

The Case for Democracy:

Can Democracy Limit Corruption?

Scientific evidence shows:

- **High levels of democracy reduce corruption. Corruption is also lower in the worst dictatorships.**
- **Limited democratization typically leads to increasing corruption that gradually falls if a high-quality democracy develops.**
- **Democratization alone does not necessarily translate into lower levels of corruption.**
- **It works both ways: Corruption undermines support for democracy.**

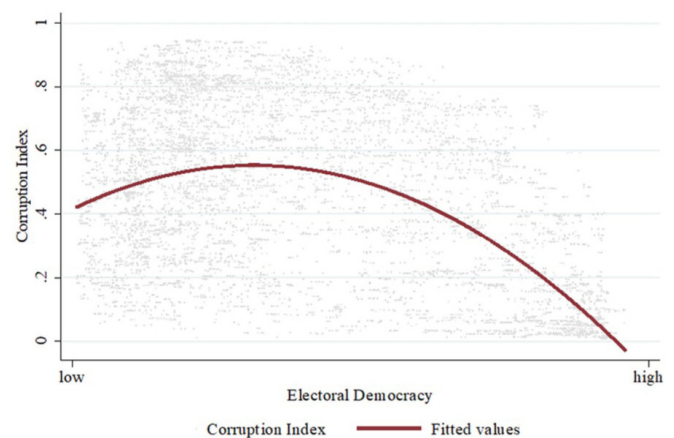
High Levels of Democracy Reduce Corruption

High levels of democracy reduce corruption, but so does the absence of democracy. Research demonstrates an inverted U-shaped relationship: Moderate levels of democracy are associated with high levels of corruption, while the worst dictatorships and especially the best democracies are least corrupt on average (e.g., McMann et al. 2020).

The plausible explanation for this is that dictators do not have to buy support from many people, and can enforce compliance by (threats of) violence. During a process of liberalization, the circle of people whose support is needed widens to eventually include all citizens in elections, and use of violence and oppression becomes less viable. The need to “buy off” or “share the spoils” increases while the rule of law and the media are still underdeveloped. Only at high levels of democracy, independent institutions that sanction corrupt behavior, become strong enough to reduce these practices.

Scientific findings demonstrate, for example, that the mere presence of elections – especially during the early stages of democratization – creates opportunities for clientelist relationships, such as election vote buying (Lindberg, Bue and Sen 2022). Yet, if and when elections become fully free and fair, and independent legislative and judicial constraints are in place, corruption diminishes. Similarly, while limited levels of freedom of expression and freedom of association can become part of a process where increasing numbers of individuals are allowed to “share the spoils” and thus increase corruption, high levels of those freedoms – with independent media

FIGURE 1. EFFECTS OF ELECTORAL DEMOCRACY ON CORRUPTION



Source: (McMann et al. 2020).

and civil society – ensure that accountability processes can operate effectively (McMann et al. 2020).

Democratic deepening after the initial stages of democratization is thus key in weeding out corruption. Sequencing of developments during the early stages of democratization processes – if practically possible – could also help. An early focus on electoral laws and institutions that make them fully free, fair and competitive can reduce corruption in countries where other democratic pillars already work (Nyblade and Reed 2008). In countries where other aspects are underdeveloped, highly competitive elections may instead contribute to even more corruption. Strengthening the independence of judicial and legislative institutions to enforce horizontal constraints contribute to controlling corruption at all stages of democratization (Voigt and Gutmann 2015).

DEFINITION

Corruption is an office holder’s use of public office for private gain in a value exchange involving a client.

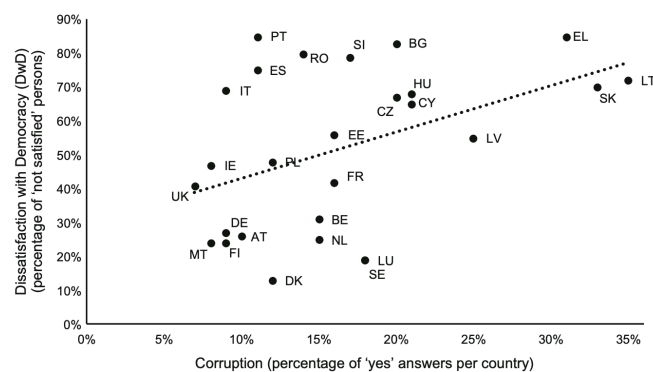
High-quality democracies have particularly low levels of corruption. When electoral accountability is strong, citizens are less likely to elect corrupt officials (Bauhr and Grimes 2021). A fully independent judiciary and a strong rule of law act as effective checks on political power, and ensure correct and impartial implementation of public policies and redistribution of public resources (Rothstein 2014). Full media freedom ensures security for journalists exposing corrupt officials (Brunetti and Weder 2003). Finally, research shows that increases in government size (increasing capacity) lead to more corruption in deficient democracies, while it decreases corruption in high-quality democracies (Kotera, Okada and Samreth 2012).

Nevertheless, scientific research notes that democratization alone does not easily translate into lower levels of corruption (Mungiu-Pippidi and Johnston 2017), because corruption also depends on many other factors, such as the country's socio-economic development (Pinto and Zhu 2016), historical legacies, state capacity, and mass education (Uslaner 2017).

Corruption Undermines Democracy

Corruption undermines democracy – the relationship works both ways. Recent evidence, for example, shows that corruption impacts negatively on the rule of law (Lindberg, But and Sen 2022). Unfair and arbitrary implementation of laws, in turn, undermines political trust and can provoke

FIGURE 2. CORRUPTION AND DISSATISFACTION WITH DEMOCRACY IN THE EU, 2013-2014



Source: Maciel and de Sousa (2018).

disengagement such as voter abstention (Goldberg 2018). Corruption weakens political legitimacy of any political regime significantly (Rothstein and Teorell 2008).

Corruption dwindles support for democracy (Voigt and Gutmann 2015). Even in countries where corruption levels are low and levels of social trust are high, citizens' perceptions of corruption may lead to widespread skepticism and the loss of public trust in democratic institutions (Linde and Erlingsson 2022).

Given the large impact corruption has on democracy, sustained efforts to fight corruption are key to enhancing political trust and improving the strength and quality of democracy.

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