

Party Systems, the Selection and Control of Politicians and Corruption

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Abstract:

This paper examines why democracy and electoral competition can sometimes fail to secure clean government in the interest of the people. Our argument is that party system features, which shape the effectiveness of elections as tools to select and control politicians, play a critical and overlooked role in conditioning the scope for corruption. We conceptualise governmental corruption as a classical principal-agent problem for voters, which is mediated by the extent to which party systems enable the electorate to select politicians who are likely to curb corruption and to hold accountable those who do not. We test this argument through a controlled comparative analysis of corruption in 80 democracies around the world and find broad support for our hypotheses.

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The variation in the level of corruption even among high quality democracies is striking and perplexing because the promise of democracy and of freely contested regular elections is governance in the interest of the people (Fearon 1999: 82). In principle, electoral competition should allow voters to select politicians who will curb corruption, and to replace representatives who do not. Yet, empirically, it is clear that democratic competition can fail to curb malfeasance, elections can help corrupt politicians to power, and voters often fail to punish incumbents who engage in or permit malfeasance (Kurer 2001, Scheiner 2005). This paper examines why democracy can sometimes fail to secure clean government in the interest of the people. Our argument is that party system features, which shape the effectiveness of elections as tools to select and control politicians, play a critical and overlooked role in conditioning the ability of voters to secure clean government.

In advancing this argument we build on two distinct literatures in political science, comparative work on the political determinants of corruption and positive democratic theory. The comparative literature on corruption to date primarily views citizen control over politicians – and thus the scope for corruption – as dependent on political institutions including electoral systems and constitutional features such as presidentialism and federalism. This focus is at variance with work in the positive theory tradition, which sees elections as the principal means for voters to select and control politicians. As much of this theoretical work notes, effective elections are critical in shaping how far politicians govern in the interest of the people and the effectiveness of elections, in turn, is powerfully conditioned by the party system. Yet, to date the impact of party systems on the effectiveness of elections has been largely overlooked by comparative work on corruption (an exception is Keefer 2011). This is surprising because it is well established in the wider comparative literature that party systems condition the selection and accountability of politicians at least as much as institutions such as presidentialism, federalism and electoral rules (Mainwaring 1993, Samuels

and Shugart 2010). In short, there is a serious disjuncture between the empirical and theoretical literatures on corruption and the control of politicians. This paper takes a first step in bridging that gap.

Analytically, we follow the theoretical work and conceive of corruption as a classical principal-agent problem that can arise between voters (the ultimate democratic principal) and politicians (their agents). Party systems, we argue, structure the effectiveness of elections as tools to select good agents and to hold accountable those who are not. This is because party systems condition the information available to voters and the effectiveness of their electoral choices in controlling their agents. In both respects party systems shape the scope for corruption. Corruption, we anticipate, rises with party system features that reduce the capacity of voters to distinguish between clean and corrupt politicians and that limit the effectiveness of their choices in selecting good representatives and punishing corrupt ones. We test this argument in a controlled comparative analysis of corruption in 80 democracies around the world. The empirical results suggest that party system features have powerful effects on the scope for corruption. Where voter information or the effectiveness of voter choice is limited through weak party system institutionalization, high levels of fragmentation, the dominance of a governing party, and competition that is not programmatically structured, democracies give greater latitude to corruption.

The paper proceeds as follows. The next section sets out the findings of existing research on the political determinants of corruption. We then outline our theoretical approach and develop a set of four hypotheses. The following sections introduce the data, variable operationalisations and model choice before we discuss our results and conclude.

The Literature on the Political Determinants of Corruption

Over the last decade and a half, institutions have been the focus of comparative empirical work on corruption. This literature has by now clearly established that institutions central to effective accountability, including the existence of free elections and full democratization powerfully reduce

malfeasance (Adsera, Boix and Payne 2003, Montinola and Jackman 2002). Nonetheless, pronounced differences in corruption levels remain even among high quality democracies, and scholars have turned to the effects of democratic institutions – in particular constitutions and electoral systems - to account for this variation. The theory about these institutions divides into two types of arguments. Work that derives from the political economy literature tends to stress the corruption-limiting effects of competition, while work in the comparative politics tradition often stresses identifiability and clarity of responsibility as central in reducing corruption. The competing assumptions underlying these two lines of argument tend to lead to diametrically opposed conclusions.

Thus, one set of scholars has suggested that constitutional designs, which induce competition among politicians, improve accountability and reduce corruption. From this perspective, it is argued that the separation of powers and checks and balances, which characterize presidential democracies, help voters hold politicians accountable for governmental corruption (Persson and Tabellini 2003: 23-4). Similarly, federalism is thought to restrain corruption through inter-jurisdictional competition and the direct accountability of local politicians for their actions (Fisman and Gatti 2002).

However, scholars who focus on identifiability and clarity of responsibility reach precisely the opposite conclusions about the same institutions. From this perspective, both federalism and presidentialism create more fragmented political systems in which decision-making capacities are diffused among a wide array of actors, which can lower transparency and make it more difficult for voters to assign responsibility. Work that follows this line of argument suggests that parliamentarism and unitarism correlate with lower levels of corruption (Gerring and Thacker 2004, Kunicova and Rose-Ackerman 2005). Tavits's work (2007), shares this focus on identifiability and argues that political systems with high "clarity of responsibility" (generated by single party majority government, lower party system fragmentation, longer cabinet duration, and reduced opposition influence on policy), allow voters to identify who is responsible for outcomes, enhance accountability, and lower

corruption. Kunicova and Rose-Ackerman (2005) apply the same reasoning to electoral systems and propose that plurality electoral systems engender better accountability and lower corruption because they make it easier for voters to attribute responsibility and create a direct link between re-election and individual performance (Kunicova and Rose-Ackerman 2005). Persson and Tabellini, too, note this effect, but they also observe that it is likely to be offset by the relatively high barriers to entry in plurality systems, which reduce competition (Persson and Tabellini 2003: 22). Overall, then, the theoretical expectations with respect to plurality electoral systems remain ambiguous.

While the literature on accountability and corruption is by now extensive, political selection has received significantly less attention. Yet, the ability of voters to select politicians who aim to curb corruption may be as important in controlling corruption as retrospective accountability. Chang and Golden (2006) present an argument that touches on issues of selection. They expect corruption to rise the stronger the incentives for candidates to cultivate personal (as opposed to party) votes. Incentives to amass personal votes, they argue, require candidates to run costly individual campaigns to differentiate themselves from co-partisans, which raises the probability that they will seek to “raise monies illegally for political campaigns” (Chang and Golden 2006: 119). These incentives are thought to be most pronounced in open-list proportional representation systems with large district magnitudes and can be expected to render it more difficult for voters to select good representatives because they skew the distribution of candidates toward corrupt “types”.

In sum, the comparative literature on the political determinants of corruption is predicated on a common understanding that institutions shape the scope for malfeasance because they affect the quality of accountability or political selection. Yet “this shared logic struggles against equally plausible alternative explanations” (Tavits 2007: 219) and, as Treisman shows, the contradictory nature of the theoretical arguments is matched by the fragility of the empirical evidence supporting these accounts (Treisman 2007: 232).

Two problems that are likely to drive these conflicting conclusions beset this research. First, the causal chains envisaged in these institutional accounts omit one critical link – the party system.

Presidential and parliamentary, federal and unitary, and proportional and plurality electoral systems all coexist with a variety of party systems that powerfully condition which politicians voters can select and how effectively they can hold them accountable. If political accountability or selection shapes the scope for corruption, as all of these studies argue, then the party system is likely to be a crucial omitted variable in these accounts. Indeed, Keefer, who observes that young democracies and poor countries typically feature worse policy outcomes including higher levels of corruption than their older, richer peers, argues that the existence of programmatic parties, which enable politicians to commit credibly to the pursuit of better policies, is critical in accounting for such differences (Keefer 2007, 2011). As we shall see, programmatic party structuration is one important driver of effective political accountability, but it is not the only way in which party systems shape the scope for corruption.

Second, the work reviewed above tends to focus *either* on political accountability *or* political selection as the mechanism by which voters can control politicians and ensure government in their interest. Clearly, though, the scope for political corruption is affected by *both* the ability of voters to select clean representatives *and* their capacity to hold incumbents accountable for their performance in office. A more accurate and general account of how high quality democracies limit corruption must therefore incorporate an analysis of the effectiveness of political selection and accountability in democratic elections as shaped by the party system. In what follows we develop such an account.

Corruption and the Effectiveness of Elections

We define governmental corruption as the misuse of public office for personal or political gain, as well as the acquiescence in such misuse by bureaucrats (Key 1936, Tavits 2007). Our definition thus captures all forms of governmental corruption: grand and petty theft, bribery and rent-seeking by public officials. In doing so, we conceive of governmental corruption as a *public policy outcome* for which politicians are in principle accountable – they may employ resources to fight it, or tolerate it and possibly even engage in it.

For citizens, governmental corruption it is an agency problem that arises when politicians deviate from the electorate's interests and survey research indicates that this is precisely how they perceive governmental corruption. Around the world, survey respondents regularly report serious concerns about governmental corruption. Over three quarters of the respondents polled by a Eurobarometer Survey in 2009 viewed corruption as a major problem for their country, an outright majority (57 per cent) considered that preventing corruption is the responsibility of the national government, and a majority also regarded their government's efforts to combat corruption as ineffective (European Commission 2009: 7). The same is true of citizens in more clientelistic contexts, as documented by Latinobarometro and Afrobarometer surveys as well as Transparency International's Global Corruption Barometer (see for example Transparency International 2009). This is not surprising. Even if citizens benefit in individual circumstances from a clientelistic exchange, this does not imply that they approve of governmental corruption to confer benefits on other groups of citizens, nor does it imply citizen tolerance for rent seeking by politicians. For citizens, then, corruption is a deleterious public policy outcome that results when their political agents - elected politicians - are unwilling or unable to redress malfeasance by public officials.

To analyze governmental corruption, we therefore employ a principal-agent approach. From this perspective, decision-making in representative democracies implies the delegation of authority from the electorate (the democratic principal) to politicians (the agents). Voters delegate government power to politicians to execute certain goals such as ensuring clean government, but because the interests of the two sets of actors may not be well aligned, politicians may choose to tolerate or engage in governmental corruption. Delegation to self-interested politicians thus opens up the possibility of corruption (Adsera, Boix, Payne 2003: 447).

Much of the formal literature in classical democratic theory analyzes precisely the problem that politicians may not act in the interest of citizens. Two central insights derive from this work. First, elections are a critical tool for voters in controlling politicians. Second, elections can only enhance the control of politicians when they are effective as *mechanisms of selection* by which

voters can select “good” types of politicians rather than corrupt ones (Fearon 1999), and as *sanctioning devices* through which voters can reward or punish performance in office (Banks and Sundaram 1993, Barro 1973, Ferejohn 1986). When elections are ineffective on either dimension, they give rise to the risks of *adverse selection* (so that voters may elect politicians who do not have the motivation or skills to act in their interest) and *moral hazard* (so that politicians may perpetrate or acquiesce in corruption because they cannot be effectively monitored and punished). As in other instances of delegation, these agency problems have their sources in asymmetries of information or limitations on the principal’s ability to translate information into effective choice.

The magnitude of these agency problems should therefore vary with the information and effectiveness of the choices available to voters. When *information* is poor so that the electorate has a hard time telling the difference between corrupt and non-corrupt types of politicians both agency risks are magnified (Fearon 1999: 79). Thus, voters may elect representatives whose preferences diverge from their own, or they may fail to punish politicians who have tolerated or engaged in corruption because they cannot discern the politicians’ true type. Indeed, as Ferejohn points out, “the greater the informational advantage that officials hold, the greater their ability to earn rents from office-holding” (Ferejohn 1986: 10).

Equally critical in curbing the risks of adverse selection and moral hazard is the *effectiveness of the choices* available to voters. When credible challengers are not available, or the ability of voters to co-ordinate on them is reduced, corrupt types of politicians may be selected (Ferejohn 1986: 18, Myerson 1993: 119), and incumbents who have failed to curb corruption may escape punishment. As Ferejohn observes, it is only when voters have effective alternative choices that incumbents “are forced, implicitly, to compete with other options available to the principal in order to attract her support, and this circumstance may induce more-accountable agency” (Ferejohn 1999: 133).

Because party system features shape both the information available to voters and the effectiveness of their electoral choices, they can be expected to impact on the scope for corruption.

In the section that follows we analyze the main dimensions of party system variation and their effects on the latitude for governmental corruption.

Party Systems, the Effectiveness of Elections and the Scope for Corruption

As Duverger's early work made clear, party systems are defined by the "forms and modes" of competition for votes and governmental office among the constituent parties (Duverger 1954: 203). Since Duverger, an extensive literature has shown that party systems vary significantly along three dimensions: the level of *institutionalization* (Mainwaring 1999), *competitiveness*, which captures the number of competitors and patterns of dominance in their interaction (Duverger 1954, Laakso and Taagepera 1979, Bogaards 2004), and the *nature of the competition* that prevails, especially the extent to which it is programmatically structured (Kitschelt and Wilkinson 2007). Our argument is that these systemic features of party competition, net of the idiosyncrasies of individual parties, structure the quality of information and the effectiveness of the choices available to voters. We expect party systems that aid voters to select good types of politicians, and to hold accountable those who are not, to reduce corruption. The following section develops this argument for the three dimensions of party system variation outlined above and derives a set of testable hypotheses.

(1) Party System Institutionalization

As Mainwaring (1999) notes, the level of institutionalization is perhaps the most critical dimension of variation between the party systems of many newer democracies and those of advanced industrial societies. While party system institutionalization has a range of dimensions, including the strength of societal roots, the acceptance of parties as legitimate, their organisational stability and the regularity of patterns of competition, these features aggregate in institutionalized party systems to secure "stability in who the main parties are and how they behave" (Mainwaring 1999: 25). Institutionalization varies tremendously. Some young democracies, like Taiwan, quickly establish relatively stable (Croissant and Völkel 2010: 15), institutionalized party systems, while others such as Russia throughout the 1990s feature weakly institutionalized, fluid party systems in

which the identity of key competitors changes from election to election. Similarly, there is no guarantee that institutionalized party systems will persist once they are established. Italy in the 1990s, as well as Bolivia, Ecuador, Venezuela and Peru during the 1990s and early 2000s, all suffered crises of representation that resulted in extensive de-institutionalizations of their party systems.

Party system institutionalization affects the risk of adverse selection and moral hazard in two respects. First, more institutionalized party systems improve the information available to voters and their ability to sanction politicians who permit corruption because such systems are typically characterized by better party control of talent and career structures. Thus, politicians who rise to power in institutionalized systems are on average better screened and controlled by their party, which aids the cumulative building of party reputations and enhances the value of party labels for voters (Cox and McCubbins 2005, Feldman and Conover 1983, Shively 1979). More informative party labels and reputations limit adverse selection and moral hazard because they enable voters to employ party labels as reliable shortcuts in distinguishing good and bad types of politicians instead of acquiring detailed knowledge about individual ministers and legislators. Second, in institutionalized party systems, the repeated interaction among a stable set of competitors improves the opportunities for opposition politicians to form strategic coalitions and mount credible challenges to corrupt incumbents. Credible challenges, in turn, aid voter co-ordination to punish such incumbents (Keefer 2007). Thus, by increasing information and making effective voter choice more likely, institutionalized party systems limit adverse selection and moral hazard and our first hypothesis is that

H1: Corruption improves with party system institutionalization

(2) Party System Competitiveness

The second major dimension of variation among party systems is the degree of their competitiveness. Party system competitiveness varies first, with the level of fragmentation, which affects the number of parties on offer to voters, and second, with the extent to which competition is

characterized by patterns of dominance. Both aspects of competitiveness can be expected to have a direct impact on adverse selection and moral hazard.

Party system fragmentation The level of fragmentation varies extensively among party systems. At one extreme lie party systems that offer a very restricted range of effective choices to voters. Namibia illustrates this type of party system well. Reflecting the dominance of SWAPO as the party that ushered in independence, Namibia throughout the 1990s and early 2000s had an average of just 1.6 effective electoral parties. At the other extreme lie democracies with highly fragmented party systems that offer voters extremely diverse choices and few clues about who is likely to emerge as the winner (Coppedge 1998). In the 1990s and early 2000s that group included Lithuania and Ecuador (with around 7 effective electoral parties), as well as Belgium and Brazil (with approximately 10 effective electoral parties).

Party system fragmentation affects the electoral control of politicians because it shapes the effectiveness of the choices and the quality of information available to voters. From a theoretical perspective both Myerson and Ferejohn anticipate that voter control over politicians is reduced when the number of parties is restricted (Ferejohn 1986: 18, Myerson 1993: 119). Indeed, at the lower bound a very restricted number of effective parties signals a degree of electoral hegemony that in itself presents formidable barriers to the deposition of incumbents because the level of mobilization, opposition co-ordination and vote switching required to oust them is so extensive. However, the increase in fragmentation required to make a party system significantly more competitive at this lower bound is not big. A rise from 1.6 to between 2 and 3 electoral parties (the range of fragmentation that characterized the party systems of the Benin, the Dominican Republic, Hungary, Mongolia and the US in the 2000s) can significantly increase the probability that a rejection by voters will be followed by the actual loss of policy-making power. Consequently, a rise from a very low to an intermediate number of effective electoral parties can be expected to improve the electoral control of politicians and thus reduce the scope for corruption.

However, as the number of competitors continues to rise and parties proliferate, both co-ordination problems and information costs can be expected to offset and reverse the beneficial effects of increased competition. If an electoral challenge is to be successful, voters must converge on the opposition party or coalition most likely to oust the government (Ferejohn 1986: 22), and highly fragmented party systems accentuate the co-ordination problems for voters in replacing under-performing incumbents. By presenting voters with a broad choice of potential challengers, such systems are likely to split the opposition vote, making co-ordination on any one challenger less likely. In addition, fragmented party systems raise the information requirements for voters in assessing the record of incumbents and the promises of potential challengers, and as Kurer (2001) makes clear, information and co-ordination problems are mutually reinforcing. As the quality of information declines, so too does the probability that voters will be able to co-ordinate effectively. For these reasons we anticipate that

H2: Corruption initially improves as the effective number of parties rises, but this effect reverses at high levels of fragmentation

Patterns of dominance constitute the second aspect of party system competitiveness.

Dominance Dominant party systems are characterized by the protracted and dominant position of a party or coalition in government. The origins of dominance typically lie in a combination of voter cleavages and the competitive strategies adopted by parties (Mershon 2002, Arriola 2011). The high prevalence of such systems in African democracies, for instance, is often traced to the voter loyalties commanded by parties that led the independence or democratization struggles (such as the ANC in South Africa), but it also appears to reflect the use of patronage by governing parties to undermine the incentives for opposition politicians to coalesce and form an effective electoral opposition (Arriola 2011). In Europe dominant party systems are similarly based on voter cleavages as well as parties' competition strategies, and tend to arise when a party successfully positions itself ideologically as the core party, which makes it a member of all possible coalitions. In the Netherlands Dutch Christian Democracy (the KVP/CDA) occupied such a position; in Italy the Christian Democrats

held core party status from 1946 through 1992 (Mershon 2002: 12-3). Note, that there is no clear correlation between the effective number of parties in a political system and the emergence of a dominant party system. Both Italy and the Netherlands have party systems with an intermediate number of parties; in Africa, dominant party systems feature anything “from one to more than three effective parliamentary parties” (Bogaards 2004: 188).

Dominance in party systems can be expected to accentuate adverse selection and moral hazard problems for two reasons. First, the dominant presence of one party in government creates incentives for other coalitionable parties to collude with it, because entering government requires them to enter into coalition with the dominant party. Thus, in Italy, the long era of dominance by the Christian Democrats was accompanied by “a strong tendency toward inter-party collusion” (Della Porta 2004: 51) that was often reinforced by agreements to distribute public contracts and other spoils according to the electoral strength of the parties involved. This type of collusion compromises the flow of information to voters and thus their ability to distinguish between clean and corrupt types of politicians. Second, the mechanisms by which dominance emerges – be that the positioning of a party or coalition in the ideological core of the party system or the use of patronage – limit the effectiveness of voter choice. As Arriola notes, incumbents often deliberately use patronage to enhance the co-ordination problems for opposition parties in mounting an electoral challenge (Arriola 2011). Similarly, core parties are insulated to a large degree from the effects of electoral punishment by their ideological position, which tends to secure their inclusion in government even if they are reduced in size. Thus, the mechanisms that give rise to dominant party systems can be expected to blunt the threat of electoral punishment.

For both of these reasons we anticipate that patterns of dominance correlate with higher levels of corruption. From a theoretical perspective, Ferejohn and Myerson note that mechanisms which limit successful challenges help to “maintain collusive opportunities for officeholders of the established party” (Ferejohn 1986: 23, see also Myerson 1993: 119). Case-oriented work on South Africa and Italy supports these theoretical expectations. Thus, Giliomee finds that South Africa’s

dominant party system contributed to widespread corruption through the abuse of state patronage (Giliomee 1998: 129) while Mershon observes that the Christian Democrats' core party status in Italy enabled "corruption of unprecedented scale and reach" (Mershon 2002: 184). In short, dominant party systems are likely to reduce the information available to voters and can be expected to undermine the effectiveness of electoral punishment as a means to discipline representatives. We therefore expect that

H3: Corruption is more pronounced in dominant party systems

(3) The Nature of Political Competition: Ideological Party System Structuration

The third source of major differences between party systems is the nature of the competition for votes, which can vary irrespective of the institutionalization and competitiveness of the system. As a host of studies of democracies in post-communist Europe, Africa, South and Southeast Asia, and Latin America make clear, the competition strategies which characterize party systems differ significantly. The nature of competition can span the entire spectrum from policy-based, ideologically structured competition to clientelistic, patronage-based competition (Kitschelt 2007: 527, Shefter 1994, Keefer 2007). Although clientelistic party systems are especially prevalent in newer and poorer polities, they can also be found "in advanced industrial democracies such as Italy, Japan, Austria and Belgium" (Kitschelt and Wilkinson 2007:3).

These modes of competition differ fundamentally and have implications for adverse selection, as well as moral hazard. Competition in programmatic party systems revolves around ideologically structured policy positions that parties bundle into programs they promise to enact if elected, and can be held accountable for. As Keefer notes, programmatic competition enables politicians to commit credibly to policies to provide public goods such as curbing corruption (Keefer 2011: 96), while clientelistic systems tend to confront voters with parties whose policy positions are diffuse, erratic, and lack credibility. Credible information about policy positions reduces the risk of adverse selection. In addition, programmatic structuration also limits the risk of moral hazard. As Ferejohn (1986) shows, voters can limit incumbent shirking only if they can coordinate on a

performance threshold, so that incumbents who fail to meet this threshold can be expelled from power. Programmatically structured party systems enable voters to evaluate the performance of their representatives against the promises detailed in their programmes, which aids voter coordination on a performance threshold and enhances accountability. Our fourth hypothesis, therefore, is that

H4: Corruption is less pronounced in party systems in which competition is ideologically structured

The discussion so far raises the question to what extent these dimensions constitute genuinely independent aspects of party system variation. The literature suggests that some of these dimensions ought to be correlated - less institutionalized party systems, for instance, are usually expected to be more fragmented and less ideologically structured. However, there is little theoretical reason to expect high correlations between any of these dimensions of party system variation. It is by now well established that party system fragmentation is shaped by institutional factors and social cleavages (Amorim Neto and Cox 1997), which are quite distinct from determinants of institutionalization. As a result, it is not surprising that a range of highly institutionalized systems support relatively high numbers of parties, as for instance Belgium, Finland, Italy, Israel, India and Switzerland, while other, less institutionalized party systems in recently established democracies support only small numbers of parties – examples include the party systems of Mongolia and many new African democracies. Similarly, there is no theoretical reason to expect more than a moderate correlation between party system institutionalization and programmatic structuration. While it has been argued that young democracies, in which party systems are often weakly institutionalized, tend to push politicians toward vote buying and patronage strategies in order to make credible promises to voters (Keefer 2007), the resort to clientelistic rather than programmatic strategies of competition is clearly not driven by credibility problems alone. The manner in which parties compete for votes can vary quite independently from institutionalization and appears to be driven by the comparative advantages afforded by clientelistic,

as opposed to programmatic linkage strategies in particular contexts. Thus, it is well documented that parties in a range of well-institutionalized systems in, for instance, Japan, Belgium, Italy and Austria have used their control of budgetary and regulatory processes, social security systems, public enterprises and the civil service for clientelistic purposes (Kitschelt and Wilkinson 2007, Scheiner 2005, Warner 2001). For this reason, we would not expect to see more than a moderate correlation between party system institutionalization and programmatic structuration.

Finally, the literature suggests no clear theoretical expectations at all regarding the correlation between dominant party systems on the one hand and institutionalization or ideological structuration on the other hand. Equally unclear are expectations about the relationship between fragmentation and ideological structuration. In sum, there are no theoretical reasons to expect more than limited overlap between the dimensions of party system variation that we have identified. As is consistent with the theory, our data suggest that, empirically, the correlations between these party system dimensions range from just $-.064$ to a moderate $.398$ (see Table SI.1, Supporting Information).¹ Thus, theoretically and empirically, the party system dimensions we identify are distinct. In the section that follows we examine their effects – jointly and separately - on governmental corruption.

Data and Dependent Variable

Of course, the question why voters may fail to control their politicians is of interest only in full democracies and not where electoral manipulation and fraud foil the democratic process (Kurer 2001: 65). We therefore test our hypotheses about the effects of party system competitiveness on governmental corruption only in fully democratic polities that rank 6 or higher on the Polity Index of Democracy. Our unit of analysis is the country and our data covers 80 democracies, observed over a seven-year period 2003-2009 (see Appendix 1 for a list of the countries included in the analysis).

One of the most widely accepted measures of corruption is the *control of corruption* dimension of the World Bank Governance Indicators (Kaufmann, Kraay, and Mastruzzi 2004). These data gauge the essentially hidden phenomenon of corruption via a range of surveys of international

and domestic business people, risk analysts, and residents of a country, and aim to capture the extent to which public power is exercised for private gain, including petty and grand forms of corruption, as well as “capture” of the state by elites and private interests. The World Bank indicator aggregates these surveys, treating them as measures of a common latent variable, which is estimated using an unobserved components model. The two critical advantages of this indicator are its breadth of coverage, which is unmatched by any alternative measure, and the variety of sources employed, which makes it less susceptible to poll-specific or question-specific idiosyncrasies.

Despite these advantages, though, these data pose several challenges. First, the World Bank indicator cannot appropriately be used for longitudinal analysis because of changes in the sources used to construct the index over time (Kaufmann, Kraay and Zoido-Lobaton 2002: 13-14). This confines us to the cross-sectional analysis of these data. Second, the indicator records corruption perceptions rather than the frequency or seriousness of actual corruption and it is possible that corruption perceptions deviate from the underlying phenomenon. Unfortunately, given the covert and illicit nature of corruption, no measures of actual corruption exist for a sufficiently large number of cases to enable cross-national analysis. Surveys that gauge corruption experiences come closest to providing such a measure, but their coverage of countries and years is as yet too limited. Fundamentally, though, corruption perceptions reflect the underlying frequency of corrupt interactions. As Treisman reports, the correlation between the World Bank measure of corruption perceptions and the main survey measures of corruption experiences is high and statistically significant, with correlation coefficients that range from .66 to .79 (Treisman 2007: 218). But to take account of the possibility that perceptions may deviate from realities at the margins, we average corruption perceptions reported for each of the countries in our analysis across a seven-year period (2003-9) so that spikes in corruption perceptions caused by raised awareness in a particular country-year do not bias our results.

Independent Variables: Measures and Measurement Validity

Because several of the party system features we are interested in are conceptually complex, we describe the measures we use to gauge them, as well as the tests we performed to establish their validity.

In measuring *party system institutionalization* we are guided by Mainwaring's observation that the various dimensions of institutionalization aggregate to secure "stability in who the main parties are and how they behave" (Mainwaring 1999: 25) and use the average age of the first and second largest governing parties and the largest opposition party (or any subset of these for which party age is known),² recorded in the Database of Political Institutions by Beck et al. (2001).³

Ideally, of course, we would measure institutionalization using an index that takes account of parties' societal roots, their legitimacy, organizational stability and regularity of their patterns of competition. Unfortunately, none of the indices of party system institutionalization that scholars have constructed cover the range of countries in our dataset. Nonetheless, for the subset of our cases which they cover, these indices allow us to examine how far average party age is a good proxy for the broader concept of party system institutionalization. For Latin America and East and Southeast Asia, Jones (2005) and Croissant and Völkel (2010) have developed very similar measures of party system institutionalization. In addition Kuenzi and Lambright's (2001) gauge party system institutionalization in Africa, but employ a different method and scale. Jointly, these institutionalization indices cover 38 of the countries in our dataset. Simple cross-tabulation with our party age measure shows that institutionalization and average age generate coinciding classifications of party systems with above-average and below-average institutionalization in 68 per cent of the African cases and 64 per cent of the Latin American and East and Southeast Asian cases, which suggests that average party age proxies party system institutionalization well. We take the natural logarithm of this variable since the marginal effect of an additional year can be expected to decrease as average party age rises. Our expectation is that party system institutionalization correlates with improved levels of perceived corruption.

To measure the number of parties that compete, we follow the standard approach of using the *effective number of electoral parties (ENEP)* calculated according to the Laakso Taagepera Index. The majority of these data are drawn from Gallagher and Mitchell (2008) and augmented using Golder (2005), with remaining missing values calculated by the authors. Again, we take the natural logarithm of ENEP because the marginal effect of each additional party can be expected to decrease as the number of parties rises. To capture high levels of party system fragmentation we include the *quadratic term* of the logged variable, the expectation being that the effective number of parties will initially improve perceived corruption, but the quadratic term should have the opposite effect.

Governing party dominance is measured by the number of years a governing party has spent in office consecutively, coded from the International Parliamentary Union Database and the Psephos Election Archive.⁴ Since years-consecutively-spent-in-office is a variable with a distribution that is heavily skewed to the right, we take the natural logarithm. This measure captures the initial effects of ordinary incumbency, say a government's first and second term in office - about which we have no expectation - and party systems in which a governing party has established long-term dominance. To differentiate between these two effects, we include the main and quadratic terms of this variable. Our expectation is that long term governing party dominance, captured by the quadratic term, accentuates corruption.

The construct validity of this measure can be examined by probing how far it correlates with two other features that often characterize dominant party systems - high levels of opposition fragmentation and high vote shares of the dominant governing party (Bogaards 2004). As expected, our data show that long time ruling parties tend to face very fragmented oppositions while ordinary incumbency does not correlate with opposition fragmentation (as recorded by Beck et al. 2001). Where the longest serving governing party spends less than 12 years (e.g. less than approximately three terms) in power, there is no significant correlation between opposition fragmentation and length of incumbency, but once incumbency extends to 20 years and beyond, a very powerful and statistically significant relationship emerges with opposition fragmentation ($r=.86$, $p\text{-value}= 0.00$).

Similarly, long-term incumbents tend to win larger vote shares, as expected. Ordinary incumbency of up to eight years in office (e.g. approximately two terms) is associated with an average vote share of the largest governing party of only 34 per cent (as measured by Beck et al. 2001). However, where parties serve 12 or more years in power, the largest party wins on average fully 53 per cent of the vote - more than an absolute majority. Thus, our measure appears to capture the concept of governing party dominance well.

Turning to the *ideological structuration* of party systems, we use Keefer and Stasavage's (2003) data. These data record the extent to which the chief executive's party, the three largest government parties, and the largest opposition party in a country adopt programmatic positions with respect to economic policy (left, centre, or right).⁵ We follow Keefer's (2011) approach and calculate what proportion of these parties that adopt programmatic policy positions. Our expectation is that corruption is less pronounced in party systems that feature more programmatic competition.

As a test of the validity of this measure, we examine how far it coincides with the global expert survey based measure of programmatic party system structuration developed by Kitschelt et al. (see Kitschelt and Kselman 2011). Unfortunately, the expert survey data only provides one data point for each country between 2007 and 2009, but it overlaps with our data for 72 countries. Kitschelt et al.'s expert surveys gauge how far parties adopt programmatic, rather than clientelistic, positions on a range of economic and socio-cultural issue dimensions.⁶ To compare the two measures we average our variable for the period of 2007-2009. Despite the discrepancies in the number of issue dimensions assessed, cross-tabulating the two measures shows that they coincide in their classification of party systems with above-average and below-average programmatic structuration in 70 per cent of the cases.

In sum, we are confident that our measures capture party system variation well along the three dimensions that we seek to analyze – institutionalization, competitiveness and ideological structuration.

Control Variables

We employ two sets of control variables which have been shown to affect corruption in previous cross-national work. The more parsimonious set of controls includes constitutional, economic, social and regional factors. As we have seen, constitutions are thought to differ in the extent to which they offer opportunities for corruption and rent extraction. Constitutions which decentralize power and those that feature executive presidents are characterized by greater competition between political actors and more extensive checks and balances, features that, a range of scholars argue, limit the scope for corruption (Persson and Tabellini 2003, Fisman and Gatti 2002). We measure *decentralization* using Beck (2001) et al.'s coding of the extent to which countries have autonomous, locally elected governments and employ an indicator for democracies that feature an *executive president* drawing on Svobik's (2008) coding.

Economic conditions have been shown to have a powerful influence on corruption. Thus economic development can be expected to curb corruption because it "increases the spread of education, literacy, and depersonalized relationships —each of which should raise the odds that an abuse will be noticed and challenged" (Treisman 2000: 404). Additionally, the ability of officials to extract rents in the domestic market should be reduced when that market is open (Treisman 2000, Gerring and Thacker 2005). We measure *economic development* using the natural logarithm of real GDP per capita (in constant 2000 US\$), reported as part of the World Bank World Development Indicators. *Trade openness*, also drawn from the World Bank's Development Indicators, is measured by the sum of a country's imports and exports as a share of GDP —missing country-years were completed using import and export data as reported in the IMF's International Financial Statistics. In addition, we control for social influences on corruption. It is often argued that societies which feature ethnic and linguistic divisions are associated with greater corruption, because corrupt rents can be more easily extracted in divided societies that provide for internal sanctions against those who betray their co-ethnics. To capture the degree of *ethno-linguistic fragmentation* we draw on Alesina et. al.'s (2003) index.

Finally, we include a series of *regional indicators* for the Former Soviet Union, the Middle East, Central and Latin America, Asia, and Africa in the analysis to account for unobserved regional influences on perceived corruption (all descriptive statistics are reported in Table SI.2, Supporting Information).⁷

The more extensive set of controls additionally captures factors which, like party system features, shape electoral information and choice. First, we include the *quality of democracy*, as measured by the Polity Index of Democracy (Marshall, Gurr and Jaggers 2010), which has an impact on the degree of media freedom and thus the information available to citizens, as well as the protection of civil rights and liberties and thereby the scope for effective opposition exposure of governmental corruption. Second, we control for the nature of the electoral rules, which also structure the choices and information available to voters. Thus, plurality electoral systems are often expected to make it easier than PR lists for voters to attribute responsibility (Kunicova and Rose-Ackerman 2005). In addition, PR systems, in particular in combination with open lists, are thought to induce politicians to focus on personal reputations in order to differentiate themselves from their co-partisans and “to use illegal proceeds to fund electoral competition” (Chang and Golden 2006: 119), skewing the distribution of politicians toward corrupt types. To account for the nature of the electoral rules, a series of indicator variables are used to record whether a country employs *Proportional Representation, Plurality, and Open Lists*. We also include an interaction to capture Open List PR systems (*Open List*PR*). The electoral systems data are drawn Beck et al. (2001) and augmented using Regan and Clark (2010) and Golder (2005). Since both, the quality of democracy and the nature of the electoral system can be expected to influence not just voter information and choice, but also the scope for governmental corruption, their inclusion can spuriously obscure the relationship between party system effects and corruption. However, despite these confounding influences, party system features exhibit a pattern of association with governmental corruption that is consistent with our expectations in all specifications.

Models and Results

Our model choice and specification is driven by three considerations. First, the dependent variable – the World Bank Control of Corruption Indicator - ranges from -1.46 to 2.35 in our data, which makes an OLS regression model the appropriate choice. Second, to correct for unobserved sources of variability between countries, we estimate robust standard errors. Third, in examining the effect of party systems on corruption the possibility of reverse causation is an important concern. Party systems result themselves, at least in part, from the choices of politicians who may wish to protect corrupt practices by limiting the information and choices available to voters. To address this concern about the direction of causality, we lag all of our explanatory variables which capture aspects of the party system, as well as all time-varying control variables, by a period of seven years. Since our dependent variable is averaged over a seven-year period (2003-9), we also average our explanatory and control variables over the corresponding lagged seven year period 1996-2002.

Table 1 presents the results of the analysis.⁸ Model 1 uses the parsimonious set of control variables, while Model 2 employs the more extensive set of controls. Because the shared variation between the main and quadratic terms for party system fragmentation and governing party dominance is high, it is difficult to distinguish in these models the separate effects of these terms. For this reason, we residualize the two quadratic terms to render them uncorrelated with the main terms, and then replicate the analysis in Models 3 and 4. Residualization in effect adds the shared variation between the linear and quadratic terms to the linear term. The coefficients on the main terms in Models 3 and 4 are thus equivalent to the coefficients these terms would have had if the quadratic terms had been excluded from the analysis. The coefficients on the quadratic terms remain unchanged (Clarke and Stone 2008).⁹

Across all of these specifications, the pattern of party system coefficients reflects precisely the expectations we derive from our analysis of corruption as a principal-agent problem between voters and politicians. Unless otherwise noted, the discussion of the results is based on Model 1 (for all predicted changes in corruption scores described in this section see Table 2).¹⁰ As anticipated, levels of perceived corruption improve with party system institutionalization. This is consistent with

our argument that institutionalization raises the informational value of party labels and assists voter co-ordination by making strategic alliances within the opposition to mount credible challenges to tainted incumbents more likely (H1). The effect is strongest for initial improvements in party system institutionalization. A rise in average party age from just 3.41 (the minimum in our data) by one standard deviation (to 34.51 years) correlates with an improvement of 15 per cent in corruption perception scores. Predictably, a further one standard-deviation increase in institutionalization of an already well-institutionalized party system (from the mean party age of 36.5 years to 67.6 years) has a diminishing marginal effect and is only associated with an additional reduction of 4 per cent in corruption perceptions (recall that higher WGI scores indicate lower levels of perceived corruption).

[Table 1 about here]

Table 2 makes clear that corruption scores also respond strongly to changes in the competitiveness of the party system. We anticipated that party system fragmentation initially improves perceived corruption levels because it enhances competition and choice for voters. As expected, an initial increase in the effective number of parties is always associated with a significant reduction in corruption perceptions. This effect appears large in Model 1 - a one-standard deviation from the minimum of 1.7 to 5.2 reduces corruption scores by 46 per cent. Note, however, that the size of this coefficient is reduced in Models 3 and 4, which aim to distinguish the effects of fragmentation and its squared term by orthogonalizing the latter. As expected, the effect reverses at high levels of party system fragmentation. Thus, a one standard-deviation increase in the squared number of effective parties yields a very significant 38 per cent rise in corruption perceptions, which is consistent with our hypothesis that highly fragmented party systems raise the information costs for voters and create co-ordination problems in the effort to punish corrupt incumbents (H2). Long term governing party dominance, captured by the quadratic term, also has a powerful effect on corruption scores. Increasing long term governing party dominance by one standard deviation is associated with a 20 per cent deterioration of corruption scores as is consistent with our argument that long term dominant party systems favour collusion and blunt the tool of electoral punishment

(H3). Note that the main effect of governing party dominance is not precisely estimated and changes sign in Models 3 and 4, indicating that initial periods of incumbency have no clear effect on corruption as one might expect. Our fourth hypothesis was that party systems with more ideologically structured competition convey better information to voters and aid their co-ordination on a performance threshold, which reduces corruption (H4). This expectation, too, is borne out by the data. A one standard-deviation increase in ideological party system structuration correlates with a 5 per cent improvement in corruption scores. Thus, whether we use the more parsimonious or the fuller set of controls, and whether or not we residualize the quadratic terms, the variables of theoretical interest always have the expected signs and are statistically significant.

[Table 2 about here]

Turning to the controls, decentralized constitutions and the existence of an executive president both have the positive sign that Persson and Tabellini (2003) and Fisman and Gatti (2002) would expect - indicating that they tend to correlate with improved corruption scores - but as previous research has suggested, these effects are fragile and neither coefficient is precisely estimated. Wealth is - as the extant research overwhelmingly suggests - associated with significantly improved levels of perceived corruption. The coefficients for trade openness and social structure suggest that trade openness tends to reduce corruption, while ethnic and linguistic divisions tend to correlate with higher levels of perceived corruption as expected, but both coefficients fall short of statistical significance. The region dummies suggest that Middle Eastern and Central and Latin American countries tend to have worse corruption perception scores, while African democracies fare better.

In Models 2 and 4, the inclusion of the expanded set of controls for the quality of democracy and electoral systems - all of which affect the information and choices available to voters - reduces the magnitude of most party system variables somewhat as is consistent with the theory, but the party system variables retain their significance and substantively sizable effects. The additional controls in Models 2 and 4 all have the expected signs. While the quality of democracy and plurality

electoral systems correlate with improved perceptions of corruption, corruption appears to be worse in the context of open-list proportional electoral systems (captured by the interaction). However, again these effects are fragile, as previous work suggests, and none of these coefficients are estimated precisely enough to reach conventional levels of statistical significance. Finally, the level of explained variance across these models is high with R-squared statistics of .87 and .88.

Robustness

We employ two strategies to further examine the robustness of these results. First, because several of the party system dimensions we identify are moderately correlated, we probe how far the expected effects obtain when we examine each party system feature separately in Table 3, including both the parsimonious set of controls (Models 5-8) and the more extensive controls (Models 9-12). As these regressions make clear, whether we examine the effects of the party system features separately or jointly, the results are robust.

[Table 3 about here]

Second, we also examine how far our results are robust to a range of alternative model specifications. Thus, we substitute alternative controls (Freedom House for the Polity score and a simple dichotomous coding of electoral systems into majoritarian and proportional). We then add to our model further individual controls for district magnitude, single party government, which may affect corruption by improving clarity of responsibility (Tavits 2007), and predominantly protestant cultures, which are thought to be less hierarchical than cultures shaped by Catholicism, Eastern Orthodoxy or Islam and may make challenges to under-performing office-holders more likely. Across all of these different alternative specifications our substantive results prove robust, none of the coefficients of theoretical interest to us drop below the 10 per cent level of statistical significance (see Supporting Information Table SI.3).

In sum, we find that party system features have powerful effects on levels of corruption as perceived by citizens, domestic and international business people and risk analysts. Features that improve the information and effectiveness of the choices available to voters, such as party system

institutionalization, the existence of a moderate number of competing parties and programmatic party competition, appear to enable voters to avoid the election of politicians for whom corruption is not a priority and to punish those that are discovered to tolerate or engage in abuse of public office. Conversely, party system features that either constrain the information available to voters or mitigate the effectiveness of their choices at the ballot box significantly worsen problems of corruption as a principal-agent approach would lead us to expect. These features include high levels of party system fragmentation and the emergence of patterns of dominance in party competition.

Conclusion

In this paper, we have applied a principal-agent approach to governmental corruption and aimed to bridge the disjuncture between the empirical work on corruption and the theoretical literature on the control of politicians. Our approach makes clear that the latitude for governmental corruption is to a significant extent conditioned by the effectiveness of elections in enabling voters (as democratic principals) to control their political agents. We argue that party system variation, and its impact on the effectiveness of elections as tools for voters to select and control politicians, plays a critical and overlooked role in conditioning the scope for corruption. Party systems structure both the information available to voters to distinguish parties for which curbing corruption is a priority and the effectiveness of voter choices in avoiding the election and re-election of politicians who tolerate or perpetrate corruption. Our empirical results suggest that the more party system features enhance the effectiveness of elections, the more limited the scope for corruption.

These findings have implications for work in two broad fields of comparative politics. For the literature on the political determinants of corruption - which has so far focused overwhelmingly on the effects of formal institutions such as constitutions and electoral systems - our results underscore the importance of party system variation as a critical and under-researched link in the causal chain that connects voter choices to the control of politicians and governmental corruption. Keefer's recent work (2011) has taken a first important step in highlighting the importance of party systems by establishing that programmatic parties improve public policy outcomes including corruption

control, because they enable politicians to make credible programmatic commitments to broad groups of voters. Our approach moves significantly beyond this insight by giving a first unified account of the impact of the main dimensions of party system variation – institutionalization, competitiveness and programmatic structuration - on governmental corruption. The findings of this paper thus contribute to an ongoing effort by comparativists to better understand the political factors which shape the scope for corruption in contemporary democracies.

Our findings also speak to the literature on the political and economic effects of party systems. As Kitschelt (2007) notes, the profusion of party system typologies and weak conceptualization of the role of party systems in shaping democratic accountability has for some time presented problems for research in areas such as political economy and public policy where party system variation is considered a potentially important explanatory variable. Crucial for work in these areas is an understanding of how different party system features enable or limit political accountability. However, to date, the effects of specific party system features on the ability of citizens to control their politicians have not been sufficiently well understood. By linking the party systems literature with the insights generated by positive democratic theory on the effectiveness of elections, our work offers a precise way to conceptualize the effect of specific party system features on voter information and choice, which in turn condition the effectiveness of elections as tools to control politicians. In sum, our work should prove useful not just to students of governmental corruption, but also to scholars working in the fields of political economy and public policy.

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Table 1: Party System Effects on Corruption Perceptions (averaged 2003-9)

	(1)	(2)	(3)	(4)
	Parsim. Controls	Full Controls	Parsim. Controls	Full Controls
Party System Features				
H1 Institutionalization (ln Party Age)	0.249** (0.070)	0.199* (0.080)	0.249** (0.070)	0.199* (0.080)
H2 Fragmentation (ln ENEP)	1.593** (0.365)	1.451** (0.419)	0.276* (0.133)	0.253+ (0.137)
Fragmentation Sq	-0.409** (0.086)	-0.371** (0.104)		
Fragmentation Sq (Residuals)			-0.409** (0.086)	-0.371** (0.104)
H3 Governing Party Dominance	0.452* (0.182)	0.528** (0.198)	-0.003 (0.066)	0.027 (0.069)
Governing Party Dom Sq	-0.126** (0.044)	-0.139** (0.047)		
Governing Pty Dom Sq (Residuals)			-0.126** (0.044)	-0.139** (0.047)
H4 Ideological Structuration	0.694** (0.251)	0.681** (0.242)	0.694** (0.251)	0.681** (0.242)
Controls				
Decentralization	0.027 (0.065)	0.048 (0.075)	0.027 (0.065)	0.048 (0.075)
Executive President	0.041 (0.103)	0.084 (0.111)	0.041 (0.103)	0.084 (0.111)
GDP per capita (ln)	0.402** (0.049)	0.399** (0.069)	0.402** (0.049)	0.399** (0.069)
Tradeopenness	0.110 (0.099)	0.118 (0.109)	0.110 (0.099)	0.118 (0.109)
Ethnolinguistic Fragmentation	-0.206 (0.259)	-0.199 (0.265)	-0.206 (0.259)	-0.199 (0.265)
Quality of Democracy		0.058 (0.046)		0.058 (0.046)
Proportional Representation		0.123 (0.152)		0.123 (0.152)
Plurality (First-Past-the-Post)		0.221 (0.168)		0.221 (0.168)
Open Lists		0.091 (0.155)		0.091 (0.155)
Open Lists*Proportional Representation		-0.202 (0.262)		-0.202 (0.262)
Former Soviet Union	0.245 (0.231)	0.307 (0.279)	0.245 (0.231)	0.307 (0.279)
Middle East	-0.531** (0.111)	-0.469** (0.132)	-0.531** (0.111)	-0.469** (0.132)
Central and Latin America	-0.671** (0.182)	-0.610** (0.184)	-0.671** (0.182)	-0.610** (0.184)
Asia	-0.152 (0.156)	-0.149 (0.161)	-0.152 (0.156)	-0.149 (0.161)
Africa	0.622** (0.206)	0.574** (0.203)	0.622** (0.206)	0.574** (0.203)
Constant	-5.887** (0.691)	-6.306** (0.740)	-4.660** (0.574)	-5.138** (0.588)
Observations	80	80	80	80
R-squared	0.873	0.881	0.873	0.881

Robust standard errors in parentheses, + significant at 10%; * significant at 5%; ** significant at 1% (two sided).

Table 2: Magnitude of Predicted Changes in Corruption Scores

	One std. dev. increase from	Change Corruption Score	Percentage Change	Std. Err.	95% Confidence Interval	
Institutionalization (Party Age)	Min	.57	15%	.16	.25	.88
	Mean	.15	4%	.04	.07	.23
Fragmentation (ENEP)	Min	1.76	46%	.42	.88	2.55
Fragmentation (ENEPsq)	Min	-1.47	38%	.31	-2.09	-.84
Governing Party Dominance sq	Min	-.75	20%	.26	-1.27	-.25
Ideological Structuration	Min	.17	5%	.04	.03	.19

Note: All predicted changes are based on Model 1. Effects for all logged variables are reported in the original metric. Other variables were kept constant - continuous variables at their mean, dichotomous variables at their mode.

Table 3: Effects of Individual Party System Features on Corruption Perceptions (averaged 2003-9)

	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
	Parsimonious Controls				Full Controls				
Party System Features									
H1	Inst'lization (ln Party Age)	0.177** (0.066)			0.134+ (0.073)				
H2	Fragmentation (ln ENEP)		0.805* (0.337)			0.651+ (0.387)			
	Fragmentation Sq		-0.231** (0.084)			-0.181+ (0.099)			
H3	Governing Party Dominance		0.351+ (0.201)				0.561* (0.213)		
	Governing Pty Dom Sq		-0.099+ (0.051)				-0.142** (0.051)		
H4	Ideological Structuration			0.630** (0.198)				0.622** (0.190)	
Controls									
	Decentralization	0.027 (0.067)	0.052 (0.073)	0.042 (0.071)	0.064 (0.069)	0.057 (0.075)	0.083 (0.079)	0.048 (0.074)	0.097 (0.076)
	Exec. President	-0.018 (0.124)	-0.054 (0.127)	-0.030 (0.135)	0.002 (0.122)	0.012 (0.131)	0.001 (0.129)	0.044 (0.140)	0.054 (0.124)
	GDP pc (ln)	0.489** (0.061)	0.528** (0.062)	0.538** (0.067)	0.494** (0.056)	0.460** (0.073)	0.499** (0.072)	0.524** (0.079)	0.453** (0.075)
	Tradeopenness	0.068 (0.103)	0.122 (0.115)	0.069 (0.115)	0.069 (0.103)	0.091 (0.113)	0.136 (0.129)	0.108 (0.120)	0.088 (0.114)
	Ethnolinguistic Fragmentation	-0.147 (0.289)	-0.141 (0.306)	-0.090 (0.285)	0.007 (0.279)	-0.163 (0.300)	-0.196 (0.330)	-0.026 (0.294)	-0.045 (0.283)
	Qual. of Dem'cy					0.086+ (0.044)	0.082+ (0.046)	0.088+ (0.046)	0.096* (0.040)
	Prop'l Repres.					0.119 (0.163)	0.156 (0.163)	0.158 (0.163)	0.162 (0.163)
	Plurality					0.237 (0.201)	0.296 (0.178)	0.508** (0.175)	0.303+ (0.167)
	Open Lists					0.050 (0.169)	0.130 (0.165)	0.023 (0.177)	0.107 (0.166)
	Open Lists*PR					-0.064 (0.301)	-0.167 (0.303)	-0.103 (0.321)	-0.132 (0.308)
	Former Soviet Union	0.164 (0.211)	0.086 (0.223)	-0.031 (0.206)	-0.116 (0.206)	0.232 (0.232)	0.213 (0.282)	0.104 (0.233)	0.050 (0.220)
	Middle East	-0.484** (0.124)	-0.484** (0.138)	-0.463** (0.117)	-0.477** (0.134)	-0.400* (0.172)	-0.394* (0.152)	-0.377* (0.175)	-0.374** (0.124)
	Central and Latin America	-0.689** (0.182)	-0.544** (0.200)	-0.560** (0.189)	-0.703** (0.180)	-0.590** (0.175)	-0.454* (0.197)	-0.479** (0.174)	-0.603** (0.170)
	Asia	-0.247 (0.155)	-0.231 (0.212)	-0.213 (0.212)	-0.170 (0.196)	-0.228 (0.148)	-0.226 (0.168)	-0.206 (0.171)	-0.161 (0.158)
	Africa	0.320 (0.200)	0.495+ (0.256)	0.372 (0.247)	0.329 (0.199)	0.333+ (0.195)	0.473+ (0.243)	0.303 (0.216)	0.329+ (0.181)
	Constant	-4.057** (0.629)	-4.535** (0.780)	-4.162** (0.704)	-4.160** (0.567)	-4.603** (0.633)	-5.115** (0.788)	-5.224** (0.692)	-4.866** (0.542)
	Observations	80	80	80	80	80	80	80	80
	R-squared	0.824	0.814	0.813	0.823	0.837	0.832	0.840	0.844

Robust standard errors in parentheses, + significant at 10%; * significant at 5%; ** significant at 1% (two-sided)

Appendix 1: Countries included in Analysis

Argentina	El Salvador	Lesotho	Poland
Australia	Finland	Liberia	Portugal
Austria	France	Madagascar	Romania
Bangladesh	Germany	Malawi	Senegal
Belgium	Ghana	Malaysia	Sierra Leone
Benin	Greece	Mali	South Africa
Bolivia	Guatemala	Mauritius	South Korea
Botswana	Guinea-Bissau	Mexico	Spain
Brazil	Guyana	Mongolia	Sri Lanka
Bulgaria	Haiti	Namibia	Sweden
Burundi	Honduras	Nepal	Switzerland
Canada	Hungary	Netherlands	Thailand
Chile	India	Nicaragua	Trinidad and Tobago
Colombia	Indonesia	Niger	Turkey
Comoros	Ireland	Norway	United Kingdom
Costa Rica	Israel	Pakistan	United States
Cyprus	Italy	Panama	Uruguay
Denmark	Jamaica	Paraguay	Venezuela
Dominican Republic	Japan	Peru	Yugoslavia
Ecuador	Kenya	Philippines	Zambia

Notes:

¹ For details about the measures employed please see following section.

² Keefer (2011) demonstrates that governing party age net of the length of incumbency of the current ruler offers a way to gauge party institutionalization in authoritarian regimes. However, as he notes, in democracies the institutionalization of opposition, as well as governing parties, serves to constrain incumbents and this is precisely what our measure captures.

³ Throughout, we use the updated 2010 version of Beck et al.'s Database of Political Institutions.

⁴ International Parliamentary Union Database (<http://www.ipu.org/>), Carr (<http://psephos.adam-carr.net/>).

⁵ The Keefer and Stasavage (2003) data are included in Beck et al.'s Database of Political Institutions. The measures record "Party orientation with respect to economic policy, coded based on the description of the party in the sources, using the following criteria: Right: for parties that are defined as conservative, Christian democratic, or right-wing. Left: for parties that are defined as communist, socialist, social democratic, or left-wing. Center: for parties that are defined as centrist or when party position can best be described as centrist (e.g. party advocates strengthening private enterprise in a social-liberal context)."

⁶ We draw on Kitschelt et al.'s CoSalPo_4nwe measure, which gages a party's overall programmatic appeal by averaging the programmatic orientation scores of a party on the four issues that generate the highest CoSalPo scores for that party. These typically include some economic-distributive and some socio-cultural issues. For each country, a national average across all parties was calculated, weighted by the electoral size of each party (CoSalPo_4nwe). Since the detailed data from the Kitschelt et al. project have not yet been released, we followed Kitschelt's advice to extract CoSalPo_4nwe scores from figure 3 in Kitschelt (2011). On the basis of this figure, we classified national party systems into 9 categories – each category capturing a .1 increase in programmatic orientation scores, which run from a minimum of 0 to a maximum of .9.

⁷ While the region dummies make a significant contribution to the models' overall explanatory power, they are not central drivers of the level of explained variance. Without the region dummies model R² statistics range from .74 to .79. The models that include the region dummies have R² statistics that range from .87 to .88.

⁸ All models are estimated using STATA 11.

⁹ As Clarke and Stone (2008) note, the technique of residualization as a response to collinearity can give rise to misleading interpretations when applied to control variables rather than variables of interest, which can inflate the coefficients of the variables of interest and reduce their standard errors. However, we apply residualization exclusively to variables of theoretical interest to us, regressing first the quadratic on the linear term and then replacing the quadratic term with the residuals from the auxiliary regression. Note that in the case of party system fragmentation, where we have theoretical expectations about both the linear and the quadratic term, residualization *lowers* the coefficient on the linear term and *increases* its standard error, thus putting our hypothesis to a more exacting test.

¹⁰ All quantities of interest in the interpretation of these models were simulated using Clarify (Tomz, Wittenberg and King 2003).