The Intergenerational Persistence of Attitudes toward Corruption

Alberto Simpser

Representation and Participation around the World - National Chengchi University, Taipei

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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 Schargrodsky; 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)
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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
Corruption Project
Attitudes towards Bribery
Attitudes about Corruption and Success

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)
   - Survey item: “To get all the way to the top in America today you have to be corrupt”
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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

\[ a_{ijr} = \beta_0 + \beta_1 A_j + x_i \beta_2 + \phi_r + \epsilon_{ijr} \]

- 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
“How wrong, if at all, do you consider the following ways of behaving to be?” "A public official asking 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)
Scatterplot: Ancestry vs. Respondent Bribery Attitudes

Second gen. immigrant: How wrong for official to seek bribe

Ancestry country average
## Results: Bribery Attitudes

<table>
<thead>
<tr>
<th></th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
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<tbody>
<tr>
<td>Ancestry corruption perceptions (WGI)</td>
<td>0.056***</td>
<td>0.049***</td>
<td>0.049***</td>
<td>0.046***</td>
<td>0.074***</td>
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<td>Age</td>
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<td>0.009**</td>
<td>0.010***</td>
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<td>Female</td>
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<td>Upper secondary</td>
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<td>Post secondary</td>
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<td>Tertiary</td>
<td>0.149</td>
<td>0.160**</td>
<td>0.157*</td>
<td>0.085</td>
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<td><strong>Father’s traits:</strong></td>
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<tr>
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<tr>
<td>Upper secondary</td>
<td>-0.019</td>
<td>-0.014</td>
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<tr>
<td>Post secondary</td>
<td>0.005</td>
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<td>0.140*</td>
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<tr>
<td>Tertiary</td>
<td>-0.037</td>
<td>-0.065</td>
<td>-0.023</td>
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<tr>
<td>Not harmonised</td>
<td>0.017</td>
<td>0.003</td>
<td>0.138</td>
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<td>Self employed when R 14</td>
<td>0.022</td>
<td>0.036</td>
<td>0.071</td>
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<tr>
<td>Not working when R 14</td>
<td>-0.091</td>
<td>-0.091</td>
<td>0.093</td>
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<tr>
<td>Died or absent when R 14</td>
<td>0.086*</td>
<td>0.076</td>
<td>0.111*</td>
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<tr>
<td><strong>Mother’s traits:</strong></td>
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<tr>
<td>Household income (logged)</td>
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<td>0.099</td>
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<tr>
<td>Constant</td>
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<td>3.204***</td>
<td>3.223***</td>
<td>3.211***</td>
<td>2.587***</td>
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<td>Observations</td>
<td>1936</td>
<td>1936</td>
<td>1936</td>
<td>1936</td>
<td>1116</td>
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</tbody>
</table>
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

Marginal effect of average attitude toward bribery in country of ancestry

Real GDP/cap in 2004 in country of residence
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

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<tr>
<td>Age</td>
<td>-0.019*</td>
<td>-0.019*</td>
<td>-0.020</td>
<td></td>
</tr>
<tr>
<td>Age squared</td>
<td>0.000*</td>
<td>0.000*</td>
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<tr>
<td>Female</td>
<td>0.090</td>
<td>0.085</td>
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<tr>
<td>Household income (log)</td>
<td>0.038</td>
<td>0.047</td>
<td>0.048</td>
<td></td>
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<tr>
<td>Education (years)</td>
<td>0.054**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school</td>
<td></td>
<td>0.206</td>
<td>0.210</td>
<td></td>
</tr>
<tr>
<td>Some college</td>
<td></td>
<td>0.406**</td>
<td>0.413**</td>
<td></td>
</tr>
<tr>
<td>College</td>
<td></td>
<td>0.428**</td>
<td>0.438**</td>
<td></td>
</tr>
<tr>
<td>Post-college</td>
<td></td>
<td>0.405**</td>
<td>0.415**</td>
<td></td>
</tr>
<tr>
<td>Parents' education (years)</td>
<td></td>
<td></td>
<td>-0.001</td>
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</tr>
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<td>-0.000</td>
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<td>3.035***</td>
<td>2.328***</td>
<td>2.592***</td>
<td>2.614***</td>
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<td>Adjusted R-squared</td>
<td>0.044</td>
<td>0.060</td>
<td>0.053</td>
<td>0.049</td>
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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’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
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