

# The Intergenerational Persistence of Attitudes toward Corruption

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# Broad Themes of Research Project

- “Cultural” influences on behavior
- “Citizen culture”
- Corruption and political malfeasance

# General Motivation

- Scholarship on corruption emphasizes material incentives and formal institutions (costs vs. benefits; Becker)
  - [Chang and Golden; Di Tella and Schargrotsky; Kunicova and Rose-Ackerman; Myerson; Persson and Tabellini]
- But, is “culture” a cause of corruption?
  - Norm of “amoral familism” drives corruption (Banfield)
  - Esprit de corps prevents bureaucratic capture (Evans)
  - Corrupt vs. non-corrupt “types” in P-A models (Klitgaard)
  - “Corruption corrupts” in models with multiple equilibria
  - Culture plays role “in prevalence or absence of economic corruption” (Sen)
- Paper that follows: slice of this research agenda

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# This Paper: Motivation

- Motivating question: does “culture” have a life of its own, or is it epiphenomenal to formal institutions and material incentives?
- Key problem: how to isolate “culture” from formal institutions



# Research Strategy

- Break down “culture” into manageable components
  - This paper: focus on attitudes
- To isolate attitudes from formal institutions, focus on people who:
  - Live under same institutions
  - Have different ancestry
- Logic:
  - Ancestors’ attitudes shaped in country of ancestry
  - Then potentially transmitted down the generations
  - If persistent, ancestral attitudes should correlate with respondent attitudes

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## Relation to Other Work

- Intergenerational persistence of “something:”
  - Guiso et al (2006); Fernandez and Fogli (2009); Alesina and Giuliano (2010); Jones and Nye (2011); Luttmer and Singhal (2011); Miguel et al (2011); Nunn and Wantchekon (2011); Ljunge (2012); Dohmen et al (2012)
- Persistence of corruption in first-generation immigrants:
  - Fisman and Miguel (2007); Barr and Serra (2010)
- This study:
  - Intergenerational persistence (vs. within-individual persistence)
  - Focus on attitudes (vs. behavior)

# Outcome Variables: Corruption Attitudes

- 1 Attitudes about normative acceptability of bribery
  - Survey item: “How acceptable is it for a public official to solicit bribes?” (ESS)
- 2 Attitudes about relationship between corruption and success
  - “El que no tranza, no avanza” (~getting ahead requires cheating)
  - “Winners never cheat, cheaters never win”
  - “Не подмажешь не поедешь.” (~no grease, no go)
  - “Soldi e amicizia vincono la giustizia” (~money and friendship win justice)
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# Explanatory Variables

- Explanatory variable: overall attitudes or “cynicism” about corruption in country of ancestry
  - 1 Average respondent attitudes (ESS)
  - 2 Past corruption perceptions indices (WGI; PRS/ICRG)

# Statistical Model

$$a_{ijr} = \beta_0 + \beta_1 A_j + \mathbf{x}_i \beta_2 + \phi_r + \epsilon_{ijr}$$

- Identifying assumption: conditional on regressors, no omitted factors correlate with both  $a$  and  $A$ 
  - Control for such potential factors:
    - Country-level
    - Local
    - Family
    - Individual
- Inherent bias *against* finding that ancestral attitudes persist:
  - Temporal decay
  - Local influences
  - Controls may themselves be product of inherited attitudes



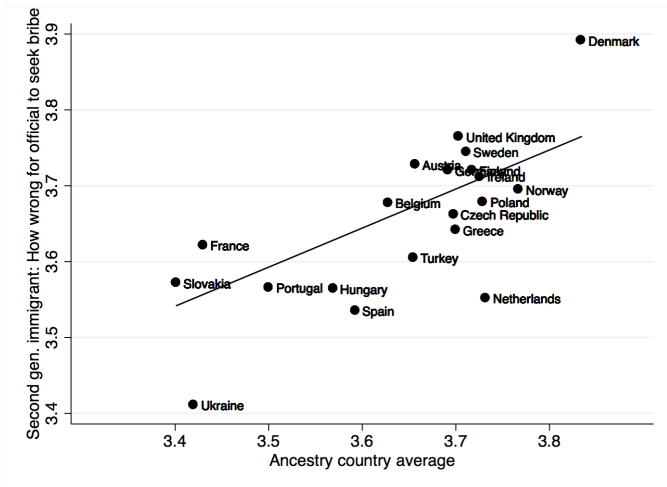
# Attitudes towards Bribery

- “How wrong, if at all, do you consider the following ways of behaving to be?” “A public official using someone for a favour or bribe in return for their services?”
  - “Not wrong at all” 1.4%; “A bit wrong” 3.3% (Greece, India, Morocco: 17%; Sweden, USA: 0%)
  - “Wrong” 28%
  - “Seriously wrong” 68% (Spain, Ukraine: 53-54%; Denmark, Britain: 80%)

# Attitudes towards Bribery

- Data source: ESS 2004, 25 European country surveys
- Study sample:
  - Second-generation immigrants (i.e., natives with immigrant parents), from 30 ancestries
- Explanatory variables:
  - Average bribery attitude in parents' country (contemporaneous)
  - Past country-level corruption indices: WGI (1996); ICRG (1984)

# Scatterplot: Ancestry vs. Respondent Bribery Attitudes



# Results: Bribery Attitudes

	(1)	(2)	(3)	(4)	(5)
Ancestry corruption perceptions (WGI)	0.056***	0.049***	0.049***	0.046***	0.074***
Age		0.010**	0.009**	0.010***	0.008
Female		0.025	0.027	0.028	0.008
Lower secondary		0.007	0.015	0.018	-0.038
Upper secondary		0.095	0.099	0.104	0.070
Post secondary		0.122	0.128	0.138	0.133
Tertiary		0.149	0.160**	0.157*	0.085
<b>Father's traits:</b>					
Lower secondary			-0.040	-0.029	-0.068
Upper secondary			-0.019	-0.014	-0.038
Post secondary			0.005	-0.033	0.140*
Tertiary			-0.037	-0.065	-0.023
Not harmonised			0.017	0.003	0.138
Self employed when R 14			0.022	0.036	0.071
Not working when R 14			-0.091	-0.091	0.093
Died or absent when R 14			0.086*	0.076	0.111*
<b>Mother's traits:</b>				Y	Y
Household income (logged)					0.099
Constant	3.569***	3.204***	3.223***	3.211***	2.587***
Observations	1936	1936	1936	1936	1116

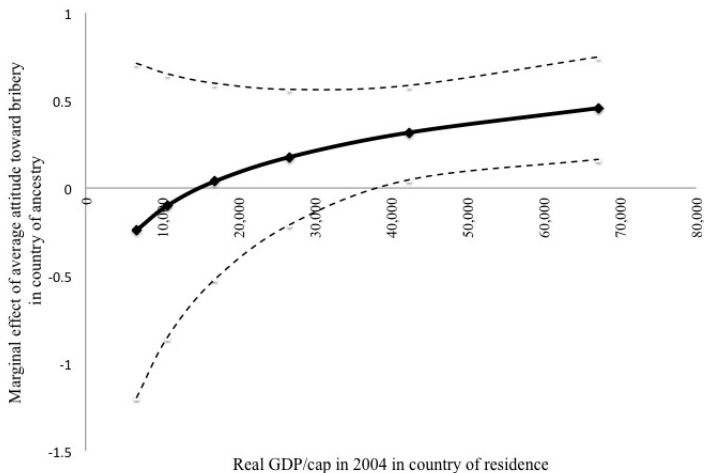
## Results: Substantive Magnitude

- Danish ancestry on average disapproves of bribery more than Ukrainian ancestry, all else equal, by 25% of the standard deviation across individuals in the outcome variable

# What is Being Transmitted? Additional Controls

- ① Discrimination
    - Due to nationality, race, religion, language, ethnicity
  - ② Selection into occupation
    - Main source of income (wages, self-employment, investments, pensions, unemployment)
    - Main type of economic activity (paid work, housework, studying, unemployed, disabled, military, retired)
    - Long term unemployment history
    - Respondent and parental education and income
  - ③ “Local” conditions (institutions, corruption, econ. opportunities)
    - Fixed effects for country of residence
- Effect survives simultaneous inclusion of all controls
  - Possible controls in future iterations: religion, genetics

# Attitudes towards Bribery: Effect Heterogeneity



## Corruption and Success Variable

- 544 individuals interviewed in the United States in 2000
- All born in US, with diverse ancestry
- (No info on # of generations)
- Item: “To get all the way to the top in America today, you have to be corrupt”
  - 15% strongly agree (=1) or agree
  - 25% neither agree nor disagree
  - 38% disagree
  - 23% strongly disagree (=5)
- Explanatory variables:
  - WGI corruption index (1996)
  - ICRG corruption index (1984)



# Results: Corruption and Success

	(1)	(2)	(3)	(4)
Ancestry perceived corruption	0.149***	0.134***	0.133***	0.134***
Age		-0.019*	-0.019*	-0.020
Age squared		0.000*	0.000*	0.000*
Female		0.090	0.085	0.085
Household income (log)		0.038	0.047	0.048
Education (years)		0.054**		
High school			0.206	0.210
Some college			0.406**	0.413**
College			0.428**	0.438**
Post-college			0.405**	0.415**
Parents' education (years)				-0.001
Parents' SEI				-0.000
Constant	3.035***	2.328***	2.592***	2.614***
Adjusted R-squared	0.044	0.060	0.053	0.049
Observations	544	544	544	544

Notes: Robust standard errors clustered by ancestry shown. All models include state fixed effects. \*( $p < 0.1$ ), \*\* ( $p < 0.05$ ), \*\*\*( $p < 0.01$ ).

## Results: Substantive Magnitude

- Russian ancestry compared with Swedish ancestry, otherwise identical, more strongly agrees by 43% of the standard deviation across individuals in the outcome variable

# Robustness: Additional Controls

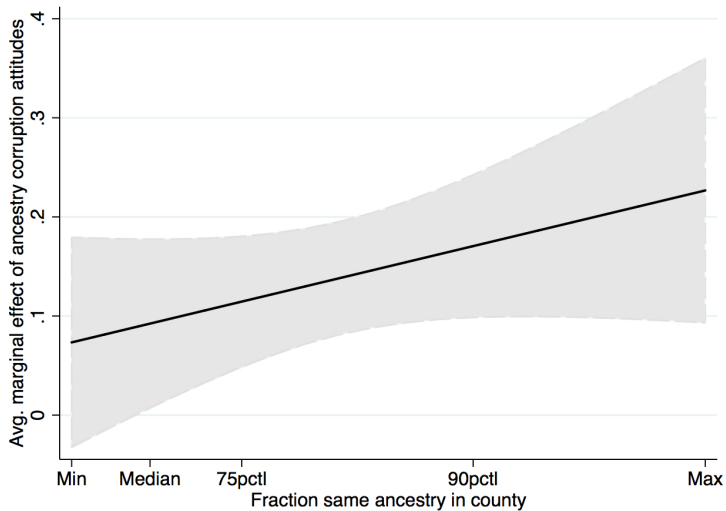
- ① Racial discrimination
- ② Selection into occupation
  - Education and income (as in main model)
  - Labor force status (full time, part time, etc.)
  - Work in gov'm't vs. private sector
  - Self-employed or work for other
  - Occupational prestige (Nakao and Treas 1992)
  - Discard Irish and Italian ancestries
- ③ Local conditions (institutions, corruption, econ. opportunities)
  - Fixed effects for state of residence
  - State corruption levels (Glaeser and Saks 2006)

# Mechanisms of Attitudinal Transmission

How might attitudes be transmitted down the generations?

- Inside the family
- Through broader community  
→ effect should be greater in denser communities

# Conditioning Effect on Ancestral Density



## Conclusion

- Corruption attitudes persist
  - Independently of institutions/incentives
  - Persistence appears not to be an artifact of transmission of human capital, wealth, prestige, local conditions, selection into employment, race, discrimination
- Why do attitudes persist?
  - Clue: stronger persistence where ancestry is denser
  - Suggests community matters

## Conclusion

What do the findings mean?

- *Not* that some ancestries are inherently more corrupt:
  - Attitudes vary also across individuals
  - Persistence is partial
- Rather, results suggest that attitudes are candidate causes of corrupt behavior
  - Additional finding: ESS bribery attitudes correlate with self-reported bribing behavior
- I view this as a small step in a larger research agenda