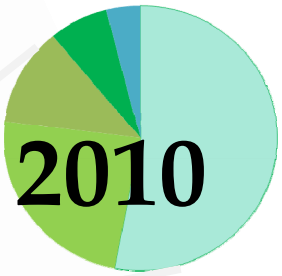
AmericasBarometer Insights: 2010

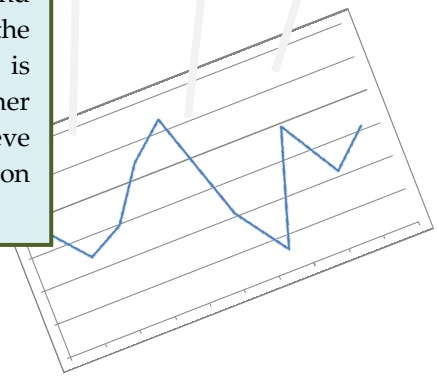
Number 52



The Political Toll of Corruption on Presidential Approval

By Elizabeth J. Zechmeister
liz.zechmeister@vanderbilt.edu
Daniel Zizumbo-Colunga
daniel.zizumbo-colunga@vanderbilt.edu
Vanderbilt University

Executive Summary. Perceptions of corruption are high across the Americas and, generally speaking, these perceptions are negatively related to presidential approval. However, the effect of perceptions of corruption on executive evaluations is variable. Specifically, we show that perceptions of poor economic conditions exacerbate the relationship between perceptions of corruption and presidential approval. Our analysis of data from 24 countries supports the notion that the toll charged by citizens who perceive bad economic times is higher than the toll charged by citizens who perceive good times. In other words, individuals are more tolerant of perceived corruption when they believe the economy is on the right track, and less tolerant when they believe the nation is experiencing bad times.



The Insights Series presents short reports on topics of interest to the policymaking and academic communities. The series is co-edited by Mitchell A. Seligson, Amy Erica Smith, and Elizabeth J. Zechmeister with administrative, technical, and intellectual support from the LAPOP group at Vanderbilt.
www.AmericasBarometer.org

Perceptions of corruption are high across the Americas, but to what extent do individuals hold sitting executives accountable for such perceptions? In this *Insights* report, we assess the notion that perceptions of poor economic conditions exacerbate the relationship between perceptions of corruption and evaluations of government.[1] Consistent with an argument offered by Manzetti and Wilson (2006), we show that individuals are less tolerant of corruption when they believe that poor economic conditions prevail. Specifically, when the economy is perceived in a poor light, perceptions of political corruption have a stronger effect on executive job approval compared to when times are perceived to be good.[2]

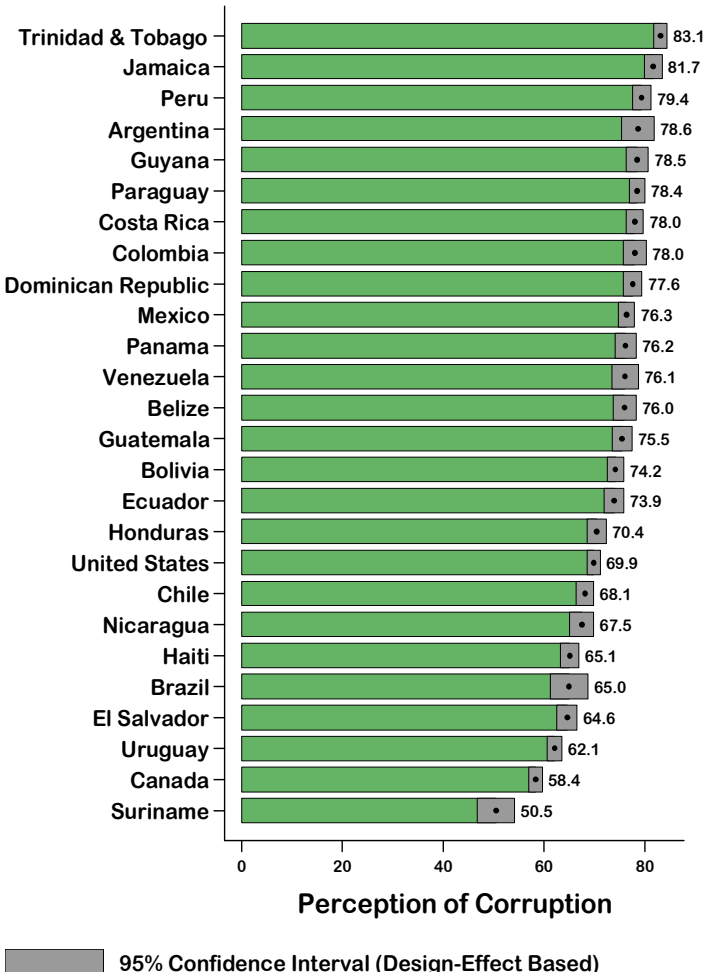
The data for this report come from the AmericasBarometer 2010 survey, in which 43,990 respondents from 26 countries were asked the following question:

EXC7. "Taking into account your own experience or what you have heard, corruption among public officials is: (1) very common; (2) common; (3) uncommon; or (4) very uncommon?"[3]

The variable was recoded on a 0-100 scale, on which higher values indicate greater perceptions of corruption.

Figure 1 shows perceptions of corruption across the Americas are relatively high, though mean levels vary across countries. Perceptions of political corruption are highest in Trinidad & Tobago and Jamaica, and lowest in Uruguay, Canada, and Suriname. If we control for standard demographic and socio-economic factors, the relative ranking of the countries remains similar to that shown here.[4] The relatively high overall levels lead us to consider their political relevance. In particular, what effect do perceptions of corruption have on evaluations of the president?

Figure 1. Perceptions of Corruption, 2010



Perceptions of Corruption, the Economy, and Presidential Approval

Under the assumptions of "accountability representation," the mass public generally

[1] Prior issues in the Insight series can be found at http://www.vanderbilt.edu/lapop/insights.php. The data on which they are based can be found at http://www.vanderbilt.edu/lapop/surveydata.php.

[2] Funding for the 2010 round mainly came from the United States Agency for International Development (USAID). Important sources of support were also the Inter-American Development Bank (IADB), the United Nations Development Program (UNDP), and Vanderbilt University.

[3] Non-response (taking into account design effects) to this question is 4.71% across the sample as a whole.

[4] The appendix contains results showing how these controls affect the rankings.

holds elected officials responsible for prevailing conditions (Przeworski, Stokes, and Manin 1999). In classic terms, individuals are "rational gods of vengeance and reward" who punish politicians for negative output (Key 1966). Corruption implies financial and social costs, by creating economic inefficiencies and undermining the rule of law. It is logical then that scholars have found links between corruption and political trust and support (e.g., Morris and Klesner 2010; Seligson 2002). Given the visibility and authority of the executive office within governments across the Americas, we would expect perceptions of corruption to have a strong, direct effect on executive job approval.

Financial distress may leave citizens feeling the system can ill-afford the financial costs of corruption.

Manzetti and Wilson (2006) have offered an insightful extension to this perspective, arguing that the relationship between perceptions of corruption and evaluations of government is conditional on economic conditions. When economic conditions are poor, individuals ought to be particularly intolerant of corruption. Financial distress may create a sharp contrast between one's own situation and perceived government largesse; it might also leave individuals feeling the system can ill-afford the financial costs of corruption. Under these conditions, then, there should exist a clear negative relationship between perceptions of corruption and presidential approval. However, under conditions of relative prosperity, individuals may be more willing to tolerate corruption among elected officials. In short, if we are to understand the relationship between perceptions of corruption and government evaluations, we must take into account the economy.

Manzetti and Wilson (2006) tested and found evidence for an interactive relationship among perceptions of corruption, household economic assessments, and trust in government in Argentina in 1995. We extend this work in several ways. In particular, we focus on relationships among perceptions of national economic conditions, perceptions of corruption, and executive job approval. Moreover, we test the extent to which the argument holds, generally speaking, across Latin America and the Caribbean.[5]

The outcome variable we seek to explain is presidential approval. This variable is based on an AmericasBarometer survey question that asks individuals to rate the performance of the sitting executive on a five-point scale, which we convert to run from 0-100, where higher values indicate better evaluations.[6]

While research on economic voting is abundant and has moved to address very refined questions, most scholars agree that economic evaluations matter (see Kinder and Kiewiet 1979; Lewis-Beck and Paldam 2000; Lewis-Beck and Stegmaier 2008; Przeworski, Stokes, and Manin 1999, among others). In order to assess the effect of economic evaluations, we include an index of the respondent's perception of the national economy (see Kinder and Kiewiet 1979 about the relevance of the measurement of evaluations of the national economy). The index was created by averaging respondents' retrospective, current and prospective perceptions of the national economic situation.[7]

[5] We omit the U.S. and Canada from the analyses presented here, though the general relationships remain similar if they are included (but we lose at least one control variable not present in the U.S. and Canada datasets).

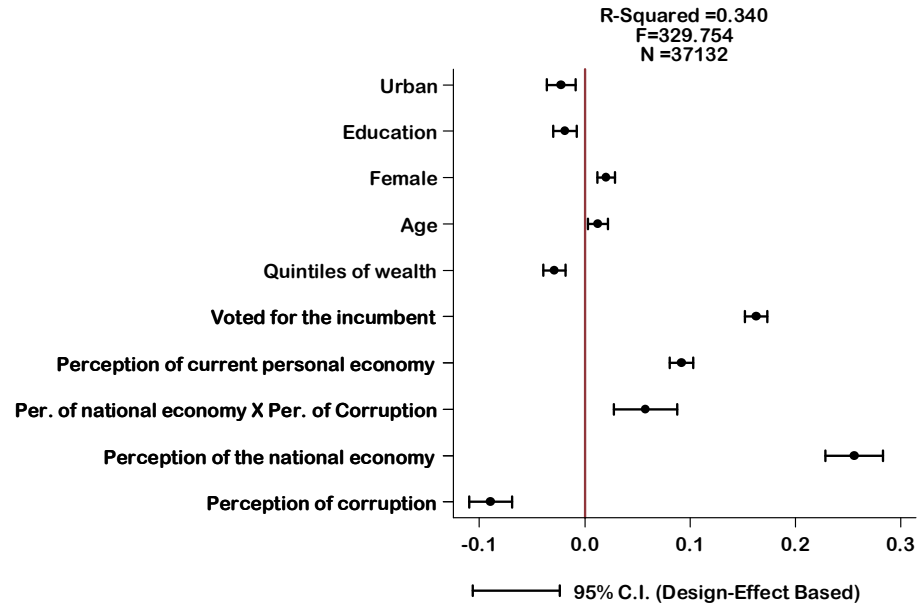
[6] M1. "Speaking in general of the current administration, how would you rate the job performance of (*Name of the President/Majority party in parliamentary countries*)?" Non-response to this question is 3% across the sample as a whole, taking into account design effects.

[7] These variables are SOCT1, SOCT2, and SOCT3 (α=.62); the appendix contains the question wording. Each of the questions that compose the index was recoded on a 0 to 100 scale so that the final index runs from 0 to 100, where higher scores reflect better perceptions of the national economic circumstances.

In order to assess the extent to which the perception of "bad times" might condition corruption's toll on executive approval, we created an interaction term by multiplying the economic evaluations index by our measure of perceptions of corruption.[8]

We further control for the following basic socio-economic and demographic measures: age; education; gender; urban versus rural area; and the respondent's quintile of wealth.[9] As additional controls, we include evaluations of one's personal economic situation, and having voted for the incumbent.[10]

Figure 2. Determinants of Presidential Approval in the Latin America and the Caribbean, 2010 (Weighted Standardized Coefficients)



Source: AmericasBarometer by LAPOP, 2010

Results

We assess the ability of the above-noted variables to predict presidential approval by way of OLS regression analysis.[11] Figure 2 shows the standardized coefficients for each of the independent variables.[12]

As can be seen in the figure, males and people living in urban areas show, on average, less satisfaction with the executive, holding other factors constant. Additionally, all else equal, younger and wealthier individuals are less approving of the president. People who voted for the incumbent in the previous election have higher presidential approval.

Perceptions of one's current personal economic situation are positively associated with approval of the current executive. And, positive perceptions of the national economy and a low perception of corruption are strong predictors of higher presidential approval.

Importantly, we find that, as expected and in agreement with Manzetti and Wilson's

[8] Non-response to this question (taking into account design effects) is 0.7% across the sample as a whole. Even though a directional effect from perceptions of corruption to perceptions of the economy is possible, both variables are correlated only at a minor level (-.10); while, regardless, specifying this relation might increase the fit of the model, it is unlikely that its absence will bias the parameters in which we are interested.

[9] For more on this measure see Córdova 2009.

[10] Results are robust to the inclusion of political ideology.

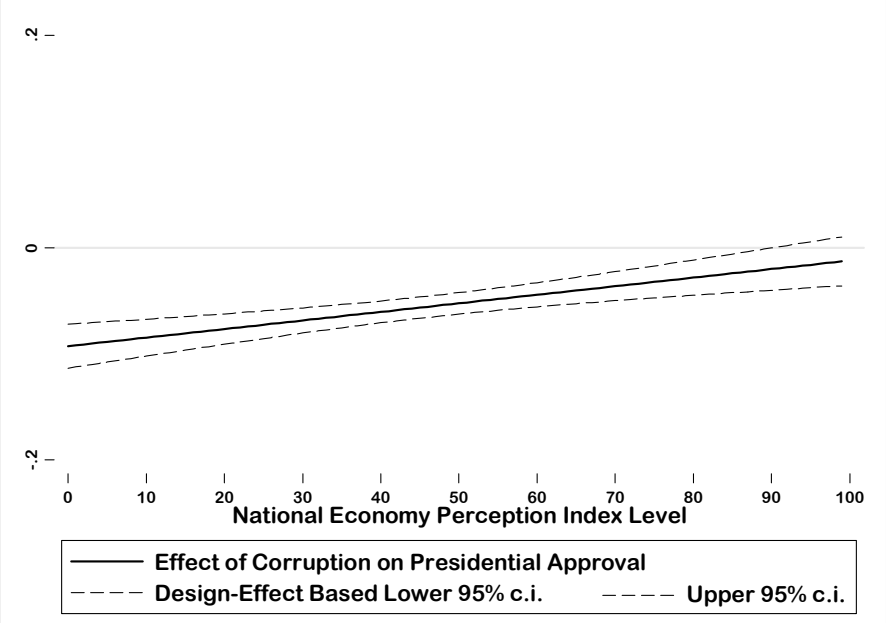
[11] We present OLS results for ease of interpretation; however results are the same if we use ordered logistic regression.

[12] Country fixed effects were included but are not shown in the figure to economize on space. Per the LAPOP and *Insights* series standard, the dots in Figure 2 indicate standardized regression coefficients and the horizontal lines extending from them indicate confidence intervals, so that if the line crosses the vertical 0 line, the result cannot be considered statistically significant (distinguishable from 0). Dots that fall to the right depict a negative relationship between the independent and the dependent variable, and the converse for dots that fall to the left.

argument, there is a significant interaction between perceptions of corruption and perceptions of the national economy. This means that neither coefficient should be interpreted entirely in isolation.

Figure 3 shows the varying magnitude of the "toll of corruption" (i.e., the effect of perceptions of corruption on presidential approval) at different levels of national economic perceptions. As can be seen, when respondents perceive that the national economy is fantastic (when people think that the economy is very good, is better than in the past and will be even better in the future) the toll taken by corruption is nil. In short, under conditions of perceived prosperity, individuals do not punish the executive for perceived corruption in the government.

Figure 3. Marginal Effects of Corruption on Presidential Approval at Different Levels of Evaluations of the National Economy, 2010



However, when people perceive bad or outright catastrophic times (i.e., they think that the economy is very bad, is worse than in the past and will be even worse in the future), the toll of corruption increases significantly.[13]

For example, when people score above 95 on our index of perceptions of the national economy, there is no significant corruption toll (i.e., an increase in perceptions of corruption is not associated with a significant decrease in the president's rating).

When people are moderately optimistic about the economy (i.e., they score 75 on our index of index of perceptions of the national economy), a standard deviation increase in perception of corruption is associated with a 0.88 unit decrease in presidential approval.

Strongly negative perceptions of the national economy increase the toll of corruption substantively. That is, under extremely negative perceptions of the national economy (i.e., a 10 on our index), a standard deviation increase in perceptions of corruption is associated with a 2.14 unit decrease in presidential approval.

To further illustrate the implications of the interactive relationship, Table 1 shows predicted values for presidential approval at varying levels on the perceptions of corruption measure and the national economic evaluation index. The table allows us to consider and contrast the following scenarios. First, holding all other

[13] Even though the relationship between national economic perceptions and presidential approval is always positive and strong, it becomes even stronger when people also perceive high levels of corruption.

variables at their mean levels,[14] when perceptions of the economy are at their highest[15] and perceptions of corruption are at their lowest, our model predicts a presidential approval rating of 70.40; and, when perceptions of the economy still are at their peak but corruption is perceived to rampant (highest value), our model predicts a presidential approval rating of 69.02 (a difference of only 1.68 points).

Second, when both economic assessments and corruption perceptions are at their lowest levels,[16] our model predicts a presidential approval rating of 44.26. Holding economic assessments at their lowest and changing perceptions of corruption to take on the highest possible value, our model predicts a presidential approval of 36.16 (a drop of 8.1 points).[17] In short, under conditions in which people perceive very negative economic performance, evaluations in general are low; but, more importantly for us, it is under these circumstances that we find perceptions of corruption taking a significant toll on presidential approval.

Corruption might be considered inconsequential during perceived prosperous times, but, in the midst of threatening economic times, will be more severely punished.

Table 1. Predicted Values for Presidential Approval, Varying Perceptions of Corruption and the Economy

		Perceptions of Corruption	
		Lowest	Highest
Economic Evaluations	Lowest	44.26	36.16
	Highest	70.40	69.03

[14]Categorical variables are held at the modal value.

[15] This however, is rare, representing only 4.64% of the sample.

[16] This represents less than 1% of the sample.

[17]Predicted values take into account country specific effects by weighting each country effect by the proportion of people from that country in the sample used to estimate the parameters.

Conclusion

Our results confirm that, generally speaking, across the Americas the toll that corruption takes on the executive's popularity is exacerbated by bad economic times and, alternatively, ameliorated by good economic times. The evidence, in short, supports ideas offered by Manzetti and Wilson (2006) regarding this conditioning relationship but, at the same time, extends their argument to a different dependent variable – presidential approval – and tests it in the current time period with a larger sample of countries.

These findings are consistent with the notion of "accountability representation," to the extent that perceptions of bad times affect individuals and motivate them to express disapproval of government. At the same time, though, they suggest a more complex logic under which corruption might be considered inconsequential, tolerated, or even regarded as "normal" when people perceive extraordinarily prosperous times, but, in the midst of threatening economic times, will be more severely punished.

We must recognize that perceptions of corruption may vary significantly from experience with corruption and, likewise, the same may be true for economic factors. In both cases, one's assessments of these performance factors may reflect more general feelings about the country, government, and politicians. While we find evidence here of the expected relationships, an obvious next step (and one we hope to document in a future report) is to examine relationships among experiences with corruption victimization, objective economic conditions (e.g., growth in GDP), and presidential approval. If our intuition (supported by the analyses here) is correct, we

will find a similar conditioning relationship among these variables such that individuals are more tolerant of corruption victimization under prosperous economic conditions than they are under economic decline.

REFERENCES

Córdova, Abby. 2009. "Methodological Note: Measuring Relative Wealth using Household Asset Indicators." *Insights Series No. I0806.* Vanderbilt University: Latin American Public Opinion Project (LAPOP).

Key, V. O., Jr. 1966. *The Responsible Electorate: Rationality in Presidential Voting, 1936-1960.* 3rd ed. Harvard University/Belknap.

Kinder, Donald R., and D. Roderick Kiewiet. 1979. "Economic Discontent and Political Behavior: The Role of Personal Grievances and Collective Economic Judgments in Congressional Voting." *American Journal of Political Science* 23(3): 495-527.

Lewis-Beck, Michael S., and Martin Paldam. 2000. "Economic Voting: An Introduction." *Electoral Studies* 19(2-3): 113-121.

Lewis-Beck, Michael S., and Mary Stegmaier. 2008. "The Economic Vote in Transitional Democracies." *Journal of Elections, Public Opinion & Parties* 18(3): 303.

Manzetti, Luigi, and Carole J. Wilson. 2006. "Corruption, Economic Satisfaction, and Confidence in Government, evidence from Argentina." *The Latin Americanist* 49(2): 131-139.

Morris, Stephen D., and Joseph L. Klesner. 2010. "Corruption and Trust: Theoretical Considerations and Evidence from Mexico." *Comparative Political Studies* 43(10): 1258-1285.

Przeworski, Adam, Susan C. Stokes, and Bernard Manin. 1999. *Democracy, Accountability, and Representation*. New York, NY: Cambridge University Press.

Seligson, Mitchell A. 2002. "The Impact of Corruption on Regime Legitimacy: A Comparative Study of Four Latin American Countries." *The Journal of Politics* 64(02): 408-433.

Appendix

Table A1. Ranking of Mean Corruption Perceptions and Presidential Approval Controlling for Main Socioeconomic Variables

Presidential approval	Corruption		
Ranking	Ranking	Ranking with Controls	
24	1	1	Trinidad y Tobago
25	2	2	Jamaica
11	7	3	Costa Rica
13	5	4	Guyana
6	6	5	Paraguay
12	9	6	Rep. Dom.
21	3	7	Peru
23	4	8	Argentina
3	8	9	Colombia
22	13	10	Belice
7	11	11	Panamá
14	10	12	México
16	12	13	Venezuela
17	14	14	Guatemala
8	16	15	Ecuador
9	15	16	Bolivia
5	17	17	Honduras
15	20	18	Nicaragua
19	18	19	United States
10	19	20	Chile
2	22	21	Brazil
26	21	22	Haiti
4	23	23	El Salvador
1	24	24	Uruguay
18	25	25	Canada
20	26	26	Suriname

Table A2. Wording of the questions that compose the National Economy Perception Index

SOCT1.	How would you describe the country's economic situation? Would you say that it is very good, good, neither good nor bad, bad or very bad? (1) Very good (2) Good (3) Neither good nor bad (fair) (4) Bad (5) Very bad
SOCT2.	Do you think that the country's current economic situation is better than, the same as or worse than it was 12 months ago? (1) Better (2) Same (3) Worse
SOCT3.	Do you think that in 12 months the economic situation of the country will be better, the same or worse than it is now? (1) Better (2) Same (3) Worse

Table A3. Ordinary Least Squares model of the main determinants of presidential approval (Design Effect Adjusted)[18]

	Coefficient	Standard Error
Perception of corruption	-0.080**	0.009
National Economy Perceptions Index	0.261**	0.0142
Corruption X NEPI	0.0006**	0.0001
Evaluation of current personal economy	.112**	0.007
Partisan	9.05**	0.305
Wealth Quintiles	-0.525**	0.098
Age	0.209 **	0.080
Female	1.069 **	0.222
Education	-.112**	.034
Urban Area	-1.194**	0.370
Constant	44.59**	1.15
Number of Observations	*37132*	
R-squared	*0.34*	
F	*329.75*	

Note: Coefficients from weighted linear regression are significant at *p < .05; ** p < .01.

[18] Country fixed effects included but not shown, available upon request to the authors.