

# Corruption and trust in political institution in sub-Saharan Africa

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## ABSTRACT

This paper analyzes the impact of corruption on the level of trust in political institutions using a rich collection of comparable data provided by the Afrobarometer surveys conducted in 18 sub-Saharan African countries. More specifically, our objective is to test the “efficient grease” hypothesis which states that corruption may raise efficiency as it can be considered as a means to compensate for institutional deficiencies. Thus, according to this assumption, corruption may lead to higher level of trust in political institutions when quality of public service delivery is poor. Our findings invalidate this theoretical argument. We show that corruption never creates trust enhancing effects whatever the judgement on the effectiveness of public services. But the results reveal how both perceived and experienced corruption impact negatively, but differently, on the shape of citizens’ trust in political institutions. The adverse effect of perception of corruption is reduced when the quality of public services decreases. Conversely, having experienced corruption erodes more strongly institutional trust when the performance of public services declines.

Keywords: Corruption, Trust, Institutions

## 1. Introduction

Today corruption, defined as the abuse of public office for private gain, is widely considered as a danger for democratic regimes. This vision of corruption is one of the fundamental elements of the United Nations convention against corruption. The first line of its preamble states that corruption by “*undermining the institutions and values of democracy, ethical values and justice and jeopardizing sustainable development and the rule of law*” is a threat “*to the stability and security of societies*”. The African Union Convention on Preventing and Combating Corruption also recognised devastating effects of corruption on “the political, economic, social and cultural stability of African States”. Various World Development reports emphasize that corruption undermines state legitimacy. In 1997, it was stated “unchecked, the creeping accumulation of seemingly minor infractions can slowly erode political legitimacy to the point where even non-corrupt officials and members of the public see little point in playing by the rules” (World Bank, 1997, pp.104-102) and in 2002 that “good governance also means the absence of corruption, which can subvert the goals of policy and undermine the legitimacy of the public institutions that support markets” (World Bank, 2002, pp.99).

An increasing number of empirical studies show the negative impact of corruption on trust in political institutions. Della Porta (2000) finds that corruption strongly reduces trust in governments in Italy, France and Germany. Anderson and Tverdova (2003) conclude that in Eastern and Western Europe the citizens living in the most corrupted countries exhibit lower trust in their political systems. Several studies done in the Latin American (Seligson, 2002), the East Asian (Chang and Chu, 2006) or the African (Cho and Kirwin, 2007) contexts lead to the same conclusion.

Such conclusions contrast sharply with an elder body of the literature on corruption in political science or economics. Indeed, in the analysis of corruption in economic or political sciences, theories known as “efficient grease” or “second best” theories had prevailed for a long time. They argue that in an environment in which bureaucratic burden and delay are high, bribery is an efficient way to reduce the effective red tape, and therefore that corruption can better economic and political development (Leff, 1964; Huntington, S. 1968). For instance in political science, corruption is presented as facilitating political parties’ development and the emergence of a stable political environment. Corruption could

also increase citizens' loyalty and trust towards their political institutions (Bayley, 1967; Becquart-Leclerq, 1989).

Strictly speaking still, the new body of the literature on the corruption and trust nexus does not allow to reject the "grease the wheels" hypotheses, and they may remain consistent with it. More precisely, the mere observation that corruption is on average associated with less trust in political institutions does not prevent the correlation from being positive for individuals facing red tape or ill functioning public services. To the best of our knowledge attempts to specifically test the "grease the wheels" hypothesis in political science remain scarce. In economics, testing properly these theories has given rise to intense debates. Méon and Sekkat (2005) directly address the hypothesis from a macroeconomic perspective. They observe that corruption was detrimental to investment and growth everywhere, and especially so in countries where there is other institutional deficiency, which invalidate the "grease the wheels" hypothesis but may correspond to some "sand the wheels" effect of corruption. Using various measures of corruption and of other aspects of governance, Méon and Weill (2006) repeatedly observe that corruption is always detrimental in countries where institutions are effective, but that it may be positively associated with efficiency in countries where institutions are ineffective. In the area of international trade, Lavallée (2006b) invalidates the second best theories which see corruption as a way "to grease the wheels of trade" whereas Dutt and Traca (2007) show that while corruption impedes trade in an environment of low tariffs, it may create trade enhancing effects, when nominal tariffs are high.

The present paper aims at testing empirically "efficient grease" theory using a rich collection of comparable household surveys conducted in 18 sub-Saharan African countries (*Afrobarometer Survey*). The remainder of this paper is organized as follows. The next section briefly describes the "grease the wheels" and the "sand the wheels" hypotheses. Section 3 presents our data and some descriptive statistics about corruption, trust in political institutions and public services delivery in Sub Saharan Africa. We display our empirical results in section 4. Concluding comments are contained in section 5.

## **2. "Efficient grease" theory and its critics**

Efficient grease theory had prevailed for along time in political science. For many years, corruption was largely viewed as the "grease" that gets the bureaucracy moving and in doing so increases the loyalty of its citizens (Merton, 1957; Abueva Veloso, 1966; Bayley, 1967; Nye, 1967). Corruption was seen as biding the society together. In a study about France, Becquart-Leclerq (1989) stated that corruption functions like grease in the gears; it has an important redistributive effects and it is a functional substitute for direct participation in power.

The main intuition of "efficient grease" theory is that corruption can enhance citizen trust, because bribe paying or clientelism open the door to services or subsidies which are scarce and inaccessible otherwise; and therefore increase institutional trust. Corruption is thought as an informal institution that helps formal institutions functioning. In other words, such theories suggest that a citizen facing ill functioning institutions would exhibit greater trust in political institutions if he knows (thanks to his perception or his experience) that corruption is a way to get what he wants.

In the case of Honduras, Taylor-Robinson (2006) explains how a particular form of corruption, clientelism, yields some positive benefits on political representation. She argues that due to Honduras' closed-list proportional representation system, the electoral incentives for legislators to represent local interests are weak. She finds that elected representatives from poor rural areas who sponsor pork barrel legislation do so mainly in response to established norms of clientelism. In the absence of such norms, the legislative process might have ignored poor rural localities entirely.

Since 1990, an increasing literature have questioned both theoretically and empirically "efficient grease" theory. Critics deal mainly with the origins of political trust and the hypothesis behind "efficient grease" theory.

Institutional theories suggest that political trust is a consequence, not a cause, of institutional performance. Trust in institutions is rationally based; it hinges on citizen evaluations of institutional performance. Institutions that perform well generate trust; untrustworthy institutions generate scepticism and distrust (Mishler and Rose, 2002). Therefore corruption, seen as a symptom of ill functioning institutions, can affect institutional trust either directly, via citizens' experience or perception of corruption or indirectly via its deleterious effects on economic growth (Mauro, 1995; Méon et Sekkat, 2005) and development outcomes (Kaufmann, Kraay et Zoido Lobaton, 1999).

Empirical studies done on various areas of the world confirm the negative impact of corruption on institutional trust. Della Porta (2000) shows in Western European countries a strong relationship between high level of corruption and little satisfaction with democracy. Anderson and Tverdova (2003) in a study on 16 democracies of eastern and western Europe conclude that citizens in highly corrupted countries value and trust less their political systems. Seligson (2002) yield similar result using household surveys carried out in five Latin American democracies (El Salvador, Nicaragua, Paraguay, Bolivia). Lastly, Chang and Chu (2006) find that the same negative relationship in four eastern Asian countries (Japan, South Korea, Thailand and Taiwan) and thus invalidate the Asian corruption exceptionalism hypothesis.

Moreover, the central hypothesis of efficient grease theory that corruption may speed up an otherwise sluggish bureaucracy can be overturn. Myrdal (1968) thus argues that corrupt civil servants may cause delays that would not appear otherwise, just to get the opportunity to extract a bribe. Kaufman and Wei (1999) demonstrate that corruption is an endogenous element of the set up of the regulatory burden. Drawing on a survey of firms, they show a positive and significant correlation between the effective red tape and the value of bribe paid by the firms. Using household surveys, Hunt and Lazlo (2006) and Lavallée, Razafindrakoto and Roubaud (2006) report similar findings respectively for Peru and Sub Saharan African countries.

Lastly corruption may be thought as an informal institution that helps the functioning of public services, notably as an allocation mechanism of scarce public services. Nevertheless, such mechanism can erode citizen's institutional trust. Indeed, it may be perceived as unfair or altering the rules or norms that govern how individuals act in society (Bratton, 2007). As informal institutions replace formal rules, citizens realize that respecting the formal rules is inefficient. Cho and Kirwin (2007) find a vicious circular relationship between mistrust in the state and experiences with corruption. Their results indicate that citizen's experience with corruption lower their trust in political institutions and that lower levels of trust are likely to increase the experience of corruption.

Recent studies dealing with the trust and corruption nexus conclude that corruption alters trust of political institutions. To the best of our knowledge, none of them test the central hypothesis of "efficient grease" theory according to which corruption can compensate the deleterious effects on trust of ill functioning bureaucracies or public services.

### **3. Data and descriptive statistics**

#### **3.1. Presentation of the data sets**

The paper's empirical basis is the *Afrobarometer* surveys. The *Afrobarometer* is an independent, non-partisan research project that measures the social and political atmosphere in Africa. The *Afrobarometer* surveys are conducted in more than a dozen African countries and are repeated on a regular basis. This study uses Round 2 and Round 3. Round 2 surveys were conducted from May 2002 through October 2003 in 15 countries: six austral African countries (Botswana, Lesotho, Malawi, Namibia, South Africa and Zambia), four eastern African countries (Uganda, Tanzania, Mozambique, and Kenya) and five West African countries (Senegal, Mali, Cap-Verde, Ghana and Nigeria). Round 3 Round 3 surveys were conducted from March 2005 through February 2006 in the same countries as in 2002 but the coverage was extended to three new countries (Benin, Madagascar and Zimbabwe).

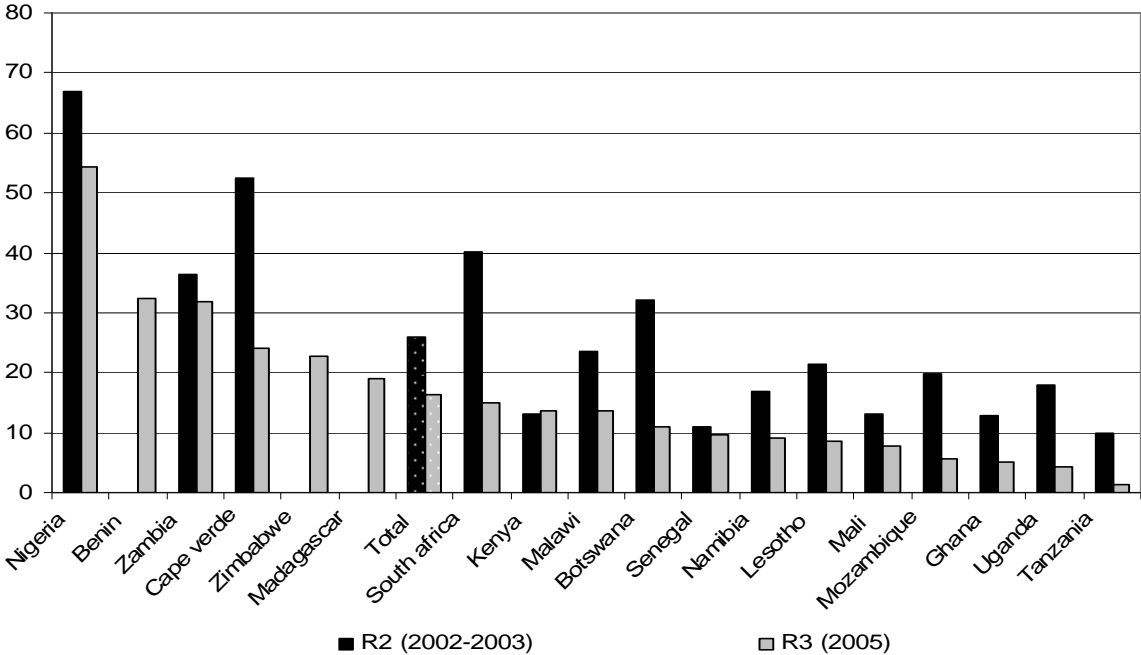
These datasets are particularly interesting for four major reasons. Firstly, to our best knowledge, the corruption and trust nexus has little been explored in comprehensive empirical fashion in these countries despite the fact that corruption is widespread in this area of the world. Secondly, these countries are young democracies, so an analysis of the consequences of corruption on these regimes' consolidation is particularly relevant since institutional trust and state legitimacy are key elements to political stability (Mishler and Rose, 2001; O'Donnell, 1999). Third, the survey includes questions about experience of corruption and at the same time, perception of this phenomenon. So, we can analyse the consequences of these two facets of corruption on institutional trust. Lastly, the survey also contains information about the citizens' perception of the quality of public services. Therefore, we can explore the consequences of corruption on institutional trust according to the level of red tape, and then test rigorously "efficient grease" theory.

The Afrobarometer surveys cover an area of the world where corruption is widespread. None of the countries cited above appear in the 20 countries less corrupted in the world according to the Corruption Perception Index produced by Transparency International in 2006. The first country is Botswana ranked 37<sup>th</sup> on 158 countries. About half of the countries studied ranked between the 70<sup>th</sup> and the 105<sup>th</sup> position. The most corrupted countries of our sample are, according to Transparency International rating, Zambia, Benin, Kenya and Nigeria.

3.2. Trust in political institution, perception of and experience with corruption, public services delivery: some descriptive statistics.

In a first step, we want to know whether ordinary people express trust in political institution of their country. In the Afrobarometer surveys, citizens were asked "How much do you trust each of the following institutions, or haven't you heard enough about them to say?" We only consider here the answers given for political institutions (i.e. the president, the parliament, the independent electoral commission, the ruling party and the opposition political parties).

**Figure 1: Percentage of the population who express no trust in political institutions**



Sources: Afrobarometer surveys. Authors' calculations.

As shown by figure 1, people exhibit low level of trust in their political institutions. Round 2 surveys indicate that one quarter of the population do not trust any political institution (that is to say, they trust neither the president, neither the parliament, neither the independent electoral commission, neither the ruling party nor the opposition political parties). Three years later, this proportion has decreased to 16% of the population. This positive evolution can be noticed for every country. But there are still major cross-national variations. Nigeria is the country of the continent where trust in political institutions is the lowest. In Round 2, 67% and in Round 3, 54% of the population trust none of the political institutions. In the other countries the situation is admittedly less alarming. But even in Round 3, almost one third of the population trust none of political institutions in Benin and Zambia. The percentage ranges from 20 to 25% in Cap Verde, Zimbabwe and Madagascar. Conversely, in Mozambique, Ghana, Uganda and Tanzania less than 6% of the population have the same negative opinion on political institutions.

The most distrustful institutions appear to be the opposition political parties. More than 60% of the population expressed low or no trust in this institution, compared to 40% for the ruling party and the Parliament and only 33% for the President. This relative ranking of the institutions is quite the same for all the countries studied. Except for Nigeria, Zambia and Zimbabwe where high level of distrust apply for all institutions, in general, the highest distrust rates are observed for the opposition parties (the rates are extremely high in some countries as in Madagascar for instance where more than 80% of the population said they have little or no confidence in the opposition political parties).

**Table 1: Percentage of the population who expressed little or no trust at all in the following political institutions (Round 3 only)**

	<i>President</i>	<i>Parliament/National assembly</i>	<i>Electoral Commission</i>	<i>Ruling party</i>	<i>Opposition political parties</i>
Benin	42,3	54,8	55,2	58,0	67,4
Botswana	30,8	32,9	39,4	39,8	53,3
Cape Verde	44,6	42,5	46,5	49,8	46,3
Ghana	22,0	27,1	21,6	29,1	44,4
Kenya	39,7	53,5	40,2	50,4	71,5
Lesotho	19,2	36,3	25,6	25,0	77,7
Madagascar	31,1	45,4	44,7	44,1	82,9
Malawi	35,7	46,3	45,6	39,6	55,8
Mali	17,0	23,0	35,7	28,1	47,3
Mozambique	14,7	16,3	18,8	18,6	61,4
Namibia	18,6	27,6	38,1	34,0	64,3
Nigeria	75,3	78,3	79,5	78,4	76,1
Senegal	21,8	33,2	28,9	34,0	45,8
South Africa	29,1	38,5	36,1	36,7	67,6
Tanzania	4,6	9,0	8,5	9,1	63,4
Uganda	23,5	29,3	34,4	28,9	61,5
Zambia	59,7	58,2	63,1	67,0	63,8
Zimbabwe	68,1	63,9	69,3	68,2	51,8
<b>Total</b>	33,4	39,9	41,0	41,2	61,2

*Sources: Afrobarometer surveys. Authors' calculations.*

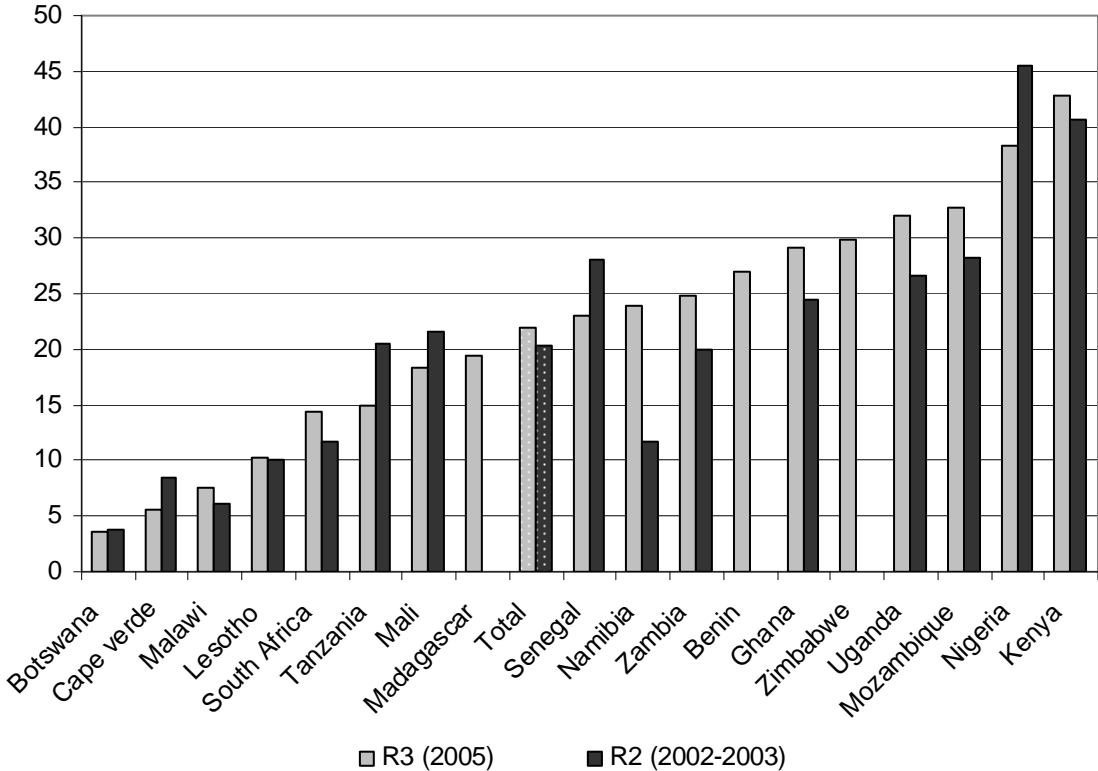
In a second step, we want to assess the extent of corruption in sub-Saharan African countries. The Afrobarometer surveys provide information on both experience with petty corruption and perception of corruption. These two facets of this phenomenon may have distinct effects on institutional trust, allowing for a more comprehensive understanding of corruption mechanisms.

On citizens' experience, they were asked whether, during the past year, they actually "had to pay a bribe, give a gift, or do a favour to a government official in order to: (a) get a documents or permits (b)

get a child into school (c) get household services (d) avoid problem with police ?". On average, approximately 20% of the population declares having had to pay a bribe a least one time during the past year which is a quite high proportion. The average rate of 20% means that, if the process were evenly distributed, all of the population would have been affected by corruption in five years.

Furthermore, this rate is much higher than in other continents. For example, in Peru and Ecuador, where the extent of corruption has been measured in a similar way, corruption is found to be in a bracket of 2% to 6% at national level (Herrera and Roubaud, 2006). Obviously, these rates are much lower in the developed countries. The findings of the *Global Corruption Barometer* survey conducted for Transparency International (2005) in 67 countries in 2005 shows that an average of 24% of the population had personally experienced corruption in eight African countries in the sample compared to only 2% in the developed countries (Razafindrakoto and Roubaud, 2006). This average hide great cross countries variation. In countries like Nigeria or Uganda, round 2 data indicates that at the moment more than 40% of the population had had to pay a bribe at least on time. On the opposite side, the incidence of corruption is very low in Botswana where less than 5% of the population declares having had to pay a bribe during the past year in Round 3 as well as in Round 2 survey.

**Figure 2: Percentage of the population who had to pay bribe a least one time during the past year**



*Sources: Afrobarometer surveys. Authors' calculations.*

As regards perception of the prevalence of graft, respondents were asked, “how many of the following people do you think are involved in corruption: (a) Office of the presidency (b) Members of parliament (c) National government officials (d) Police (e) Tax officials (f) Judges and magistrates (g) teachers and school administrators ?” This question taps the popular reputation of service providers quite independently of whether an individual respondent has ever been directly approached for a bribe. Whatever the round of surveys, the most discredited institutions are the police and the tax officials. Approximately one half of the population considered that “most” or “all” the policemen and tax officials are corrupt. This proportion is over 60% in Benin, Uganda and Nigeria. The public agents

perceived as the less corrupt are the teachers and school administrators. Approximately 20% of the population thinks that “most” or “all of them” are involved in corruption. It is worth noting that from 30% up to 38% of the population considered that political institutions are corrupt, and that among them national government officials are particularly pointed out.

**Table 2: Percentage of the population who believe that most of or all of the following people are involved in corruption**

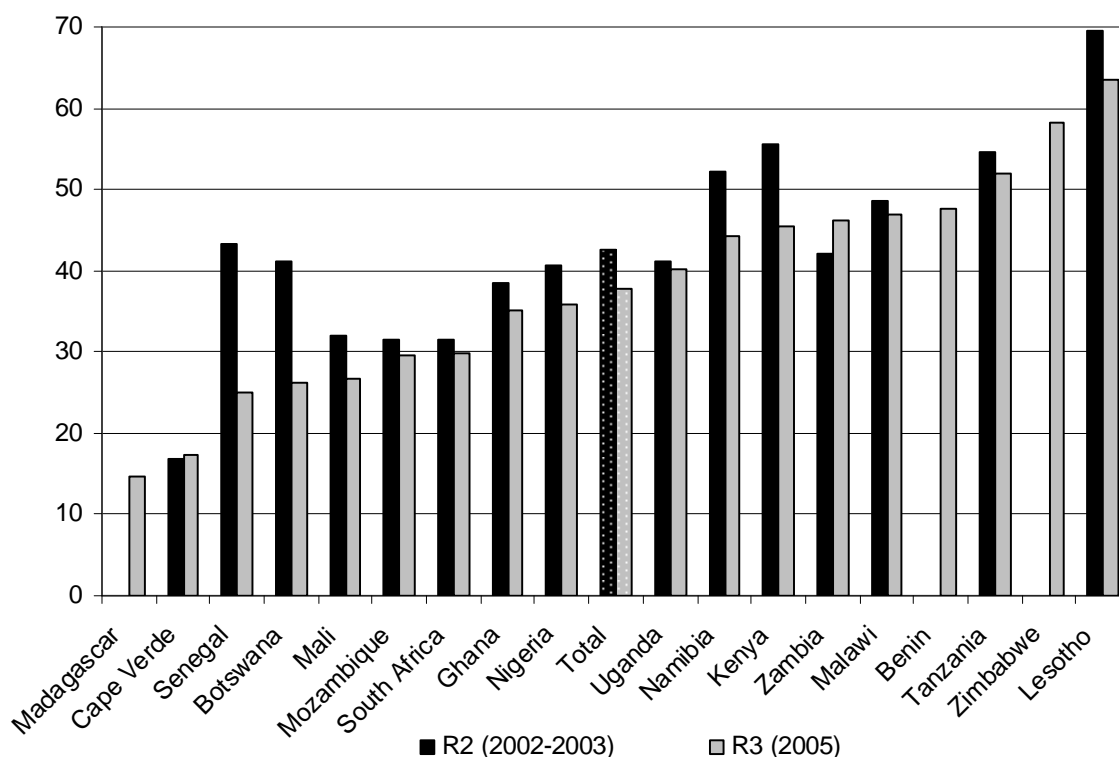
	Office of the presidency		Members of parliament		National government officials		Police		Tax officials		Judges and magistrates		Teachers and school administrators	
	R3	R2	R3	R2	R3	R2	R3	R2	R3	R2	R3	R2	R3	R2
Benin	56		57		64		69		85		71		22	
Botswana	19	26	24	30	33	33	33	31	25	34	17	21	14	17
Cape Verde	24	14	23	15	16	11	19	14	18	25	13	11	14	8
Ghana	22	11	21	17	33	29	59	60	42	58	43	43	17	16
Kenya	33	9	46	17	40	32	69	62	46	47	34	32	9	14
Lesotho	9	17	15	22	27	34	40	33	25	39	15	21	9	15
Madagascar	15		19		16		37		27		31		6	
Malawi	28	44	31	44	36	56	38	56	33	65	28	45	20	31
Mali	31	44	38	45	42	52	57	61	65	74	62	63	21	26
Mozambique	14	21	14	26	25	30	37	42	28	48	22	27	33	34
Namibia	25	17	31	24	38	32	46	38	42	31	38	25	36	26
Nigeria	57	52	62	56	61	58	76	72	60	63	43	47	38	30
Senegal	28	20	31	27	33	36	39	48	43	56	33	40	17	13
South Africa	24	15	31	25	39	30	50	40	29	38	25	18	22	18
Tanzania	9	17	14	25	16	31	42	51	30	48	34	35	9	9
Uganda	33	35	31	31	42	52	70	70	66	59	40	43	14	14
Zambia	36	22	42	26	42	32	72	52	59	46	33	33	22	23
Zimbabwe	46		42		51		63		52		28		13	
<b>Total</b>	30	25	33	29	38	38	53	50	45	50	35	35	19	20

*Sources: Afrobarometer surveys. Authors' calculations.*

In a third step, we want to evaluate the quality of public services delivery in the countries studied. The afrobarometer surveys take into account both the accessibility and the proximity or the availability of services. The accessibility of services assesses “user-friendliness” of services. In other words it indicates from a client’s point of view how difficult is the access to public services. The relevant survey question is the following: “In your experience, how easy or difficult is it to obtain the following services: A place in a primary school for a child? Household services? Identity documents? Help from the police?”

Figure 3 suggests that access to public services is considered to be difficult by a large number of citizens. On average, in 2002 and in 2005, approximately 40% of the population think that it is “difficult” or “very difficult” to obtain these services. According to our indicator, slight improvement can be noticed on the approachability of services over the period. In some countries like Senegal, Botswana, Namibia and Kenya, the access to public services seems to have improved significantly. In Senegal in 2002, 43% of the population expressed difficulty at least for one of the services mentioned, whereas in 2005, they were only 25% to have the same judgement. Nonetheless, in 2002, in half of the countries studied more than 40% of the population expresses difficulties to access to at least one of the services under review.

**Figure 3: Percentage of the population who express difficulty to get services**



*Sources: Afrobarometer surveys. Authors' calculations.*

*Note:* the figure show the percentage of the population who consider for at least one the following services (an identity document, a household service, a help from the police, a place in primary school) that service is difficult or very difficult to obtain

As regards the proximity of service infrastructure in the towns and the villages where people live, the Afrobarometer measures service infrastructure in a distinctive way. Apart from the interviews of randomly selected individuals, the surveys include contextual observations by interviewers and supervisors for every primary sampling unit. Among other things, the field teams record the presence or absence of post offices, police stations, electrical grids etc (Bratton, 2007).

Table 3 reports the percentages of adults, in 2005 and in 2002, living in a locality without these services in each of the 18 African countries. According to these observations, school is the most present infrastructure followed by health clinic and piped water systems. In 2005, only 23% of the population lived in localities without school compared to 49% for piped water system and 56% for health clinics. Countries like Senegal, Benin, South Africa and Uganda have a more physically accessible service infrastructure than countries like Namibia, Botswana, Zimbabwe and Lesotho. For instance, in Lesotho, 55% of the population lives in area where there is no primary school and 84% in localities where health clinics are absent.

**Table 3: Percentage of the population who live in areas where the following services or commodities are absent**

	<i>School</i>		<i>Police station</i>		<i>Piped water system</i>		<i>Health clinic</i>	
	<i>R3</i>	<i>R2</i>	<i>R3</i>	<i>R2</i>	<i>R3</i>	<i>R2</i>	<i>R3</i>	<i>R2</i>
Benin	7		74		57		38	
Botswana	46	38	88	76	12	17	65	64
Cape Verde	21	32	88	91	34	44	62	73
Ghana	6	6	66	67	38	47	48	47
Kenya	24	24	88	90	56	67	63	66
Lesotho	55	38	92	90	34	69	84	79
Madagascar	5		80		50		63	
Malawi	15	15	90	93	70	76	71	68
Mali	20	34	95	85	49	69	48	62
Mozambique	23	14	69	50	79	54	58	56
Namibia	41	38	91	87	32	49	76	70
Nigeria	20	9	64	53	66	51	41	30
Senegal	7	11	64	86	21	44	31	40
South Africa	9	17	50	50	22	18	34	41
Tanzania	27	1	86	50	65	63	65	11
Uganda	15	5	82	76	70	82	33	33
Zambia	22	17	64	70	67	67	46	43
Zimbabwe	49		92		59		77	
<b>Total</b>	23	20	79	75	49	55	56	52

*Sources: Afrobarometer surveys. Authors' calculations.*

For the purpose of the analysis, therefore, we will be interested to assess the impact of perception of and experience with corruption on institutional trust. We will also test whether the impact of corruption on trust vary according to the ease of access to public services, and more precisely whether the corruption increase institutional trust when the access to public services is difficult.

#### **4. Empirical strategy and results**

The aim of the present paper is twofold. First, we want to assess the impact of corruption (experienced or perceived) on institutional trust. Secondly, we will test whether the effect of corruption on trust varies according to the quality of public service delivery.

##### **4.1. Variables' construction**

Our dependant variable is built using the following question from the Afrobarometer survey: "How much do you trust each of the following institutions, or haven't you heard enough about them to say?" As we have already stated, in our analysis, we only consider the answers given for political institutions (the president, the parliament, the independent electoral commission, the ruling party and the opposition political parties). We compute a composite indicator of trust which is equal to the average of the evaluations given for each institution (Cronbach's Alpha= 0.80). Scores range from 0 to 3 where higher values indicate greater trust in political institutions.

As explained in the previous section, we use two measures of corruption. The first one deals with experience of citizens with petty corruption. Respondents were asked whether they had to pay a bribe over the last year in order to get different services. Possible answers are: never, once or twice, a few

times, often. An average index was computed to obtain an aggregate indicator of experience with corruption (Cronbach's Alpha= 0.74 in 2005 and 0.76 in 2002). The scores range from 0 to 4 with 4 denoting a frequent experience of corruption. The second corruption index taps the popular perception of the general prevalence of corruption among politicians and public officials. Scores range also on a 0 to 4 scale with 4 indicating a high degree of perceived corruption<sup>1</sup>.

We also computed an indicator that captures for each citizen the ease of access of public services using the questions dealing with "user-friendliness" and the proximity of services (Cronbach's Alpha= 0.70). Greater values mean an easier access to public services.

We control the relationship between trust, corruption and quality of public services with other covariates. First, we introduce time and country dummy in order to take into account unobservable specificities.

Secondly, we add a set of demographic variables such as age, gender or educational level. Age may be an important explanatory element of trust in political institutions. One can think that youngest people can exhibit greater institutional trust, because unlike the elderly people their experience of political life is recent and thus they may have not accumulated years of deception toward political institutions and they may still have an idyllic vision of democracy (Seligson, 2002). In most of the studies on institutional trust, gender is as a key determinant of trust, women expressing lower trust in political institutions (Seligson, 2002; Chang and Chu; 2006). The educational level should not be neglected. Seligson (2002) emphasizes that the most educated people are more likely to have a good knowledge of their political system and to criticize it. Lastly, we introduce a variable which reflects the exposure to the media.

Thirdly, we introduce variables denoting the citizen's conditions of living. This choice is driven by the theory of "economic vote" (Lewis-Beck and Stegmaier, 2000) which suggests that living conditions influence electoral behaviours and attitudes towards governments. They consider that voters vote rationally and that they give their support to governments perceived as the most likely to improve their own living conditions. In such circumstances, trust in political institutions depends certainly on the citizen's evaluations of their economic situation. More specifically, citizens may display higher trust in political institutions when they judge that their living conditions are good or has improved. In order to capture citizens' living conditions, we use 3 Afrobarometer questions which asked respondents about their expectations about the evolution of their living conditions and how they rate their living conditions compared to their co-citizens and compared to twelve months ago.

Fourthly, we take into account the citizen's satisfaction with democracy and their assessment of the evolution of freedom, of ordinary people influence on political decisions, and of equality. Citizens attitudes are not only driven by their living conditions but also by "political goods" such as political rights or liberties.

## 4.2. Results

In a first step, we assess the basic effect of corruption on institutional trust. Table 4 presents the results of estimations performed on, the whole sample of Afrobarometer countries. Columns 1 and column 3 reports the results of estimation by ordinary least squares.

On the one hand some findings are in accordance with our expectations. The greater people are educated, the less they express trust in political intuitions. For instance, having a post-secondary level of education rather than no formal education decreases institutional trust by 13% whereas having achieved primary school only reduces trust by 7%. Our estimations show that African citizens' opinion towards their political institutions is motivated by both material needs and democratic values.

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<sup>1</sup> It is computed on the basis of questions about perception of corruption described in the previous section (Cronbach's alpha equals 0.87)

All variables describing citizen's living conditions or attitudes towards democracy and its outcome have a significant influence on institutional trust. As regards material needs, our findings suggest that the better the perception of living conditions and its evolution, the greater the trust in political institutions. As regards democratic values, our results indicate that high satisfaction with democracy, a positive evaluation of the evolution of freedoms, of equality of treatment of citizens and of the influence of ordinary people on government decisions increase trust in political institutions. For instance, thinking that equality and fairness are improving increase trust by more than 20%.

On the other hand, other results are quite surprising, in particular the coefficients of demographic variables. For instance, we find that gender has no influence on level of trust, but that citizens who live in urban area show higher trust in political institutions. The former indicates that women exhibit as much trust as their male counterpart, which is rather new in the literature. The latter is counter intuitive as individuals in urban areas are more likely to have a more critical point of view. But this result can be explained by the fact that often policy orientations are more in favour of urban areas. Our regressions also indicate that age has little influence on trust. Only one dummy for age categories, the 18-29 years one, is significant. The coefficient is negative meaning that young people express lower trust in political institutions.

As regards our variables of interest, our results clearly show that perception of, and experience with corruption, erode institutional trust; and that perceived corruption have a larger negative impact than experienced corruption. The marginal effect (at the means) of the perception with corruption is -18% against -7% for experience with corruption. Our estimations confirm also that the quality of public service delivery increase institutional trust. Easy access to public services increases the level of citizens' trust in political institutions.

Columns 2 and 4 reports coefficients estimates using two stages least squares. The choice of this estimation technique is driven by the fact that trust in political institutions may also be a determinant of corruption (perceived and experienced). As explained by Chow and Kirwin (2007), institutional mistrust is likely to lead people to pay bribes in order to access to public resources, and thus is likely to increase experience of corruption and to foster perception that corruption is widespread (numerous studies underline that perception and experience of corruption are interlinked and reinforce one another).

As regards the perceived level of corruption, we use two instruments. A dummy variable, named "solution", taking the value of one if the respondent declares he would pay a bribe in order to speed up the delivery of a government permit or license. Another dummy variable taking the value of one if the respondent is the chief of the household. As regards the experience with corruption, different instruments are used: an indicator of vulnerability to illness, a variable capturing the intensity of religious practice of the respondent and the variable "solution". The choice of these instruments is driven by the literature which deals with the causes of corruption. Considering that paying bribe is a solution in case of problem with the administration, reveals that the respondent has no moral barriers to corruption and that his propensity to bribe is high. The lesser adverse to corruption an individual is, the more likely he is to pay bribe, and then to perceive that bribery is widespread. In the same vein, in general the chief of the household is more in contact with public services, and then he has a greater chance to be victim or to witness corruption and to believe it is a common practice. Hunt (2006) and Guiso et al. (2003) emphasise that vulnerability and a low intensity of religious practice increase corruption episodes.

In both cases the Durbin-Wu-Hausman indicates that endogenous regressor' (i.e.corruption) effects on the estimates are meaningful, and instrumental variables techniques are required. Furthermore, in both cases the Sargan test confirms that the instruments are valid (i.e. uncorrelated with the error term), and that the instruments chosen are appropriate from the estimated equation.

This estimation technique does not change drastically our results: the sign and the significance of coefficient estimates of most of our variables are similar to the previous ones. The coefficients of

corruption variables are still negative and significant, but they are larger. The marginal effects of perception of and experience with corruption are respectively - 60% and -27% compared to -18% and -7% for estimations done with the OLS.

**Table 4: Impact of corruption on the level of trust in political institutions**

	<i>Perceived corruption</i>		<i>Experienced corruption</i>	
	OLS	2SLS	OLS	2SLS
<b>Corruption and quality of bureaucracy</b>				
Corruption	-0.18*** [0.01]	-0.60*** [0.08]	-0.07*** [0.01]	-0.27*** [0.04]
Quality of administration	0.05*** [0.01]	-0.01 [0.02]	0.07*** [0.01]	0.07*** [0.01]
<b>Demographic characteristics</b>				
Urban	0.10*** [0.01]	0.08*** [0.01]	0.11*** [0.01]	0.11*** [0.01]
Woman	-0.01 [0.01]	-0.02** [0.01]	-0.01 [0.01]	-0.01* [0.01]
18-29 years old	-0.04*** [0.01]	-0.02 [0.02]	-0.05*** [0.01]	-0.05*** [0.01]
30-39 years old	-0.00 [0.01]	0.01 [0.02]	-0.01 [0.01]	-0.02 [0.01]
40-49 years old	0.03* [0.01]	0.04** [0.02]	0.02 [0.01]	0.02 [0.01]
50-59 years old <i>Ref: &gt; 60 years old</i>	0.03 [0.02]	0.04** [0.02]	0.02 [0.02]	0.02 [0.02]
<b>Educational level</b>				
Primary	-0.07*** [0.01]	-0.06*** [0.01]	-0.08*** [0.01]	-0.08*** [0.01]
Secondary	-0.11*** [0.01]	-0.08*** [0.01]	-0.12*** [0.01]	-0.12*** [0.01]
Post secondary <i>Ref: no formal education</i>	-0.13*** [0.01]	-0.08*** [0.02]	-0.15*** [0.01]	-0.14*** [0.01]
<b>Exposure to media</b>				
	-0.01** [0.00]	0.01 [0.01]	-0.01*** [0.00]	-0.01 [0.00]
<b>Satisfaction with democracy</b>				
	0.30*** [0.01]	0.24*** [0.01]	0.33*** [0.01]	0.32*** [0.01]
<b>Evolution of freedoms</b>				
	0.11*** [0.01]	0.09*** [0.01]	0.11*** [0.01]	0.11*** [0.01]
<b>Living conditions compared to those of others</b>				
Same	0.02* [0.01]	0.00 [0.01]	0.03*** [0.01]	0.02* [0.01]
Better <i>Ref: worse</i>	0.05*** [0.01]	0.02** [0.01]	0.06*** [0.01]	0.06*** [0.01]
<b>Evolution of living conditions</b>				
Same	0.03*** [0.01]	0.03*** [0.01]	0.02*** [0.01]	0.02* [0.01]
Better <i>Ref: worse</i>	0.06*** [0.01]	0.06*** [0.01]	0.06*** [0.01]	0.06*** [0.01]
<b>Evolution of influence</b>				
Same	0.04*** [0.01]	0.02 [0.01]	0.04*** [0.01]	0.04*** [0.01]
Better	0.08***	0.06***	0.09***	0.09***

<i>Ref: worse</i>	[0.01]	[0.01]	[0.01]	[0.01]
<b>Evolution of equal and fair treatment</b>				
Same	0.12*** [0.01]	0.08*** [0.01]	0.14*** [0.01]	0.13*** [0.01]
Better	0.23*** [0.01]	0.15*** [0.02]	0.26*** [0.01]	0.25*** [0.01]
<i>Ref: worse</i>				
<b>Round 2 dummy</b>	-0.38*** [0.01]	-0.36*** [0.01]	-0.39*** [0.01]	-0.39*** [0.01]
<b>Country specific effects</b>	YES	YES	YES	YES
<b>Constant</b>	0.79*** [0.04]	1.74*** [0.18]	0.43*** [0.03]	0.51*** [0.04]
<b>Observations</b>	35134	33812	37135	35514
<b>R-squared</b>	0.40	0.41	0.37	0.38
<b>Sargan statistic</b>		1.669		4.325
Chi-sq(1) P-val		0.19		0.12
<b>Wu-Hausman F test</b>		30.38		29.41
F(1,33770) P-value		0.00		0.00

Standard errors in brackets

\* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%

In a second step, we want to test specifically the “efficient grease” theory. We use a multiplicative interaction model to analyse the trust-corruption nexus. Indeed, the “efficient grease hypothesis” implies that the relationship between institutional trust and corruption varies depending on the red tape context. And, it has been well established that the intuition behind conditional hypotheses is captured quite well by multiplicative interaction models (Brambor, Clark, and Golder, 2006). In other words, we include in our regressions one variable of corruption (perception of the level of corruption or experience with corruption), one variable dealing with the quality of public services and an interaction term “corruption\*quality of services” (the product of these two continuous variables). We use in this step the same model specification as the previous one (with the same set of control variables) but the discussion here will mainly focus on the interaction effect.

The table 5 reports coefficients estimates but the figures 4 and 5 illustrate more clearly how the marginal effect of corruption on institutional trust changes with the assessment of the quality of public services. Firstly, in any cases, results never show a positive impact of corruption on institutional trust. The overall results tend to confirm that corruption erodes citizens’ trust in political institution. Nevertheless, the effect of perception that corruption is widespread on the one hand; and the effect of having experienced corruption on the other hand, are not identical and not of the same magnitude.

Firstly, perceived level of corruption has a strong adverse effect citizens’ trust in political institution and this negative effect is all the more important when the level of satisfaction on the quality of public services increases. It seems that when public institutions lack of performance, corruption can be viewed as one institutional deficiency among others, so its impact is less important. Conversely, when public services are judged efficient, perceived corruption affects more negatively the citizens’ attitude toward institutions. In this case, corruption is considered as a real problem which impedes the administration from being more effective, an issue that political institutions have to address.

Secondly, as regards experience with corruption, its adverse impact on citizens’ trust in political institutional is less strong. Moreover, this negative effect declines as the level of satisfaction on the quality of public services increases and it even becomes non significant when public services are considered rather efficient (with a score of more than 2.5 on a 3 point scale). But since we are more concerned by ill-functioning institutions, this result seems to show that having experienced corruption is considered all the more negative by individuals who suffer from the difficult access to public services.

These results underline the fact that the “objective” variable on corruption (practice and actual experience of corruption) and the “subjective” one (perception of the level of corruption) reflect two different aspects of this phenomenon, and that their respective impact deserves to be analysed separately.

**Table 5: Impact of corruption on the level of trust in political institutions  
(multiplicative interaction model)**

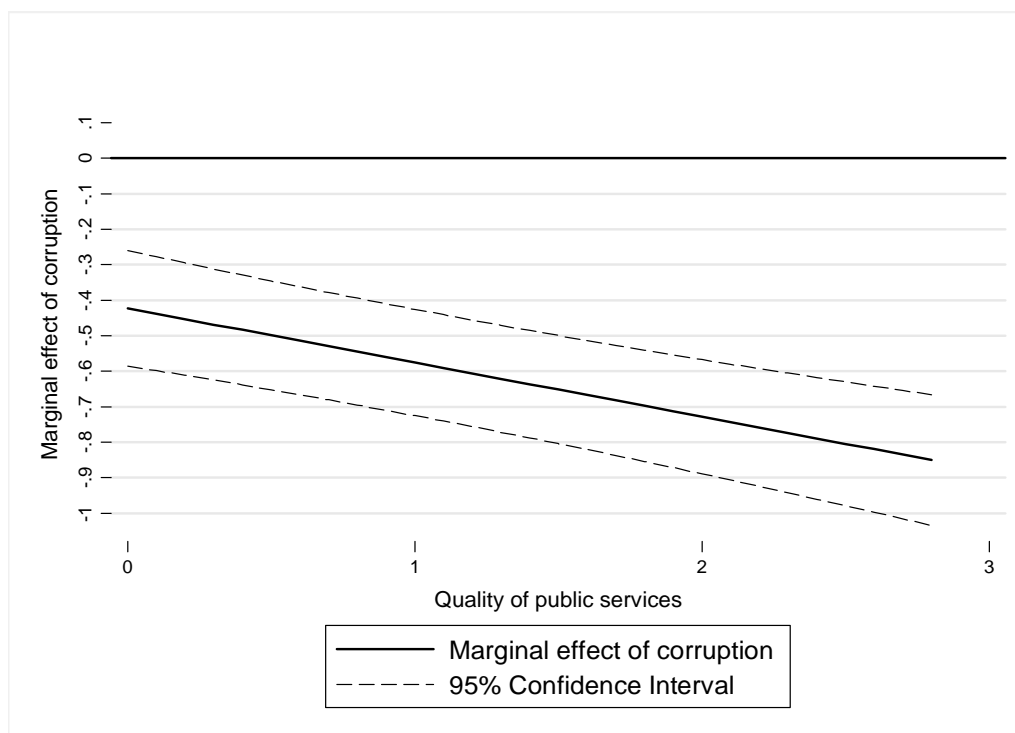
	<i>Perception of corruption</i>		<i>Experience with corruption</i>	
	OLS	2LS	OLS	2LS
<b>Corruption and quality of bureaucracy</b>				
Corruption	-0.17*** [0.02]	-0.42*** [0.08]	-0.09*** [0.02]	-0.34*** [0.07]
Quality of administration	0.07*** [0.02]	0.19*** [0.04]	0.07*** [0.01]	0.06*** [0.02]
Corruption*quality of administration	-0.01 [0.01]	-0.15*** [0.03]	0.01 [0.02]	0.07 [0.06]
<b>Demographic characteristics</b>				
Urban	0.10*** [0.01]	0.08*** [0.01]	0.11*** [0.01]	0.11*** [0.01]
Woman	-0.01 [0.01]	-0.02*** [0.01]	-0.01 [0.01]	-0.01* [0.01]
18-29 years old	-0.04*** [0.01]	-0.02 [0.01]	-0.05*** [0.01]	-0.05*** [0.01]
30-39 years old	-0.00 [0.01]	0.01 [0.01]	-0.01 [0.01]	-0.02 [0.01]
40-49 years old	0.03* [0.01]	0.04*** [0.01]	0.02 [0.01]	0.02 [0.01]
50-59 years old <i>Ref: &gt; 60 years old</i>	0.03 [0.02]	0.04** [0.02]	0.02 [0.02]	0.02 [0.02]
<b>Educational level</b>				
Primary	-0.07*** [0.01]	-0.07*** [0.01]	-0.08*** [0.01]	-0.08*** [0.01]
Secondary	-0.11*** [0.01]	-0.08*** [0.01]	-0.12*** [0.01]	-0.12*** [0.01]
Post secondary <i>Ref: no formal education</i>	-0.13*** [0.01]	-0.09*** [0.02]	-0.15*** [0.01]	-0.14*** [0.01]
<b>Media exposure</b>				
	-0.01** [0.00]	0.01* [0.00]	-0.01*** [0.00]	-0.01 [0.00]
<b>Satisfaction with democracy</b>				
	0.30*** [0.01]	0.24*** [0.01]	0.33*** [0.01]	0.32*** [0.01]
<b>Evolution of freedoms</b>				
	0.11*** [0.01]	0.09*** [0.01]	0.11*** [0.01]	0.11*** [0.01]
<b>Living conditions compared to those of others</b>				
Same	0.02* [0.01]	0.01 [0.01]	0.03*** [0.01]	0.02* [0.01]
Better <i>Ref: worse</i>	0.05*** [0.01]	0.03** [0.01]	0.06*** [0.01]	0.06*** [0.01]

<b>Evolution of living conditions</b>				
Same	0.03*** [0.01]	0.02** [0.01]	0.02*** [0.01]	0.02* [0.01]
Better <i>Ref: worse</i>	0.06*** [0.01]	0.05*** [0.01]	0.06*** [0.01]	0.06*** [0.01]
<b>Evolution of influence</b>				
Same	0.04*** [0.01]	0.02* [0.01]	0.04*** [0.01]	0.04*** [0.01]
Better <i>Ref: worse</i>	0.08*** [0.01]	0.06*** [0.01]	0.09*** [0.01]	0.09*** [0.01]
<b>Evolution of equal and fair treatment</b>				
Same	0.12*** [0.01]	0.09*** [0.01]	0.14*** [0.01]	0.13*** [0.01]
Better <i>Ref: worse</i>	0.23*** [0.01]	0.16*** [0.02]	0.26*** [0.01]	0.25*** [0.01]
<b>Round 2 dummy</b>	-0.38*** [0.01]	-0.37*** [0.01]	-0.39*** [0.01]	-0.40*** [0.01]
<b>Country specific effects</b>	YES	YES	YES	YES
<b>Constant</b>	0.78*** [0.04]	1.51*** [0.18]	0.43*** [0.03]	0.52*** [0.04]
<b>Observations</b>	35134	35681	37135	35562
<b>R2</b>	0.40	0.38	0.37	0.38

Standard errors in brackets

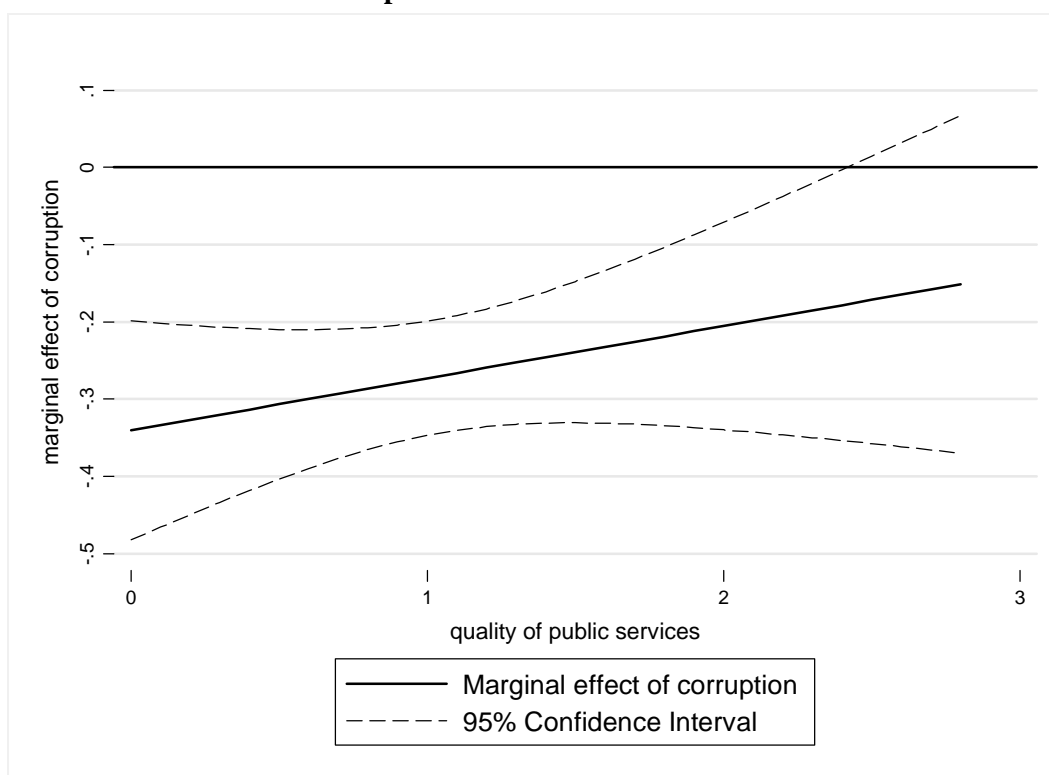
\* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%

**Figure 4 : Marginal effect of perceived corruption on institutional trust as the quality of public services increases**



Source: Authors' calculations based on the methodology developed by Brambor, Clark and Golder (2006)

**Figure 5 : Marginal effect of experience of corruption on institutional trust as the quality of public services increases**



Source: Authors' calculations based on the methodology developed by Brambor, Clark and Golder (2006)

## 5. Concluding remarks

Our analysis uses a rich collection of comparable household surveys conducted in 18 sub-Saharan African countries (*Afrobarometer Survey*) to shed light on the link between corruption (perceived and experienced) and trust in political institutions. More specifically, the objective was to test the “efficient grease theory” which states that corruption may raise efficiency by compensating for institutional deficiencies. Thus, according to this theory, corruption may lead to higher level of trust in political institutions.

Our findings, by and large, tend to invalidate this theoretical argument. Experience of corruption, as well as perception that corruption is widespread, have negative impact on citizens’ trust in political institutions. We endeavour to take the observation of mistrust a step further and study the extent to which this situation could depend on the quality of public services. The analysis of the interaction effect shows that the impact of corruption on institutional trust is never positive whatever the judgement on the effectiveness of public services. But the results reveal how perceived and experienced corruption impact differently on the shape of citizens’ trust in political institutions. The adverse effect of perception that corruption is widespread is less strong when public services are considered inefficient; whereas having experienced corruption is considered all the more negative by individuals who suffer from the difficult access to public services.

These findings call for a certain number of more detailed and expanded studies. Among the possible avenues of research, we would mention three:

- Firstly, a more in-depth look at national particularities. This is because, although this study shows that general trends can be singled out, the characteristics of the countries studied are

quite different as shown specifically by the results of the descriptive analysis as regards the level of corruption, the level of trust in political institutions, and the access to public services. The individual characteristics of the victim of corruption may also differ from one country to another.

- Secondly, and to take proper account of national environments, the effects of social interactions should be considered. The contexts, and especially the predominant opinions and attitudes in a given society, influence individual attitudes towards institution and corruption. For example, among the explanatory factors, macro characteristics (global or average result per country) should be considered using the survey data themselves (level of trust between individuals or percentage of those who trust their fellow citizens, level of condemnation of corruption, level of development, and general evaluation of the quality and performance of the institutions).
- Lastly, detailed analysis of the changes which had occurred regarding the extent of corruption or the access to public services over the period studied could be undertaken. The objective is to test for example if the evolution of the situation, rather than (or as much as) the prevailing situation, has some influence on attitude towards institution.

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