Corruption and Democratization

What Is To Be Done?

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Abstract

The research carried out in Nicaragua suggests that there are practical ways to stem the rising tide of corruption in emerging democracies. In 1997–1998 a public awareness campaign was conducted in Nicaragua to inform the average citizen about a financial management reform project being implemented within the government. This article analyzes the comparative results of two national probability sample surveys conducted before and after the campaign. The results suggest that the campaign was a success, since it helped raise concern about the negative consequences of corruption and had a measurable impact in reducing its actual incidence—at least the incidence of corrupt acts to which the average citizen is exposed. An important finding is that widespread perceptions of corruption undermine popular support for an and the legitimacy of democratic rule. This relationship has often been postulated but seldom established empirically. The findings suggest that public awareness campaigns designed to enlist the general public in the fight against corruption, in conjunction with other measures, are effective policy tools.

It has been said that corruption is like the weather: everyone talks about it, but nobody does anything about it. Although this article does not propose to offer a cure for bad weather, the research carried out in Nicaragua suggests that there are practical ways to stem the rising tide of corruption in emerging democracies. Moreover, the research also demonstrates that this undertaking is important; corruption is shown to have the direct effect of eroding public confidence in the political system.

With the end of the cold war and the emergence of new democracies in most regions of the developing world, corruption has become one of the leading policy issues on the international political agenda, as well as the national agendas of many countries. There is growing belief in the corrosive effects of corruption in retarding economic development and undermining the consolidation of democratic governance. At the annual meeting of the World Bank/International Monetary Fund in

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1996, James Wolfensohn, president of the World Bank, pledged the resources of the bank to fight the "cancer of corruption." In June 1997, the Organization of American States approved the Inter-American Convention Against Corruption, and in December of that year the OECD, plus representatives from emerging democracies, signed the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. In November 1998, the Council of Europe, including Central and East European countries, adopted the Criminal Law Convention on Corruption. Then, in February 1999, the Global Coalition for Africa adopted "Principles to Combat Corruption in African Countries." The concern with corruption today stands in sharp contrast to the situation of only a few years ago, when corrupt practices in Western democratic governments and when multinational corporations from many industrialized countries viewed bribery as the norm in conducting international business. Within this general context, grand and petty corruption flourished in many developing nations.

Although a consensus has emerged that effective measures are needed to deal with corruption at both the international and domestic levels, exactly what to do and how to do it remain as uncertain as predicting the weather. Most policy prescriptions assume that a multiplicity of initiatives enter into the equation, but even today there is only a poor and fragmented understanding of what policy interventions are likely to be effective, or how and in what sequence they should be implemented. Even less is known about how the policy package should be adjusted to take into account economic and cultural differences— or, more generally, rational differences. It is widely understood, as noted in a recent U.S. Agency for International Development handbook (USAID 1999b), that specific national anticorruption strategies must be tailored to fit the type of the corruption problem and the difficulties of addressing it. This handbook recommends a series of initiatives for addressing official corruption, based on the institutional premise that corruption arises wherever public officials have little accountability. Thus, effective initiatives should rely on strengthening transparency to improve accountability. Institutional reforms should be complemented with social reforms to change attitudes and mobilize the political will to make anticorruption programs succeed.

The model's basic neoliberal economic framework suggests a veritable laundry list of interventions. These include institutional reforms designed to achieve the following:

- to limit governmental authority (through privatization, liberalization, competition in procurement, and competition in public service);
- to improve accountability (through freedom of information legislation, financial disclosure, open budget processes, financial management systems and audit offices, creation of offices of an inspector general, ombudsmen, or some other anticorruption agency, implementing legislative oversight, setting up hot lines and whistle-blower protection, imposing sanctions, and judicial reforms); and
- to realign incentives to promote ethical behavior in public service and social reforms designed to change attitudes and mobilize political will (through surveys, public relations campaigns, investigative journalism, civic advocacy organizations, workshops, and international pressure).

These approaches are also recommended in both the international policy literature and academic studies (see United Nations Development Programme/OECD 1998; Rose-Ackerman 1999).

Given the attention placed on corruption, it is disappointing to see how little empirical research on its political effects has been carried out. A study of the economic effects of corruption reported by the World Bank (1997) showed that corruption slows cross-national economic growth and reduces investment. The World Bank also suggested, but did not test, the thesis that "Corruption violates the public trust and corrodes social capital... Unchecked, the creeping accumulation of seeming minor infractions can slowly erode political legitimacy" (1997, 102).

The project presented here first tests the political effects hypothesis, and then assesses whether efforts to fight corruption can make a difference. In Nicaragua, the study finds evidence supporting the World Bank's hypothesis of a link between corruption and erosion of belief in the legitimacy of the political system. It also finds that the Nicaraguan anticorruption campaign has been making a difference— that something can be done.

How to Measure Corruption?

It is not surprising that until recently research into corruption has been largely descriptive rather than empirical. Researchers confront the problem that, given the subjective nature, corruption is inherently difficult to measure. Early efforts were based on the criminology approach of using official police and court records. One could simply count the number of arrests and convictions for corruption in a given country. The main difficulty with such an approach, of course, is the potential spuriousness of the measure, the more vigilant the authorities, the more arrests and convictions—which could be completely independent of the corruption rate itself. Thus, in highly corrupt countries there may be virtually no enforcement, whereas in "secondary crime" countries there may be frequent arrests and convictions even for minor infractions.

To overcome the measurement problem inherent in using official records, two different approaches have been taken. The first is the better known is that carried out by Transparency International (TI) with its annual Corruption Perception Index (CPI). It is an international coalition that promotes integrity in government worldwide. The TI effort has expanded over the years, including more countries and a broader range of data sources and including perceptions of nationals and expatriates.
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risk analysis firms) may all agree that corruption is high in a given country, but how much of this agreement is based on actual experience with corruption and how much on awareness of corrupt practices remains unknown (and unknowable) in these data sources.

To get more directly at experience with corrupt practices, in 1996 and 1997 the World Bank developed a Private Sector Survey by sending questionnaires to 3685 firms in 69 countries. 1 The study, though helpful in many ways, is confronted by a number of serious problems. First, the response rate was about 30 percent, leaving open the possibility of selection bias. In the more corrupt countries, the more honest firms may have tended to respond, whereas in the less corrupt ones, a wider cross section may have responded. A further problem with the approach is that among firms that did respond, the more corrupt ones certainly had more to hide than the less corrupt, resulting in a potentially serious underreporting of corruption among the more corrupt firms. But perhaps the biggest problem is that the data base is made up entirely of private-sector firms, and therefore it provides no direct evidence on public corruption. It is the integrity of the public sector that most directly concerns policymakers and anticorruption reformers alike. Indeed, the World Bank's own analysis of the pernicious effects of corruption focuses on the public sector, even though its data come from the private sector. 2

The most recent approach has been spearheaded by the United Nations Center for International Crime Prevention (United Nations 1999, 27-28). Implemented in 1987, the International Crime Victim Survey (ICVS) now includes 55 countries, with samples of 1000-2000 respondents per country. In 1996, for the first time, a single question on bribe victimization was included in the surveys. Although one might prefer a broader series of questions, at least this source of data does not suffer from the most serious biases and limitations inherent in the TI and World Bank approaches. The United Nations effort does not ask about perceptions of corruption, but about citizens' actual experience with public corruption. However, this approach also has its limitations. Respondents may not admit to having been victims of corruption, just as victims of some forms of violent crime (especially rape or intrafamily violence) often do not report these events to law enforcement. Furthermore, surveys cannot tap into high-level corruption such as bribery of ministers and legislators. Clearly, no perfect measure has been devised, yet surveys of citizens' experience come closest to measuring the level of day-to-day corruption, with the added advantage that we can also learn about those who were victims as opposed to those who were not. Recently, the World Bank has also started studies of corruption at the level of the individual citizen. One such study, far less detailed than the study presented in this article, has been carried out in Nicaragua (CHET and World Bank 1999).

Why Nicaragua?

The United Nations ICVS survey data make it obvious that if one wants to study corruption where it is most prevalent, Latin America is the place to do so. According to the UN, one is nearly fifteen times more likely to become a victim of corruption in Latin America than in Western Europe. Other high-corruption areas are Asia and Africa, but no area of the world has as high a victimization rate as Latin America. If Latin America is a good place to study corruption, Nicaragua appears to be ideal. Certainly it is viewed as a highly corrupt country, and the empirical evidence (shown below) supports that view. According to the Transparency International Corruption Perception Index for 1996, the year of our second survey, out of 85 countries Nicaragua ranked near the bottom at 61. On the index, which ranges from a best-case score of 10 (held by Denmark) to a worse-case hypothetical score of zero (1998 the actual lowest score of 1.4 was given to Cameroon), Nicaragua scored a 3.0 (Transparency International 1999).

The Data

The findings reported here are based on two national multistage stratified probability (i.e., random) samples, each composed of 2400 respondents drawn from the voting-age Nicaraguan public. The baseline study was conducted in 1996, and the second study after the implementation of the anticorruption campaign, in 1998. The questionnaire was developed by the author in consultation with USAID, the Office of the Comptroller General, and the Ministry of the Treasury and Public Credit. Survey teams covered each of the sixteenth departments of the country except for Rio San Juan, a remote and sparsely populated area that was excluded for cost considerations. Rio San Juan contains 1.7 percent of the population of the country, so our findings refer to the remaining 98.3 percent of the population. 3

The most up-to-date sampling frame in Nicaragua is derived from the national voting roll, which breaks down the population into voting precincts (juntas Receptores de Votos, or JRVs) by department. In each department, six voting precincts were selected at random; these were divided according to the proportion of each department that are urban or rural (using PPS criteria); and within each of those precincts 25 interviews were conducted, for a total target of approximately 150 interviews per department. The exception was Matagalpa, where 300 interviews were conducted because of its demographic and political importance. Within precincts, blocks were selected at random; and within blocks, dwelling units were selected in a predetermined order. Within the household, respondents were selected using age and gender quotas, drawing on the population data from the 1995 national census. The departmental samples were then weighted to reflect their proportion of the national population. For the overall sample, we can speak about the results with con-
siderable accuracy. 95 percent of the time, the results of the sample fell within no more than approximately 2 percent (higher or lower) of the views of the entire voting age Nicaraguan population. The two samples were designed identically and had virtually identical demographic and socioeconomic characteristics.

The Nicaraguan Anticorruption Campaign

The reports on a USAID policy intervention designed to fight corruption and whose effects could be quantitatively analyzed by the two national opinion surveys described above. The 1996 survey obtained baseline information on the level of corruption experienced by the population, but it was also conducted in part to assess how Nicaraguans perceived the corruption issue as an effort to help authorities design a national public awareness campaign. The purpose of that campaign was to inform the Nicaraguan public about major financial management reform initiative being implemented by the government, with technical and financial support from the international donor community (USAID, the World Bank, and the Inter-American Development Bank) to improve financial management and eventually to reduce the prevalence of public-sector corruption. In a country like Nicaragua, financial management of central and local government expenditures leaves much to be desired.

After decades of "kleptocracy" under the Somoza dictatorship, and following the considerable disorder caused by the Nicaraguan Revolution and the Contra War that ensued there were few functioning institutional controls on public corruption. The goal of the project was to establish an integrated financial system, one that was transparent according to established, and respected criteria and would give all parties greater confidence in the system, while making evasion and corruption by officials more difficult to engage in and easier to expose. The 1996 follow-up survey was used to assess the effectiveness of the public awareness campaign carried out between 1997 and 1998.

The campaign, called "Citizens for an Efficient Government," was implemented by a leading Nicaraguan nongovernmental organization, Grupo Fundemos. It included a series of complementary and parallel activities designed to inform all segments of society, including public opinion leaders, about the objectives of the Integrated Financial Management and Audit System (Sistema Integrado de Gestión Financiera y Auditoría, or SIGFA). This initiative sought to gradually introduce at all levels of government, from the central government to the municipalities, a modern, more efficient, more transparent management and accounting system by implementing new administrative and audit norms and by using computer-based accounting techniques.

Early in the design of the campaign, many recognized that developing the political will to support enhanced transparency would be crucial to its success. Traditionally, efforts to develop and maintain political will have focused on internal mechanisms such as setting up coordinating committees and training high-level staff to recognize the benefits of such transparency. The program sought to take the case directly to the people through a public awareness campaign. The main thrust, disseminated through the print and broadcast media, was to encourage citizens to embrace civic values intimately associated with transparency and the efficient use of public resources. Complementary arms were to promote

honesty, probity, and accountability among government officials. A slogan was coined for this purpose: "It pedimos que saques, no que te quedes dentro." ("We ask you to dream, not to remain asleep!") which in Nicaragua evokes the message "not to remain in the past, but to look to the future." This message was broadcast on the radio in thirty-second public service announcements and in TV spots in which the radio message was accompanied by allegorical illustrations. The entire effort was to promote the vision of happier and more prosperous days to come in a more efficient, more transparent Nicaragua.

Related activities included numerous events, including participation in the international teleconference dubbed RESPONSADCON III (Third Inter-American Conference on the Problems of Fraud and Corruption in Government), as well as workshops, public debates and seminars, and public computer demonstrations of the SIGFA accounting system in operation. The campaign was jointly designed by representatives from Grupo Fundemos and a USAID contractor. The goal was to provide hands-on experience in designing and implementing campaign initiatives, including how to use cost-effective audience research methods. A Nicaraguan public relations firm was contracted to conduct some of the more technical components of the campaign.

Grupo Fundemos was also instrumental in arranging for public officials and civil society representatives to appear on highly rated television and radio talk shows to explain the objectives of SIGFA, as well as scheduling meetings between civic leaders, public and private, and the editorial boards of the country's leading publications. These efforts, backed by a number of paid advertisements in the national media, led to extensive coverage of the SIGFA initiative.

These presentations, though sponsored by Grupo Fundemos, a civil society organization, were conducted by various government entities, such as the Ministry of the Treasury and Public Credit, the Comptroller's General Office, and the Office of the President. It is important to note that in Nicaragua's politically charged atmosphere these government entities are often at loggerheads, so that the joint advocacy of a government initiative by representatives of such institutions added useful public credibility to the system's implementation. The fact that the presentations were sponsored by organizations such as Grupo Fundemos also enhanced the legitimacy of the effort, since in Nicaragua the more respected of these organizations jealously guard their independence and resist endorsing initiatives that could be regarded as partisan in nature. Their involvement helped to give credence to the notion that the financial management reform effort transcended partisan interests—in fact, the financial management reform effort began during the Chamorro administration continues under the current administration of President Alemán—and was designed to benefit all Nicaraguans, regardless of political affiliation.

Measuring Nicaraguans' Experience with Corruption

Corruption at the highest levels of government, involving senior elected officials and large national and transnational corporations, presents a paradox: It is the most
notorious form of corruption, but also the most difficult to measure. Yet if the World Bank’s hypothesis is true—that the major negative impact of corruption is the erosion of political legitimacy—and a commensurate decline in confidence, which diminishes investments—then our interest should focus on the day-to-day experiences of the average citizen. If citizens are regularly confronted with corrupt public officials who attempt to extort bribes, their belief in the legitimacy of the system is indeed placed in jeopardy.

For measuring corruption at the level of the average citizen, a survey is an ideal instrument. It is anonymous, and the sample, chosen at random, includes people from all walks of life. As such, it should provide a good indication of the degree of day-to-day corruption experienced by citizens, unlike the survey of national and international business executives that the World Bank conducted as part of its research, which was more likely to tap only higher-level corruption.

The survey asked about respondents’ personal experience with corruption in several contexts, as well as the experience of family members and friends. Interviewers asked whether respondents had been improperly stopped by a member of the police force and, among those who had been, whether the police official had solicited a bribe. They were also asked if they knew of anyone who had paid a bribe to a public official for any reason, or if they had experienced (directly or vicariously) bribery in a bank, at work, or in the courts.

The data presented in Figure 1 make two points clear. First, actual and vicarious experience with corruption is widespread. According to the United Nations RCVS surveys (first implemented in 1987), only 0.7 percent of the population of Western Europe had been solicited for bribes by a government official. In Nicaragua, the levels of bribery were tens times that or more. Second, even though the number of bribes solicited by the police did not decline during the test period (1996–1998), there were statistically significant declines in experience with corruption and knowledge of bribes in the public sector (the specific question asked about “public employees”). Indeed, the incidence of public-sector bribes, though still high by Western European standards, declined by 53 percent between 1996 and 1998. Bribery in the banks or at work did not decline during the test period, nor did bribes solicited by the police.

Can the decline in some forms of victimization by corruption be attributed to the anticorruption campaign? What are the possible alternative explanations? First, we considered and rejected the hypothesis that variations in the sample design produced this decline. The 1996 and 1998 surveys were conducted in identical primary sampling units. The same format was used in both years, and the questions were identical. The demographic and socioeconomic parameters of the two samples were virtually identical. Second, we considered the overall political panorama of the country during the two years in question and what factors might have inflated corruption levels. Elections were held for the presidency in 1996, but the government remained in the hands of an anti-Sandinista coalition, as it had been since the Sandinistas were voted out of power at the beginning of the 1990s. Third, we considered the possibility that popular perceptions of the political system might have shifted during the period, somehow causing individuals to be less willing to report incidents of corruption that they experienced. We can reject this possibility as well, based on the survey data. Included was a five-item battery of system support measures, each coded on a 1–7 scale, designed to tap into respondents’ overall perception of the legitimacy of the political system. More will be said about that scale below; but we note here that between 1996 and 1998 it increased from 41 to 45 for both years. Moreover, since the decline in corruption was not across the board, but instead focused on the public sector, it seems clear that there was no generalised decline in the willingness of Nicaraguans to report their experiences with corruption between 1996 and 1998. Finally, as one last explanation, factors other than the anticorruption campaign might have caused the decline in public-sector victimization by corruption, but it is difficult to think what they would be. In terms of social science studies based on large-scale (i.e., nonlaboratory) controlled social experiments, it is reasonable to believe that we have eliminated all the obvious extraneous factors that could have caused the treatment (i.e., the anticorruption campaign) to affect the dependent variable: victimization by public-sector corruption. One should not overstate these conclusions; corruption did not decline across the board, but there were significant declines over the test period, and (as noted above) we eliminated the most obvious alternative explanations.

Does Corruption Erode Support for the Political System?

The next research question is to determine to what extent corruption in the form of bribery of public officials is related to Nicaraguans’ belief in the legitimacy of their political system. As noted above, our surveys included questions designed to measure the extent to which the public believed in the legitimacy of the political system, or what David Easton referred to as “diffuse support.” A series of five questions was asked, each measured on a 1–7 scale. A key item was: “To what degree do you believe that the Nicaraguan system of government protects the basic rights of its citizens?” An overall index of personal experience with corruption was computed, based on a sub-
set of the respondents’ experience with corruption items analyzed in the prior section of this study. The questions asked whether respondents had been (1) stopped by a police agent for an infraction of the law they had not committed; (2) asked for a bribe by a public official; (3) asked for a bribe in a bank; or (4) asked for a bribe at work. To provide a convenient percentage interpretation, we converted each of the “yes-no” answers into a dummy variable, with those answering “yes” scoring a zero and those answering “no” (i.e., who were victims of corruption) scoring 100. For example, if two out of ten respondents said that they had been asked for a bribe, the overall score would be 20 percent. The four items in the series were then averaged and divided by four to provide an overall percentage of corruption victimization (other items in the series involved victimization experiences, which are not included here).

Does experience with corruption matter? Yes it does, as shown in the following figures. The 1998 data clearly show a strong negative linear relationship between respondents’ experience with corruption and their support for the system. As can be seen in Figure 2, for example, those with no personal experience with corruption have significantly more confidence in the system’s ability to protect their basic rights than those who have personally experienced corruption.

Another key measure of system support, pride in the political system, shows the same pattern for 1998. Figure 3 reveals that significantly less pride is expressed by those who have experienced corruption.

The same pattern emerges in Nicaraguans’ belief in their ability to get a fair trial. Personal experience with corruption, as shown in Figure 4, is significantly linked to this legitimacy item. Those victimized by corruption are significantly less likely to believe that a fair trial is possible, and the more widespread their experience with corruption, the lower their confidence in the judiciary.
TABLE 1 OLS Regression: Predictors of system support (Five Item Index)

<table>
<thead>
<tr>
<th>Unstandardized Coefficients (B)</th>
<th>Standard Error</th>
<th>Standardized Coefficient (B)</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>40.98</td>
<td>4.869</td>
<td>.000</td>
</tr>
<tr>
<td>News</td>
<td>11.01</td>
<td>2.019</td>
<td>.001</td>
</tr>
<tr>
<td>Monthly household income</td>
<td>-.008</td>
<td>0.265</td>
<td>.019</td>
</tr>
<tr>
<td>Years of education</td>
<td>-0.042</td>
<td>0.071</td>
<td>.028</td>
</tr>
<tr>
<td>Age</td>
<td>-0.096</td>
<td>0.052</td>
<td>.001</td>
</tr>
<tr>
<td>Total personal experiences with corruption</td>
<td>1.18</td>
<td>0.209</td>
<td>.035</td>
</tr>
</tbody>
</table>

Note: Sig < .001; Adj. R2 = .015; N = 1889.

A Counterexplanation: Spuriousness?

When these results were made public in Nicaragua, some political officials challenged the hypothesis that corruption and support for the system were spurious, as at different levels of experience with corruption varying with party identification. Specifically, some suggested that those who supported the Sandinista Party, which had been in power for the entire decade, might be more likely to report being victims of corruption or to have indeed been victims—than those who voted for the party now in power. An analysis of the data along party and voting lines did not support that conclusion. Indeed, supporters of the Sandinistas were somewhat less likely to report being victims of corruption than those supporting the incumbent, but the difference was not statistically significant. In short, the linkage between corruption victimization and lowered system support holds, even when controlled for party identification.

What other factors might reveal spuriousness in the results? Obviously, demographic and socioeconomic factors might be associated with an individual’s support for the system and could vitiate the connection between having been a victim of corruption and lowered system support. To test for this possibility, we constructed an overall index of system support. (This was done to avoid having to run the regression five times, once for each item.) The index was constructed by converting the 1–7 scores on each item into a 0–1 format (by subtracting 1 from each score and dividing by 6), summing and averaging the five transformed 0–1 scores, then multiplying by 100 so as to produce an overall measure ranging from 0 to 100. In the regression analysis presented in Table 1, based on the combined 1996 and 1998 samples, we introduced controls for gender, age, education, and income. As can be seen, none of these factors except age plays any significant role. Age is related to support for the system, with older people expressing more support than younger ones. But even when age is held constant, the degree to which a respondent has been a victim of corruption remains a significant predictor of system support.

The Impact of the Public Awareness Campaign

In Nicaragua, therefore, corruption does indeed erode support for the political system, thus lending support to the World Bank’s hypothesis. Now it is possible to return to the question posed in this article’s subtitle: “What is to be done?” Can measures be taken to stem the tide of corruption in the emerging democracies? And if not, will corruption eventually undermine these systems and initiate the reemergence of authoritarianism that claim they alone can “clean house” and sweep away all the problems caused by the democrats?

This hypothesis may be tested by looking at the data. The 1999 survey attempted to measure the impact of the awareness campaign by reproducing the newspaper version of the public awareness campaign message (Figure 5) and asking respondents whether they had seen it before. Nearly one-quarter of the respondents said they had.

To examine the impact of the campaign, we created an overall index of campaign awareness based on three items: (1) having seen the advertisement, (2) having heard or read the campaign slogan “Citizens for an efficient government,” and (3) having heard or read the slogan “Ask us to dream, not to remain asleep” (the overall scale was coded 0–100, ranging from those with no knowledge of the campaign to those who had responded yes to all three items). Since the campaign focused on the importance of transparency in government, the questionnaire included a battery of items to deter-
mine whether those exposed to the campaign were more able to define transparency. Respondents were first asked to define the term, and then their definition was associated with their overall campaign awareness. Exposure to the campaign did help people to define the term, as shown in Figure 6. Among those with the lowest awareness, only slightly more than 40 percent were able to define transparency, whereas among those with the highest campaign awareness score, over 60 percent were able to define it. This relationship remained statistically significant even after we controlled for education and income—two variables, along with age and gender, that were found in Nicaragua to be associated with attentiveness to the public awareness campaign.

The public awareness campaign not only increased citizens' ability to define transparency, it also had a direct impact on their awareness of Nicaragua's several financial management and anticorruption institutions. Figure 7 shows the simple bivariate relationship between the index of campaign awareness and respondents' knowledge of the functions of the Ministry of the Treasury and Public Credit. As can be seen, among those with no exposure, only about 15 percent of respondents stated they knew the functions of this ministry, whereas among those who had the highest exposure to the campaign, about one-third said they knew its functions. This finding should be qualified by repeating what was reported above—namely, that those who had been exposed to the awareness campaign were also the more educated and wealthier among the respondents. So it is important to control for these factors (as well as gender and age) to assess the impact of the awareness campaign. In fact, multiple regression analysis shows that even when all of these factors are controlled for, the awareness campaign significantly increased peoples' knowledge of these institutions.

The impact of the campaign on knowledge of the functions of the Comptroller General's Office is even greater. Figure 8 shows that fewer than one-fifth of the populace with no exposure to the campaign said they knew its functions, whereas about half of those with maximum exposure did know its functions. The multiple regression results show that this impact was independent of respondents' education and that the campaign had a stronger effect than income.

Finally, respondents' overall knowledge of efforts to improve the management of public funds was increased by exposure to the campaign. Figure 9 shows these results, which are also supported by a multiple regression analysis (not shown). Awareness rose from about one-fifth to about one-half of the public, as exposure to the campaign increased.

The final step is to determine to what extent exposure to the campaign reduced respondents' tolerance of corruption. We presented a number of simple scenarios and asked whether the behavior of those involved was corrupt, corrupt but justifiable, or not corrupt. It was found that in relation to exposure to the campaign, tolerance of corruption went down significantly. For example, we asked: "A mayor, without permission of his town council, lends a group of neighbors a municipal tractor to construct a baseball field. Is this corrupt and should be punished, corrupt but
justifiable, or not corrupt?" As shown in Figure 10, the greater the exposure to the anticorruption campaign, the lower the tolerance for this form of petty corruption. We also found that exposure to the media campaign significantly increased tolerance of corrupt behavior such as using public vehicles for personal purposes, citizens failing to report such use, and using influence to get a job.

**Conclusion**

The findings suggest that broad-based public awareness campaigns designed to encourage citizens to demand honesty, transparency, and efficiency in the use of the government's financial resources are effective weapons in fighting corruption. Public awareness campaigns appear to be particularly fruitful when conducted by civil society organizations and presented as bipartisan efforts endorsed by different branches of government that are often in conflict. Aside from being effective in increasing citizens' concerns about corruption, such campaigns appear to also have a measurable impact in reducing the actual incidence of corruption, at least those corruption acts to which average citizens are likely to be exposed. An important finding is that corruption—no matter how it is defined in the theoretical literature—does indeed undermine popular support for and the legitimacy of political systems. This was consistent across a number of variables (such as the government's ability to protect basic rights and to conduct fair trials), as well as across variables used to predict support for the system (such as interpersonal trust). It is
now possible to answer the question "What is to be done?" The findings do not suggest that public awareness campaigns can stop all corruption worldwide, or even in Nicaragua, but they can have an impact. Perhaps more important, the evidence also shows that it is vital for democratizing countries to work hard to stem the tide of corruption; those who do not risk delegitimizing their fragile political systems.

NOTES

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1. For an extensive discussion of this topic, see the articles on corruption control in Schmitter, Diamond, and Plattner (1999).

2. A review of these and other efforts is found in LSBAD (1994).

3. These efforts are explained in detail in the 21 Web site. The specific document that presents the methodological issues can be found at www.transparency.org/documents/21webframework.html (accessed on 3/13/01).

4. For details, see World Bank (1997), pp. 174 - 175.

5. See the analysis of the impact of corruption on growth and investment in World Bank (1997), pp. 102 - 103.

6. Respondents were interviewed face-to-face by a team selected by the Central American firm of Boule & Associates, and trained with the assistance of Andrew Stein, of Tennessee Technological University, who had conducted two major surveys in Nicaragua, one with the support of a Fulbright fellowship.

7. The draft instruments for both 1996 and 1998 were pretested extensively by Andrew Stein in both urban and rural Nicaragua.

8. The Atlantic region of Nicaragua has always presented survey researchers with serious challenges—Koeltz was incorporated into Nicaragua in 1894, but in the mid-1980's was re-named RAAN and RAAN. This is a vast region comprising more than half the territory of Nicaragua, yet it contains only 9.6 percent of the population. The costs of providing a random sample of this region are quite high, so we decided to represent it by concentrating our survey in three main population centers:马那, Boaco, and Puerto Cabezas. All of these areas, two voting precincts were selected. A total of 150 interviews were conducted in the Atlantic region.


11. In 1996, 1200 men were interviewed and 1100 women, whereas in 1998, 1200 men and 1100 women were interviewed. In effect, the samples were almost identical, with a difference of only 3 men and 4 women between the two. The average age of respondents, rounded to the nearest number, was 35 for both samples. Similarly, in rounded terms, respondents had an average of 7 years of education.

12. A manuscript referee asked why it is that system support did not increase between 1996 and 1998 if corruption had gone down. Though system support is shown here to be related to experience with corruption at the individual level, many other measured factors help determine national levels of support. For example, if the economy is to worsen (as measured by increases inflation and unemployment), the fact could well counteract enhanced support for the system brought about by a reduction in corruption.

13. For an extensive discussion of this series of items in comparative context, see Muller, Jakin, and Seligson (1982) and Seligson and Muller (1987). More recent comparative data for Central America are found in Seligson (2000).

14. This overall scale is treated as a continuous variable in the analysis presented here, enabling use of OLS regression. Ordinal logistic regression models, not as nearly well known as OLS, were also used on the data, with similar results in each case. The OLS results alone are reported here.

15. The index assigned a score of 100 to each positive answer and a 0 to each negative answer. The items were summed, averaged, and divided by three to produce a 0-100 scale. If a respondent answered two of the three questions, a valid score was given. If the respondent only answered one or none of the items, a missing value was given for that individual.

16. The regression results are as follows:

**Predictors of Ability to Define Transparency**

<table>
<thead>
<tr>
<th>Coefficient</th>
<th>Standard Error</th>
<th>Standardized Coefficient</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.998</td>
<td>4.869</td>
<td>1.027</td>
<td>.305</td>
</tr>
<tr>
<td>Gender</td>
<td>3.451</td>
<td>2.019</td>
<td>1.708</td>
<td>.089</td>
</tr>
<tr>
<td>Age</td>
<td>.446</td>
<td>.071</td>
<td>6.366</td>
<td>.000</td>
</tr>
<tr>
<td>Education</td>
<td>4.128</td>
<td>2.56</td>
<td>16.205</td>
<td>.000</td>
</tr>
<tr>
<td>Income</td>
<td>2.062</td>
<td>.502</td>
<td>4.106</td>
<td>.000</td>
</tr>
<tr>
<td>Campaign awareness index</td>
<td>.118</td>
<td>.027</td>
<td>4.330</td>
<td>.000</td>
</tr>
</tbody>
</table>

Adj R² = .19, Sig. = .001

17. The regression results are as follows:

**Predictors of Knowledge of Ministry of Finance**

<table>
<thead>
<tr>
<th>Coefficient</th>
<th>Standard Error</th>
<th>Standardized Coefficient</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
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<td>4.094</td>
<td>4.213</td>
<td>.000</td>
</tr>
<tr>
<td>Gender</td>
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<td>1.589</td>
<td>5.500</td>
<td>.021</td>
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<tr>
<td>Age</td>
<td>.363</td>
<td>.066</td>
<td>5.896</td>
<td>.000</td>
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<tr>
<td>Education</td>
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<td>.216</td>
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<td>.000</td>
</tr>
<tr>
<td>Income</td>
<td>2.151</td>
<td>.422</td>
<td>5.090</td>
<td>.000</td>
</tr>
<tr>
<td>Campaign awareness index</td>
<td>.129</td>
<td>.023</td>
<td>5.160</td>
<td>.000</td>
</tr>
</tbody>
</table>

Adj R² = .14, Sig. = .001
18. The regression results are as follows:

**Table:**

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Unstandardized Coefficients (b)</th>
<th>Standard Error</th>
<th>Standardized Coefficients (β)</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-12.928</td>
<td>4.910</td>
<td>-</td>
<td>2.945</td>
<td>.005</td>
</tr>
<tr>
<td>Gender</td>
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<td>1.205</td>
<td>1.12</td>
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</tr>
<tr>
<td>Age</td>
<td>3.076</td>
<td>0.642</td>
<td>1.78</td>
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</tr>
<tr>
<td>Education</td>
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<td>0.181</td>
<td>4.12</td>
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</tr>
<tr>
<td>Income</td>
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<td>0.113</td>
<td>2.11</td>
<td>4.757</td>
<td>.000</td>
</tr>
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<td>Campaign experience index</td>
<td>176</td>
<td>0.223</td>
<td>1.66</td>
<td>2.138</td>
<td>.000</td>
</tr>
</tbody>
</table>

**Significance:**

Adj. R² = 0.86, Sig. = 0.00

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**REFERENCES**


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**ABOUT THE AUTHOR**

Mitchell A. Seligson is a professor of political science at the University of Pittsburgh. His recent book is *Development and Underdevelopment: The Political Economy of Global Inequality*, co-authored with John Popen-Smith (1998), and *Elections and Democracy in Central America*. He has published articles in the *American Political Science Review, the American Journal of Political Science, the American Journal of Political Science*, and *the Latin American Research Review*, among others.