

Are you being served?

Political accountability and quality of government

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The research explored the causes of cross-national variation in levels of corruption and effective governance, focusing particularly on links between corruption and different aspects of political accountability.

As measures of the level of corruption, the research employed three different data sets. The first consisted of a sample of around 120 countries in the late 1990s, for which an extensive battery of governance indicators (on corruption, government efficiency, and so on) was developed by Kaufmann, Kraay and Zoido-Lobaton at the World Bank.¹ The second was a panel data set of about 100 countries for the period 1980–95, with information on corruption and quality of government performance, developed by the Political Risk Services Group. The third data set measured the number of public officials in different states in the US convicted for violating laws against public corruption from 1977–95.

Using econometric techniques to analyse the three data sets, the research showed that low corruption levels and good governance are a function of the extent to which citizens can hold political officials accountable for their actions. More precisely, the extent to which politicians engage in rent-seeking behaviour and other corrupt practices declines with: the presence of free and regular elections, which allow citizens to discipline politicians; the degree of information of citizens (measured through the frequency of newspaper readership), which curbs the opportunities politicians may have to engage in political corruption and mismanagement; and the involvement of citizens in politics (measured through electoral turnout).

According to the findings, the combined effect of the level of newspaper readership, the existence of democratic elections, the level of per capita income and the degree of political instability together explain over 80 per cent of the variance in the level of corruption. Figure 1 shows the strong negative correlation between corruption and press readership. Figure 2 then shows the negative correlation between corruption and electoral turnout for those countries where there are free elections.

Figure 1: Level of corruption and newspaper circulation in 1997–98

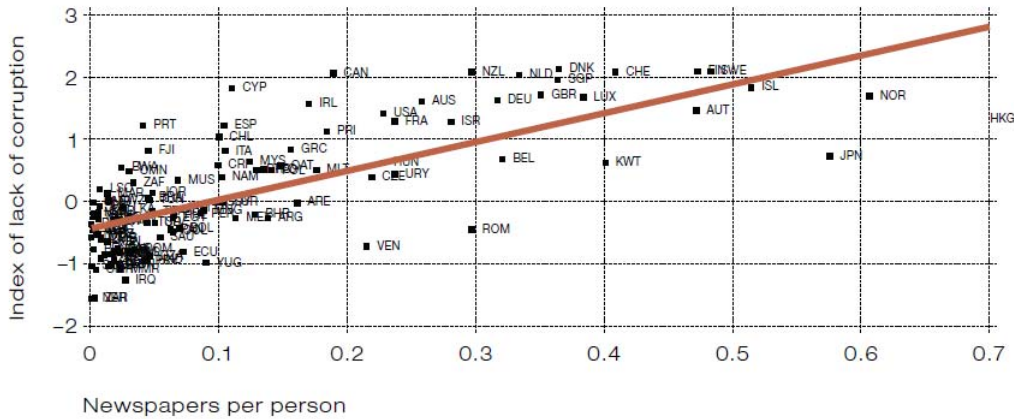
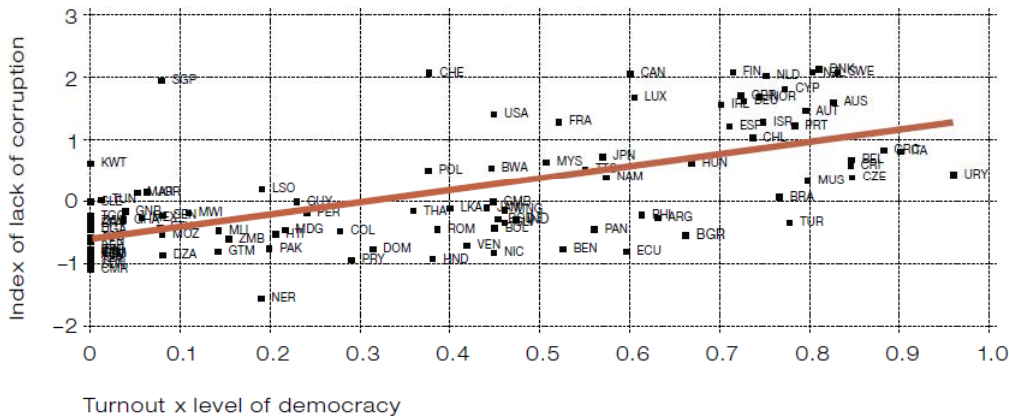


Figure 2: Level of corruption and turnout in democratic regimes in 1997–98



The combined impact of newspaper readership and democratic elections is marked, though complex. On the one hand, the level of corruption does not change in the absence of newspaper readership, and actually worsens in authoritarian regimes with high levels of newspaper readership (relative to authoritarian regimes with populations that do not read the press). On the other hand, the combination of a vibrant press and democratic elections cuts down corruption sharply. Moving from an authoritarian regime (with or without newspaper readership) to a democratic regime with high newspaper circulation reduces the level of corruption by a whole standard deviation in the sample, other things being equal.

Similarly, the higher the level of political mobilisation in a democratic country, as measured by electoral turnout, the lower the level of corruption. Other things being equal, the level of corruption declines by about half a standard devi-

ation in the sample when one moves from a country where only 50 per cent of the population votes to a country where everybody votes.

These results are robust to the use of the following controls: per capita income; social capital; the structure of the legal system; the level of ethnic fragmentation and conflict; variations in the type of constitutional framework; and religious values.

Although the research focused on the mechanisms through which political accountability reduces corruption, it also generated estimates of the influence of other factors. Political stability, economic development and, to an extent, the degree of financial openness (as measured through the extent of capital controls) reduce the extent of corruption. On the other hand, no association was found between corruption and the type of legal structure, different constitutional structures (federal, presidential or electoral), the size of the public sector, or the extent of trade openness.

The research is presented in full in Alicia Adserà, Carles Boix and Mark Payne, 'Are You Being Served? Political Accountability and Quality of Government,' Inter-American Development Bank Research Department Working Paper No. 438, December 2000.

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¹ Daniel Kaufmann, Aart Kraay and Pablo Zoido-Lobaton, 'Aggregating Governance Indicators,' World Bank Working Paper No. 2195, 1999.

