

VOTER'S BEHAVIOR TOWARDS CORRUPTION

Carlos Pereira

20th Session of the Institutional and Organizational Economics Academy

Cargèse (Corsica – France) May 19, 2023

THE PARADOX OF UNPOPULAR CORRUPTION AND POPULULAR CORRUPT POLITICIANS



Silvio Berlusconi



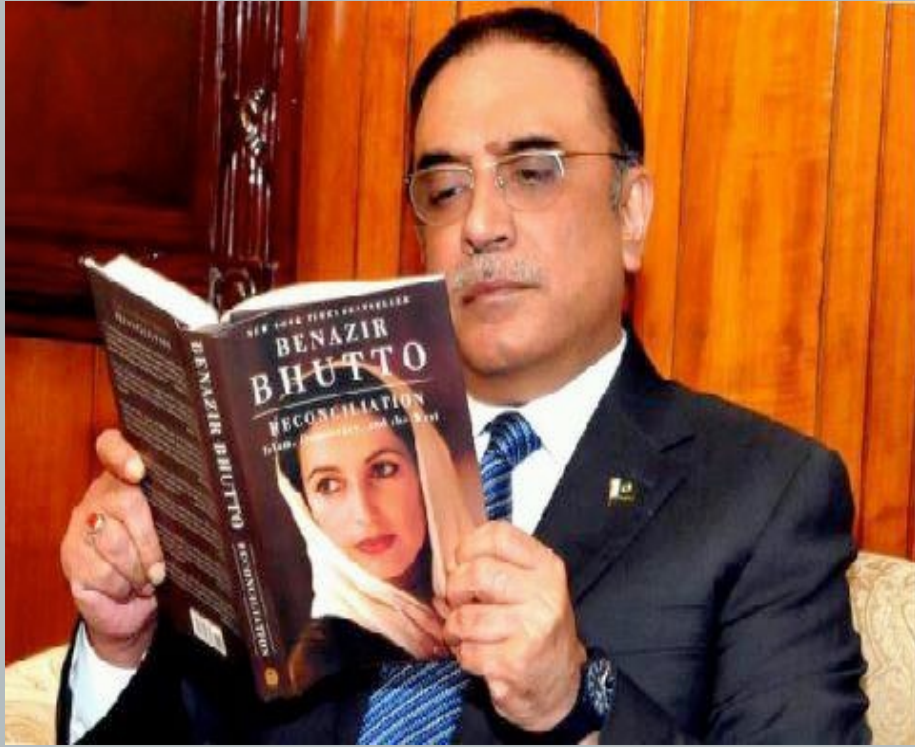
Edwin Edwards



Paulo Maluf



Ehud Olmert



Asif Ali Zardari



Rod Blagojevich



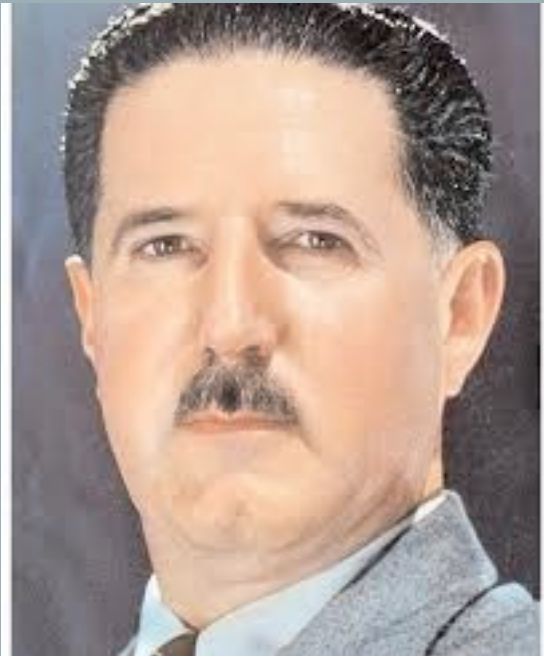
Lula

Why does Silvio Berlusconi in Italy, Edwin Edwards in Louisiana, Paulo Maluf in Sao Paulo, Ehud Olmert in Israel, Asif Ali Zardari in Pakistan, Rod Blagojevich in Illinois, Lula in Brazil (...), who despite numerous evidence of a **widespread corruption**, used to be or continue to be **popular** and **electorally successful**?

TOLERANCE OF CORRUPTION

- Corruption persists in democratic countries, where voters would have the chance to choose honest people for political positions:
- What does explain the paradox of unpopular corruption and popular corrupt politicians?
 - Lack of **information** about candidates' involvement in corruption (Winters & Shapiro, 2013; Ferraz & Finan 2008; Person and Tabellini 2004);
 - When voters perceive **politicians as incompetent** to deal with widespread corruption, they become less likely to base their vote on corruption concerns (Pavão 2018)
 - Public spending (**public goods**) moderates the negative impact of corruption on the probability of reelection (Pereira & Melo, 2015; Manzetti & Wilson, 2007);
 - Even informed voters may vote for allegedly corrupt incumbents if they expect to receive **material** benefits that other parties or candidates cannot guarantee (Golden, 2009);

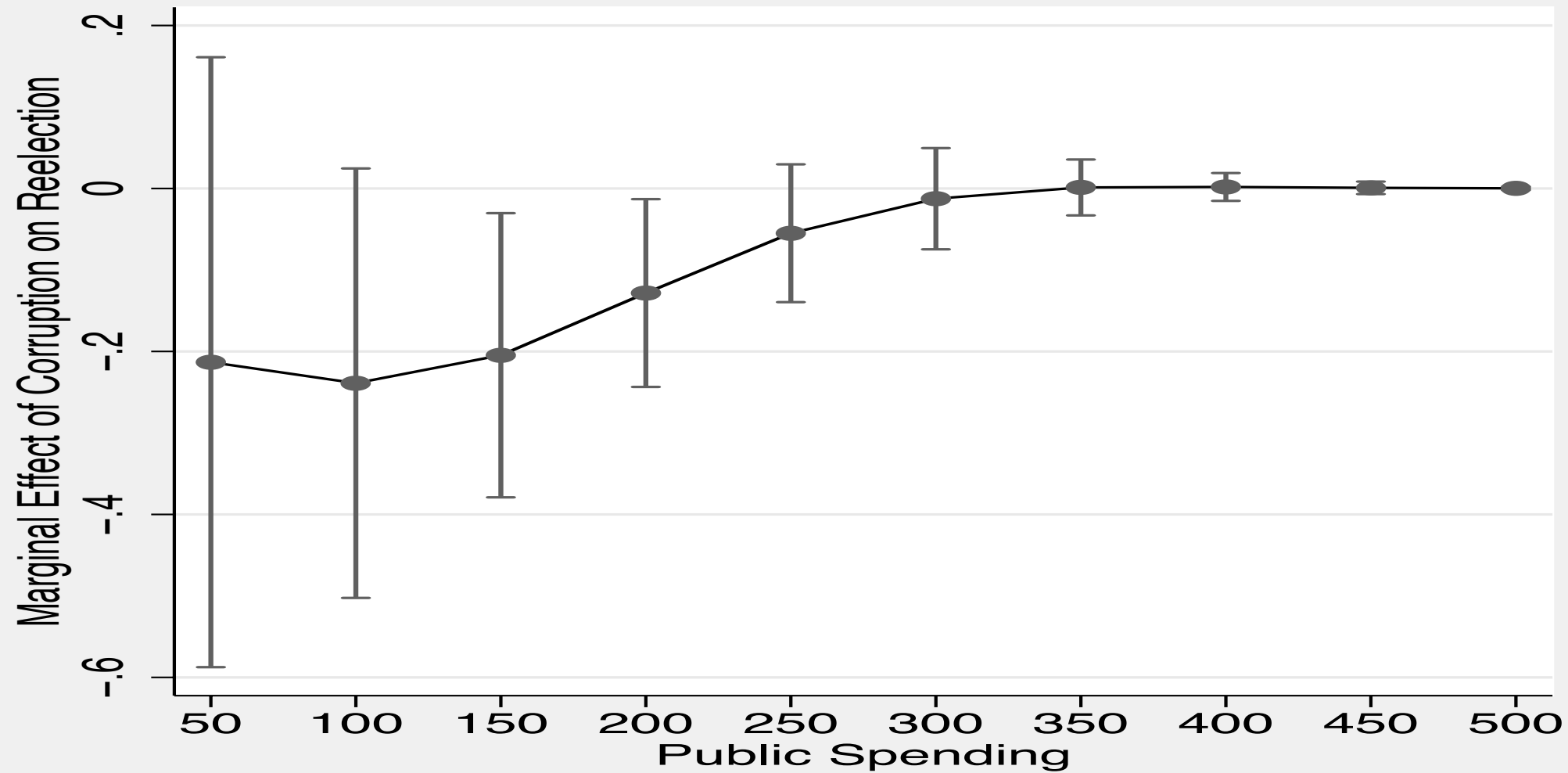
“ROUBA MAS FAZ”
(STEAL BUT GETS THINGS DONE)



- **Tradeoff hypothesis** (Pereira & Melo, 2015):
 - The utility voters extract from rectitude in office and from material benefits can have an informational basis.
 - Their experience of the provision of public goods is firsthand, and they use this information to weigh claims about politicians' misdeeds, of which they have only indirect evidence (e.g., audits, media coverage, judicial rulings).
 - Evidence about public goods provision is stronger than information that pertains to political misconduct, as a result of which we expect voters to more frequently sanction incompetent politicians accused of charges than competent clean ones and to update their beliefs about politicians' over the course of day-to-day experiences.
 - The number of irregularities perpetrated by mayors (Audit Courts), lower the probability of reelection by about 19%.

CORRUPTION AND PUBLIC SPENDING

(PEREIRA & MELO, 2015)



HOW ABOUT IDEOLOGY? (BARROS, GOLDSZMIDT & PEREIRA, 2019)

Does sharing ideological positions
facilitate voting for a corrupt
candidate?

- What psychological processes (mechanisms) are behind this choice?
 1. **Cognitive trade-off (tolerance)**: It is possible that one should purposely choose a corrupt candidate when the benefits of sharing ideological views are preferred, making corruption thus attractable or worthwhile.
 2. **Change in perception (misperception)**: Ideology may change the perception of corruption, in such a way that voters may see corrupt candidates as honest.
 - E.g. Physicians considers receiving gifts from the pharmaceutical industry as less wrong when the beneficiaries are themselves instead of others.
 - ideology may facilitate seeing someone else as similar to oneself and, for this reason, discounting corrupt information

HYPOTHESES

- **Voting Choice:**
 - Voters are more likely to choose a corrupt candidate when they **share** ideological preferences
- **Voters' perception of candidates and corruption**
 - Trade-off mechanism (**Tolerance of Corruption**): voters consciously tolerate corrupt candidates when the benefits are believed to **compensate the costs**.
 - Misperception of corruption (**Ideological Blindness**): people tend to discount information about dishonest behavior more often when the person who commits it is oneself instead of others. Discounting dishonest information works as a **painkiller**.
- **Voters' perception on choice**
 - Ideology can create a state of blindness, in which voters see the candidate's misconduct as not '**wrong enough**'. If corruption is not 'very wrong', voters may believe that it is not a problem for them to vote for this candidate.
 - In a case in which **corruption information is too salient to be misperceived**, voters may still engage into a biased cost-benefit evaluation that choosing this candidate may still seem worthwhile.

METHOD: EXPERIMENT I

- Web-based survey experiment:

X 2 (economic ideology: matching vs. mismatching)

X 2 (social ideology: matching vs. mismatching)

- Between subjects design: each subject had access to a distinct condition.
- N = 1,045, randomly assigned to one of the experimental conditions.
- The survey was posted on Facebook two weeks prior to the runoff presidential election in Brazil, which took place on October 26 2014.

METHOD: EXPERIMENT I

The participants:

- (1) read the profile of two candidates;
 - (2) made the decision as to which candidate they would vote for;
- The first option was Candidate A, who had large political experience. He had been a municipal mayor twice, a former state-governor; he had a 70% citizen approval rating, and was considered very efficient by the population.
 - The second option was Candidate B, who lacks administrative experience. He had been a municipal mayor just once, and he had a 30% citizen approval rating. When he was a mayor, he did very little to improve people's quality of life. In this campaign, his platform focused on honesty in politics and public service.

METHOD: EXPERIMENT I

(3) answered a questionnaire measuring their own ideology

(Role of the government in the economy – Cronbach alpha = .6 and Social values – Cronbach alpha = .6);

(4) read the manipulation;

(5) made a second decision for whom to vote;

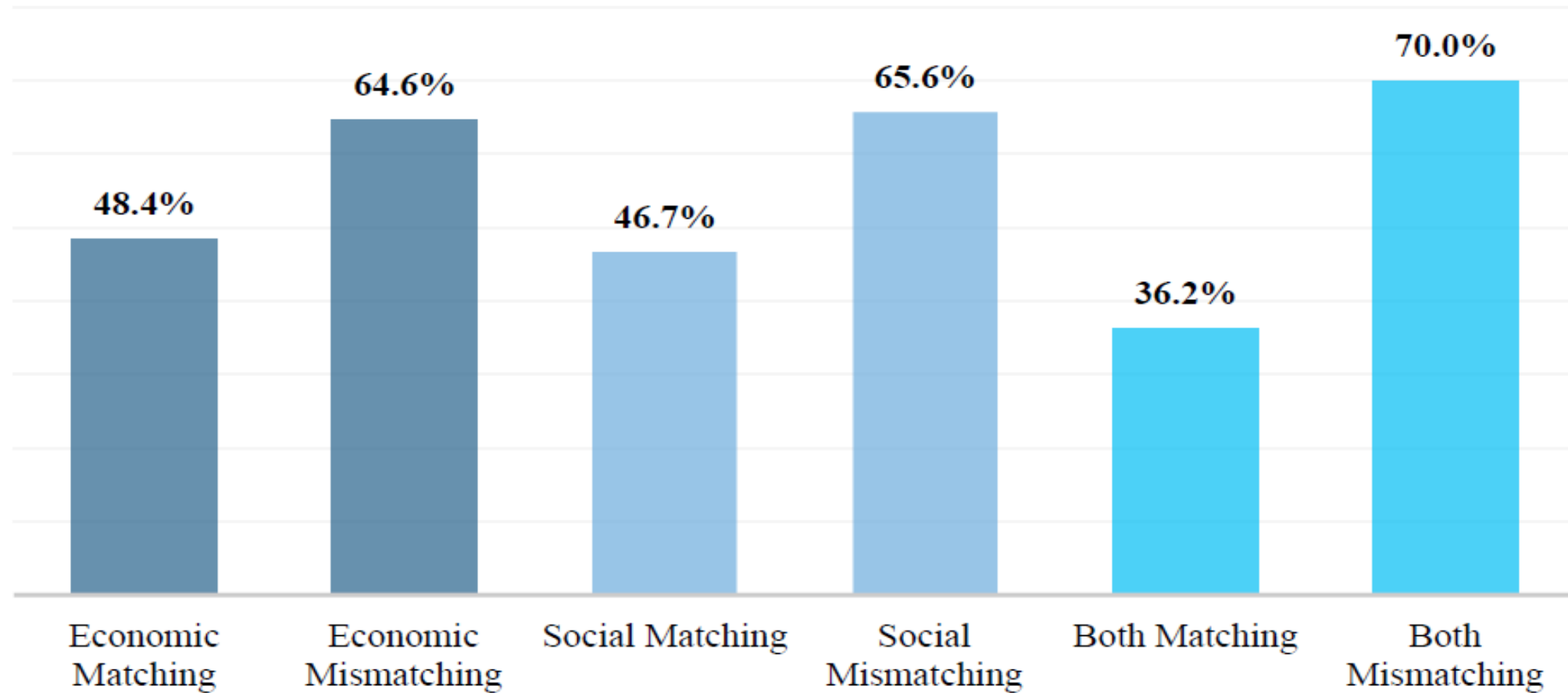
(6) answered a questionnaire measuring the type of processing (whether the corrupt candidate was seen as a cost-benefit choice – he steals, but he gets things done – or if he was seen as not corrupt); and

(7) answered some socio-economic questions.

MANIPULATIONS

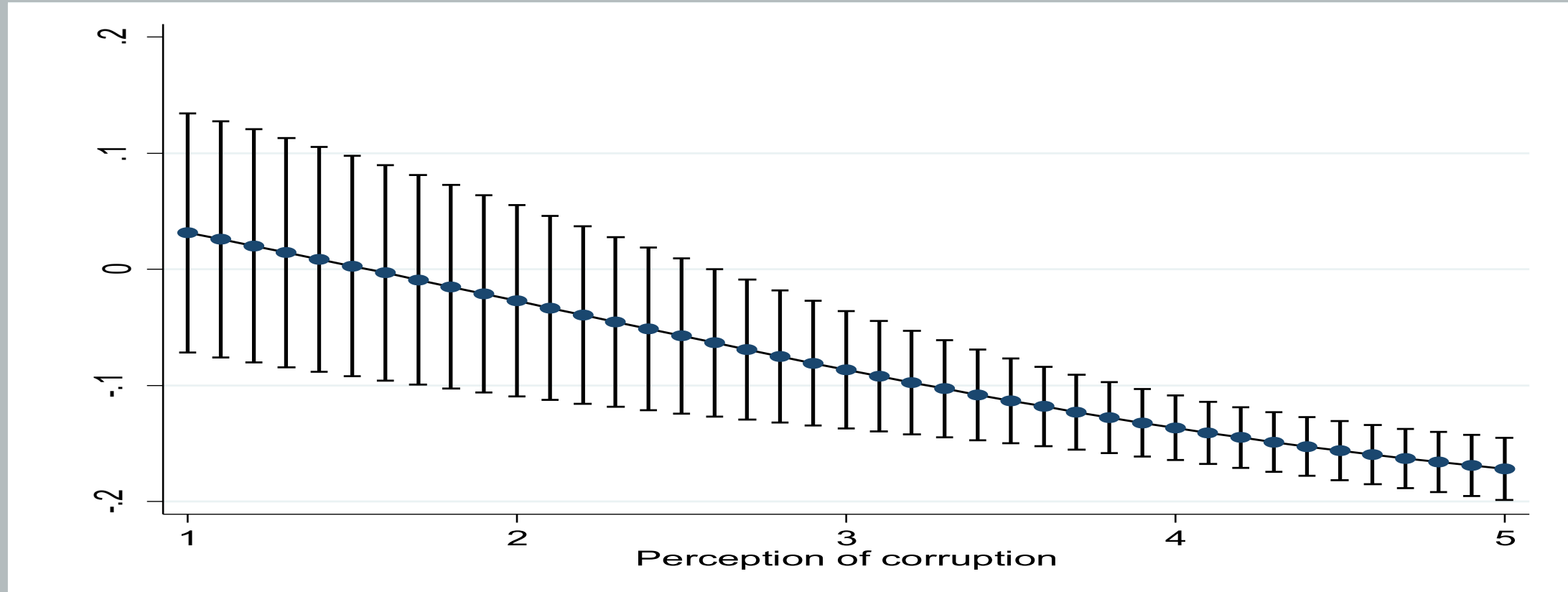
- Subjects read a vignette again illustrating the profile of both candidates, but now updating with more information about Candidate A;
- In the money (nepotism) condition, Candidate A was accused of causing a BR\$ 4 million loss in public accounts for stealing money (vs. appointing a family relative to a public position);
- In the economic liberal (conservative) condition, Candidate A was in favor of privatizations and less intervention in the economy (vs. creation of state-owned companies and more intervention/regulation in the economy);
- And in the social liberal (conservative) condition, he was in favor (vs. against) legalizing the consumption of marijuana and of homosexual marriage.
- Based on their score differences, subjects were classified into matching or mismatching (whether his or her ideological view matches or not with Candidate A's that was displayed to him or her) for both economic and social views.

REJECTION OF CORRUPTION VS. ECONOMIC AND SOCIAL MATCHING



There exist significant differences between subjects in which ideology matched compared to when they did not match, both in economic and social ideological dimensions

EFFECT OF COST-BENEFIT TRADEOFF ON VOTE CHANGE FOR DIFFERENT LEVELS OF PERCEPTION OF CORRUPTION



The cost-benefit mechanism acts only for higher levels of perception of corruption. This suggests that ideology is so important that the perception of corruption is not enough to prevent a voter from choosing a corrupt candidate. Both mechanisms seem to complement each other in explaining why people are motivated to vote for corrupt candidates who share the same ideology.

DISCUSSION

- Voters are more likely to choose a dishonest candidate when they **share the same ideology**, even acknowledging that this candidate may be corrupt. This effect is stronger when both economic and social ideological dimensions match.
- When people read information that an ideologically preferred candidate is corrupt, they are less likely to perceive him as corrupt than when he has the opposite ideology.
- The way corruption is perceived affects choice.
 - When people perceive that the ideologically preferred candidate is corrupt, people are motivated to search for other reasons to support him. This process leads to a biased cognitive trade-off that still favors the decision they already want to make.
 - It suggests that motivated reasoning can manifest in both misperception of corruption and a biased cost-benefit tradeoff.

IMPUNITY VERSUS COORDINATION?

(PEREIRA & FERUGUEM, FORTHCOMING 2023)

- **The coordination paradox:**
- The lack of coordination between accountability institutions is one of the main sources of impunity.
- The “carwash operation” (*Lava-Jato*) that took place in Brazil achieved unprecedented results in the fight against corruption.
- However, concerns were raised about the limits of coordination, particularly regarding the risk of collusion of accountability agents.

LAVA-JATO UMPRECEDENTED PERFORMANCE

- Working with a coordinated task force and intensive interaction between officials (judge, public prosecutors, and Federal Police), *Lava Jato* achieved unprecedented results curbing corruption.
- More than 250 people convicted, including the owner of the Odebrecht and the former and now, the current Brazilian President.
- More than 8 billion Reais recovered.
- More than 200 plea agreements

LEAK OF PRIVATE CONVERSATIONS

- Published transcriptions of private conversations between the judge, prosecutors, and police officers during *Lava Jato*'s operations shed light on how part of this coordination worked in practice.
 - Endless legal discussions and political disputes were raised about the legality and impartiality of the *modus operandi* of this coordination,
 - The Supreme Court settled the controversy of the operation.
 - It decided about the appropriate jurisdiction of the operation and the partiality of the judge, leading to the annulment of Lula's conviction, changing the jurisdiction in which the operation should have started.

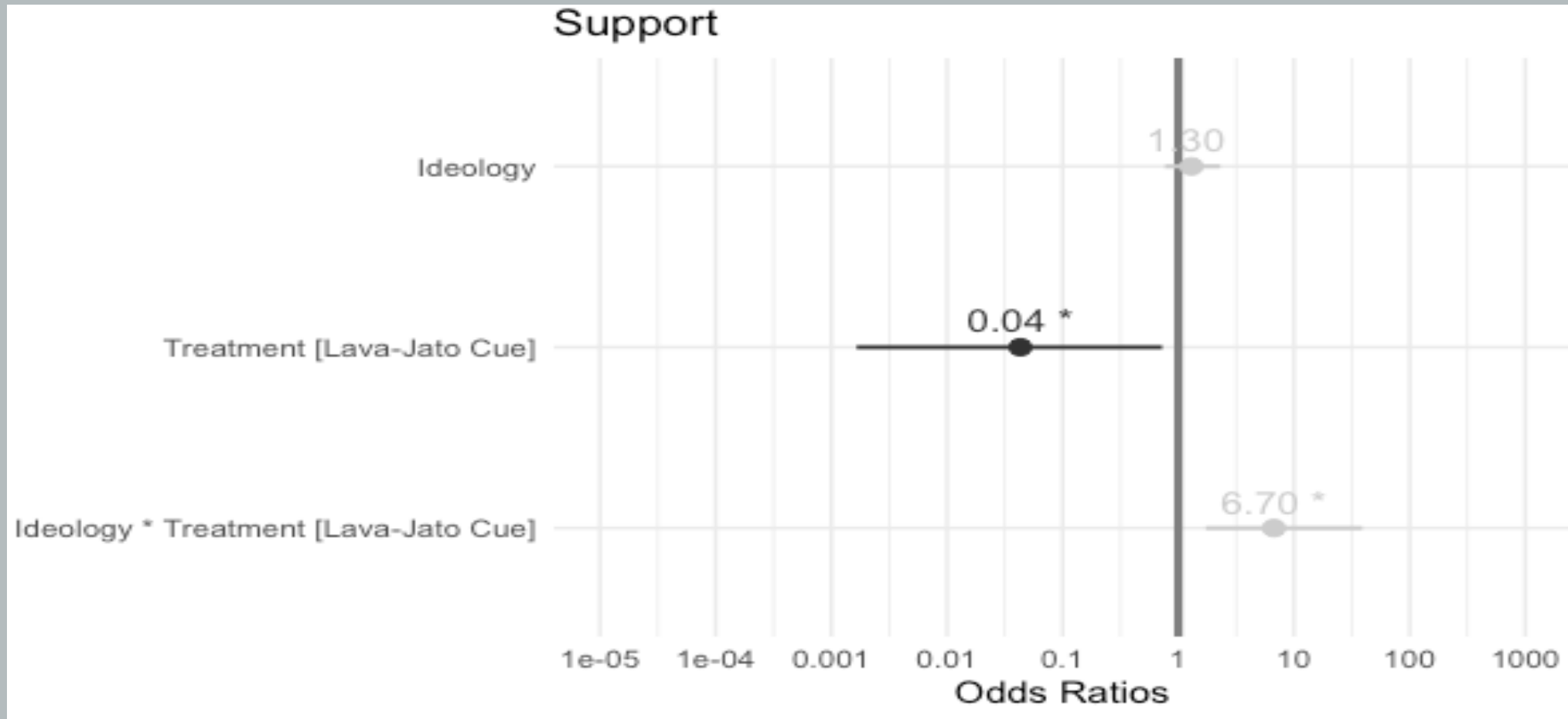
POLITICAL POLARIZATION

- Voters' approval of coordinated action when informed of its costs and benefits.
- As corruption has been perceived as a major problem in the country, it is expected that people would tend to support a coordinated behavior of members from these institutions, even when informed of the potential costs and benefits.
- However, the *Lava Jato* was strongly affected by political polarization.
 - In the left spectrum, people argued that *Lava Jato* was a political persecution to take Lula away from the presidential race.
 - While, on the right-wing side, it was argued that all political groups were equally targeted.

HYPOTHESIS

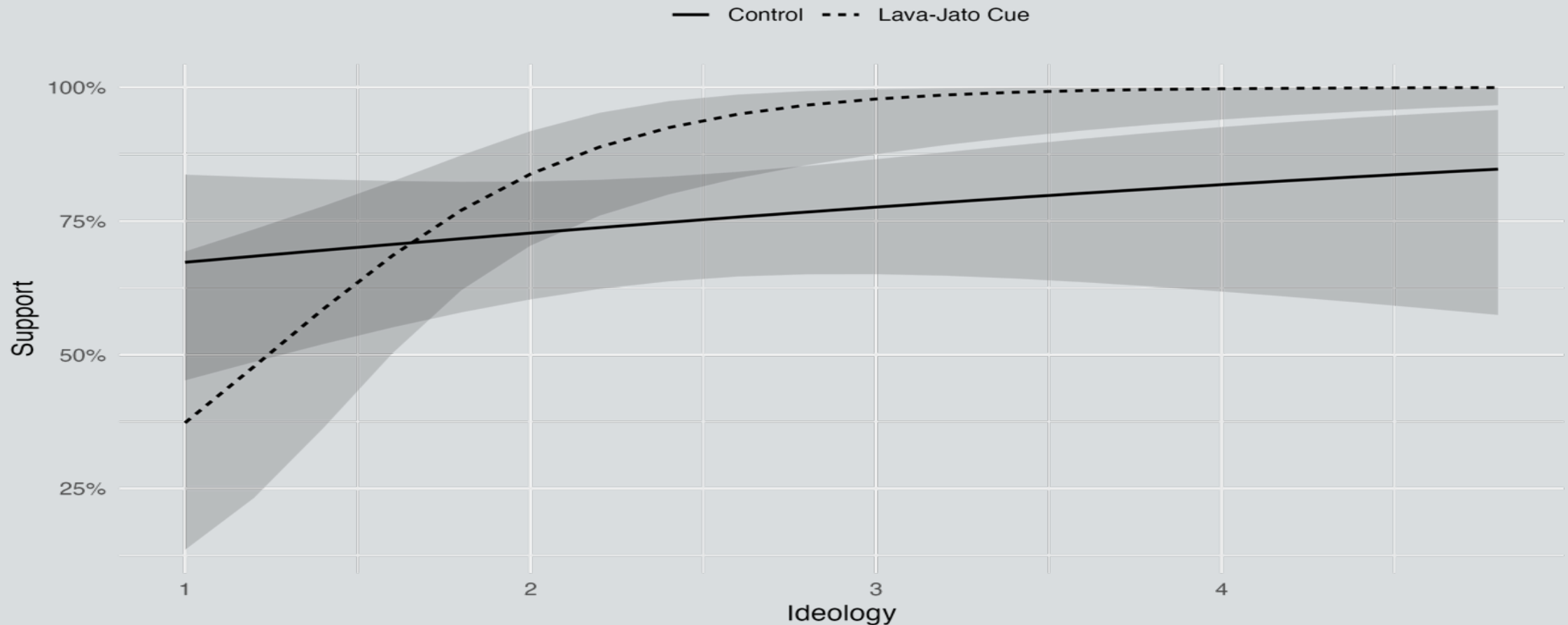
- Given the strong political polarization, it is expected that ideological preferences would influence voters' support for the anti-corruption legislative reform which seeks to increase coordination between accountability officials.
- *H1: There is a moderating effect of voters' ideology on information of cost-benefit on the support to coordinated action against corruption.*
- *H1a: ideological polarization affects voters' support to coordination initiative in a way that right-wing voters will tend to approve it.*
- *H1b: ideological polarization affects voters' support to coordination initiative in a way that left-wing tend to reprove it.*

LOGISTIC REGRESSION MODELS FOR SUPPORTING COORDINATED ACTIONS OF LAVA-JATO



INTERACTION EFFECT BETWEEN TREATMENT (NEW LEGISLATION TO INCREASE COORDINATION ACTIONS AGAINST CORRUPTION) AND IDEOLOGY

Predicted probabilities of Support



DISCUSSION

- People dislike so much corruption that they are willing to support coordinated actions by judges, prosecutors and police investigators in order to curb corruption even if those coordinated actions could undermine defendants' rights.
- People's perception of coordinated initiatives by accountability actors are not free from ideological bias.
- When coordination of justice is associated to the *Lava Jato*, which imposed judicial losses to the Worker's Party, voters' ideology mediated their perception about it.
- While right-wing voters supported coordinated actions of accountability institutions, left-wing voters rejected it.

IN COURT WE TRUST?

(PEREIRA, KLEVENHUSEN & BARROS, WORKING PAPER)

**Ideological Polarization and
Judicial Decision**

LITERATURE

- Courts are expected to make independent and impartial decisions (Van Dijk, 2021).
- However, courts often need to make judgements about ideological and political issues such as the right to abortion or the right to burn a flag during a protest (Gibson, 2007).
- Depending on the decision, voters see courts as politically liberal or conservative (Sunstein et al., 2006; Traut and Emmert, 1998), which may quest doubt about their impartiality.
- Therefore, voters' confidence in court decisions aligns with the extent to which the court's position converges or diverges from their ideological preferences (Bartels and Johnston, 2013; Durr et al., 2000; Hasen, 2019; Nicholson and Hansford, 2014).

RESEARCH QUESTIONS

- To what extent political affinity with a top-tier politician who has been convicted/acquitted by corruption can reduce or increase confidence in courts?
- Are voters capable of overcoming their political preferences to punish their favorite politician?

THEORY

- **Ideology**, which is part of a person's **identity** (Huddy, 2001; Iborra, 2005), functions as a **cognitive and protective shortcut** so that those who share similar beliefs and values can make choices (Huckfeldt et al., 1999).
- Identity fills two basic competing psychological and social needs: **inclusion** (being part of the ingroup) and **exclusion** or differentiation (distinguishing oneself from outgroup others) (Brewer, 1991).
- Consistent with this idea, identity-based elements of ideology drive **affective polarization** against outgroup ideologies (Mason, 2018).
- Based on this rationale, a judicial decision contrary to the group's dominant identity-based ideology should be more likely to be considered biased by its members.
- It is likely that people will reach conclusions that confirm their identity-based ideological biases.
- In other words, if courts convict politician X, supporters of politician X may discredit the court decision.

RESEARCH STRATEGY

- It was used a survey experiment in a context in which **affective polarization** and corruption intensify political cleavages: Brazil during the presidential rally of 2022.
- It was manipulated both trial output (acquittal or conviction) and the key political figures involved in scandals (Luis Inácio **Lula** da Silva or Jair **Bolsonaro**).
- The results suggest that voters neither trust a court decision that convicts their preferred candidate for corruption nor acquits their rejected candidate.

PREVIOUS STUDIES ON CONFIDENCE IN COURTS

- Ethnicity; educational level; personal experience with the judicial system; the method by which judges are selected; the role of mass media; trust in other institutions; among others.
- The literature is still silent about the role of political identity when the defendant is an exponent or a political leader
- **If courts convict one's favorite politician in a corruption trial, would they support the decision?**
- **Alternatively, if the courts acquit one's rejected candidate, would they support that decision?**

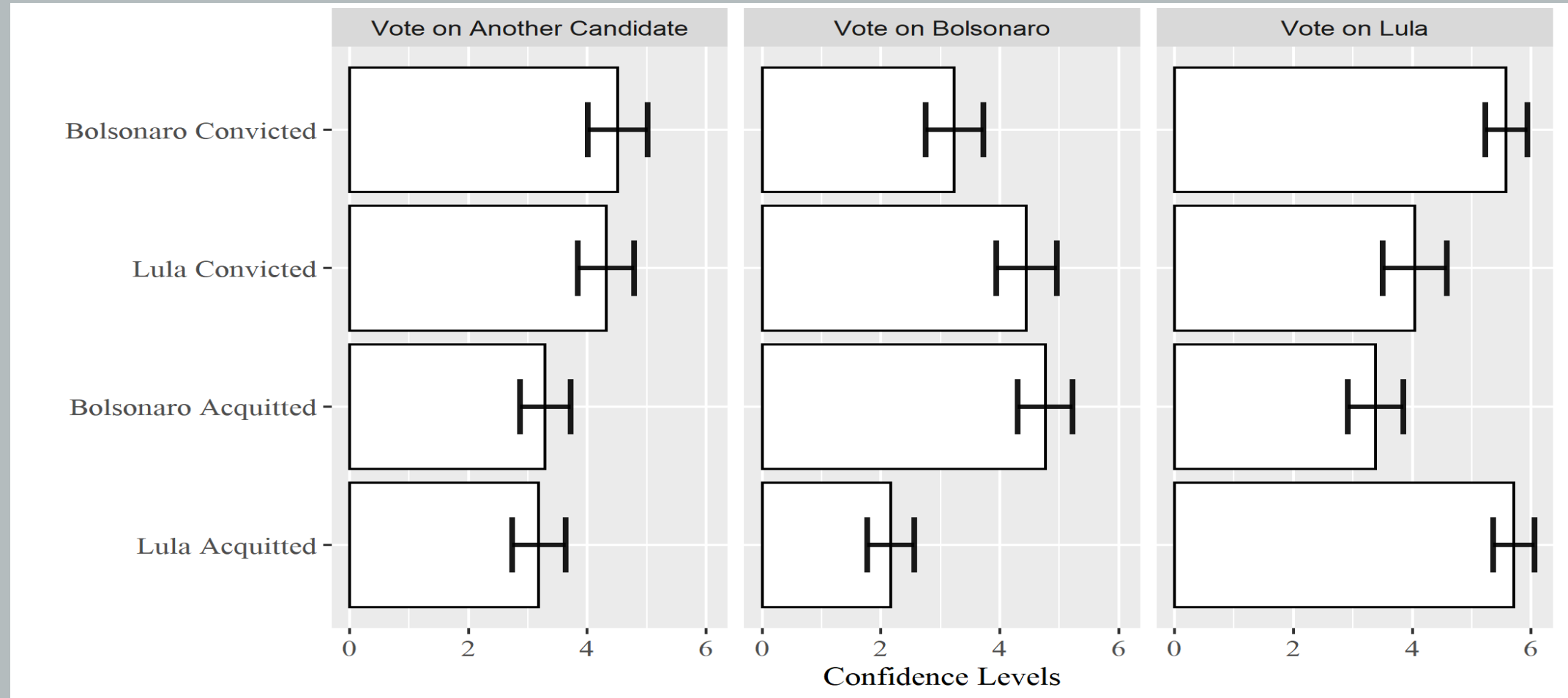
HYPOTHESIS

- H1: Voting on a top-tier politician who has been convicted/acquitted of corruption can reduce or increase confidence in courts.
- H2: Court decisions do not change voters' beliefs about their preferred politician's involvement in corruption.
- H3: Court legitimacy increases/decreases if the court decides on voters' rejected/preferred candidates' involvement in corruption.

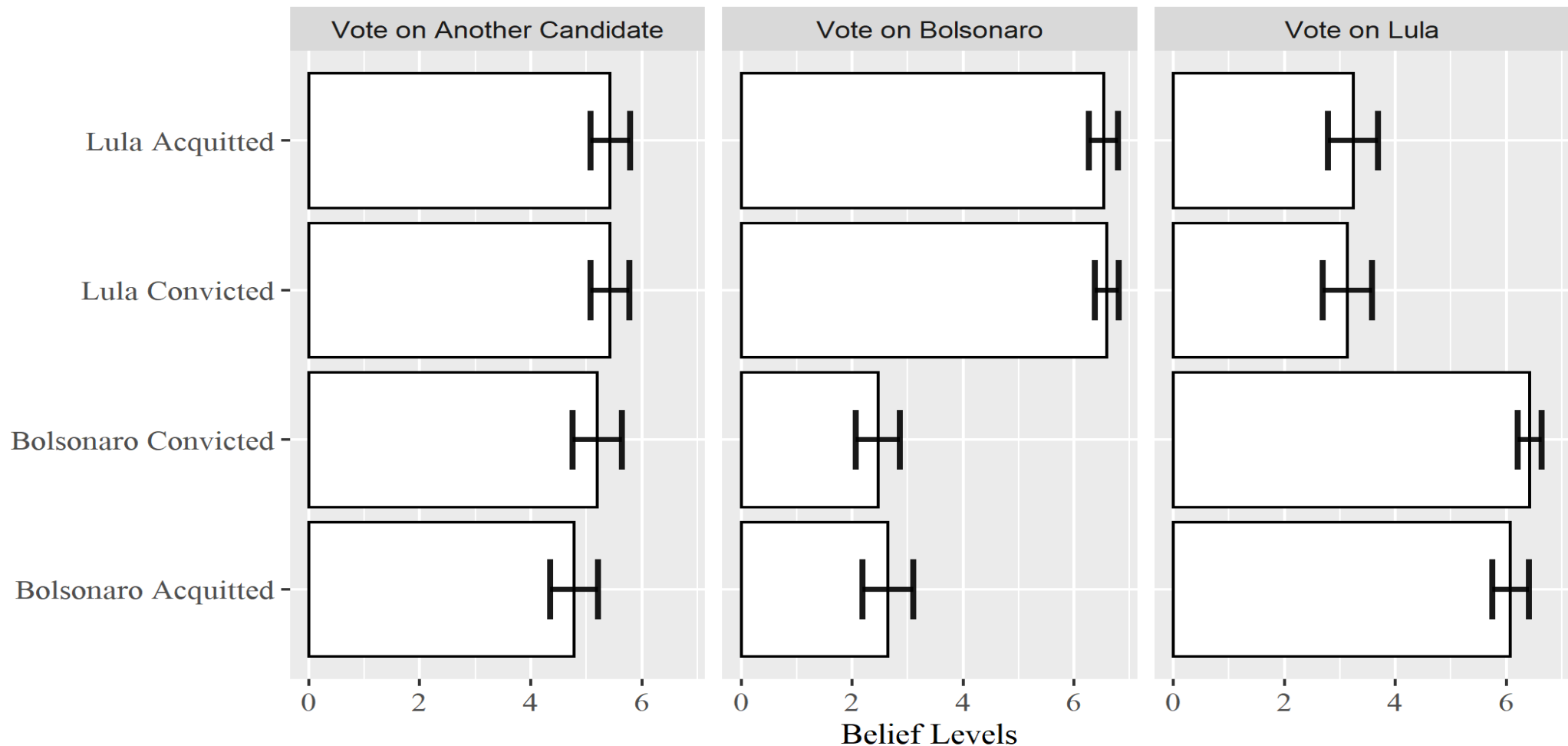
SURVEY EXPERIMENT

- Data were collected in August 2022, one month before the first round of the presidential election highly polarized (Lula vs. Bolsonaro).
- “If the elections were held today, on which candidate would you vote for” and “on which candidate would you not vote?”.
- We presented respondents with vignettes that requested them to imagine a trial in which Lula or Bolsonaro was the defendant against a corruption indictment.
- We then manipulated the court decision (conviction or acquittance) in this trial. The differences across these four scenarios (Lula convicted, Lula acquitted, Bolsonaro convicted, Bolsonaro acquitted) are intended to test how respondents analyze courts’ legitimacy and independence through the verdict in the short term regarding a peculiar case.
- More specifically, we plan to capture how voters perceive a court decision when their preferred/rejected politician is convicted/acquitted in realistic circumstances.
- **Involvement:** (“To what extent do you believe Lula/Bolsonaro is involved in corruption deeds?”); **agreement** (“To what extent do you agree with the court decision?”); **political motivation** (“To what extent do you believe the decision is politically motivated?”)

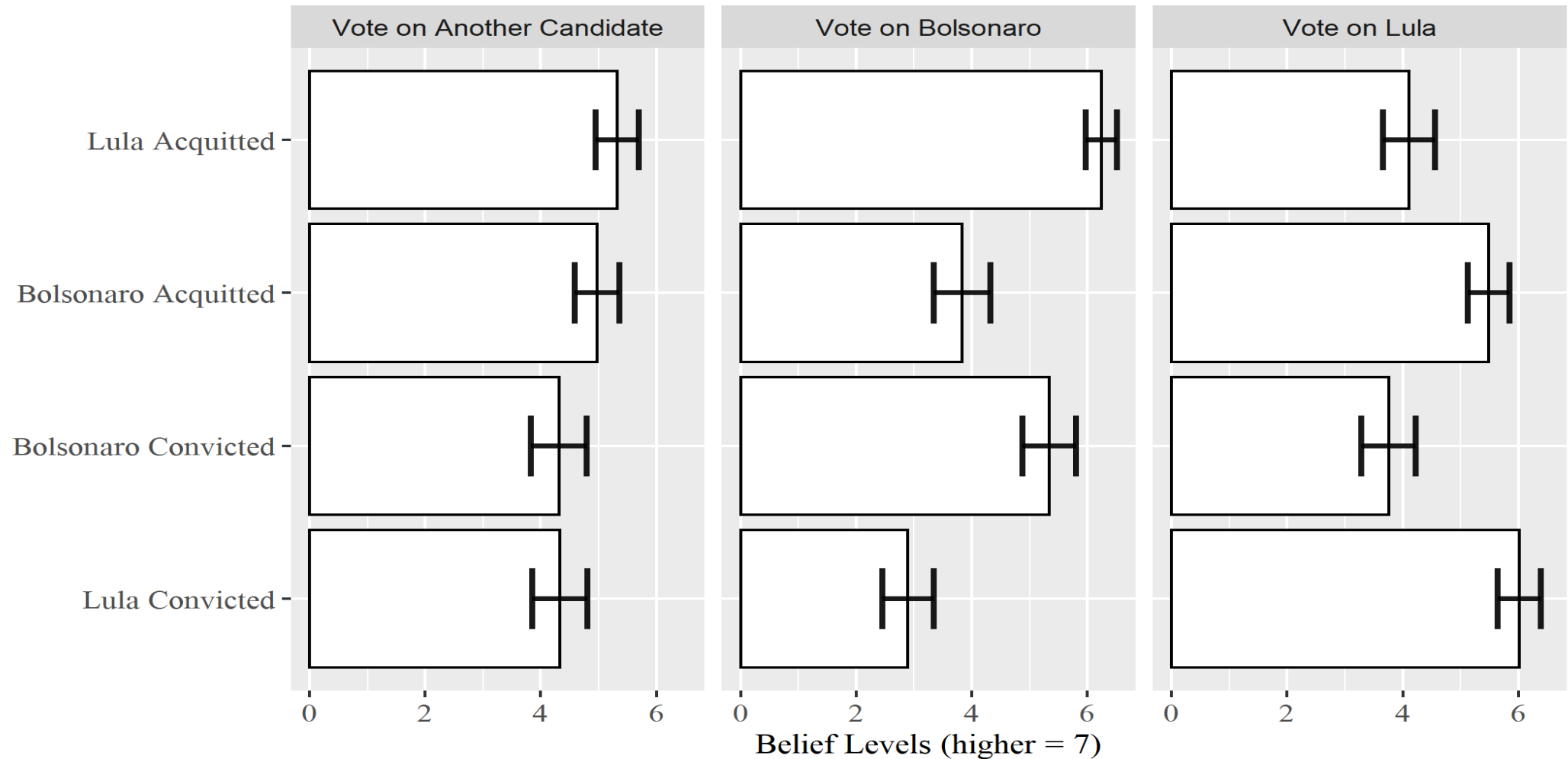
CONFIDENCE LEVELS IN COURT'S DECISION



BELIEF CHANGE ABOUT DEFENDANT'S INVOLVEMENT IN CORRUPTION GIVEN A COURT'S DECISION



BELIEFS ABOUT THE POLITICAL MOTIVATION OF COURT'S DECISIONS



THANK YOU!