They rob, but they get things done: analyzing the relationship between sanctions and corruption tolerance

Patty Zakaria†

Communication Department
University Canada West

To be presented at the Canadian Political Science Conference
June 1, 2016
Calgary, Alberta

Much has been written about the consequences of sanctions on target countries; however, less attention has been given to the effect of sanctions on corruption. Several studies on corruption have found that when citizens receive benefits through wealth redistribution from a corrupt government and the economy is growing, citizens may overlook or support this corrupt behavior. On the other hand, when there are no economic benefits and the economy is in a recession, citizens will not tolerate a corrupt government and are more likely to support anti-corruption policies or even regime change. Since sanctions have a negative effect on the economic growth of a state, they reduce a government's ability to redistribute the wealth through social programs and services; therefore, it could be argued that sanctions have an indirect effect on corruption. This study seeks to explain the economic conditions under which citizens will continue to support or not support a corrupt government.

Key Words: Corruption tolerance; economic sanctions; government expenditures on goods and services; economic growth; structural equation modeling

---

This paper is a work in progress; please do not cite or circulate without the author's permission. Comments are welcome. Any errors remain the responsibility of the author.

† Author Contact Information: 100-626 West Pender St., Vancouver, BC, V6B-1V9 Email: PZakaria@ucanwest.ca

1. Introduction

Economic sanctions are becoming an increasingly popular policy tool to induce target countries to comply with the demands of another country or countries. According to Cortright and Lopez (2000), the 1990s can best be referred to as the "sanctions decade," during which countries resorted to sanctions as a means to get others to comply to their demands. In large part, the United Nations was responsible for implementing many of the economic sanctions in the 1990s, particularly on countries experiencing civil conflict or post-civil conflict. Thus, economic sanctions have become an important policy tool at the disposal of states, despite extensive research indicating that sanctions are generally an ineffective and counterproductive policy tool (Cortright & Lopez, 1995; Wiess, 1999; Marinov, 2005; Allen, 2008).

Proponents of economic sanctions have argued that when policymakers are faced with either military conflict or economic sanctions, they tended to prefer the latter as sanctions are believed to have the least effect on human life (Drezner, 1998). Fundamentally, economic sanctions are supposed to be a nonviolent form of foreign policy. After the 1990s, it became evident that economic sanctions have an adverse cost on the citizens of certain countries, particularly the most vulnerable members of society: the poor. Studies have found that economic sanctions have a direct and negative effect on the poorest individuals in society, wherein economic sanctions against Cuba, Iraq, and the former Yugoslavia have had negative consequences on public health, access to food and clean water, education, and the development of civil society. Additionally, Peksen (2009) has found that economic sanctions are detrimental to human rights, as states' respect for human rights tended to worsen after sanctions were implemented. From an economic perspective, Hufbauer, Schott, and Elliot (1994) have found that

economic sanctions "reduced the target's gross national product (GNP) by somewhat over 2.5 percent" (as cited by Major, 2005, p. 339).

Despite the extensive amount of literature devoted to examining the cause and effect of economic sanctions, none of these studies provide a cross-national examination of the effect of economic sanctions on the corruption tolerance level among citizens in sanctioned states. In terms of the sanctions literature, previous research has examined the effect of economic sanctions on human rights (Peksen, 2009; Lopez & Cortright, 1997; Li & Drury, 2004; Wood, 2008), and much of the research has found that economic sanctions lead to a condition that worsens human rights in various countries. This situation was clearly evident in Cuba, Haiti, Iraq, and the former Yugoslavia, where economic sanctions were implemented by the United Nations to deal with conflict situations by a non-violent means.

Other studies have examined whether economic sanctions can act as a destabilizing agent for authoritarian regimes, eventually leading to a democratic transition (Muller and Muller, 1999; Escriba-Folch, 2012; Haas, 1997). This has been the key foreign policy of the United States and other Western counties in dealing with authoritarian regimes as well as initiating regime change domestically. Studies have found that sanctions are most effective against democratic regimes and least effective against authoritarian regimes (Nooruddin, 2002; Lektzian & Souva, 2007). This is clearly evident in the cases of Iraq and Libya. Even though scholarship has explored the impact of sanctions on the domestic landscape of various countries, it has yet to examine the impact economic sanctions have on corruption, particularly in order to explain how sanctions can influence individual-level tolerance of government corruption. This explanation could serve to better guide policymakers in developing effective anti-corruption policies that both the

opposition and general public will support and eventually aid them in turning their back on corrupt government, instead of continuing to be complicit with this behavior.

Since the negative effect of sanctions has been proven with respect to human rights, domestic politics, and the economic environment in target states, this study seeks to add to the sanctions literature by asking the following: what effect do sanctions have on corruption for target states? This question has yet to be answered in the corruption or sanctions literature; thus, this study will be the first to make this examination. The present study will utilize the standard definition of sanctions found in the literature: "government inspired restrictions on customary trade or aid relations" that are "designed to promote [a] political objective" (Hufbauer, Schott, and Elliot, 1990, p. 2).

This paper explores the indirect effect of sanctions on individual-level tolerance of corruption in target countries by arguing that two possible outcomes can occur with respect to the sanction-corruption nexus: First, the negative effect of economic sanctions will reduce the target state's ability to redistribute the wealth to citizens as well as shrink economic growth, which will indirectly cause individuals who once tolerated the corrupt behavior of government to no longer tolerate this behavior. Second, the negative effect of economic sanctions will have no effect on a target state's ability to redistribute the wealth to citizens and the target state is able to neutralize the negative impact of a lack of economic growth on citizens; therefore, citizens will continue to tolerate a corrupt government. The key argument here is that as long as citizens do not feel the growing pains caused by economic sanctions and the government is able to neutralize the negative effect of sanctions, then citizens will overlook corruption. This scenario parallels a Portuguese phrase about corruption: "*rouba, mas faz*" ("he robs, but he gets things done") (as cited by Winters and Weitz-Shapiro, 2013, p. 422).

The most commonly used definition of corruption is the "misuse of public office for private gain" (Rose-Ackerman, 1999a). This definition fits nicely with the present study about tolerance for government corruption. Furthermore, corruption literature distinguishes between petty corruption and state capture, where the former deals with societal-level corruption, such as bribery, and the latter deals with corruption at the highest level of government, such as misappropriation of budget funds for personal usage or governments receiving kickbacks in exchange for procurement contacts. Much of the literature on corruption has examined the link to the economy (Rose-Ackerman, 1999b & 2008; Mauro, 1995; Kaufman et al., 1999; Meon & Weill, 2010), democracy (Melgar et al., 2010; Treisman, 2000), and civil society (Zakaria, 2013a; Zakaria, 2013b). Additionally, the literature has also examined the implications of socioeconomic factors that shape individual-level perception of corruption (Lavena, 2013; Melgar & Rossi, 2009; Moncan, 2008; Zakaria, 2016). Despite the extensive research on corruption, there is limited research linking the international arena to domestic politics when it comes to understanding corruption. Given this lack, the present study seeks to link the two subfields of international relations and domestic politics to determine whether a relationship is present.

This paper develops a theoretical framework as well as empirical estimates of the effect of economic sanctions on individual-level tolerance of corruption in target countries. The following section presents the relevant research on sanctions and corruption in political science and economics literature. The third section of this study will discuss the theoretical framework presented here as well as lay out the various hypotheses to be empirically tested. In the final two sections of the study, the empirical results will be reported and a discussion of the results will be carried out.

2. Theoretical Framework

There is plenty of research that examines corruption—its causes and implication on society, economy, and governance, as well as remedies—however, there has been little research connecting the impact of economic sanctions and government redistribution of wealth to citizens, which has an indirect impact on individual-level perception of corruption. In essence, the present study aims to answer the following three questions: First, why do individuals support corrupt government? Second, how do economics sanctions affect the level of tolerance of corruption in target states? Third, and perhaps most importantly, what negative economic factors are needed to reduce or eliminate individual-level support for corrupt governments?

Thus, to begin with a key question: why do individuals support corrupt government? The literature has provided several explanations for the support of corrupt governments; some have suggested it is due to a strong patron-client relationship and weak institutions (Manzetti & Wilson, 2007), where individuals expect to receive tangible benefits from the government in return for support. Similarly, Winters and Weitz-Shaprio (2012) argue that individuals will knowingly vote for corrupt politicians with the expectation that they will receive benefits from a corrupt politician. The large body of clientalism literature has confirmed that individuals (clients) tend to support corrupt governments (patrons) when the former group enjoys socioeconomic benefits from the latter (Singer, 2009). Clientalism and corruption encompasses a wide variety of activities, such as patronage, providing government subsidies or public works, and one-time payments, which are usually given to political allies in return for support (Kitschelt & Wilkinson, 2007). Another area in the literature looked at the implications of economic growth on individual perception and tolerance of corruption. Choi and Woo (2010) found that economic progress was

a main factor in determining support for government and that political corruption played no significant effect in determining electoral outcome. Much of the literature in this area has confirmed that a good economy, where individuals' standards of living improved, led individuals to become more tolerant of corruption within government (Choi & Woo, 2010; Li, Xiao, & Gong, 2015; Rundquist, Strom, & Peters, 1977; Manzetti & Wilson, 2007; Konstantinidis & Xezonakis, 2013).

This section will provide potential answers for the second of the questions posed above: How do economics sanctions affect the level of tolerance of corruption in target states? Much of the literature has found that sanctions are economically costly for target countries (Allen, 2008; Niblock, 2001; Hufbauer, Schott, & Elliott, 1990; Gibbons, 1999). Hufbauer, Schott, and Elliott (1990) have found that economic sanctions, if successful, can negatively impact the target state's GDP with a 2.4% decrease; failed sanctions can also negatively impact a target state's GDP, albeit to a lesser magnitude, with a 1.0% decrease. Additionally, economic sanctions tend to cause a rise in the inflation and unemployment rates for target countries. Gibbons (1999), for example, found that the economic sanctions placed on Haiti contributed to the rise of inflation rates by 138% and a decline in employment by 80%. Niblock (2001) suggests that the economic cost of economic sanctions contributes to the breakdown of community structures as individuals compete for limited resources.

Drawing on deprivation theories of political violence, it can be argued that citizens will continue to support a corrupt government as long as wealth distribution persists and the decline in economic growth is not felt by citizens; however, if economic sanctions make it difficult for a government to provide tangible benefits, then tolerance for corruption will quickly disintegrate among citizens in society. Deprivation theories of political violence posit that economic hardships

felt by citizens in society lead to frustration and aggression, thereby causing individuals to take action against the government, at times violently. Gurr (1970) has noted that "the frustration-aggression mechanism is in the sense analogous to the law of gravity; men who are frustrated have an innate disposition to do violence to its source in proportion to the intensity of their frustration" (p. 37). Paralleling deprivation theory, one can argue that economic frustration and hardship due to economic sanctions will cause once tolerant individuals to become less tolerant of government corruption. Along similar lines, this study tests the economic scarcity hypothesis, presuming that countries facing economic hardships and budget constraints due to sanctions are forced to reduce public expenditures on goods and services and will likely see a decline in individual-level tolerance for corruption within society. Individuals will no longer tolerate a corrupt government when their own economic condition has worsened and they are no longer benefiting from the status quo. In a similar study, Konstantinidis and Xezonakis (2013) found that voters in Greece tended to overlook corrupt behavior by politicians as long as the government was able to provide substantial benefits to society. Following in line with Konstantinidis and Xezonakis (2013) and applying the economic sanctions dimension, this study will test the following hypothesis:

> Economic Scarcity Hypothesis: Individuals will become less tolerant of corruption when a decline in government goods and services expenditure occurs due to the effect of economic sanctions.

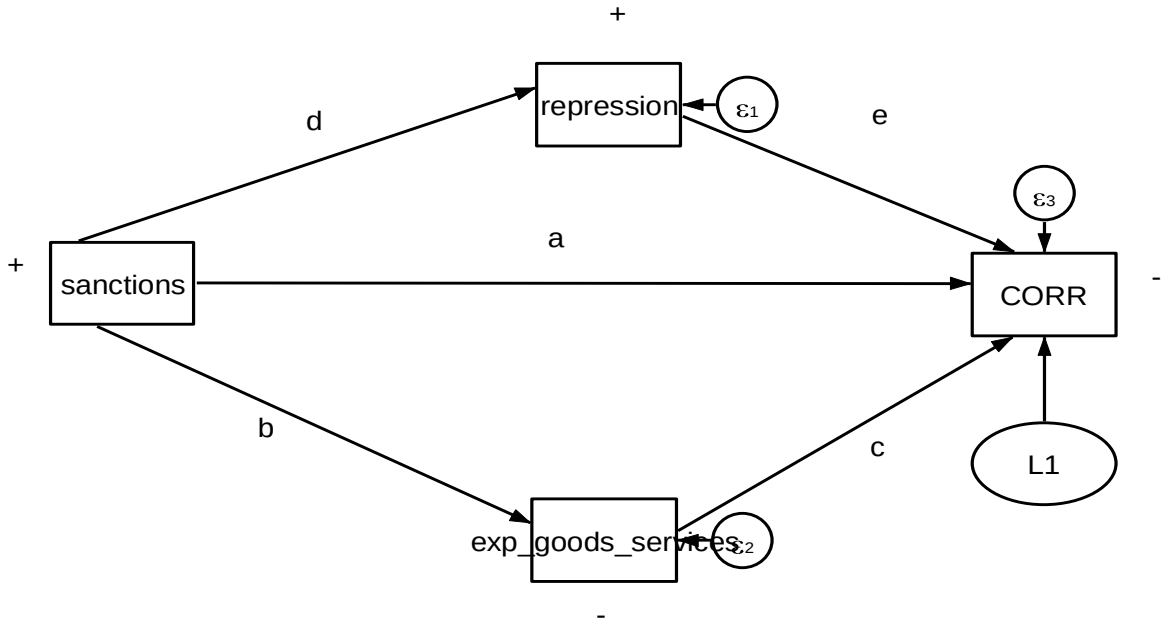
Building on this argument, several studies explore the relationship between economic regime survival (authoritarian) and economic sanctions, where many have noted that regimes tend to apply two approaches when dealing with the negative effect of sanctions on regime survival: repression and cooptation (Escriba-Foch & Wright, 2010; Escriba-Foch, 2012). These studies argue

that regimes rely on repression and wealth redistribution as a means to maintain power. Additionally, Kaempfer and Lowenberg (1988) argue that "the sanctions which are most likely to precipitate the desired political change in the target country are those which concentrate income losses on groups benefiting from the target government's policy" (p. 792). Several studies have determined that dictators resort to the use of repression in order to maintain their hold on power when they are faced with "revenue loss under sanctions, and thus cannot increase expenditures on goods and services and subsidies and transfers" (Escriba-Folch & Wright, 2010, p. 343). Thus, while wealth redistribution is used as means to keep the people happy with the existing regime as the country experiences hardships due to economic sanctions, at times repression is employed to maintain support. The same argument can also be applied to corruption, since states will irrationally apply repression as a means to deal with the economic effects of sanctions; however, this has an indirect impact on individual-level tolerance for corruption. In essence, the more repression the government applies, the less tolerant individuals become of corrupt behavior. With respect to repression, the study tests the following hypothesis:

> Repression Hypothesis: Individuals will become less tolerant of corruption when levels of corruption increase in society as the pressures of economic sanctions increase.

Figure 1 presents the hypothesized structural model presented in this study; here, economic sanctions have a direct effect on individual-level tolerance for corruption but also act on government expenditures on goods and services and repression levels, which in turn affect tolerance levels among individuals in society.

Figure 1. Mediational Model for Economic Sanctions and Individual-Level Tolerance for Corruption



Note: The hypothesized structural model above tests the direct and indirect effects of economic sanctions on individual-level tolerance for corruption. First, path [a] is the direct effect between economic sanctions and individual-level tolerance for corruption. Second, paths [b, c] represent the indirect effects when complete mediation occurs in the model and economic sanctions no longer affect individual-level tolerance for corruption as public expenditure on goods and services is controlled (path a = 0). Third, paths [d, e] represent the indirect effect when complete mediation occurs in the model and economic sanctions no longer affect individual-level tolerance for corruption as state repression is controlled (path a = 0). Both public expenditure on goods and services as well as repression are the mediating variables in the structural model.

In summary, if economic sanctions have a negative effect on the domestic politics of a target country and the target country is unable to shield citizens from the effects of economic sanctions and must reduce or eliminate wealth distribution, this causes once-tolerant individuals to be less tolerant of corrupt government.

3. Research Methods and Data

In order to test whether economic sanctions predict public expenditures on goods and services as well as state use of repression, which would in turn predict individual-level tolerance for corruption, the present study applied a mediational model. Through mediation, the relationship between economic sanctions and individual-level tolerance for corruption is explained by the government's decision to change spending on goods and services as well as use repression against citizens. A Structural Equation Model [SEM, hereafter] was used to test the structural model in figure 1. The SEM is most appropriate because the study included both observed variables and latent variables.

The study included 45 countries that at one point in time have been targets of economic sanctions by the United Nations, European Union, or other organizations, as well as states or countries that have not been targets of economic sanctions. In order to get a better measure of the impact of economic sanctions on domestic politics (wealth distribution), which eventually influenced individual-level tolerance for corruption, the present study looked at time periods during which states have been targeted for sanctions in comparison to time periods during which states were not targeted for sanctions. Including this analysis for the sample of countries provides a better picture of the relationship between economic sanctions, domestic politics (wealth distribution), and individual-level tolerance for corruption.

The dependent variable of interest is individual-level tolerance for corruption, which is drawn from the World Values Survey [WVS, hereafter]. It should be noted that the study utilized waves 1 through 6, 1981 to 2014. The specific question used from the WVS reads: "Please tell me for each of the following actions whether you think it can always be justified, never be justified,

or something in between, using this card." [Card reads the following] "Someone accepting a bribe in the course of their duties." This question has the following possible ranges to select from: "Never Justifiable = 1…. Always Justifiable = 10." The responses are rank-ordered from 1 through 10, where values closer to 1 correspond with individuals believing bribery is never justifiable and values closer to 10 correspond with individuals believing bribery is always justifiable. This survey question will serve as a proxy measure for individual-level of tolerance for corruption in the study.

To estimating the impact of economic sanctions on a target state's ability to redistribute wealth and shield citizens from the adverse effects of economic decline, two independent variables were applied. The first independent variable of interest is economic sanctions, which is drawn from Marinov's (2005) updated dataset of the Haufbauer et al. (2007) and the Threat and Implementation of Economic Sanctions [TIES, hereafter] dataset (Morgan, Krustve & Bapat, 2015). For the purpose of this study, the economic data is coded as 1 if a country has been targeted by sanctions in a given year, and 0 otherwise.

The second independent variable is public expenditure on goods and services, which can include the following items: infrastructure (for example, roads, railways, and bridges), health care, educational system, anti-poverty programs, subsidies for firms and farmers, and any other government expenditure that benefits the standard of living of citizens. This public expenditures on goods and services variable will be drawn from the World Bank's general government final consumption expenditure (% of GDP).

The third independent variable of interest is repression. For the repression variable, the data will be drawn from the Political Terror Scale [PTS, hereafter] (Gibney and Dalton, 1996; Poe & Tate, 1994). Therefore, the study will control for repression in order to determine the effect of

sanctions and government expenditure on individual-level tolerance for corruption. The PTS ranges from 1 (no repression) to 5 (terror applied against the whole population).

In order to understand the relationship between economic sanctions, domestic politics, and tolerance for corruption, the study controlled for well-established variables that influence individual-level tolerance for corruption within government: POLITY Score and socioeconomic factors (age, gender, education, and income).

Many of the studies on corruption and regime type have found that regime type influences individual-level tolerance for corruption. Sandholtz and Koetzle (2010), for example, find that "there are socialization effects at work, and that with [a] longer experience of democratic governance, democratic norms are hostile to corruption to become more deeply rooted" (p. 46). The data for this control variable will be drawn from Marshall, Gurr, and Jagger's (2013) Polity Score from the Polity Project database. This control variable is the product of the democracy score and autocracy score, which ranges from 10 (most democratic) and -10 (most autocratic) (Marshall, Gurr, & Jaggers, 2014).

Several studies have found that socioeconomic factors, such as age, gender, education, and income, can determine individual-level perception of corruption and tolerance within society (Zakaria, 2016; Lavena, 2013; Melgar & Rossi, 2009). Some have argued that age and gender tend to influence tolerance level of corruption; for example, women were found to be less tolerant of corruption than their male counterparts in society (Goetz, 2007; Dollar, Fisman, & Gatti, 2001; Eckel & Grossman, 1998). Lavena (2013) argued that wealth tended to influence individual-level of acceptance for corruption, noting that wealthy individuals in society "are more likely to believe that corruption is an acceptable way of preserving and advancing their position in society, because such behavior goes unpunished and social networks of corruption expand" (p. 351). In

sanctions literature, socioeconomic status also influences an individual's decision to continue to support a target government (Niblock, 2001; Cortright & Lopez, 2000). Since socioeconomic factors have been found to be a significant variable in both literatures, it is imperative that this variable is controlled for in the study. For the socioeconomic factors, the data will be drawn from the WVS; it should be noted that age, gender, education, and income [ranges from 1 to 10] will be separate variables estimated.[1] Table 1 reports the summary statistics for the dependent variable, independent variables, and control variables.

Table 1. Variable Summary Statistics

Variable	Obs.	Mean	Standard Deviation	Min.	Max.
Individual-Level Tolerance for Corruption	156,608	1.85	1.86	0	10
Economic Sanctions	156620	.329	.470	0	1
Expenditures on Goods and Services	156,620	14.55	4.67	4.73	27.09
Repression Score (PTS)	155,718	3.13	1.08	1	5
POLITY Score	156,620	3.71	5.96	-10	10
Age	156,610	39.36	15.38	17	89
Gender (1 = Male; 2 = Female)	156,620	1.51	.50	1	2
Education	156,567	5.61	2.63	1	9
Income	156,568	4.54	2.29	1	10

Note: Individual-level data on corruption has limitations in that survey respondents may not feel comfortable stating that corruption is acceptable in society; this has to do with the fact that corruption, particularly bribery, operate in the black market of society. This issue is apparent in the individual-level tolerance for corruption variable above, which is found to be skewed to the left. Since better data is not available, the study has to utilize the WVS despite the skewness. Thus,

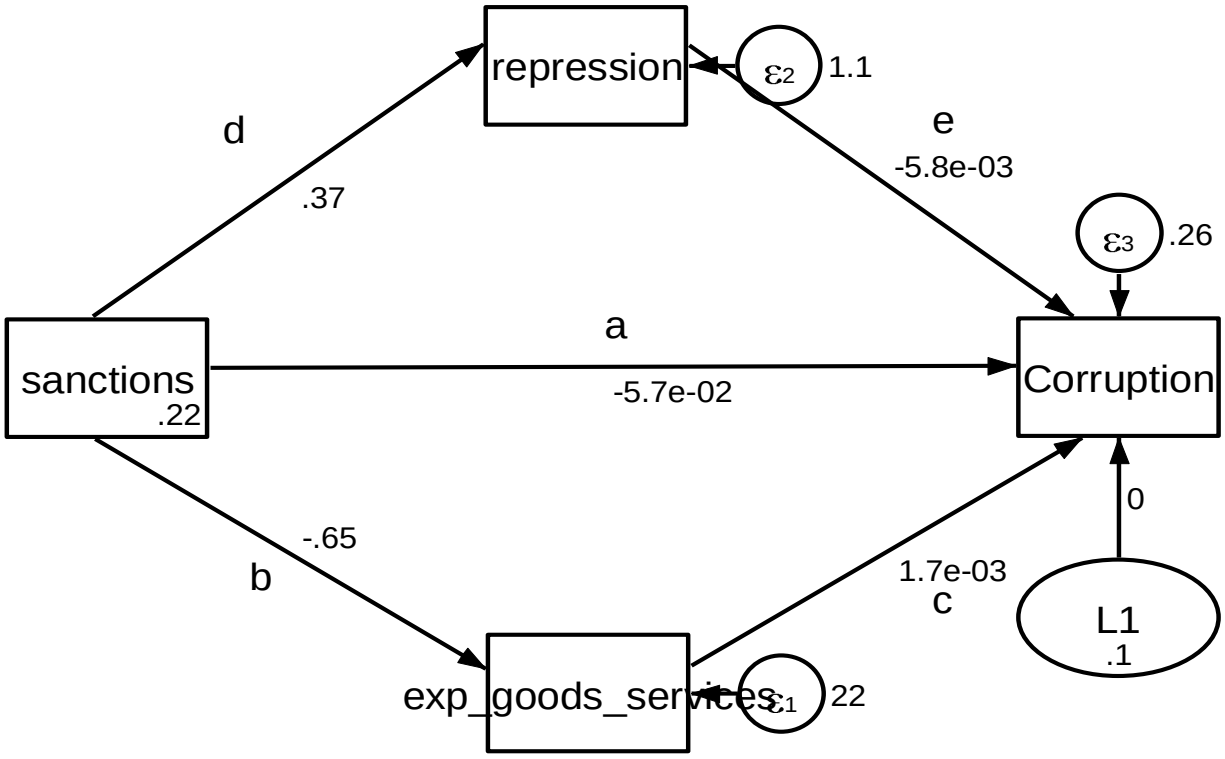
[1] The original survey question for education: 'What is the highest level of education attainted?' The possible answers are as follows: [1] None, [2] Less than primary, [3] Primary, [4] Less than secondary technical / vocational, [5] Secondary technical/vocational, [6] Less than secondary university preparatory, [7] Secondary university preparatory, [8] Some university education, and [9] University degree.

in order to deal with this problem, transformation of the variable was used to reduce left skewness. To reduce left skewness, the study took the square root of the individual-level tolerance of corruption variable. The sanctions variable was also transformed to deal with left skewness. All of the control variables were normally distributed.

4. Empirical Results

The present study proposed two hypotheses about the relationships between economic sanctions, public spending on goods and services, repression, and individual-level tolerance for corruption. Figure 2 presents SEM results for the study.

Figure 2: SEM of individual-level tolerance for corruption and economic sanctions



Note: The direct effect of economic sanctions on individual-level tolerance for corruption represented a significant path at the $\rho \leq 0.01$ level. When the moderation variables are controlled for in the structural model and path a = 0, both indirect effects represented a significant path at the $\rho \leq 0.01$ level. Standardized coefficients appear next to each respective path. Control variables are not shown in this figure. In assessing the fit of the structural model above, the Root Mean Squared Error of Approximation [RMSEA, hereafter] and Standardized Root Mean Squared Residual [SRMSR, hereafter] were examined. The χ^2 was not used to test the goodness of fit for the structural model because the sample size was too large, which would have produced a large

χ^2 more likely to be found significant (Type I error). The RMSEA was less than .05 and the SRMSR was less than 0.08.

The direct effect of economic sanctions on individual-level tolerance of corruption can be observed in figure 2 (path a). The coefficient for economic sanctions (-.19) was found to be negative and statistically significant at the $\rho \leq 0.01$ level. This indicates that when governments face economic sanctions for a given year, individual-level tolerance for corruption changes, and individuals become less tolerant of corruption by public officials. Returning briefly to the literature on economic sanctions, evidence showed that sanctions cause a country's GDP to decline. The results for the direct effect model provide an explanation as to why South Koreans continued to support the government despite various corruption scandals. In the case of South Korea in the 1980s and 1990s, the economy was growing significantly, and individuals were reaping the benefits of this growth by seeing improvements in their standard of living; thus, they were more tolerant of corruption. Also, it should be noted that the country was not facing any economic sanctions, which have been found in the sanctions literature to negatively affect a target's country GDP per capita.

The subsequent paragraphs will discuss the indirect effect when the mediation variables (public expenditures on goods and services as well as repression) are controlled for in the structural model and path a = 0. First, the economic scarcity hypothesis predicted that individuals would become less tolerant when a decline in public expenditure on goods and services occurs due to the effect of economic sanctions. The indirect effect of economic sanctions on individual-level tolerance for corruption is modeled as follows: economic sanctions -> public expenditures on goods and services -> individual-level tolerance for corruption. The results were found to be statistically significant at the $\rho \leq 0.01$ level. A close look at figure 2 shows that economic sanctions

had a negative effect on public expenditures on goods and services, where governments targeted with sanctions had a reduction in their expenditures for that given year. As economic sanctions act negatively on public spending for goods and services, this indirectly causes individuals to be more tolerant of corruption. This conclusion failed to support the economic scarcity hypothesis. What factors can explain individuals becoming more tolerant of corruption? Perhaps when individuals are faced with economic hardships due to a decline in the economy, they may perceive bribery as a means of survival. Recall the WVS question regarding corruption: whether it can always be justified or never justified for someone to accept a bribe. Offering or asking for a bribe can become a way of either doing business or supplementing low salaries, respectively. This tends to occur in the public sector, where salaries tend on average to be low; once economic hardships hit the country, individuals will no longer be able to support their families strictly on their salaries—this is when the need to ask for a bribe occurs more often.

In addition, the repression hypothesis predicted that individuals would become less tolerant of corruption when levels of corruption increased in society as the pressures of economic sanctions increased. The indirect effect of economic sanctions on individual-level tolerance for corruption is modelled as follows: economic sanctions -> repression -> individual-level tolerance for corruption. The results were found to be statistically significant at the $\rho \leq 0.01$. Economic sanctions had a positive effect on the target states' use of repression against citizens, where states facing economic sanctions tended to increase their level of repression against citizens. This confirms the current finding in the literature regarding economic sanctions and regime stability that states tend to resort to the use of repression in order to deal with the negative effects of sanctions on domestic politics. As economic sanctions act on a target state's use of repression, which in turn affects tolerance of corruption, individuals become less tolerant. The repression

hypothesis with respect to the connection between economic sanctions, repression, and tolerance for corruption was supported by the statistical findings of the study.

What does this signify? Firstly, the results regarding the direct effect of economic sanctions on public expenditures on goods and services as well as repression is consistent with the claims made in the sanctions literature. On the other hand, the indirect effect of economic sanctions on individual-level tolerance for corruption, which has been understudied in the literature, has yielded a new understanding of the factors shaping individuals' acceptance of corruption in society. With respect to the economic scarcity hypothesis, it was shown that economic hardship tends to make individuals more tolerant of corruption, while violence had the opposite effect.

Alternative explanations

In order to understand the relationship between economic sanctions, government expenditures on goods and services, repression, and individual-level tolerance for corruption, the study controlled for various well-established causal factors associated with tolerance levels towards corruption. The study controlled for various socioeconomic factors, such as age, gender, income, and education. In terms of age, the coefficient was found to be negative and significant at the $\rho \leq 0.01$ level, which means that older individuals are more likely to be less tolerant towards corruption than their younger counterparts in society. The outcome here confirmed much what has been found in the literature about the relationship between individual-level acceptance of corruption and age. Next, the coefficient for gender was found to be negative and statistically significant at the $\rho \leq 0.01$ level, which indicates that women tend to be less accepting of corruption than their male counterparts in society. Again, this outcome confirms the literature on gender and corruption, where it has been argued "corruption functions primarily through all-male

networks and in forums from which women are socially excluded. This, as much as anything, might explain apparently low levels of female corruption, or of women's low levels of positive responses to opportunities for illegal behaviour" (Goetz, 2007; p. 95). Thus, this exclusion can possibly explain why women tend to be less tolerant of corruption. The next two socioeconomic indicators were income and education, which were both found to be statistically significant at the $\rho \leq 0.01$ level. A positive coefficient for the income variable indicates that as income levels increase, individuals become more tolerant of corruption, confirming the argument in the literature that wealth makes individuals believe it is acceptable to offer or take a bribe in society. Additionally, Kaufmann, Montoriol, and Recanatini (2008) found that the less well-off individuals in society tended to be more victimized by corruption, where corruption tended to hurt them the most financially. The authors' findings are consistent with the findings in this study that individuals in lower income brackets are less tolerant of corruption in society. The final socioeconomic indicator estimated in this study is education. A negative coefficient for the education variable means that as educational levels increase, individuals tend to be less tolerant of corruption in society. Furthermore, the literature on corruption has argued that regime type influences individual-level of corruption. The POLITY Score variable was found to be statistically significant at the $\rho \leq 0.01$ level. Thus, a positive POLITY Score variable means that the more a regime moves towards democracy, the more tolerant of corruption individuals become. This outcome contrasts the literature on corruption and regime type.

5. Final Discussion

The present study adds another dimension in understanding corruption, particularly individual-level tolerance for corruption. Many studies have looked at direct factors that influence

individual-level tolerance for corruption, such as socioeconomic factors, but a limited amount of research has examined indirect effects that determine tolerance levels. The mediational approach applied in this study is crucial in understanding why individuals are either more or less accepting of corruption. Taking into account indirect effects determining individual tolerance levels aids in establishing more effective anti-corruption politics in society, particularly in countries where corruption is widespread. If individuals accept corruption, anti-corruption policies implemented by government will likely fail regardless of type, because a society that accepts corruption will not stand firmly behind these policies. Much effort is needed in understanding the direct and indirect effects of factors determining individual-level tolerance for corruption before decision makers and scholars move to propose anti-corruption measures.

Two conclusions are apparent from this study. First, cutbacks in public expenditures on goods and services tend to make individuals more tolerant of corruption, which was measured by asking respondents whether it was acceptable for public officials to take a bribe. A reduction in public spending will most likely have a negative economic impact on individuals, where the burden of providing goods and services moves from the government to households, in turn causing economic hardships for households. In this case, individuals are more tolerant of corruption because bribery becomes a means of economic survival, contrasting what recent studies have found about acceptance of corruption and public support. The new literature on corruption has found that corrupt politicians tended to gain public support when they provided substantial economic benefits to their supporters and the rest of society, as well as when the government has implemented effective measures that improved the economy (Klasnja, Tucker, & Deegan-Krause, 2016; Choi & Woo, 2012; Li, Xiao, & Gong, 2015). The present study

differentiated itself from these studies since the WVS question dealt with bribery, not state capture, and as stated above, bribery becomes a means of survival for individuals when they endure economic hardship. Thus, if the WVS question was about state capture, the results may have indicated less tolerance for this behavior; however, since the data is not available, only predictions can be made here. Second, repression in response to economic sanctions tends to decrease individual-level tolerance for corruption. Thus, violence has the opposite effect than economic factors.

References

Allen, S. H. (2008). The domestic political costs of economic sanctions. *Journal of Conflict Resolution*, *52*(6), 916–944.

Cortright, D., Lopez, G. A., Conroy, R. W., Dashti-Gibson, J., Wagler, J., Malone, D. M., & Axworthy, L. (2000). *The sanctions decade: assessing UN strategies in the 1990s* (Vol. 1). Boulder, CO: Lynne Rienner Publishers.

Choi, E., and Woo, J. (2012). Political corruption, economy, and citizens' evaluation of democracy in South Korea. *Contemporary Politics, 18*(4), 451–466.

Drezner, D. W. (1998). Serious about sanctions. *The National Interest*, *53,* 66–74.

Dollar, D., Fisman, R., & Gatti, R. (2001). Are women really the "fairer" sex? Corruption and women in government.

Eckel, C. C., & Grossman, P. J. (1998). Are women less selfish than men? Evidence from dictator experiments. *Economic Journal, 108*, 726–735.

Escribà-Folch, A. (2012). Authoritarian responses to foreign pressure spending, repression, and sanctions. *Comparative Political Studies*, *45*(6), 683–713.

Escribà-Folch, A., & Wright, J. (2010). Dealing with tyranny: International sanctions and the survival of authoritarian rulers. *International Studies Quarterly*, *54*(2), 335–359.

Goetz, A. M. (2007). Political cleaners: Women as the new anti-corruption force? *Development and Change*, *38*(1), 87–105.

Gurr, T. R. (1970). *Why men rebel*. Princeton, NJ: Princeton University Press.

Haas, R. N. (1997). Sanctioning madness. *Foreign Affairs, 76*(6), 74–85.

Hufbauer, G. C., & Elliott, K. A. (1994). *Measuring the costs of protection in the United States*. Peterson Institute.

Kaufmann, D., & Wei, S. J. (1999). *Does "grease money" speed up the wheels of commerce?* (No. w7093). National Bureau of Economic Research.

Kaufmann, D., Montoriol, J., and Recanatini, F. (2008). How does bribery affect public service delivery? Micro-evidence from service users and public officials in Peru. Washington, D.C World Bank Policy Research Working Paper No. 4492.

Kitschelt, H., & Wilkinson, S. (2007). Citizen-politician linkages: an introduction. *Patrons, clients, and policies: Patterns of democratic accountability and political competition*, 1–49.

Klašnja, M., Tucker, J. A., & Deegan-Krause, K. (2016). Pocketbook vs. sociotropic corruption voting. *British Journal of Political Science*, *46*(01), 67–94.

Konstantinidis, I., & Xezonakis, G. (2013). Sources of tolerance towards corrupted politicians in Greece: The role of trade offs and individual benefits. *Crime, Law and Social Change, 60*, 549–563.

Lavena, C. F. (2013). What determines permissiveness toward corruption? A study of attitudes in Latin America. *Public Integrity*, *15*(4), 345–366.

Lektzian, D., & Souva, M. (2007). An institutional theory of sanctions onset and success. *Journal of Conflict Resolution*, *51*(6), 848–871.

Li, H., Xiao, H., and Gong, J. (2015). The impact of economic well-being on perceptions of anti-corruption performance: Evidence from China*. Policy and Society*, 34, 97–109.

Li, Y., & Drury, A. C. (2004). Threatening sanctions when engagement would be more effective: Attaining better human rights in China. *International Studies Perspectives*, *5*(4), 378-394.

Manzetti, L., Wilson, C., (2007). Why do corrupt governments maintain public support? *Comparative Political Studies, 40*(Aug), 949–970.

Mauro, P. (1995) Corruption and growth. *Quarterly Journal of Economics, 110*, 681/712.

Marinov, N. (2005). Does pressure from the outside destabilize leaders on the inside?. *American Journal of Political Science*, *49*(3), 564–576.

Melgar, N., & Rossi, M. (2009). Perception of corruption in Uruguay: The effects of the sector of employment, life-course adjustments and education. *Documentos de Trabajo*, working paper.

Melgar, N., Rossi, M., & Smith, T. W. (2010). The perception of corruption in a cross-country perspective: Why are some individuals more perceptive than others? *Economia Aplicada*, *14*(2), 183–198.

Méon, P. G., & Weill, L. (2010). Is corruption an efficient grease? *World Development*, *38*(3), 244–259.

Mocan, N. (2008). What determines corruption? International evidence from micro-data. *Economic Inquiry*, *46*(4), 493–510.

Morgan, T., Clifton, B., & Kobayashi, Y. (2014). Threat and imposition of economic sanctions 1945-2005: Updating the TIES dataset. *Conflict Management and Peace Science, 10,* 1177/073889421520379. Available at: http://www.unc.edu/~bapat/TIES.htm

Mueller, J., & Mueller, K. (1999). Sanctions of mass destruction. *Foreign Affairs–New York*, *78*, 43–53.

Nooruddin, I. (2002). Modeling selection bias in studies of sanctions efficacy. *International Interactions*, *28*(1), 59–75.

Peksen, D. (2009). Better or worse? The effect of economic sanctions on human rights. *Journal of Peace Research*, *46*(1), 59–77.

Rose-Ackerman, S. (1999a). *Corruption and government: Causes, consequences, and reform*. Cambridge: Cambridge University Press.

Rose-Ackerman, S. (1999b). Political corruption and democracy. *Conn. J. Int'l L.*, *14*, 363.

Rose-Ackerman, S. (2008). *Corruption* (pp. 551-566). Springer US.

Rundquist, B. S., Strom, G. S., & Peters, J. G. (1977). Corrupt politicians and their electoral support: Some experimental observations. *American Political Science Review, 71*, 954–963.

Singer, M. (2009). Buying voters with dirty money: The relationship between clientalism and corruption. Presented at the American Political Science Association. September 3- 6 2009, Toronto, ON.

Treisman, D. (2000). The causes of corruption: A cross-national study. *Journal of Public Economics, 76*, 399/457.

Weiss, T. G. (1999). Sanctions as a foreign policy tool: Weighing humanitarian impulses. *Journal of Peace Research*, *36*(5), 499–509.

Winters, M. S., & Weitz-Shapiro, R. (2012). Lacking information or condoning corruption: When will voters support corrupt politicians? *Journal of Comparative Politics*, *45*(4): 418 – 436.

Wood, R. M. (2008). "A hand upon the throat of the nation": Economic sanctions and state repression, 1976–2001. *International Studies Quarterly*, *52*(3), 489–513.

Wood, R. M. & Gibney, M. (2010). The Political Terror Scale (PTS): A re-introduction and a comparison to CIRI. *Human Rights Quarterly, 32*(2), 367–400.

Zakaria, P. (2013a). Corruption an enemy of civil society: The case of East and Central Europe. *International Political Science Review, 34*(4), 351–371.

Zakaria, P. (2013b). In the name of corruption: Charting perception and experience with corruption in Croatia. *European Perspectives – Journal on European Perspectives of the Western Balkans, 5*(2/9), 43–62.

Zakaria, P. (2016). The influence of socioeconomic trends on individual perception of corruption: The case of Croatia. *Public Integrity Journal, 18*(4), in press.