality is seemingly not sufficient to explain cross-country differences in corruption tolerance, and neither is socio-economic development or modernization by themselves. However, there is one specific structural factor that seems to be to some degree related to a “higher-than-normal” corruption tolerance and a weak social capital endowment, namely economic inequality. High levels of inequality tend to signal a weak and corrupt public sector dominated by certain well-organized and wealthy private actors that are able to use their privileged access to block reforms that could increase equality and benefit society as a whole. The citizens in these kinds of societies sense this and become cynical towards the state, the political elites and even towards democracy itself as a political system “of the people, by the people, for the people”.

Appendix

Appendix table 1: Country-wave means (*=post-communist country)

Country - wave		Corruption Tolerance 0-100	GDP per capita, logged, base 10 (V-Dem)	Income inequality, Gini (V-Dem + UNU-WIDER)	Control of Corruption 1996-2015 (WGI)	Cumulative growth (annual %) of previous 5 years (WGI)	Duration of current democratic regime (since 1900)
Albania* (3)	Mean	66	7.57	28.0	-1.09	29.5	5
	N	860	999.00	999.0	999.00	999.0	999
	Std. Deviation	30	0.00	0.0	0.00	0.0	0
Albania* (4)	Mean	45	7.79	28.9	-1.01	26.3	9
	N	961	1000.00	1000.0	1000.00	1000.0	1000
	Std. Deviation	40	0.00	0.0	0.00	0.0	0
Algeria (4)	Mean	30	7.93	35.4	-0.97	16.2	0
	N	1192	1282.00	1282.0	1282.00	1282.0	1282
	Std. Deviation	32	0.00	0.0	0.00	0.0	0
Algeria (6)	Mean	59	8.15	35.4	-0.55	13.9	0
	N	1033	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	35	0.00	0.0	0.00	0.0	0
Azerbaijan* (3)	Mean	46	7.87	39.4	-1.25	-75.9	0
	N	1749	2002.00	2002.0	2002.00	2002.0	2002
	Std. Deviation	35	0.00	0.0	0.00	0.0	0
Azerbaijan* (6)	Mean	16	9.05	50.8	-1.11	84.6	0
	N	1002	1002.00	1002.0	1002.00	1002.0	1002
	Std. Deviation	29	0.00	0.0	0.00	0.0	0
Argentina (3)	Mean	28	8.96	44.4	-0.21	33.9	12
	N	1056	1079.00	1079.0	1079.00	1079.0	1079
	Std. Deviation	32	0.00	0.0	0.00	0.0	0
Argentina (4)	Mean	25	9.09	49.4	-0.18	20.5	16
	N	1222	1280.00	1280.0	1280.00	1280.0	1280
	Std. Deviation	29	0.00	0.0	0.00	0.0	0
Argentina (6)	Mean	36	9.17	45.1	-0.50	13.2	30
	N	982	1030.00	1030.0	1030.00	1030.0	1030

	Std. Deviation	35	0.00	0.0	0.00	0.0	0
Australia (3)	Mean	29	9.77	30.9	1.89	11.7	94
	N	2029	2048.00	2048.0	2048.00	2048.0	2048
	Std. Deviation	34	0.00	0.0	0.00	0.0	0
Australia (5)	Mean	31	10.06	31.5	2.10	16.9	104
	N	1389	1421.00	1421.0	1421.00	1421.0	1421
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Australia (6)	Mean	27	10.14	29.3	2.08	13.6	111
	N	1462	1477.00	1477.0	1477.00	1477.0	1477
	Std. Deviation	32	0.00	0.0	0.00	0.0	0
Bangladesh (3)	Mean	8	6.53	36.1	-0.73	22.6	5
	N	1432	1525.00	1525.0	1525.00	1525.0	1525
	Std. Deviation	17	0.00	0.0	0.00	0.0	0
Bangladesh (4)	Mean	4	6.68	32.6	-0.44	24.8	11
	N	1493	1500.00	1500.0	1500.00	1500.0	1500
	Std. Deviation	12	0.00	0.0	0.00	0.0	0
Armenia* (3)	Mean	54	8.00	36.6	-0.47	-32.4	0
	N	1893	2000.00	2000.0	2000.00	2000.0	2000
	Std. Deviation	38	0.00	0.0	0.00	0.0	0
Armenia* (6)	Mean	25	9.21	32.5	-0.56	21.9	0
	N	1078	1100.00	1100.0	1100.00	1100.0	1100
	Std. Deviation	34	0.00	0.0	0.00	0.0	0
Bosnia and Herzegovina* (4)	Mean	22	8.06	28.1	-0.28	154.1	9
	N	1194	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	31	0.00	0.0	0.00	0.0	0
Brazil (5)	Mean	51	8.65	56.5	0.05	14.6	21
	N	1465	1500.00	1500.0	1500.00	1500.0	1500
	Std. Deviation	37	0.00	0.0	0.00	0.0	0
Brazil (6)	Mean	31	8.77	53.9	-0.12	16.3	29
	N	1444	1486.00	1486.0	1486.00	1486.0	1486
	Std. Deviation	34	0.00	0.0	0.00	0.0	0
Bulgaria* (3)	Mean	33	8.50	29.3	-0.78	-2.5	7

	N	1023	1072.00	1072.0	1072.00	1072.0	1072
	Std. Deviation	38	0.00	0.0	0.00	0.0	0
Bulgaria* (5)	Mean	41	8.85	30.9	0.10	26.8	15
	N	952	1001.00	1001.0	1001.00	1001.0	1001
	Std. Deviation	40	0.00	0.0	0.00	0.0	0
	Mean	52	8.68	30.8	-0.93	-40.5	3
Belarus* (3)	N	1799	2092.00	2092.0	2092.00	2092.0	2092
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Belarus* (6)	Mean	57	9.45	27.7	-0.64	36.8	0
	N	1522	1535.00	1535.0	1535.00	1535.0	1535
	Std. Deviation	39	0.00	0.0	0.00	0.0	0
	Mean	28	9.93	32.4	2.24	17.7	99
Canada (4)	N	1902	1931.00	1931.0	1931.00	1931.0	1931
	Std. Deviation	35	0.00	0.0	0.00	0.0	0
Canada (5)	Mean	31	10.08	33.0	1.85	12.9	105
	N	2118	2164.00	2164.0	2164.00	2164.0	2164
	Std. Deviation	37	0.00	0.0	0.00	0.0	0
	Mean	38	8.97	50.0	1.45	39.5	6
Chile (3)	N	959	1000.00	1000.0	1000.00	1000.0	1000
	Std. Deviation	38	0.00	0.0	0.00	0.0	0
Chile (4)	Mean	42	9.22	55.4	1.36	27.0	10
	N	1143	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	37	0.00	0.0	0.00	0.0	0
	Mean	49	9.35	54.6	1.37	23.4	16
Chile (5)	N	915	1000.00	1000.0	1000.00	1000.0	1000
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Chile (6)	Mean	42	9.49	52.0	1.35	18.9	21
	N	959	1000.00	1000.0	1000.00	1000.0	1000
	Std. Deviation	37	0.00	0.0	0.00	0.0	0
	Mean	38	8.55	46.9	-0.56	53.3	0
China (5)	N	1462	1991.00	1991.0	1991.00	1991.0	1991
	Std. Deviation	37	0.00	0.0	0.00	0.0	0

China (6)	Mean	53	8.90	39.0	-0.54	53.4	0
	N	1852	2300.00	2300.0	2300.00	2300.0	2300
	Std. Deviation	39	0.00	0.0	0.00	0.0	0
Taiwan (3)	Mean	36	9.39	31.6	0.59	30.4	0
	N	757	780.00	780.0	780.00	780.0	780
	Std. Deviation	37	0.00	0.0	0.00	0.0	0
Taiwan (5)	Mean	38	9.83	33.8	0.86	15.7	10
	N	1216	1227.00	1227.0	1227.00	1227.0	1227
	Std. Deviation	37	0.00	0.0	0.00	0.0	0
Taiwan (6)	Mean	45	9.96	34.5	0.60	19.3	16
	N	1147	1238.00	1238.0	1238.00	1238.0	1238
	Std. Deviation	35	0.00	0.0	0.00	0.0	0
Colombia (3)	Mean	35	8.54	59.2	-0.49	18.8	39
	N	2991	2996.00	2996.0	2996.00	2996.0	2996
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Colombia (6)	Mean	41	8.83	53.6	-0.30	22.8	54
	N	1496	1512.00	1512.0	1512.00	1512.0	1512
	Std. Deviation	35	0.00	0.0	0.00	0.0	0
Croatia* (3)	Mean	62	8.59	26.5	-0.82	-10.3	0
	N	1158	1196.00	1196.0	1196.00	1196.0	1196
	Std. Deviation	34	0.00	0.0	0.00	0.0	0
Czech Republic* (3)	Mean	54	8.96	25.8	0.65	12.8	5
	N	1087	1147.00	1147.0	1147.00	1147.0	1147
	Std. Deviation	38	0.00	0.0	0.00	0.0	0
Dominican Republic (3)	Mean	28	7.94	49.9	-0.10	26.4	30
	N	393	417.00	417.0	417.00	417.0	417
	Std. Deviation	33	0.00	0.0	0.00	0.0	0
Ecuador (6)	Mean	45	8.51	48.7	-0.89	24.0	10
	N	1199	1202.00	1202.0	1202.00	1202.0	1202
	Std. Deviation	40	0.00	0.0	0.00	0.0	0
Estonia* (3)	Mean	40	8.99	36.8	-0.06	-20.3	5
	N	951	1021.00	1021.0	1021.00	1021.0	1021

	Std. Deviation	33	0.00	0.0	0.00	0.0	0
Estonia* (6)	Mean	46	9.83	31.5	0.91	0.2	20
	N	1451	1533.00	1533.0	1533.00	1533.0	1533
	Std. Deviation	37	0.00	0.0	0.00	0.0	0
Finland (3)	Mean	35	9.61	24.9	2.36	-1.8	79
	N	966	987.00	987.0	987.00	987.0	987
	Std. Deviation	35	0.00	0.0	0.00	0.0	0
Finland (5)	Mean	40	9.99	26.6	2.53	15.8	88
	N	1012	1014.00	1014.0	1014.00	1014.0	1014
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
France (5)	Mean	49	9.96	28.3	1.34	8.2	105
	N	993	1001.00	1001.0	1001.00	1001.0	1001
	Std. Deviation	37	0.00	0.0	0.00	0.0	0
Georgia* (3)	Mean	45	7.79	40.0	-1.39	-103.1	0
	N	1949	2008.00	2008.0	2008.00	2008.0	2008
	Std. Deviation	38	0.00	0.0	0.00	0.0	0
Georgia* (5)	Mean	25	8.36	39.8	-0.61	39.5	0
	N	1430	1500.00	1500.0	1500.00	1500.0	1500
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Georgia* (6)	Mean	25	8.66	41.9	-0.22	19.5	10
	N	1196	1202.00	1202.0	1202.00	1202.0	1202
	Std. Deviation	34	0.00	0.0	0.00	0.0	0
Germany (3)	Mean	43	9.72	28.9	1.99	5.9	7
	N	1998	2026.00	2026.0	2026.00	2026.0	2026
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Germany (5)	Mean	37	9.87	28.7	1.86	2.9	16
	N	2016	2064.00	2064.0	2064.00	2064.0	2064
	Std. Deviation	39	0.00	0.0	0.00	0.0	0
Ghana (5)	Mean	35	7.32	40.7	-0.22	27.6	10
	N	1473	1534.00	1534.0	1534.00	1534.0	1534
	Std. Deviation	30	0.00	0.0	0.00	0.0	0
Ghana (6)	Mean	34	7.51	40.7	0.03	40.1	15

	N	1552	1552.00	1552.0	1552.00	1552.0	1552
	Std. Deviation	37	0.00	0.0	0.00	0.0	0
Guatemala (5)	Mean	54	8.32	49.0	-0.54	16.1	34
	N	992	1000.00	1000.0	1000.00	1000.0	1000
	Std. Deviation	37	0.00	0.0	0.00	0.0	0
	Mean	45	8.99	30.0	0.65	14.5	19
Hungary* (5)	N	999	1007.00	1007.0	1007.00	1007.0	1007
	Std. Deviation	39	0.00	0.0	0.00	0.0	0
India (3)	Mean	20	7.25	31.5	-0.40	23.4	45
	N	1851	2040.00	2040.0	2040.00	2040.0	2040
	Std. Deviation	33	0.00	0.0	0.00	0.0	0
	Mean	19	7.47	28.4	-0.28	30.3	51
India (4)	N	1816	2002.00	2002.0	2002.00	2002.0	2002
	Std. Deviation	33	0.00	0.0	0.00	0.0	0
India (5)	Mean	37	7.73	37.2	-0.41	33.7	56
	N	1585	2001.00	2001.0	2001.00	2001.0	2001
	Std. Deviation	41	0.00	0.0	0.00	0.0	0
	Mean	79	8.06	34.7	-0.48	37.1	64
India (6)	N	1544	1581.00	1581.0	1581.00	1581.0	1581
	Std. Deviation	28	0.00	0.0	0.00	0.0	0
Indonesia (4)	Mean	27	8.06	29.7	-1.08	5.1	2
	N	965	1000.00	1000.0	1000.00	1000.0	1000
	Std. Deviation	29	0.00	0.0	0.00	0.0	0
	Mean	22	8.20	32.0	-0.89	23.6	7
Indonesia (5)	N	1936	2015.00	2015.0	2015.00	2015.0	2015
	Std. Deviation	32	0.00	0.0	0.00	0.0	0
Iran (4)	Mean	16	8.32	44.1	-0.77	14.0	0
	N	2208	2532.00	2532.0	2532.00	2532.0	2532
	Std. Deviation	25	0.00	0.0	0.00	0.0	0
	Mean	42	8.58	39.2	-0.42	29.1	0
Iran (5)	N	2602	2667.00	2667.0	2667.00	2667.0	2667
	Std. Deviation	37	0.00	0.0	0.00	0.0	0

Iraq (6)	Mean	55	7.38	41.5	-1.39	26.9	0
	N	1139	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	35	0.00	0.0	0.00	0.0	0
Italy (5)	Mean	28	9.86	34.5	0.38	7.5	57
	N	993	1012.00	1012.0	1012.00	1012.0	1012
	Std. Deviation	34	0.00	0.0	0.00	0.0	0
Japan (3)	Mean	24	9.87	24.9	1.05	10.8	43
	N	999	1054.00	1054.0	1054.00	1054.0	1054
	Std. Deviation	31	0.00	0.0	0.00	0.0	0
Japan (4)	Mean	23	9.91	31.9	0.93	5.6	48
	N	1260	1362.00	1362.0	1362.00	1362.0	1362
	Std. Deviation	31	0.00	0.0	0.00	0.0	0
Japan (5)	Mean	25	9.97	30.8	1.23	7.1	53
	N	1053	1096.00	1096.0	1096.00	1096.0	1096
	Std. Deviation	31	0.00	0.0	0.00	0.0	0
Japan (6)	Mean	21	9.95	33.6	1.37	-1.8	58
	N	2237	2443.00	2443.0	2443.00	2443.0	2443
	Std. Deviation	29	0.00	0.0	0.00	0.0	0
Kazakhstan* (6)	Mean	48	9.27	27.7	-0.88	31.4	0
	N	1500	1500.00	1500.0	1500.00	1500.0	1500
	Std. Deviation	39	0.00	0.0	0.00	0.0	0
Jordan (4)	Mean	12	8.31	36.8	-0.01	16.0	0
	N	1175	1223.00	1223.0	1223.00	1223.0	1223
	Std. Deviation	22	0.00	0.0	0.00	0.0	0
Jordan (5)	Mean	14	8.48	38.8	0.34	34.8	0
	N	1107	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	26	0.00	0.0	0.00	0.0	0
Jordan (6)	Mean	26	8.64	38.8	0.18	15.9	0
	N	1188	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	34	0.00	0.0	0.00	0.0	0
South Korea (5)	Mean	41	9.78	31.6	0.34	28.6	17
	N	1196	1200.00	1200.0	1200.00	1200.0	1200

	Std. Deviation	37	0.00	0.0	0.00	0.0	0
South Korea (6)	Mean	48	9.93	33.0	0.48	18.1	22
	N	1190	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Kyrgyzstan* (4)	Mean	39	7.62	42.0	-0.48	16.5	0
	N	1031	1043.00	1043.0	1043.00	1043.0	1043
	Std. Deviation	38	0.00	0.0	0.00	0.0	0
Kyrgyzstan* (6)	Mean	47	8.01	29.9	-1.23	22.4	0
	N	1488	1500.00	1500.0	1500.00	1500.0	1500
	Std. Deviation	38	0.00	0.0	0.00	0.0	0
Lebanon (6)	Mean	57	8.40	51.1	-0.83	32.3	0
	N	1200	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	39	0.00	0.0	0.00	0.0	0
Latvia* (3)	Mean	61	8.60	27.0	-0.82	-48.6	3
	N	1130	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	35	0.00	0.0	0.00	0.0	0
Lithuania* (3)	Mean	47	8.59	33.6	-0.06	-36.4	5
	N	911	1009.00	1009.0	1009.00	1009.0	1009
	Std. Deviation	38	0.00	0.0	0.00	0.0	0
Malaysia (5)	Mean	74	9.06	43.2	0.43	23.8	0
	N	1200	1201.00	1201.0	1201.00	1201.0	1201
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Malaysia (6)	Mean	46	9.17	46.3	-0.03	22.5	0
	N	1300	1300.00	1300.0	1300.00	1300.0	1300
	Std. Deviation	44	0.00	0.0	0.00	0.0	0
Mali (5)	Mean	44	6.85	40.1	-0.50	25.0	15
	N	1324	1534.00	1534.0	1534.00	1534.0	1534
	Std. Deviation	42	0.00	0.0	0.00	0.0	0
Mexico (3)	Mean	49	8.75	55.1	-0.45	14.7	0
	N	2240	2364.00	2364.0	2364.00	2364.0	2364
	Std. Deviation	41	0.00	0.0	0.00	5.2	0
Mexico (4)	Mean	42	8.82	51.0	-0.38	14.5	0

	N	1263	1535.00	1535.0	1535.00	1535.0	1535
	Std. Deviation	35	0.00	0.0	0.00	0.0	0
Mexico (5)	Mean	51	8.90	48.5	-0.29	8.2	5
	N	1452	1560.00	1560.0	1560.00	1560.0	1560
	Std. Deviation	38	0.00	0.0	0.00	0.0	0
	Mean	46	8.91	51.0	-0.30	9.0	12
Mexico (6)	N	1975	2000.00	2000.0	2000.00	2000.0	2000
	Std. Deviation	33	0.00	0.0	0.00	0.0	0
Moldova* (3)	Mean	51	8.18	40.1	-0.20	-79.6	5
	N	923	984.00	984.0	984.00	984.0	984
	Std. Deviation	38	0.00	0.0	0.00	0.0	0
	Mean	68	7.71	41.1	-0.29	-0.1	11
Moldova* (4)	N	853	1008.00	1008.0	1008.00	1008.0	1008
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Moldova* (5)	Mean	57	8.03	35.0	-0.99	35.4	15
	N	988	1046.00	1046.0	1046.00	1046.0	1046
	Std. Deviation	37	0.00	0.0	0.00	0.0	0
	Mean	9	7.94	39.5	0.41	21.1	0
Morocco (4)	N	1146	1251.00	1251.0	1251.00	1251.0	1251
	Std. Deviation	19	0.00	0.0	0.00	0.0	0
Morocco (5)	Mean	23	8.10	39.4	-0.08	24.8	0
	N	1162	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	32	0.00	0.0	0.00	0.0	0
	Mean	23	8.28	39.4	-0.31	25.0	0
Morocco (6)	N	998	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	35	0.00	0.0	0.00	0.0	0
Netherlands (5)	Mean	27	10.03	28.7	2.02	6.7	105
	N	1031	1050.00	1050.0	1050.00	1050.0	1050
	Std. Deviation	34	0.00	0.0	0.00	0.0	0
	Mean	25	10.09	28.3	2.17	4.7	111
Netherlands (6)	N	1830	1902.00	1902.0	1902.00	1902.0	1902
	Std. Deviation	31	0.00	0.0	0.00	0.0	0

New Zealand (3)	Mean	30	9.55	36.4	2.24	21.8	97
	N	1129	1201.00	1201.0	1201.00	1201.0	1201
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
New Zealand (5)	Mean	31	9.81	33.5	2.45	20.9	103
	N	881	954.00	954.0	954.00	954.0	954
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
New Zealand (6)	Mean	31	9.84	34.9	2.46	5.7	110
	N	804	841.00	841.0	841.00	841.0	841
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Nigeria (3)	Mean	33	6.96	52.7	-1.15	15.5	0
	N	1979	1996.00	1996.0	1996.00	1996.0	1996
	Std. Deviation	37	0.00	0.0	0.00	0.0	0
Nigeria (4)	Mean	40	6.94	49.1	-1.07	10.7	0
	N	2022	2022.00	2022.0	2022.00	2022.0	2022
	Std. Deviation	40	0.00	0.0	0.00	0.0	0
Nigeria (6)	Mean	49	7.49	43.0	-0.98	36.0	0
	N	1759	1759.00	1759.0	1759.00	1759.0	1759
	Std. Deviation	39	0.00	0.0	0.00	0.0	0
Norway (3)	Mean	32	9.90	24.5	2.28	18.6	96
	N	1120	1127.00	1127.0	1127.00	1127.0	1127
	Std. Deviation	30	0.00	0.0	0.00	0.0	0
Norway (5)	Mean	42	10.20	28.3	1.97	11.3	107
	N	1015	1025.00	1025.0	1025.00	1025.0	1025
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Pakistan (4)	Mean	13	7.52	31.4	-0.96	16.4	11
	N	1680	2000.00	2000.0	2000.00	2000.0	2000
	Std. Deviation	24	0.00	0.0	0.00	0.0	0
Pakistan (5)	Mean	36	7.81	31.2	-1.04	13.6	4
	N	1200	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	39	0.00	0.0	0.00	0.0	0
Peru (3)	Mean	42	8.02	50.3	-0.17	26.6	10
	N	1108	1211.00	1211.0	1211.00	1211.0	1211

	Std. Deviation	37	0.00	0.0	0.00	0.0	0
Peru (4)	Mean	41	8.22	56.1	-0.23	13.1	0
	N	1432	1501.00	1501.0	1501.00	1501.0	1501
	Std. Deviation	37	0.00	0.0	0.00	0.0	0
Peru (6)	Mean	53	8.59	47.4	-0.34	33.3	11
	N	1131	1210.00	1210.0	1210.00	1210.0	1210
	Std. Deviation	38	0.00	0.0	0.00	0.0	0
Philippines (4)	Mean	64	7.73	48.6	-0.15	17.9	15
	N	1170	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	39	0.00	0.0	0.00	0.0	0
Philippines (6)	Mean	64	7.96	43.9	-0.77	23.2	26
	N	1196	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	38	0.00	0.0	0.00	0.0	0
Poland* (5)	Mean	39	9.02	35.4	0.11	16.5	16
	N	920	1000.00	1000.0	1000.00	1000.0	1000
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Poland* (6)	Mean	38	9.25	33.4	0.37	22.6	23
	N	896	966.00	966.0	966.00	966.0	966
	Std. Deviation	35	0.00	0.0	0.00	0.0	0
Romania* (3)	Mean	33	7.96	22.9	-0.22	11.6	7
	N	1181	1239.00	1239.0	1239.00	1239.0	1239
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Romania* (5)	Mean	29	8.27	33.5	-0.26	27.1	14
	N	1628	1776.00	1776.0	1776.00	1776.0	1776
	Std. Deviation	37	0.00	0.0	0.00	0.0	0
Romania* (6)	Mean	20	8.46	34.5	-0.27	8.6	21
	N	1432	1503.00	1503.0	1503.00	1503.0	1503
	Std. Deviation	31	0.00	0.0	0.00	0.0	0
Russian Federation* (3)	Mean	43	8.66	48.2	-1.02	-43.8	3
	N	1732	2040.00	2040.0	2040.00	2040.0	2040
	Std. Deviation	34	0.00	0.0	0.00	0.0	0
	Mean	45	8.82	40.9	-0.74	30.7	0

Russian Federation* (5)	N	1802	2033.00	2033.0	2033.00	2033.0	2033
	Std. Deviation	37	0.00	0.0	0.00	0.0	0
Russian Federation* (6)	Mean	55	9.03	39.7	-1.09	18.5	0
	N	2267	2500.00	2500.0	2500.00	2500.0	2500
Rwanda (5)	Std. Deviation	38	0.00	0.0	0.00	0.0	0
	Mean	54	6.72	45.4	-0.48	41.4	0
	N	1451	1507.00	1507.0	1507.00	1507.0	1507
Rwanda (6)	Std. Deviation	38	0.00	0.0	0.00	0.0	0
	Mean	59	6.93	45.4	0.14	40.3	0
	N	1527	1527.00	1527.0	1527.00	1527.0	1527
Singapore 6)	Std. Deviation	33	0.00	0.0	0.00	0.0	0
	Mean	56	10.16	47.1	2.25	31.7	0
	N	1969	1972.00	1972.0	1972.00	1972.0	1972
Slovakia* (3)	Std. Deviation	42	0.00	0.0	0.00	0.0	0
	Mean	64	8.80	19.5	0.22	26.7	5
	N	1067	1095.00	1095.0	1095.00	1095.0	1095
Viet Nam (4)	Std. Deviation	37	0.00	0.0	0.00	0.0	0
	Mean	14	7.41	35.4	-0.40	34.8	0
	N	962	1000.00	1000.0	1000.00	1000.0	1000
Viet Nam (5)	Std. Deviation	26	0.00	0.0	0.00	0.0	0
	Mean	26	7.73	37.2	-0.75	34.4	0
	N	1358	1495.00	1495.0	1495.00	1495.0	1495
Slovenia* (5)	Std. Deviation	36	0.00	0.0	0.00	0.0	0
	Mean	47	9.65	24.8	1.02	18.1	14
	N	950	1037.00	1037.0	1037.00	1037.0	1037
Slovenia* (6)	Std. Deviation	39	0.00	0.0	0.00	0.0	0
	Mean	35	9.76	24.8	1.02	9.2	20
	N	1032	1069.00	1069.0	1069.00	1069.0	1069
South Africa (3)	Std. Deviation	36	0.00	0.0	0.00	0.0	0
	Mean	32	8.17	59.3	0.76	4.4	2
	N	2789	2935.00	2935.0	2935.00	2935.0	2935
	Std. Deviation	37	0.00	0.0	0.00	0.0	0

South Africa (4)	Mean	39	8.23	58.9	0.65	13.8	7
	N	2899	3000.00	3000.0	3000.00	3000.0	3000
	Std. Deviation	40	0.00	0.0	0.00	0.0	0
South Africa (6)	Mean	67	8.51	56.5	0.14	10.2	19
	N	3454	3531.00	3531.0	3531.00	3531.0	3531
	Std. Deviation	42	0.00	0.0	0.00	0.0	0
Zimbabwe (4)	Mean	16	7.25	73.3	-0.65	12.0	0
	N	973	1002.00	1002.0	1002.00	1002.0	1002
	Std. Deviation	26	0.00	0.0	0.00	0.0	0
Zimbabwe (6)	Mean	47	6.55	73.3	-1.32	18.6	0
	N	1500	1500.00	1500.0	1500.00	1500.0	1500
	Std. Deviation	42	0.00	0.0	0.00	0.0	0
Spain (3)	Mean	28	9.41	34.2	1.05	8.6	18
	N	1134	1211.00	1211.0	1211.00	1211.0	1211
	Std. Deviation	35	0.00	0.0	0.00	0.0	0
Spain (4)	Mean	36	9.58	33.3	1.37	17.9	23
	N	1157	1209.00	1209.0	1209.00	1209.0	1209
	Std. Deviation	39	0.00	0.0	0.00	0.0	0
Spain (5)	Mean	38	9.73	32.3	1.34	17.2	30
	N	1139	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	40	0.00	0.0	0.00	0.0	0
Spain (6)	Mean	33	9.74	34.3	1.00	5.5	34
	N	1156	1189.00	1189.0	1189.00	1189.0	1189
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Sweden (3)	Mean	44	9.71	24.9	2.31	3.8	85
	N	993	1009.00	1009.0	1009.00	1009.0	1009
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Sweden (5)	Mean	45	10.04	24.9	2.20	13.2	95
	N	989	1003.00	1003.0	1003.00	1003.0	1003
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Sweden (6)	Mean	41	10.08	26.8	2.29	8.3	100
	N	1127	1206.00	1206.0	1206.00	1206.0	1206

	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Switzerland (3)	Mean	36	9.93	35.1	2.10	0.7	96
	N	1167	1212.00	1212.0	1212.00	1212.0	1212
	Std. Deviation	33	0.00	0.0	0.00	0.0	0
Switzerland (5)	Mean	29	10.04	26.8	2.04	10.1	106
	N	1233	1241.00	1241.0	1241.00	1241.0	1241
	Std. Deviation	32	0.00	0.0	0.00	0.0	0
Thailand (5)	Mean	77	8.96	42.5	-0.15	28.8	22
	N	1523	1534.00	1534.0	1534.00	1534.0	1534
	Std. Deviation	34	0.00	0.0	0.00	0.0	0
Thailand (6)	Mean	37	9.08	40.3	-0.28	16.5	14
	N	1166	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	38	0.00	0.0	0.00	0.0	0
Trinidad and Tobago (5)	Mean	37	9.71	40.2	-0.13	40.6	44
	N	983	1002.00	1002.0	1002.00	1002.0	1002
	Std. Deviation	37	0.00	0.0	0.00	0.0	0
Trinidad and Tobago (6)	Mean	20	9.97	40.2	-0.21	20.3	49
	N	970	999.00	999.0	999.00	999.0	999
	Std. Deviation	31	0.00	0.0	0.00	0.0	0
Tunisia (6)	Mean	29	8.74	40.6	-0.11	12.8	0
	N	1071	1205.00	1205.0	1205.00	1205.0	1205
	Std. Deviation	33	0.00	0.0	0.00	0.0	0
Turkey (5)	Mean	23	8.86	42.1	-0.17	37.7	43
	N	1327	1346.00	1346.0	1346.00	1346.0	1346
	Std. Deviation	33	0.00	0.0	0.00	0.0	0
Turkey (6)	Mean	19	8.94	40.8	0.08	16.7	48
	N	1596	1605.00	1605.0	1605.00	1605.0	1605
	Std. Deviation	30	0.00	0.0	0.00	0.0	0
Uganda (4)	Mean	36	6.58	44.0	-0.92	30.2	0
	N	996	1002.00	1002.0	1002.00	1002.0	1002
	Std. Deviation	39	0.00	0.0	0.00	0.0	0
Ukraine (3)	Mean	53	8.35	32.7	-1.03	-67.4	5

	N	2138	2811.00	2811.0	2811.00	2811.0	2811
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Ukraine (5)	Mean	60	8.30	35.0	-0.89	38.6	15
	N	896	1000.00	1000.0	1000.00	1000.0	1000
	Std. Deviation	41	0.00	0.0	0.00	0.0	0
Ukraine (6)	Mean	52	8.37	25.3	-1.01	6.9	20
	N	1500	1500.00	1500.0	1500.00	1500.0	1500
	Std. Deviation	39	0.00	0.0	0.00	0.0	0
Macedonia* (3)	Mean	37	8.43	27.2	-0.96	-7.7	7
	N	839	995.00	995.0	995.00	995.0	995
	Std. Deviation	37	0.00	0.0	0.00	0.0	0
Macedonia* (4)	Mean	32	8.44	28.1	-0.67	14.8	10
	N	949	1055.00	1055.0	1055.00	1055.0	1055
	Std. Deviation	33	0.00	0.0	0.00	0.0	0
Egypt (4)	Mean	20	8.02	48.7	-0.25	26.0	0
	N	2963	3000.00	3000.0	3000.00	3000.0	3000
	Std. Deviation	27	0.00	0.0	0.00	0.0	0
Great Britain (5)	Mean	38	10.06	35.8	1.96	14.3	104
	N	982	1041.00	1041.0	1041.00	1041.0	1041
	Std. Deviation	38	0.00	0.0	0.00	0.0	0
Tanzania (4)	Mean	11	6.28	40.8	-0.97	21.4	0
	N	1130	1171.00	1171.0	1171.00	1171.0	1171
	Std. Deviation	25	0.00	0.0	0.00	0.0	0
United States (3)	Mean	23	10.07	39.5	1.57	12.0	94
	N	1500	1542.00	1542.0	1542.00	1542.0	1542
	Std. Deviation	32	0.00	0.0	0.00	0.0	0
United States (4)	Mean	36	10.20	40.7	1.55	19.4	98
	N	1195	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	36	0.00	0.0	0.00	0.0	0
United States (5)	Mean	33	10.32	39.0	1.86	12.7	105
	N	1185	1249.00	1249.0	1249.00	1249.0	1249
	Std. Deviation	38	0.00	0.0	0.00	0.0	0

United States (6)	Mean	32	10.31	46.4	1.26	3.9	110
	N	2171	2232.00	2232.0	2232.00	2232.0	2232
	Std. Deviation	38	0.00	0.0	0.00	0.0	0
Burkina Faso (5)	Mean	43	6.96	39.5	-0.15	31.5	0
	N	1355	1534.00	1534.0	1534.00	1534.0	1534
	Std. Deviation	42	0.00	0.0	0.00	0.0	0
Uruguay (3)	Mean	20	8.90	42.1	0.72	19.9	11
	N	968	1000.00	1000.0	1000.00	1000.0	1000
	Std. Deviation	30	0.00	0.0	0.00	0.0	0
Uruguay (5)	Mean	35	9.00	46.4	0.83	1.8	21
	N	977	1000.00	1000.0	1000.00	1000.0	1000
	Std. Deviation	40	0.00	0.0	0.00	0.0	0
Uruguay (6)	Mean	27	9.27	45.0	1.19	29.7	26
	N	962	1000.00	1000.0	1000.00	1000.0	1000
	Std. Deviation	35	0.00	0.0	0.00	0.0	0
Uzbekistan* (6)	Mean	38	8.63	39.7	-1.22	42.8	0
	N	1497	1500.00	1500.0	1500.00	1500.0	1500
	Std. Deviation	38	0.00	0.0	0.00	0.0	0
Venezuela (3)	Mean	30	9.11	40.2	-0.91	17.6	37
	N	1167	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	38	0.00	0.0	0.00	0.0	0
Venezuela (4)	Mean	36	9.09	47.0	-0.95	4.5	41
	N	1185	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	38	0.00	0.0	0.00	0.0	0
Yemen (6)	Mean	29	8.01	37.7	-1.02	6.1	0
	N	764	1000.00	1000.0	1000.00	1000.0	1000
	Std. Deviation	35	0.00	0.0	0.00	0.0	0
Zambia (5)	Mean	61	6.48	54.6	-0.68	33.5	0
	N	1394	1500.00	1500.0	1500.00	1500.0	1500
	Std. Deviation	40	0.00	0.0	0.00	0.0	0
Serbia* (3)	Mean	37	8.33	33.4	-1.03	-20.0	0
	N	1226	1280.00	1280.0	1280.00	1280.0	1280

	Std. Deviation	36	0.00	0.0	0.00	0.0	0
Serbia* (4)	Mean	32	8.53	28.2	-1.08	7.6	0
	N	1105	1200.00	1200.0	1200.00	1200.0	1200
	Std. Deviation	35	0.00	0.0	0.00	0.0	0
Total	Mean	38	8.67	39.4	0.10	14.7	25
	N	230143	242953.00	242953.0	242953.00	242953.0	242953
	Std. Deviation	38	0.96	9.9	1.06	26.0	34

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Fredrik Malmberg

The Rotting Fish? Institutional Trust, Dysfunctional Contexts, and Corruption Tolerance

A multilevel study of the justification of low-level corruption in a global perspective

The aim of this thesis is to examine variations in attitudes towards certain forms of behavior that can be viewed as a type of low-level (societal) corruption. Are some societies or cultures more tolerant of corrupt practices? Do dysfunctional social structures and corrupt elites produce dysfunctional citizens who tolerate free riding behavior (the so-called rotting fish thesis), or is corruption tolerance part of a "larger culture" that influences the quality of public institutions (the so-called raccomandazione thesis)?

This thesis examines both individual- and country-level determinants of corruption tolerance across 84 countries in a multilevel framework using data from the World Values Survey. The focus on the individual level lies on how institutional trust helps to shape corruption tolerance, while the contextual factors of interest include socio-economic development, economic inequality, institutional quality, and institutional performance. Additionally, this study investigates potential cross-level interactions between the micro- and macro-level factors of interest. In what kinds of contexts does a lack of trust in public authorities lead to a higher corruption tolerance?