



IS POLITICAL CORRUPTION A MISSING PIECE IN THE PUZZLE OF AUTOCRATIZATION?

A quantitative study of the relationship between changes in levels of political corruption and changes in levels of democracy

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Abstract

While previous research has examined how levels of democracy affect corruption, the number of studies investigating how levels of corruption affect democracy is limited. Declining levels of democracy, or autocratization, is an unsolved puzzle with many theorized causes, such as inequality, low accountability, and economic issues. Political corruption is another discussed factor that is argued to undermine democracy, yet there is a lack of statistical analyzes examining these theoretical claims. This gap limits the empirical foundation of the relationship between corruption and democracy. A time series-cross section analysis will thus be conducted, covering 115 democratic states from 1900-2021. The thesis hypothesizes that increased levels of political corruption decrease levels of democracy in democratic states, which shows to be statistically significant. The results, however, become insignificant when exposed to a robustness test with the inclusion of the control variable Years since Democratization. Nevertheless, as the results present that increasing political corruption decreases levels of democracy to some extent, it provides a statistical groundwork that creates paths for future research, which is required in order to further examine the relationship and to broaden our understanding of why states autocratize.

Keywords

political corruption, autocratization, democracy, political trust

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1. Introduction

“The world is in peril and paralyzed... We are gridlocked in colossal global dysfunction” Secretary-General Antonio Guterres of the United Nations says as he speaks before the UN annual high-level gathering in New York City, addressing the current global situation of poverty and war (Macias, 2022). The contemporary global arena is unstable to say the least. Autocratization is the global trend, and the average levels of democracy are down to 1989 levels. 2022 started with a military coup in the electoral democracy Burkina Faso, putting an end to their democratic rule (Boese et al., 2022:6, 31). In the writing moment of December 2022, the president of Peru attempted a self-coup to dissolve the parliament, while it fell shortly (Collins, 2022). Even the United States, recognized as one of the oldest continuous democracies, has been dropping their democratic score on Varieties of Democracy Institute’s Liberal Democracy Index (0-1 scale) from 0.86 in 2010 to 0.73 in 2020, partly due to the Trump administration’s attacks on the media, opposition, and checks and balances (Alizada et al., 2021:19). The third wave of autocratization has been accelerating since the end of the Cold War and still permeates the international community, threatening democracy and the freedom of billions of people all over the world (Boese et al., 2022:13).

Autocratization and its causes is an unsolved puzzle. The subject marks the political discourse and research field daily, and in order to understand what drives democracies toward authoritarianism, more research is required. In the search for harmful components for democracy, I have identified research claiming that levels of corruption are in several ways connected to levels of democracy. Empirical evidence presents that high levels of democracy reduces corruption (McMann et al., 2020; Rock, 2009). There are also theoretical arguments accusing corruption of undermining democracy (Johnston, 2005). Several scholars stress that corruption generates political distrust (e.g., Anderson & Tverdova, 2003; Chang, 2013), which in turn illegitimizes the democratic regime (e.g., Blind, 2007; Hetherington; 1998), provoking the decline of democracy levels (e.g., Bauer & Becker, 2020; Lührmann, 2021). The literature approaches the relationship between corruption and democracy both ways, yet empirical evidence that illuminates the role of corruption on declining democracy is very limited. Considering various corruption scandals in democratic regimes that have been argued to fragmentize society, the phenomenon seems vital to investigate. For example, a former ruling party in Brazil, the Workers’ Party (PT), has been involved in several corruption scandals, for instance bribing key staff of the state oil company Petrobras to assure their control of contracts

for oil, etc. The scandal is argued to have provoked a rise of authoritarian neoliberalism, aggravating nationalism, racial discrimination and religious sectarianism (Saad-Filho & Boffo, 2021:303-304). After a half decade of corruption scandals, Brazil became one of the top ten autocratizing countries in the world (Boese et al. 2022). Increasing corruption is clearly not advantageous for democratic progress. Could corruption instead be a missing piece in the puzzle of autocratization? More formally, *does an increase in political corruption affect the levels of democracy in democratic states?*

The purpose of this paper is thus to examine whether an increase in levels of corruption decreases levels of democracy in democratic countries. To be able to examine this relationship, I will conduct a cross-national and time-series analysis combining the independent variable changes in levels of corruption, with the dependent variable changes in levels of democracy. With data from 115 countries between 1900-2021 around the globe, I examine the effect of corruption on declining levels of democracy. The results present that an increase in corruption decreases levels of democracy, with statistical significance despite control variables and other control methods. The only fluctuation in the results was once I added Years since Democratization as an alternative control. Although, the relationship turns insignificant when combined with the other control variables – which requires further empirical examination. In addition, I found that corruption used by executive and public officers as leading factors affects levels of democracy, while corruption in legislative and judicial settings does not.

As mentioned, there are many scholars that have researched how levels of democracy seem to affect levels of corruption, yet not as much in the reversed direction. As far as I know, corruption is theoretically claimed to undermine democracy, but the effect corruption has on democracy has not been tested empirically, limiting our knowledge in the field. My empirical result fills the gap in the existing research field by illuminating political corruption as one of the strong explanations for autocratization. Additional research on this topic is further necessary considering the current global situation, enhancing this study's societal relevance. With the third wave of autocratization destabilizing the global arena, it is utterly important to develop our understanding of why democracies regress. Since literature claims that high levels of corruption undermine democracy, the result might arise incentives to examine or review counterproductive actions, such as anti-corruption programs, in order to prevent corruption and thereby reduce future risks for autocratization as it is the contemporary trend.

In the following section, I will present the theoretical framework. I will then operationalize the variables and present a specification of the model. This will be followed by results of the analyzes, including robustness tests. Lastly, I will discuss the results, its implications and limitations, and finally draw conclusions based on the results.

2. Theoretical framework

2.1 Previous research

2.1.1 Causes of autocratization

The phenomenon of autocratization is a trending issue in the research field, yet there is no consensual answer to why states autocratize. This section contains a summary of what is assumed to provoke autocratization based on Waldner and Lust's (2018) work, which provides six theories of autocratization based on various scholars' research on this issue.

Theories of *political agency* concern leaders that can make decisions under unconstrained conditions. Without constraint from institutions or oppositions, leaders can cause autocratization on their own by basically initiating autocratization to gain more power themselves (see Fish, 2001; Mainwaring & Perez-Liñán, 2014; Van de Walle, 2003 in Waldner & Lust, 2018:97-98). Similarly, the theory of *political institutions* concerns efficaciousness and accountability. Democracy can be undermined in the government horizontally, if there are no governmental agencies that can stop members to act autocratic and risk damaging democracy from within. Governmental institutions can be manipulated to benefit the leaders and with control over political institutions leaders then alter the outcomes, enabling them to implement authoritarian practices (Waldner & Lust, 2018:99-101). Theories based on *political culture* attributes norms, practices, beliefs, and attitudes as causes for autocratization. Some argue that culture can shape behaviors or form preferences for different forms of political practice. Thereby, some forms are more probable, such as authoritarian ones (see Inglehart & Welzel, 2005 in Waldner & Lust, 2018:98-101).

The research of theories concerning *political economy* as a cause for regime outcomes presents various empirical results. Studies state that income level affects how likely autocratization is, that increasing levels of income promotes the likelihood of transition toward democracy, and improbability of democratic failure. Moreover, low levels of economic development make unstable democracies more prone to regress (see Przeworski & Limongi, 1997 in Waldner &

Lust, 2018:101). The theory of *social structure and political coalitions* emphasize the meaning of societal groups, the risk of conflict between groups, and the political meaning of group formation. For instance, it concerns social class, economic class, and political affiliation, that pits groups against one another (see Bates, 1974; Rabushka & Shepsle, 1972 in Waldner & Lust, 2018:103-104). Lastly, there are theories of possible *international factors*, usually with focus on the West trying to leverage authoritarian regimes to democratize. While some attempts are believed to generate positive outcomes, for instance the temptation of membership in international organizations (e.g., the EU), others have proven to not be as successful. Foreign aid aimed to help the process of democratization has proven to in some cases initiate autocratization rather than prevent it (Waldner & Lust, 2018:105-106).

To summarize, there are various valid theories as to why states are driven toward authoritarianism. However, among these various possible causes mentioned, corruption is not explicitly one of them, enhancing the relevance of this paper. I will develop this in the next section.

2.1.2 Corruption and democracy

The relationship between democracy and corruption have been studied before, and generally, there is more research on how democracy affects corruption. Yet, there is no consensus on how the causation functions. Some argue that democracy reduces corruption in general (Kolstad & Wiig, 2016:1198), while others claim that politically stable autocracies can be less corrupt than new unstable democracies, as it is either decades-long tradition of democracy or political stability that reduces corruption (Nur-Tegin & Czap, 2012:51, 63). In the same sense, other scholars emphasize how states with low levels of democracy are most prone to have increasing corruption. High levels of either autocracy or democracy have shown to be less corrupt, as corruption in regime types usually develops in an inverted U-shape. In autocracies, corruption is usually not that tangible, but during the process of democratization in a new and unestablished democracy, corruption flourishes. Over time, as democracy becomes more consolidated, corruption eventually declines (McMann et al., 2020:903; Rock, 2009:70). Rock (2009) further suggests that the tipping point in democratization where corruption reaches its peak and then declines, usually is after 10-12 years (Rock, 2009:70). Incomplete democratization processes promote corruption due to unstable democratic attributes that have not been fully settled, e.g., freedom of expression and participation (E. Warren, 2004:341).

2.1.3 The puzzle of autocratization

As mentioned, most studies focus on how levels of democracy affect levels of corruption and its causation. This is highly relevant as there seems to be a significance between the two variables, and despite this paper's aim to focus on corruption as the affecting variable, it is important to address that there are previous studies that present mechanisms or empirical evidence of how democracy affects corruption. I do not aim to reject theories of corruption as a result of the development of democracy, but rather to shine light on the possibility of reverse causality with corruption as a cause. There are multiple scholars that highlight theoretical arguments as to why corruption per se undermines democracy. For instance, corruption is argued to subvert democratic elements such as free and fair elections and rule of law, generate low political trust, and promote political misbehavior from leaders, which all results in the undermining of democracy (Caiden, 1997:1; E. Warren, 2006:803; Kubbe & Engelbert, 2018:175; Johnston, 2005:25). To my knowledge, there are no concrete statistical studies on this direction of the relationship, despite the many studies built on theoretical arguments accusing corruption of undermining democracy. In order to draw attention to the debate of corruption as the affecting variable, some concrete empirical evidence may encourage more research on this proposed causation. Contemporary research examines the issue of autocratization, but as discussed earlier, the causes are not established. Due to the claims of how corruption erodes democracy, it seems plausible that corruption could be a piece that has been missing in the puzzle of autocratization.

Therefore, the research question reads:

Does an increase in political corruption affect the levels of democracy in democratic states?

2.2 Central terms

Political corruption

Heywood (1997) conceptualizes political corruption as: “...*corrupt activities which take place either wholly within the public sphere or at the interface between the public and private spheres - such as when politicians or functionaries use their privileged access to resources (in whatever form) illegitimately to benefit themselves or others.*” (Heywood, 1997:421). Heywood’s explanation of political corruption is a common conceptualization, and I will therefore define political corruption in accordance, where political decision-makers misuse public resources. Appropriately, the various corruption variables in this study are gathered from V-Dem’s codebook version 12, presenting a similar formulation: the use of public office for private gain (Coppedge et al., 2022:300). These phrasings of political corruption are very broad and therefore allows several aspects of the concept. Positively, the results may then capture a broad data and generate an inclusive result, but negatively, the results may be too weak due to the broad data. Therefore, I will not only test this broad aspect of political corruption but conduct robustness tests of more specified concepts of political corruption as well. This in order to distinguish if different types of political corruption constitute different effects. Definitions of the specified aspects of corruption that will be examined are:

Executive Corruption: How often do “*members of the executive, or their agents grant favors in exchange for bribes, kickbacks, or other material inducements, and how often do they steal, embezzle, or misappropriate public funds or other state resources for personal or family use?*” (Coppedge et al., 2022:301).

Legislative Corruption: “*Do members of the legislature abuse their position for financial gain?*” (Coppedge et al., 2022:151).

Judicial Corruption: “*How often do individuals or businesses make undocumented extra payments or bribes in order to speed up or delay the process or to obtain a favorable judicial decision?*” (Coppedge et al., 2022:170).

Public Sector Corruption: “*How routinely do members of the executive, or their agents grant favors in exchange for bribes, kickbacks, or other material inducements, and how often do they steal, embezzle, or misappropriate public funds or other state resources for personal or family use?*” (Coppedge et al., 2022:301).

Autocratization

There are three common ways to address a state transitioning into more authoritarian features: autocratization, democratic breakdown, and democratic backsliding. This paper will refer the process to autocratization, which Lührmann and Lindberg (2019) emphasize implies the opposite of democratization and any move away from democracy. The scholars claim that this term is superior to the others as it is broader and includes the concepts of democratic breakdown (sudden transitions), and democratic backsliding (the diminishing of democratic traits). Democratic backsliding would be an appropriate term as well, since it usually is referred to something occurring only in democratic regimes (the regime type of this study's selected countries), but as autocratization is broader and commonly used among recent literature, it is the selected term (Lührmann & Lindberg, 2019:1098-1099).

Political trust

This paper defines political trust in accordance with Miller and Listhaug (1990):

Trust ... reflects evaluations of whether or not political authorities and institutions are performing in accordance with normative expectations held by the public. Citizen expectations of how government should operate include, among other criteria, that it be fair, equitable, honest, efficient, and responsive to society's needs. In brief, an expression of trust in government (or synonymously political confidence and support) is a summary judgment that the system is responsive and will do what is right even in the absence of constant scrutiny. (Miller & Listhaug, 1990:358)

Noteworthy, Bertsoy (2019) highlights that the research field of political trust equates low trust with distrust and finds it problematic. The author argues that the two terms should not be used equivalently, since distrust is 'something', and low trust is the 'absence of something else' (Bertsoy, 2019:224). Even though this argument is worth taking into consideration, scholars mentioned in this paper do not differentiate the concepts, and therefore neither will I. Due to this, low political trust and political distrust will be used synonymously, yet it is important to be aware of the possibility of different meanings in other studies.

2.3 Theory: how corruption affects democracy

I argue that the deterioration of corruption could provoke a decline in levels of democracy in democratic states due to following mechanisms: Political corruption generates low political trust among citizens, and therefore delegitimizes the democratic regime. As distrustful citizens find the regime illegitimate, they turn to challenging parties, which are usually populist anti-pluralists. As these parties acknowledge citizens' distrust, they fuel it and mobilize electoral support through populist rhetoric. Anti-pluralists are adept at finding institutional weaknesses, and they thereby constitute a threat towards democracy as they push the political system into hegemonic authoritarianism, provoking democracy levels to decline.

2.3.1 Corruption reduces political trust and delegitimizes the democratic regime

The first mechanism concerns how corruption reduces citizens' political trust which declines the democratic regime's legitimacy. In short, it is argued that: "Corruption lies at the heart of distrust of government" (Uslaner, 2017:303). A usual form of corruption is when corrupt leaders misuse public assets for private gain. These leaders alter budgetary compositions and use public funds for their own purposes as they fill their personal bank accounts instead of spending capital on infrastructure, schools, or healthcare (Chang, 2013:76; Uslaner, 2017:303). Rulers' corruption then results in damaging the relationship between leaders and citizens. This harms citizens' trust in their rulers, as it is proved that people need to perceive their leaders as equals that share their values and are representative of the public's interests. However, as Uslaner puts it: "*Corrupt leaders are perceived by ordinary people as out of touch and as the source of both scorn (for their lack of morality) and envy (for the wealth they gain from their dishonest behavior)*" (Uslaner, 2017:302). When citizens do not experience a similarity between their leaders and themselves, they develop an image of the rulers as dishonest (Uslaner, 2017:302). Accordingly, when corrupt leaders spend public resources, it results in lost citizenry faith and distrust toward the government and its rulers (Chang, 2013:76; Uslaner, 2017:303; Wang, 2016:213).

As political leaders act corrupt in this sense, it worsens the regime's political performance, resulting in further lost faith in political institutions among citizens. Chang (2013) and Wang (2016) emphasize that corruption disrupts the performance of democratic political institutions, which hinders good governance and hampers the functioning of public administration. It generates bureaucratic inefficiencies, which is not appreciated by citizens who get affected

(Chang, 2013:76-77; Wang, 2016:213). As these political institutions become instruments of the leaders, it undermines the state's performance within openness, equality, and accountability, and the institutions lose their autonomy and trustworthiness (Anderson & Tverdova, 2003:91-93; Chang 2006:260). Several scholars present empirical evidence suggesting that this type of governmental misbehavior and high levels of corruption interrupts citizens' faith and trust in democratic political institutions (Anderson & Tverdova, 2003:91; Morris & Klesner, 2010:1262; Uslaner, 2017:308). This is distinctly illustrated by Chang and Chu (2006): *"Importantly, political corruption represents a direct and brutal betrayal of public trust placed in institutions, since political corruption revolves around situations where governmental officials entrusted by the public engage in malfeasance for private enrichment."* (Chang & Chu, 2006:259). As corruption compromises the performance of the government's effectiveness and fairness (two base elements for a well-functioning democratic political system), the relationship between rulers and the ruled gets further damaged (Morris & Klesner, 2010:1262). Therefore, governments that are trusted by the public are those of high quality that deliver strong performance, such as the equality of citizens before political institutions (Anderson & Tverdova, 2003:91; Chang & Chu, 2006:260; Uslaner, 2017:302; Wang, 2016:228). When corruption permeates the regime, policies are instead created to fit the political elite and their connections, and governmental services are only accessible for those who illegally pay for them. In turn, distrust is developed among citizens toward political institutions (Chang & Chu, 2006:260). Thus, countries where citizens observe corruption more frequently are more distrustful and convey more negative expressions toward the political system's performance (Anderson & Tverdova, 2003:91-93; Chang & Chu, 2006:260; Chang, 2013:77; Morris & Klesner, 2010:1662; Wang, 2016:213).

Accordingly, as political leaders act corrupt and corruption is more frequently observed, it hampers political performance, generating cynicism among citizens who increasingly distrust political institutions and the democratic regime (Anderson & Tverdova, 2003; Chang, 2013; Chang & Chu, 2006; Morris & Klesner, 2010; Uslaner, 2017; Wang, 2016). This citizenry distrust further undermines the legitimacy of the regime (Morris & Klesner, 2010:1259). Chang (2013) highlights that: *"low levels of institutional [political] trust in the citizenry reduce the effectiveness and capability of the government, which ultimately leads to legitimacy crises for democratic regimes"* (Chang, 2013:74-75). Blind (2007) argues that if citizens believe that the government acts in rightful and justified ways, the government and its representatives appear as legitimate. The presence of political trust results in good governance since it builds political

legitimacy. Low trust, however, declines the legitimacy (Blind, 2007:18). In accordance with Blind (2007), Hetherington (1998:792), Marien and Hooghe (2011:267), and Seligson (2002:429) emphasize that corruption and low political trust challenges regimes' legitimacy. Hetherington (1998) further elaborates that when support for the government decreases, the legitimacy is questioned and can generate long-term implications for the government. The regime will then end up in a vicious circle since distrust breeds condemnation, which in turn complicates leaders' possibilities to overcome problems. The government will become paralyzed by action and will not be able to tackle problems efficiently. Consequently, distrust generates aggravated distrust, and as a result, citizens will most likely question the legitimacy of the democratic regime (Hetherington, 1998:792).

Thus, as corruption is frequently observed among citizens, their political trust is reduced, which delegitimizes the democratic regime. Rightful governmental actions build legitimacy, but corrupt ones damage it (Blind, 2007; Hetherington, 1998; Marien & Hooghe, 2011; Seligson, 2002). I claim that corruption eradicates both democratic processes and governmental performances, and as political trust reduces, democratic legitimacy cannot withstand the destructive characteristics of corruption. Presented below is a discussion of how a decline in political trust and legitimacy, due to increasing corruption, could initiate a process of autocratization.

2.3.2 Declining political trust and legitimacy threatens democracy

The decline of political trust and legitimacy within a state is by several scholars argued to be threatening to democracy. In this section, I will present literature claiming that citizens with low political trust that finds the democratic regime illegitimate tend to vote for anti-pluralistic populist parties. As these parties gain power, they threaten basic elements of democracy (e.g., freedom of expression, participation, and institutional checks and balances) and risk to provoke autocratization.

Lührmann (2021) introduces the general process toward autocratization generated by discontent with the performance of democratic government and parties. Specifically, distrust in democratic parties and leaders consequently decreases citizens' support for established parties as they find the democratic government illegitimate. Instead, they support political outsiders or parties that challenge the current government. Dissatisfied citizens that distrust the government often believe populist leaders' rhetoric where they express how only they are the legitimate

representatives of “the people” and criticizes the political system since “the elite” should not be trusted. This results in voters’ electoral choices being strongly affected, and therefore they incline toward protest politics, extreme right, populist, and anti-state parties (Agerberg, 2017:579, 583; Lührmann 2021:1020-1021; Riedel, 2017:293; Petrarca et al., 2022:330-331).

When a democratic regime is in a legitimacy crisis, distrustful citizens search for electoral options, creating a perfect opportunity for anti-pluralist parties to mobilize. Anti-pluralists adeptly address citizens’ political distrust while they also fuel it and get away with their anti-democratic visions simply by populist rhetoric. By claiming that they want “true democracy” and to protect the people, they gain support while their true intentions threaten to undermine the democratic system. The replacement of established organizations, introduction of new units in bureaucracies, and redistribution of power from some systems to others where leaders are more in charge of, are recurrent anti-pluralist strategies (Bauer & Becker, 2020:21-23; Lührmann, 2021:1025; Riedel, 2017:294).

In cases where anti-pluralist populists gain power, and status quo among the citizenry is political distrust against the previous illegitimate democratic regime, there is not much hindering a governmental takeover and the initiation of autocratization. Anti-pluralists take advantage of their institutional positions as executives, and since they usually gain power from democratic elections, their legitimacy is presumed. Thereby, they can erode liberal pluralism step by step in formally legal ways, usually by dismantling checks and balances and undermining fair competitiveness (Weyland, 2020:389-391). Former populist President Rafael Correa in Ecuador, for example, managed to change democratic institutions with electoral mandate. He convinced the Constitutional Assembly to force the Congress to permanently resign and take on legislative tasks themselves. Correa discredited established parties by corruption and bad political performance, and these never recovered as he recentralized measures in order to undermine the opposition. He drew new electoral districts, allocated seats and changed electoral rules in order to undermine the opposition. With his strong mandate, Correa introduced rules implying that any citizen organization could be dissolved if the state experienced it as harmful for state security, and journalists were not allowed write in a sense that would destroy the prestige of a juridical person or decrease their public credibility (Bermeo, 2006:12). In sum, as illustrated in the case of Correa in Ecuador, populist leaders use electoral ways to gain more power while undermining democratic elements and gradually moving towards authoritarianism. When anti-pluralist populists succeed to gain power and end up in

positions where they can alter rules and practices in electoral and justified ways, it implies that they can restrict democratic elements such as freedom of expression and participation. The rise of anti-pluralist populists can therefore be considered as an enormous threat against democracy. Thus, an increasing corruption that generates political distrust and declines legitimacy in democratic regimes lead the country toward autocratization through an increase in voters' supports for anti-pluralist populist parties and their anti-democratic institutional reforms.

2.3.3 Summary

In sum, based on the mechanisms presented above, I argue that an increase in corruption could reduce levels of democracy. As corrupt leaders misuse public funds and assets to personal interests, it disrupts good governmental performances. Governments become ineffective and act unfair and unjustified in favor of the corrupt actors. As leaders fail to present good performances, citizens lose faith in political institutions as its services are only accessible by the political elite, its close connections and those who illegally pay for it. Hence, citizens lose their trust in the government, and the frequent observations of corruption has generated reduced political trust. As political trust weakens and political support declines, the legitimacy of the government is put at risk. Almost only governments that deliver justified performances can build legitimacy, while corrupt governments generate distrust. This results in a legitimacy crisis. Finally, with a decline in political trust and legitimacy, voters tend to turn to outsider parties, usually populist anti-pluralist ones. These are adept at mobilizing support and gaining power by claiming that their vision is “true democracy”, while they aim to do the opposite of promoting democracy. Once these anti-pluralists enter power position through election, they would then be in a position where they could initiate a process of autocratization and the future of democracy rests in their hands. In short, increased corruption seems to generate outcomes that in turn threaten democracy, in other words reduce the levels of democracy step by step.

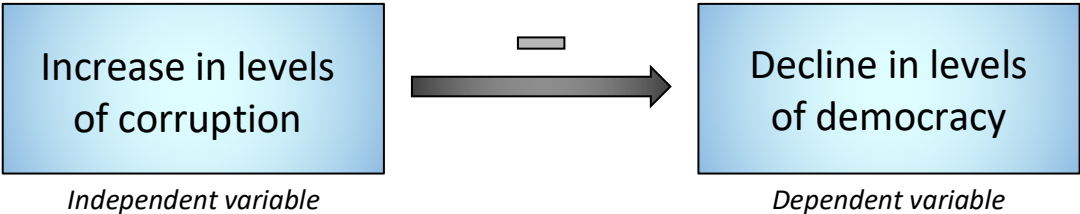
2.4 Theoretical models

Based on the theoretical arguments described, a model of the theoretical mechanisms has been drawn and presented below (Figure 1). In this study however, I only address and examine the effect of corruption on levels of democracy (Figure 2). I leave the examination of further mechanisms, including the effect corruption has on political trust and the effect political trust has on levels of democracy, as future research agendas.

Figure 1: The theoretical mechanisms illustrating how corruption can undermine democracy.



Figure 2: Illustration of expected effect: Changes in levels of corruption have a negative impact on changes in levels of democracy (i.e., increased levels of corruption reduce levels of democracy).



2.5 Hypothesis

Based on the discussed theoretical and empirical arguments, I predict that changes in a democratic state’s levels of corruption have a negative impact on changes in its levels of democracy. More specifically, I predict that increased corruption decreases levels of democracy in a democratic state.

Hypothesis: An increase in levels of corruption decreases the levels of democracy in democratic states.

3. Method and data

3.1 Research design

In order to empirically test the effect an increase in levels of corruption has on changes in levels of democracy, a quantitative analysis is appropriate.¹ All data that will be analyzed originates

¹ A limitation of the study is that I do not empirically test whether an increase in corruption results in autocratization through declining political trust and legitimacy of a democratic regime. Future research needs to address whether an increase in corruption declines political trust and legitimacy, and how such declines in political trust and legitimacy decreases the quality of democracy.

from the Varieties of Democracy (V-Dem) Institute (Coppedge et al, 2022) and the World Data Bank (World Bank, 2022), which will be merged.

The demarcation of time for the study will be between 1900-2021. Given that there have been three waves of autocratization since 1900 (Lührmann & Lindberg, 2019:1102), as much data of declining levels of democracy as possible is relevant for this study. However, this is a long period of time to measure, and since there are many differing circumstances for each country throughout the years, I will also conduct a subsample analysis between 1990-2021. This is to isolate the contemporary “third wave” of autocratization that has been lasting since the end of the Cold War (Lührmann & Lindberg, 2019:1095) and examine whether it may present any differences in the significance of the results. The selection of countries that will be examined are selected from V-Dem’s dataset version 12, published in March 2022 (Coppedge et al., 2022). Since my central argument is that corruption declines political trust in democratic institutions, I will exclude all country-years in the dataset classified as Electoral or Closed autocracies based on their Regime of the World (RoW) classification (Lührmann, Tannenberg, & Lindberg, 2018:62-63). This implies that the dataset contains measurements of some countries that classified as democracies years back, but not of recent years if their regime type changed into authoritarian. Likewise, earlier autocratic regimes that transitioned into democratic only contributes with data from their democratic rule. For instance, Sweden as a current democracy is in V-Dem’s dataset classified as democratic from 1922-2021 and provides data for these years. Thailand as a current autocracy classified as democratic between 1998-2012, providing data for those years. In total, 115 democratic states will be included in the analysis (Coppedge et al., 2022).²

3.2 Operationalizations

Both the independent and dependent variables are operationalized as *changes* in levels of corruption respective democracy. I prefer this operationalization over the levels of corruption/democracy in a *static* sense by two main reasons. First, since I theorize that *increased* levels of corruption would *reduce* levels of democracy (i.e., autocratization) overtime, I should test this dynamic process of *change* in their relationship. An increase of corruption implies *changes* in levels of corruption from less corrupt to more corrupt, and a decrease of democracy implies *changes* in democracy from more democratic to less democratic.

² See Table 4 in Appendix for a list of the selection of countries.

Naturally, instead of measuring the *static* levels of corruption/democracy, measuring *changes* in both concepts ensures to a larger extent that I measure what I aim to, increasing the study’s internal validity. Second, there is strong endogeneity between the phenomena: the quality of democracy also affects the level of corruption in a country. The change values are better at capturing the dynamic relationship by allowing us to examine the gradual democratic erosion in the country over time, while accounting for temporal dependency.

3.2.1 Dependent variable

The dependent variable, changes in levels of democracy, will be operationalized with the V-Dem Electoral Democracy Index. This index is based on the idea of elections, along with institutions upholding the democratic qualities of elections, to be the core of the concept of democracy. This consensus has emerged from well recognized scholars (see Schumpeter, 1942); Downs, 1957; Dahl 1956, 1971 in Teorell et al., 2016:3). V-Dem differentiates this concept of democracy from others, e.g., liberal, egalitarian or deliberative democracy (see Coppedge et al. 2016, 2017; Lindberg et al., 2014 in Teorell et al., 2016:3), that does not consider elections to be one of the pillars of democracy. The V-Dem Electoral Democracy Index is aimed toward Dahl’s (1971) well known and utilized theory of democracy. With over 2600 country experts, they measure five components from Dahl (1998): “Elected officials”, “Free, Fair, Frequent elections”, “Associational autonomy”, “Inclusive citizenship”, and “Freedom of expression” separately (Teorell et al., 2016:3-4).

Table 1: The Five Institutional Guarantees of Polyarchy³ (Teorell et al., 2016:5)

	<i>Minimalist conception:</i>	<i>Maximalist conception:</i>
A. Elected officials	X	X
B. Free, Fair and Frequent Elections	X	X
C. Associational Autonomy	X	X
D. Inclusive Citizenship		X
E. Freedom of Expression		X

The index is an interval scale, varying from 0-1 (low to high) when it through the five components answers the question “To what extent is the ideal of electoral democracy in its fullest sense achieved?” (Coppedge et al., 2022). In the research field of measuring democracy, it is commonly utilized, and I find it appropriate for this analysis as it includes components relevant in order to find possible support for the hypothesis.

³ For more specific information of how these components are measures, see Teorell et al., (2016).

3.2.2 Independent variable

The independent variable, changes in levels of corruption, will be operationalized with the V-Dem Corruption Index. It covers data from all countries around the world and is based on expert surveys. The component indicators of this index differentiate corruption and other behaviors that are in other indices usually included, e.g., it does not include nongovernmental positions for private gain in the definition of corruption (McMann et al., 2016:10). This is relevant for this study, as corruption is theorized as the form that occurs in governmental situations. The independent variable is measured with the Political Corruption Index, which includes executive bribery, executive embezzlement, public sector bribery, public sector embezzlement, legislative corruption, and judicial corruption. As this definition of political corruption is very broad, I also examine whether some of these aspects of corruption would have stronger effect on democracy. The variable of political corruption is in the index based on four more specified ones: Executive Corruption Index, Legislature corrupt activities, Judicial corrupt decisions, Public Sector corruption index (Coppedge, 2022). Therefore, these four specified corruption variables will each be analyzed as robustness tests in order to distinguish if changes in levels of democracy will vary due to changes in levels of *different types* of political corruption.

3.2.3 Control variables

Various underlying factors that affect both the level of corruption and democracy have been theorized over the years. Therefore, it is important to control for possible confounders. All control variables except GDP per capita and GDP Growth will be retrieved from the same V-Dem dataset as the independent and the dependent variable (Coppedge, 2022). GDP per capita and GDP Growth will be retrieved from the World Data Bank (World Bank, 2022).

Levels of accountability will be controlled for since low levels of accountability in all its forms; vertical (competitive and fair elections enables citizens to punish leaders for unjust actions), horizontal (executive constraints), and diagonal (freedom of expression, free media and civil society that can question the government), implies that citizens cannot punish incumbents, causing corruption to flourish (Schedler, 1999; Smulovitz & Peruzzotti, 2000). Low levels of accountability constitute a threat to undermine democracy since one cannot constrain or stop members of the government to act authoritarian, initiate an autocratic process and destroy democracy from within (Lührmann, 2021; Waldner & Lust, 2018). I will control

the static **levels of democracy**, since research claims that low levels of democracy in a state allow corruption to increase (McMann et al., 2020; Rock, 2009), and these states are also more probable to autocratize due to the instability (Meyerrose, 2020). **GDP per capita** and **GDP Growth** will both be controlled for. Low GDP in various forms is claimed to support corruption as it restricts the possibilities to control corruption for a state, which can cause an increase (Enste & Heldman, 2017). Research also shows how low economic development makes an unstable democracy more prone to autocratize (Waldner & Lust, 2018). Due to high skewness, GDP per capita is logged in order to achieve a normal distribution.

Moreover, I will control **social class equality** since growing income inequality gives incentives to bend the rules to achieve more wealth and status. The rich have more opportunity to engage in corruption, making the poor vulnerable to blackmail and exploitation, making it difficult for them to hold the wealthy and powerful accountable. Thereby, inequality breeds additional corruption (Chang, 2013; Jong-Sung & Khagram, 2005). As inequality fosters discontent with citizens, the elite can feel threatened and challenge democracy. Structural challenges such as inequality therefore heightens the risk of autocratization (Lührmann, 2021; Lührmann & Rooney, 2021). **Political equality**, or power distributed by gender, will be controlled since research has shown that societies that elect a larger number of women usually are the ones that are less corrupt than societies with less elected women (Wängnerud, 2012). Meanwhile, some claim that as citizens see women in political positions, democracy is strengthened. Women that see women engage in politics, causes them to do likewise, and they thereby become more involved. Therefore, less politically engaged women are argued to weaken democracy (Hinojosa & Kittilson, 2020).

To the robustness test, among other control methods, a final control variable is added. A factor that is of enormous importance and a determinant for both levels of corruption and democracy is its **Years since Democratization (YSD)**.⁴ New and unstable democracies are argued to increase corruption, as decades-long tradition of democracy decreases it (Nur-Tegin & Czap, 2012; McMann et al., 2020; Rock, 2009). New democracies tend to be very unstable as basic democratic elements have not been established yet and are easy to subvert, making new democracies more probable to autocratize (E. Warren, 2004; McMann et al., 2020; Meyerrose,

⁴ I also control for time trends by including years since 1900 for old democracies. In addition, the countries that experienced democratic transition and breakdown several times only include the observations since the last democratic transition.

2020; Rock, 2009). Therefore, I have chosen to include this variable as a last test to check if the causation would resist it.

4. Model specification

A suitable model for this study is a regression analysis, since it presents a bivariate relationship and further allows me to implement multiple regression, to control for various underlying factors. Even if the results would present a statistical significance in the relationship between levels of corruption and levels of democracy, it could be caused by other underlying factors and not by the suggested independent variable. Therefore, due to this risk of spuriousness, it is vital to test the effect of the main independent variable with control variables, which once again makes a regression analysis appropriate (Bjereld et al., 2018:52; Esaiasson et al., 2017:97).

Since this paper aims to check if changes in levels of corruption are associated with changes in levels of democracy, it is fitting to examine changes in these variables over time and across several countries. The research model of time series-cross section (TSCS) can identify changes in the dependent variable affected by time-related changes in the independent variable and will therefore be used in this study. In order to strengthen the reliability of the analysis, I will further include country fixed effects and year fixed effects. Fixed effects can control any unobservable factors which are derived from a specific country or year. This reduces the risk that the result presents to be biased due to the factors that we cannot measure. The variable for corruption (and all control variables) will be lagged by one year to address the issue of reversed causality and to assure that the independent variable comes before the dependent one (Mehmetoglu & Jakobsen, 2016:253-254).

One possible disadvantage with using the method of TSCS is how it is characterized by the issues of heteroscedasticity and autocorrelation (Jakobsen & Mehmetoglu, 2017:231, 252-253). To alleviate these problems that can create a bias in the results, I cluster the standard error with the Huber-White method. In my data, each country is a group, containing several observations at different years. Huber-White allows correlations within e.g., Germany, allowing Germany's values to correlate with Germany's values in other observation years, but hinders that Germany's values correlates with France's, creating more reliable results. This control is recommended when using both OLS and fixed effects (Jakobsen & Mehmetoglu, 2017:149-150, 235). The equation of the statistical analysis is presented below.

$$\begin{aligned}
 & (Democracy_{i,t} - Democracy_{i,t-1}) \\
 & = \beta_0 + \beta_1 (Corruption_{i,t} - Corruption_{i,t-1}) + \beta_k (X_{i,t-1} + \varepsilon_{i,t})
 \end{aligned}$$

Democracy functions as the dependent variable, and corruption as the independent variable, with i = the country and t = the year. $t-1$ presents the change in the values of variables between the observed year and the year before. X functions as the control variables and ε is the error term. β_0 is the intercept, and β_1 is the effect size of the change in corruption.

Figure 3: Scatterplot over independent and dependent variables (mean value by countries of observation)

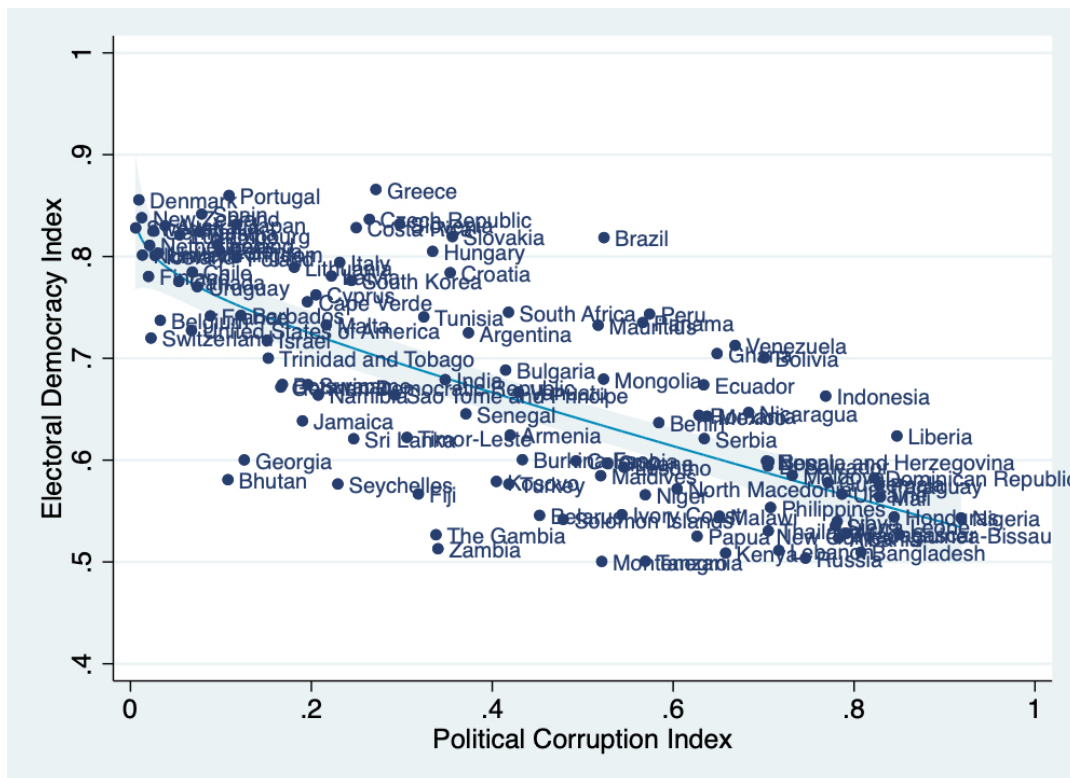


Figure 3 above is a scatter plot that illustrates tendencies of a negative association between levels of corruption and levels of democracy in democratic states. I cannot however claim that the independent variable is responsible for the outcome presented in the figure and will therefore test the relationship using a statistical model in the next section. The criteria required to draw different conclusions are following: (i) The hypothesis is supported if the results are statistically significant through all analyzes (robustness test as well), (ii) The hypothesis is not supported if there is no statistical significance to any of the results, (iii) The hypothesis is partly

supported if the results are statistically significant in most of the analyzes but are not able to withstand all robustness tests.

5. Results

The following section presents the results of the analyzes. Firstly, a regression analysis addressing the hypothesis will illustrate the relationship between the independent and dependent variables between 1900-2021. This is followed by an additional regression analysis with a subsample between the years 1990-2021. All variables are all lagged by one year. Secondly, I will present various robustness tests (see Table 5-12 in the Appendix). Two analyzes include an additional control variable (years since democratization), whereas one of the analyzes drops the control variable Levels of Democracy. Two other analyzes include 0–4-year lags, and lastly there are multiple one year lag analyzes using the disaggregated measures for the different types of corruption.

5.1 The relationship between corruption and democracy

Table 2: The effect of one year lagged variables on change in democracy score, 1900-2021

Changes in Democracy	Model 1	Model 2
Changes in Corruption	-0.0916*** (0.0233)	-0.0663** (0.0225)
Accountability		0.0843*** (0.0184)
Levels of Democracy		-0.260*** (0.0513)
GDP per capita (logged)		-0.00466 (0.00349)
GDP growth		-0.0000628 (0.000109)
Social Class Equality		-0.00117 (0.00188)
Power Distributed by Gender		-0.00140 (0.00125)
_cons	0.0224 (0.0208)	0.121*** (0.0288)
<i>N</i>	4529	3306
adj. <i>R</i> ²	0.074	0.126
<i>AIC</i>	-24050.2	-18225.4
<i>BIC</i>	-23504.6	-17822.6
Country fixed effects	YES	YES
Year fixed effects	YES	YES
<i>All variables are lagged by one year</i>		

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

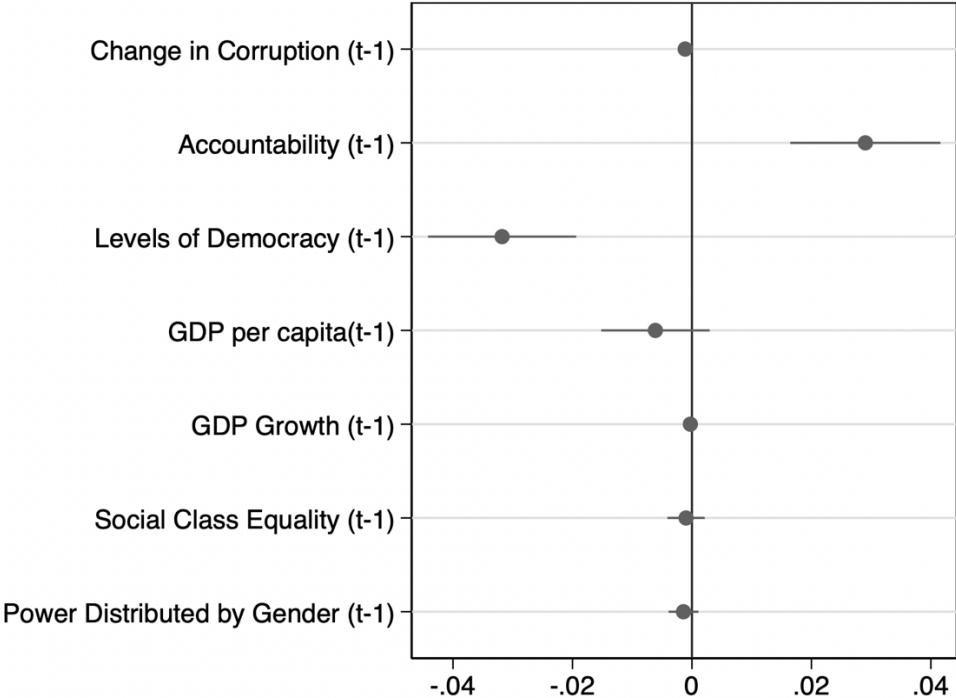
Shown in Table 2 above, the coefficient for the corruption index (one year lag), both the bivariate model and the fully specified model, stays negative and statistically significant (see Model 1 and Model 2). We also see that a one-unit change (increase) in levels of corruption generates a change in levels of democracy by -0.0916 (Model 1) to -0.0595 (Model 2). The control variables (which are all lagged by one year) that are statistically significant are only Accountability and the static Levels of Democracy. While the effect size of the corruption index

declines by including these control variables, the coefficient of levels of corruption affecting changes in levels of democracy stays significant, making the result more robust.

The adjusted R-square is somewhat low, indicating that the independent variables can explain almost one fifth of the variations in the dependent variable. There are therefore other possible explanations to the change in levels of democracy. However, in conjunction with the control variables (Model 2), we observe a small increase in the R-square. This may indicate that Model 2 with control variables better estimate the variation in the dependent variable.

Next, to further illustrate the substantiveness of the main independent variable, I present a coefficient plot based on Model 2 of Table 2 below. This figure demonstrates the standardized size of the effect of the independent variables on the dependent variable. The control variables that are statistically significant are Accountability, the Levels of Democracy, and GDP per capita. Compared with the effect size of these variables, Change in Corruption is negative and statistically significant, but has a somewhat limited size of effect on the change in the level of democracy.

Figure 4: Estimated Effect of 1 Standard Deviation Change (Model 2)



Note: The lines show the standardized effects of variables by their standard deviations and the 95% confidence intervals on change in the levels of democracy (Model 2).

In sum, from the main models with various model specifications, I found empirical support on my hypothesis: An increase in the levels of corruption decreases the levels of democracy in democratic states. However, the substantiveness of its effect is somewhat limited compared to other alternative explanations of democratic erosion.

Table 3: The effect of one year lagged variables on change in democracy score, subsample 1990-2021

Changes in Democracy (1990-2021)	Model 3	Model 4
Changes in Corruption	-0.0974*** (0.0261)	-0.0652** (0.0244)
Accountability		0.113*** (0.0178)
Levels of Democracy		-0.363*** (0.0470)
GDP per capita (logged)		-0.00781 (0.00503)
GDP growth		-0.0000546 (0.000136)
Social Class Equality		-0.00128 (0.00335)
Power Distributed by Gender		0.000288 (0.00219)
_cons	0.00831** (0.00298)	0.199*** (0.0465)
<i>N</i>	2573	2507
adj. R^2	0.044	0.150
<i>AIC</i>	-13955.1	-13963.1
<i>BIC</i>	-13767.8	-13741.7
Country fixed effects	YES	YES
Year fixed effects	YES	YES
<i>All variables are lagged by one year</i>		

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 3 above presents the result of the analysis for the time period of 1990-2021. The relationship seems to behave similarly during this shorter time period as for the longer one. The main independent variable, Change in Corruption, has a negative and statistically significant

effect on democracy for both the bivariate regression (Model 3), and the regression with control variables (Model 4). In this analysis, a one-unit change (increase) in levels of corruption reduce levels of democracy by 0.0612, indicating a slightly, but not noteworthy, stronger effect compared with the Model 2 (0.0595) with the samples between 1900-2021. In this subsample, one more control variable turns statistically significant: GDP per capita.

In summary, the changes in levels of corruption have a negative and statistically significant effect on the change in levels of democracy. This result is robust with control variables, fixed effects of year and country, and the Huber-White test in both the time period of 1900-2021, but also during the contemporary wave of autocratization, between 1990-2021. These results indicates that the hypothesis is supported; that increasing corruption reduces democracy. To test this result further, I will conduct robustness tests that will be presented in the following section.

5.2 Robustness tests

In the Appendix, Table 5 illustrates that the original causation stays statistically significant when exposed to only the variable YSD that in itself is significant (Model 5), but in combination with the other control variables, the previous relationship weakens and is no longer significant (Model 6). Noteworthy, this result may be due to the strong correlation between the variables Levels of Democracy and YSD – the multicollinearity problem may bias the result. As the corruption variable becomes statistically significant by dropping the variable Level of Democracy (Table 6, Model 8 in Appendix), the possibility of multicollinearity seems even more plausible. Nevertheless, these results implies that empirical support for the hypothesis is somewhat limited.

Table 7 and Table 8 in the Appendix presents the analyzes of the corruption variable being exposed to 0-4-year lags. The main time period (1900-2021) and the subsample (1990-2021) presents similar results, where one year lag is significant (Model 9 and Model 11), but no other year lags are (Model 10 and Model 12). As changing processes in both levels of corruption and democracy may be slow and develop over a longer time period, it is unexpected that the 2-4-year lags are insignificant. The results are also significant when not lagged at all (Model 10 and Model 12). Why the effect seems greater with no year lag might be due to how lagged years often address the issue of reversed causality, and the no year lag may therefore present a

stronger effect but is perhaps misleading to a greater extent. Thus, this robustness test adds confidence that corruption affects democracy even by controlling for the possible reversed effect.

Lastly, due to the broad definition of political corruption, I conducted several analyzes with different types of political corruption lagged by one year. For Executive Corruption, there is a negative relationship with changes in executive corruption, presenting a coefficient of -0.0292 with statistical significance (Table 9, Model 14 in Appendix). As this is significant, the effect seems to be slightly weaker than the main analysis with the aggregated corruption index. Changes in legislative corruption present a positive relationship with the coefficient of 0.00426, with no statistical significance (Table 10, Model 16, in Appendix). Change in judicial corruption similarly presents a positive relationship with the coefficient of 0.00340 with no statistical significance (Table 11, Model 18 in Appendix). Finally, changes in public sector corruption present a negative relationship with statistical significance, and a coefficient of -0.00502, almost the same value as the main analysis with the aggregated corruption index (Table 12, Model 20 in Appendix). These results indicate that the main mechanism of corruption declines the level of democracy due to the citizens' exposure to corruption either by executive or public sector. Such a result may be due to the visibility of these sectors to citizens compared with judiciary or legislature. I further discuss about this in the next "Discussion" section.

These robustness tests add confidence to my results, while also indicating important scope conditions that the relationship between corruption and democracy to hold.

6. Discussion

This section contains a discussion of the empirical findings in relation to the hypothesis. The statistical analysis demonstrated a negative effect of corruption on changes in the levels of democracy during both the time period of 1900-2021 and the subsample of 1990-2021 (see Model 2 and Model 4). The hypothesis was supported in the main analysis and parts of the robustness checks. Despite this strong empirical finding, here, I summarize several limitations and challenges to conclude my analysis.

First, the results do not hold by including the last control variable in the robustness test; Years since Democratization. There are some possible explanations for this heterogeneous result. By

including the variable YSD in combination with the other six control variables, the statistical significance is eradicated, but YSD solely with the independent variable is statistically significant. Therefore, YSD does not eradicate the relationship between changes in levels of corruption and changes in levels of democracy itself. Thus, one possibility is that there is a strong correlation between YSD and other control variables (e.g., the level of democracy) that produces a problem of multicollinearity. However, this implies that the main relationship cannot be completely established and requires more research and investigation.

Second, noteworthy, only two of the control variables have statistically significant effect on the dependent variable in the main analysis, and three in the subsample and robustness test with the variable YSD. The significance of accountability, levels of democracy, GDP per capita, and GDP growth is plausible, as the literature distinctly highlights these factors as possible causes for autocratization. Yet the insignificance of most of the control variables, combined with the relatively low adjusted R-square values in every model generates the belief that there are alternative explanations that were not controlled for. If the models would have included other or more control variables, the results might have been different. Moreover, a limitation of the study is that most of the data is gathered from V-Dem (Coppedge et al., 2022), except for the GDP variables gathered from the World Bank (2022). Even though V-Dem provides globally utilized indices, the analyzes might have generated “V-Dem results”, with the possibility of differing from other analyzes based on other indices. In order to increase the validity of the result, similar studies with data from other sources or alternative model specifications should be conducted.

Third, even though these methods aim to eliminate risks for reverse causality and unrelated year- and cross-country trends, it is important to beware of the risk of some endogeneity problems that the models could have failed to address, considering the closeness between corruption and democracy. This may be the case in the robustness test with the variable YSD. The research field argues whether new democracies tend to be more corrupt, or if new democracies tend to autocratize, or that corruption undermines democracy, and it displays the complex endogeneity of the issue. Despite the attempts of calming the risk of reversed causality, we cannot be certain that these were completely successful. Due to these limitations of the methods, I cannot generalize these results to a great extent. Even if the results suggest that as democratic states’ corruption increases, their levels of democracy declines, I cannot with this study claim that this is or is not the case for future cases of autocratization. Nevertheless, the

possibility should not be ruled out since increasing corruption seems to negatively affect levels of democracy.

Fourth, my analysis using the disaggregated measure for the corruption index provides empirical finding that requires further investigation. Not to my surprise, executive corruption and public sector corruption showed a negative and statistically significant effect on changes in levels of democracy. As a big part of the theoretical mechanism involves the executives' role of causing corruption and thereby generating political distrust, this seems plausible. Contrariwise, legislative and judicial corruption has a positive impact on levels of democracy, but not statistically significant. As there is clearly a difference in what type of political corruption that is examined, they are definitely in need of further examination, to investigate whether this result is accurate in other research designs or is an outcome of mine. In order to understand more thoroughly why these different aspects of corruption behave differently from one another in relation to changes in levels of democracy, future studies should examine this further, as it is beyond the scope of this paper.

Lastly, what we cannot establish is whether the causal mechanisms are the actual reasons why corruption affects levels of democracy. The causal mechanisms are presented in three stages: (i) corruption affects voter's political trust, (ii) lowering political trust increase the likelihood of anti-pluralistic populist to come into power, and (iii) such leaders erode democracy. However, as shortly mentioned in the research design, a limitation of the study is that I did not test if corruption decreases political trust and thus helps populist with anti-pluralistic values to come into power. The absence of empirical work limits the implication of this thesis. To enhance the validity of the study, an additional analysis establishing the relationship between corruption, political distrust, supports on anti-pluralistic populist, and democracy is needed to connect the causal mechanisms and the result to a greater extent. This was however beyond the scope of this study. Future research needs to flesh out the causal mechanisms; *why* corruption negatively affects democracy.

7. Conclusions

This study has aimed to examine whether changes in levels of corruption affects changes in levels of democracy, more specifically, if an increase in levels of corruption reduces levels of democracy. I hypothesized that an increase in levels of corruption would reduce levels of democracy due to mechanisms of how corruption declines political trust that consequently illegitimizes the democratic regime, which in turn threatens democracy. To test this hypothesis, I have conducted a time series-cross section analysis on 115 democracies between 1900-2021 and 1990-2021. The empirical analysis, testing the relationship between corruption and democracy, provided statistical results that support the hypothesis under control variables and other control methods. However, when including the final control variable (Years since Democratization) together with the other control variables as a last robustness test, the main independent variable (corruption) became statistically insignificant. The exclusion of the control variable Levels of Democracy, however, turns the independent variable significant despite Years since Democratization. Consequently, to address the research question: does an increase in political corruption affect the levels of democracy in democratic states? Yes, to some extent. I therefore conclude that the hypothesis is partly confirmed; an increase in levels of corruption seems to reduce levels of democracy in democratic states. The support is however not complete, since Years since Democratization combined with accountability, Levels of Democracy, and GDP growth rules out the effect of corruption.

Despite such limitation in the empirical finding, this research provides a considerable contribution to the literature. As the causality between democracy and corruption usually concerns the way levels of democracy affect levels of corruption, this study shines light on the other way around and provides a statistical foundation which has previously been limited. This paper therefore nuances the research field and gives some empirical support to the theoretical claims of how corruption undermines democracy made by, for instance, Caiden (1997), E. Warren (2006), Kubbe and Engelbert (2018), and Johnston (2005).

This study has solely been examining democracies since the literature presents mechanisms concerning trust and faith in the democratic regime and democracy in general. However, it would be interesting to further examine the relationship in autocracies. Previous research claims that stable autocracies are less corrupt than unstable democracies, but what effect does corruption have on levels of democracy in authoritarian regimes? This study further presented

differing results, depending on what type of corruption the analysis included. The results suggest that some aspects of political corruption behave similarly as to the broad definition of political corruption, but some quite the opposite. Why is that and how can we use this knowledge to broaden the research field of corruption and autocratization?

The raised questions represent new directions for future research to examine. My ambiguous empirical findings need further investigation and examination, partly because of the risks of endogeneity and spuriousness, but also due to the importance of understanding the process of autocratization as it currently marks the political discourse. The third wave of autocratization is evolving at this instant, putting billions of peoples' lives at risk and severely threatening democracy all over the world. Through research, we can broaden our understanding of declining levels of democracy and examine how we can oppose it, and this study shows that corruption might be a missing piece in the puzzle of autocratization.

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Appendix

Table 4: Selection of countries

Albania	Liberia
Argentina	Libya
Armenia	Lithuania
Austria	Luxembourg
Australia	Madagascar
Bangladesh	Malawi
Barbados	Mali
Belarus	Maldives
Belgium	Malta
Benin	Mauritius
Bhutan	Mexico
Bolivia	Moldova
Botswana	Mongolia
Bosnia and Herzegovina	Namibia
Brazil	Nepal
Bulgaria	Netherlands
Burkina Faso	New Zealand
Canada	Nicaragua
Cape Verde	Niger
Chile	Nigeria
Colombia	North Macedonia
Costa Rica	Norway
Croatia	Panama
Cyprus	Papua New Guinea
Czech Republic	Paraguay
Denmark	Peru
Dominican Republic	Philippines
Ecuador	Poland
El Salvador	Portugal
Estonia	Romania
Fiji	São Tomé & Príncipe
Finland	Senegal
France	Serbia
Georgia	Seychelles
German Democratic Republic	Sierra Leone
Germany	Slovakia
Ghana	Slovenia
Greece	Solomon Islands
Guatemala	South Africa
Guinea-Bissau	South Korea
Guyana	Spain
Honduras	Sri Lanka
Hungary	Suriname
Iceland	Sweden
India	Switzerland
Indonesia	Tanzania
Ireland	Thailand
Israel	The Gambia
Italy	Timor-Leste
Ivory Coast	Trinidad and Tobago
Jamaica	Tunisia
Japan	Turkey
Kosovo	Ukraine
Latvia	United Kingdom
Lebanon	Uruguay
Lesotho	USA
	Vanuatu
	Venezuela
	Zambia

Table 5: Robustness test – The effect of variables with one year lag and inclusion of variable Years since Democratization, 1900-2021

Changes in Democracy	Model 5	Model 6
Changes in Corruption	-0.108** (0.0375)	-0.0529 (0.0406)
Years since Democratization	-0.000563* (0.000264)	-0.000680* (0.000271)
Accountability		0.155*** (0.0318)
Levels of Democracy		-0.555*** (0.0853)
GDP per capita (logged)		-0.000434 (0.0134)
GDP growth		-0.000489* (0.000218)
Social Class Equality		-0.00394 (0.00540)
Power Distributed by Gender		0.00384 (0.00375)
_cons	0.000892 (0.00132)	0.210 (0.130)
<i>N</i>	1057	1057
adj. <i>R</i> ²	0.022	0.173
<i>AIC</i>	-5393.2	-5564.7
<i>BIC</i>	-5333.6	-5475.3
Country fixed effects	YES	YES
Year fixed effects	YES	YES
<i>All variables are lagged by one year</i>		

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 6: Robustness test – The effect of variables with one year lag, inclusion of variable Years since Democratization and exclusion of variable Levels of Democracy, 1900-2021

Changes in Democracy	Model 7	Model 8
Change in Corruption	-0.108** (0.0375)	-0.107** (0.0377)
Years since Democratization	-0.000563* (0.000264)	-0.000779** (0.000246)
Accountability		-0.00454 (0.00941)
GDP per capita (logged)		0.00448 (0.0147)
GDP growth		-0.000362 (0.000184)
Social Class Equality		-0.00219 (0.00558)
Power Distributed by Gender		0.00524 (0.00350)
_cons	0.000892 (0.00132)	-0.0382 (0.132)
<i>N</i>	1057	1057
<i>adj. R²</i>	0.022	0.023
<i>AIC</i>	-5393.2	-5389.6
<i>BIC</i>	-5333.6	-5305.3
Country fixed effects	YES	YES
Year fixed effects	YES	YES
<i>All variables are lagged by one year</i>		

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 7: Robustness test – The effect of variables and different year lags on change in democracy score, 1900-2021

Changes in Democracy	Model 9	Model 10
Changes in Corruption (one year lag)	-0.0916*** (0.0233)	-0.0595** (0.0201)
Changes in Corruption (two-year lags)		-0.0364 (0.0270)
Changes in Corruption (three-year lags)		-0.00787 (0.0214)
Changes in Corruption (four-year lags)		0.00507 (0.0181)
Changes in Corruption (no year lag)		-0.202*** (0.0400)
Accountability		0.0783*** (0.0188)
Levels of Democracy		-0.245*** (0.0534)
GDP per capita (logged)		-0.00586 (0.00356)
GDP growth		-0.0000381 (0.000124)
Social Class Equality		-0.000890 (0.00180)
Power Distributed by Gender		-0.00123 (0.00125)
_cons	0.0224 (0.0208)	0.128*** (0.0337)
<i>N</i>	4529	3017
adj. <i>R</i> ²	0.074	0.175
<i>AIC</i>	-24050.2	-16941.1
<i>BIC</i>	-23504.6	-16520.2
Country fixed effects	YES	YES
Year fixed effects	YES	YES
<i>All control variables are lagged by one year</i>		

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 8: Robustness test – The effect of variables and different year lags on change in democracy score, 1990-2021

Changes in Democracy (1990-2021)	Model 11	Model 12
Changes in Corruption (one year lag)	-0.0974*** (0.0261)	-0.0612** (0.0211)
Changes in Corruption (two-year lags)		-0.0393 (0.0280)
Changes in Corruption (three-year lags)		-0.0140 (0.0225)
Changes in Corruption (four-year lags)		0.000386 (0.0184)
Changes in Corruption (no year lag)		-0.219*** (0.0401)
Accountability		0.111*** (0.0189)
Levels of Democracy		-0.363*** (0.0531)
GDP per capita (logged)		-0.0101* (0.00488)
GDP growth		-0.0000215 (0.000151)
Social Class Equality		-0.00132 (0.00345)
Power Distributed by Gender		0.00106 (0.00214)
_cons	0.00831** (0.00298)	0.220*** (0.0484)
<i>N</i>	2573	2278
adj. <i>R</i> ²	0.044	0.236
<i>AIC</i>	-13955.1	-13023.5
<i>BIC</i>	-13767.8	-12782.8
Country fixed effects	YES	YES
Year fixed effects	YES	YES
<i>All control variables are lagged by one year</i>		

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 9: Robustness test - The effect of one year lagged variables on change in democracy score, Executive Corruption, 1900-2021

Changes in Democracy	Model 13	Model 14
Changes in Executive Corruption	-0.0417** (0.0138)	-0.0292* (0.0122)
Accountability		0.0854*** (0.0185)
Levels of Democracy		-0.263*** (0.0516)
GDP per capita (logged)		-0.00431 (0.00336)
GDP growth		-0.0000746 (0.000111)
Social Class Equality		-0.00110 (0.00188)
Power Distributed by Gender		-0.00152 (0.00126)
_cons	0.0223 (0.0206)	0.118*** (0.0285)
<i>N</i>	4529	3306
adj. <i>R</i> ²	0.071	0.124
<i>AIC</i>	-24037.6	-18217.6
<i>BIC</i>	-23492.0	-17814.8
Country fixed effects	YES	YES
Year fixed effects	YES	YES
<i>All variables are lagged by one year</i>		

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 10: Robustness test - The effect of one year lagged variables on change in democracy score, Legislative Corruption, 1900-2021

Changes in Democracy	Model 15	Model 16
Changes in Legislative Corruption	0.00533 (0.00310)	0.00426 (0.00290)
Accountability		0.0864*** (0.0186)
Levels of Democracy		-0.264*** (0.0519)
GDP per capita (logged)		-0.00441 (0.00334)
GDP growth		-0.0000901 (0.000116)
Social Class Equality		-0.00116 (0.00191)
Power Distributed by Gender		-0.00152 (0.00126)
_cons	-0.000352 (0.00121)	0.119*** (0.0285)
<i>N</i>	4528	3306
adj. R^2	0.067	0.122
<i>AIC</i>	-24047.3	-18207.6
<i>BIC</i>	-23495.4	-17804.8
Country fixed effects	YES	YES
Year fixed effects	YES	YES
<i>All variables are lagged by one year</i>		

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 11: Robustness test - The effect of one year lagged variables on change in democracy score, Judicial Corruption, 1900-2021

Changes in Democracy	Model 17	Model 18
Changes in Judicial Corruption	0.00476 (0.00406)	0.00340 (0.00422)
Accountability		0.0867*** (0.0186)
Levels of Democracy		-0.265*** (0.0519)
GDP per capita (logged)		-0.00452 (0.00333)
GDP growth		-0.0000913 (0.000116)
Social Class Equality		-0.00117 (0.00192)
Power Distributed by Gender		-0.00150 (0.00127)
_cons	0.0223 (0.0206)	0.120*** (0.0283)
<i>N</i>	4529	3306
adj. R^2	0.067	0.121
<i>AIC</i>	-24017.5	-18206.0
<i>BIC</i>	-23472.0	-17803.2
Year fixed effects	YES	YES
<i>All variables are lagged by one year</i>	YES	YES

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 12: Robustness test - The effect of one year lagged variables on change in democracy score, Public Sector Corruption, 1900-2021

Changes in Democracy	Model 19	Model 20
Changes in Public Sector Corruption	-0.0645*** (0.0168)	-0.0502** (0.0165)
Accountability		0.0856*** (0.0184)
Levels of Democracy		-0.262*** (0.0515)
GDP per capita (logged)		-0.00409 (0.00335)
GDP growth		-0.0000763 (0.000116)
Social Class Equality		-0.00132 (0.00189)
Power Distributed by Gender		-0.00147 (0.00126)
_cons	0.0223 (0.0206)	0.116*** (0.0285)
<i>N</i>	4529	3306
adj. <i>R</i> ²	0.073	0.127
<i>AIC</i>	-24044.9	-18226.4
<i>BIC</i>	-23492.9	-17823.5
Country fixed effects	YES	YES
Year fixed effects	YES	YES
<i>All variables are lagged by one year</i>		

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$