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Anahtar kelimeler: Aday belirleme, yolsuzluk, seçim sistemleri, siyasal partiler, merkezi aday belirleme, yerel aday belirleme.
CENTRALIZATION OF CANDIDATE SELECTION FOR LEGISLATIVE BODIES AND CORRUPTION

Abstract

In this paper, I analyze whether candidate selection by political parties has an effect on pervasiveness of corruption. I argue that without knowing how those candidates introduced to voters are determined, our knowledge on the effects of electoral rules on corruption will remain incomplete. Thus, all other things being equal, I hypothesize that corruption should be positively associated with centralized decision making as opposed to decentralized decision making in candidate selection process. To test the validity of this argument, I use a cross sectional analysis covering 31 countries with 69 political parties in government between 1995 and 2005. The empirical findings strongly support my hypothesis that centralized processes of candidate selection are associated with higher levels of corruption.

Keywords: Candidate selection, corruption, electoral systems, political parties, centralization, decentralization.

CENTRALIZATION OF CANDIDATE SELECTION FOR LEGISLATIVE BODIES AND CORRUPTION

Introduction

Scholars investigating institutional underpinnings of corruption have tried to uncover how different institutional arrangements increase or constrain corruption. While some scholars have focused on the link between different political institutional arrangements and corruption (Montinola and Jackman 2002; Gerring and Thacker 2004), others have attempted to research electoral rules and their effects on political corruption (Persson and Tabellini 2000; Persson, Tabellini and Trebbi 2003; Kunicova and Rose-Ackerman 2003). A third group of scholars have begun to focus on the characteristics of parties and party systems as influences upon the development of corruption (Hopkins 1997; Pinto de Sousa 1999; della Porta 2004). The transformation of political parties into entities such as business firms is considered to be liable to encourage corrupt behavior on the part of politicians (Laver 1981).

My purpose in this paper is to approach the issue from legislative recruitment dimension to fill the gap between electoral rules, political parties and corruption. I question whether pervasiveness of political corruption in some countries compared to others has something to do with the processes and procedures of legislative recruitment. The question is important not simply because the link between the process of legislative recruitment and corruption has not yet been explored, but also because the issue of legislative recruitment implies an alternative causal link between corruption, accountability and electoral systems.

If the degree of accountability is the primary concern, we have to identify to whom in the first place the representatives we elect are accountable. In other words, who are the agents and who are the principles? Second, if parties play a prominent role in facilitating corruption, it is legitimate to ask how political parties promote or facilitate/sustain it. Thus, I claim that to reach a better conclusion over the effect of electoral systems on political corruption, we need a more general model, which includes the particular process of candidate selection.
In the following section, I provide a summary of literature on institutional determinants of corruption. I devote special attention to studies that investigate the impact of electoral designs and the role of parties in corruption. Using these studies as stepping stones, and drawing on the insights of the students of legislative recruitment (Gallagner and Marsh 1988; Norris 1996; Norris 1997; Billie 2001; Lundell 2004), I search for the effects of legislative recruitment on the level of corruption. I argue that depending on the level of the centralization of the process, there should be a correlation between legislative recruitment and self-serving behavior. In the fourth section, I turn to questions of concept definition and method of analysis. I elaborate on data, operational indicators of corruption, and the definitions and measurements of recruitment systems together with control variables. The final part of the essay presents empirical findings for 69 governing parties from 31 democratic countries for the period 1995-2005. The empirical findings strongly support my theoretical argument that more centralized legislative nomination processes lead to more corruption than their decentralized counterparts.

**Political Institutions and Corruption**

Broadly speaking, it is possible to identify three categories of research investigating the influence of institutions on corruption. These are political regime and governance, electoral systems and political parties. The central theme of all these studies is the degree of political competition built into the system, the institutional designs, and the degree to which these institutions are equipped with mechanisms to hold political representatives accountable.

Montinola and Jackman (2002), for instance, despite confirming the relation between political competition and corruption, argue that the relation is nonlinear. Corruption, they maintain, is lower in dictatorships than in partially democratized countries. Yet as democratic institutions and practices improve, corruptive behaviors tend to diminish. Along the same lines, Gerring and Thacker (2004) find unitary and parliamentary systems less corrupt in contrast to their federal and presidential counter parts. They observe that fewer veto points and a more hierarchical arrangement of political institutions foster lower levels of corruption.¹

Persson, Tabellini and Trebbi (2001), on the other hand, investigate a casual mechanism that links corruption to electoral systems. They suggest that electoral rules affect the incentives of politicians to engage in corrupt behavior depending on the ability of citizens to hold their representatives accountable and to punish them if they are corrupt or self-serving. The key distinction is between proportional and plurality representations. When voters choose among party rather than open lists, politicians’ chances of re-election primarily depend on their ranking in the list, not on their performance. Thus, corruption tends to be higher in those countries where a larger fraction of candidates is elected from party lists rather than by votes for individual candidates (see also Persson, Tabellini and Trebbi 2000). Confirming their findings, Kunicova and Rose-Ackerman (2003) find that closed list proportional representation systems (CLPR) to be the most corrupt followed by open-list proportional representation and plurality systems. While presidential PR systems are more corrupt than their parliamentary counterparts, CLPR presidential systems will be most prone to corruption.²

These explanations that link corruption to institutions of governance and electoral systems, in particular, are built on the simple model of principle-agent, which considers the voters as principles and politicians as agents. From this perspective, the logic of competition behind elections should work as a check on tendencies of candidates or for the same reason of political parties. Figure 1 summarizes these arguments.
According to this model, the electoral system is the only barrier for entrance. It works like a filter between principles and agents. With these implications, it considers voters to come first in hiring and firing politicians. If it is elastic enough to enable voters to cast their votes according to their preferences, they would be able to identify the corrupt representatives and punish them by not electing or re-electing them.

But what if 99.96 percent of all eligible candidates were eliminated at the nomination stage and the voters chose from only 0.04 percent (Gallager 1988)? Can we still assume that voters come first in hiring and firing of politicians? Remember that any affair that deserves to be called an election has to satisfy at least two conditions. There should be electors and candidates. While electors are given, candidates do not get on to the ballot out of the blue. Therefore, without knowing how those candidates introduced to voters are determined, our knowledge of the effects of electoral rules on corruption will remain incomplete. If the list of candidates the electorate votes for is already biased, it may not make much difference to select from an open or closed list.

To see the logic of this argument, consider the selection of samples for a survey. If the sampling frame lacks representation from some group in the population of interest to us, then it will lead to considerably biased results. The same logic can be applied to elections if the candidate selection process has mechanisms that favor some candidates over others. In that instance, the recruitment process filters out some candidates on a systematic basis unless the candidates are picked randomly (Norris 1996).

Viewed from this angle, the literature that links corruption to electoral systems omits an important variable that needs to be considered: how do candidates on the list get on the list? Given the unique role assigned to political parties in performing this function, a survey of the literature investigating the link between characteristics of parties and their influence upon the development of corruption can give us some clues on why it is necessary to consider the processes prior to election.

This literature has identified several determinants of corruption associated to political parties. Della Porta (2004), for instance, identifies ten hypotheses that illustrate the relation between corruption and political parties.3 In essence, she shows how declining association to political parties among citizens reduces concern for accountability among party leadership. However, one factor that is widely emphasized in the literature is the transformation of parties from political organizations to entities more like business firms (Laver 1981). According to Hopkin (1997; see also Heidenheimer, 2002), this transformation creates a top-heavy party organization, which requires substantial financial resources in order to function. The result of this process is the emergence of an oligarchic party organization divorced from supporters with little interest in membership recruitment (Heywood 1997).

When parties are no longer accountable to members and activists or sensitive to the ideological appeals for collective action, they would have to attract clients into their parties as a solution to the fund-raising problem (Hopkin 1997). Such parties then begin to select those individuals most proficient in the organization of illegal financing (della Porta and Vannucci 2002). As Pizzorno (cited in della Porta, 2004: 40) has noted, “the various filtering processes, then, will be designed to ascertain whether the future business politician is a person willing to participate in illicit practices or who, at the least, will behave ‘responsibly’ and pose no moral objections should he become aware of them.”
The fact that Transparency International, in a recently conducted worldwide survey, has found political parties as the most corrupt institutions should not be surprising (TI Global Corruption Barometer 2004). What remains to be explained is how political parties sustain corruption. Here I suggest different types of candidate selection to fill the gap between electoral rules, political parties and corruption. I argue that if political parties play a central role in facilitating corruption, we have to reformulate the model that links types of electoral systems to corruption such that it takes into consideration legislative selection type. This is crucial because it tells us to whom potential representatives feel accountable to in the first place. Once this is identified, we can understand how different processes of legislative selection can contribute to our understanding of the relationship between the organizational dynamics of political parties and corruption.

**The Role of Legislative Recruitment**

The concept of legislative recruitment refers to different processes and procedures of recruitment to legislative bodies. As Pippa Norris (1996) points out, the significance of the process arises from its consequences for the parties, legislative elites, and democratic representation. The procedure of selection not only influences the distribution of power within party organizations but also determines the social composition of the parliaments and shapes the pool of leaders eligible for government offices (Gallagher 1998; Bille 2001).

Therefore, Gallagher (1998: 14) writes that under circumstances where the selectorate is put in a powerful position, politicians’ behavior will be affected by the wishes of the selectorate. The selectors’ views are likely to have an impact on legislators’ behavior not only because of their power to deselect an incumbent, but also because the selectors’ influence may be especially strong when they play an important role in the deputy’s pre-legislative socialization as well as having close contact with him or her after the deputy enters parliament.

Under these conditions, the values of the selectorate will have more impact than those of the voters. This applies especially to electoral systems, which do not permit voters any degree of choice between candidates of the same party. Under the list system, for instance, the deputy depends on the party, not the voter. The system allows the national leader of the party to gain control of the local or provincial selection committees and hence of the entire selection process. It gives the party leader the power to bring dozens of parliamentary careers to an end by a mere stroke of a pen (Gallagher 1988).

This discussion suggests that if political parties or party leaders act from a position of strength, and if they are consequential over the list of candidates presented to voters, we have to reconsider our assumptions over the relation between voters and candidates and the way voters elect their agents. Thus, as modeled in Figure 2, we have to take into consideration the power of those who keep the gates.

[Figure 2 about here]

In this model, unlike the model that focuses on the procedures by which legislators are elected by voters and views electoral systems as the only barrier to entrance, candidate recruitment is the most important link between the electorate and the electoral system. In this regard, the model suggests that although voters determine the final winner, they vote on candidates reflecting the demands of those that decide their eligibility. This means that voters, depending on the type of selection procedure, vote for candidates that have already gone through a filter before they decide which candidates are more representative.
Therefore, all other things being equal, I hypothesize that corruption should be positively associated with centralized decision making as opposed to decentralized decision making. If the selection procedures are centralized and designed to accommodate the demands of party leaders, the candidates will likely reflect the priorities of party leaders as opposed to the public and will behave accordingly. Such procedures facilitate oligarchic tendencies, which in turn make potential candidates be representative of the party leaders rather than that of the society from which they are drawn (Norris 1997). This causal relationship allows legislators to be less accountable to the public and more inclined to corrupt behavior through engaging in rent-seeking opportunities.

Here one might question the rationality behind nominating candidates that voters do not like given that party leaders want to fill as many seats for their party as possible (or want to win if it is a majoritarian system). Equally compelling is the constraint exerted on selectors by election regulated under open-list systems. These arguments imply that those who hold the power of candidate nomination are still constrained by the preferences of voters and have to make sure that they are not nominating candidates that voters dislike. Although it has merits, this reasoning ignores the ability of selectors to tailor candidates who might not be nationally popular but are locally appealing to the electorate. Through party discipline, the selectors could further party goals but at the same time bargain for high payoffs. Then politicians could support policies that benefit constituents and take bribes from those who want contracts and jobs as long as they remain within the party line (Rose-Ackerman 1999).

On the other hand, the more the candidate selection is decentralized, the more it permits broad participation in the recruitment process. In such systems, potential legislators are subject to a considerable assessment; and therefore, are more accountable to larger segments of the society. Specifically, broad participation creates an incentive for the candidates to seek personal votes to increase their chances of winning the office. Thus, dependence on the electorate rather than party leadership for re-nomination compels potential candidates to refrain from corrupt acts.

**Concept and Measurement**

**Case Selection:**

To test the validity of this argument, I use a cross sectional analysis covering 31 countries with 69 political parties in government between 1995 and 2005. My unit of analysis is governing parties in each country. For any party to be accountable, in the first place, it has to be in a position of responsibility. Therefore, I include in the dataset only those political parties for each country that has occupied government between 1995 and 2005.

Yet, the collection of data based on the party in the office does not altogether solve the problem. The primary challenge to this method of data collection arises from countries governed by coalition governments. To cope with this problem, I collected data based on the prime minister’s party. This limitation to case selection can be justified on a couple of theoretically well-grounded arguments.

Specifically, office-seeking theories of coalition (see Laver and Schofield 1990) assume office as the prize to be won. The desire to control more cabinet positions implies that the formation of a coalition is more likely to occur between the largest and smallest parties. It is favorable for a large party to form a coalition with a small party, not only because the small party’s addition gives the coalition its majority, but also because the very smallness of the latter makes it less likely to cramp the style of the larger partner.
Furthermore, these theories find strong evidence in favor of a direct relation between the proportion of portfolio payoffs to a member of a coalition and the proportion of its seats in the parliament (Browne and Frankfield 1980). In this connection, whoever takes the lion’s share will have more influence over policy outcomes as well as more control over patronage appointments. Thus, any role played by coalition partners in facilitating corruption will be in parallel with the responsibility they undertake in the government. Assuming that the prime minister is always from the larger party, it is reasonable to treat those parties to which prime ministers belong as the unit of analysis.

Apart from these considerations, two other factors have been influential in case selection. I cover only those countries that are identified as democratic, and for which data has been available. Arguably, analyzing the casual relation suggested here only relying on democratic countries prevents generalization of the findings. This may sound like an important weakness, given that studies analyzing the link between electoral systems and corruption had far more cases under investigation. However, two justifications are possible to provide a shield against such possible criticisms. In the first place, all the studies examining the effects of electoral systems focus on democratic countries, partial or otherwise. Second, given the positive level of corruption recorded by partially democratic countries (Montinola and Jackman 2002), I maintain that if the relation under investigation holds, it should readily account for the former group of countries, because in such systems candidate selection would not matter much if other components of the system are already undemocratic (Lundell 2002).

In terms of available data, Lundell (2004: 27-28) in Determinants of Candidate Selection, relying on Patterns of Democracy (1999) by Lijphart, identifies 21 democratic countries. There are two other studies, which have established systematic data on candidate selection. These are: The Selection of Parliamentary Candidates in Western Europe (Krouwel 1999) and Democratizing a Democratic Procedure (Bille 2001). However, both of these studies are quite limited in their country coverage. While Krouwel includes 83 parties in 12 Western European countries, Bille, except for France, covers the same countries with only 76 parties. Being more comprehensive than the other two studies, Lundell’s (2004) data is more favorable to use. However, some caution is needed. Lundell’s focus on territorial decentralization of candidate selection does not allow straightforward use of her data. The major problem arises from the ordinal scale, which treats selection by party leaders and by primaries at the national level under the same category (category 5). My interest in degree of decentralization as a function of the degree of inclusiveness (namely whether selection is done by a small group or by a large participation of people), runs in the opposite direction.

Fortunately, in an earlier version of the same article, Determinants of Candidate Selection: A study of 109 Selection Processes, Lundell (2002) not only treats these two different candidate selection processes under separate categories but also includes more countries from which she draws her cases. In addition to Australia, Austria, Belgium, Canada, Cyprus, Denmark, France, Greece, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Spain, Sweden, Switzerland and the United Kingdom, which are analyzed in both studies, she includes Chile, Colombia, Ecuador, Grenada, Mexico, South Africa, Spain, Trinidad and Tobago, and Uruguay in her 2002 study. Except for Cyprus, Malta, Trinidad and Tobago, for which corruption scores have not been available for much of the period under investigation, and Ecuador for its recent military regime, all the other political parties in the governing position for the countries under investigation are included in my dataset.
On the other hand, primarily because Lundell’s (2004) interest is in territorial (territorially centralized versus decentralized) determinants of candidate selection, she excludes parties from those countries where candidate selection procedures are regularized by law. These countries are Germany, Finland, Norway, and the United States (see Bille 2001). Given distinct research interests, I do not hesitate including governing parties of these countries in my analysis as well. In addition to parties from these countries, I include governing parties from Argentina (Jones 2004), Brazil (Samuels 2004), Portugal (Montabes and Ortega 1999), and Turkey (Ozbudun 2001), which are missing from both of Lundell’s studies. Likewise, data for some governing parties from countries Lundell has studied were not available in her dataset. For these parties, Christian Democratic Party (PDC) and Socialist Party (PC) in Chile (Navia 2004), Forza Italia in Italy (Molino 2001), Popular Party in Spain (de Dios 1999), and Partido Colorado in Uruguay (Moraes 2004), I rely on other secondary sources. For these parties, Chile-Christian Democratic Party (PDC) and Socialist Party (PS)- (Navia, 2004), Italy-Forza Italia- (Molino, 2001: 133), Spain-Popular Party - (de Dios, 1999: p.144), and Uruguay – Partido Colorado - (Moraes; 2004), I rely on other secondary sources.

Dependent Variable - Political Corruption:

Scholars studying political corruption rely widely on two sources of data in measuring corruption, either the Transparency International Corruption Perception Index (CPI) (Lambsdorf 1998) or a good governance index created by Kaufmann, Kraay, and Zoido-Lobaton (KKZ) (1999), or both. Both indexes are based on data drawn from polls of experts, which reflect country ratings (on a global or regional basis) and cross-country surveys of firms and non-governmental organizations. The KKZ index is composite data constructed from individual surveys conducted from 1997 to 1999 by different institutions such as Standard and Poor's DRI, the Economist Intelligence Unit, Political Risk Services, and the World Bank. In these polls, respondents were asked “to rate the general level of corruption among public officials, the effectiveness of anticorruption initiatives, the frequency of additional payments necessary to ‘get things done’, and corruption as an obstacle to foreign investment and domestic business enterprise.”

Likewise, CPI index relies on perceptions of the degree of corruption, as seen by business people, risk analysts and the general public as the primary indicator of corruption. The index aggregates corruption scores from up to 17 different polls for every country that ask questions based on corruption defined as the misuse of public power for private benefit. Specifically, the focus is on kickbacks in public procurement, the embezzlement of public funds, and the bribery of public officials. The CPI is computed as an average of a number of surveys assessing each country’s performance. TI’s index has as its end points zero (0) for totally corrupt business practices and ten (10) for fair and honest ones dealing with government.

Although scholars emphasize the merits of the KKZ index over the CPI, these two sources have more commonalities than differences. Two widely acknowledged advantages of the KKZ index over the CPI are its more precise aggregation methodology and country coverage. However, as noted by Kunicova and Rose-Ackerman (2003: p. 19), most of the components of the KKZ index are also part of the CPI. Therefore, not only is there a high correlation between the two indices (Pearson’s r = 0.933), but both yield the same results (Gerring and Thacker 2004). Therefore, I do not hesitate in using CPI as my primary indicator of corruption. In addition, concern with more year coverage makes CPI a better fit to my study, which analyzes governing parties from 1995 to 2005, as compared to the KKZ index. Yet I invert the order
of the corruption scale in CPI giving zero (0) to the least corrupted countries and ten (10) to the most corrupted countries. It makes more sense to score those countries at the bottom of the corruption scale with lower scores than giving them higher score. The average corruption score for each governing party is calculated with one year lag for the period that party was in office.

**Independent Variable-Centralization of Candidate Selection Process:**

By now it should be clear that my independent variable in this study is the degree of the centralization of candidate selection process. In this context, the critical question is who selects candidates among the pool of those eligible. How centralized is the process? How extensive is participation in it? Most importantly, how do different processes create different outcomes in terms of their influence on the level of corruption? Answers to these questions are not as easy as it might seem at first sight. There is a vast amount of differences between countries as well as parties within the same country with regard to their rules governing candidate selection (Gallagher 1998; Billie 2001). At the same time, established rules do not always give clues about different groups that are influential at different stages of the recruitment process. It is possible that formal constitutional powers may disguise de facto control (Norris 1996). The major challenge to reach rigorous comparisons across different countries, in this regard, is to determine criteria according to which parties are classified with regard to legislative recruitment.

To cope with the complexity of the decision-making process within each party, scholars have come up with different strategies. Gallagher (1998; see also Janda 1980) for instance, classifies parties on a continuum according to which candidates might, at one extreme, be selected in a vote by all party members; at the other extreme, they can be picked by the party leader alone. Norris (1996) identifies four types of legislative selection: bureaucratic, patronage, centralized and localized decision making procedures.

Likewise, explicitly or implicitly referring to the above studies, scholars have constructed scales of centralization of candidate selection (Krouwel 1999; Billie 2001; Rahat and Hazan 2001; Lundell 2002 and 2004). Although showing considerable similarities, these scales differ in some respects depending on the research questions of scholars. For the reasons specified in the case selection section, I rely on an index of the degree of centralization drawn by Lundell (2002: 31) to operationalize my independent variable. The values for measuring parties according to the degree of centralization and their meanings are as follows:

1. Selection by primaries open for all eligible voters, by membership ballot or at local party meetings open for all party members.
2. Selection at the constituency level by a selection committee, by the executive party organ or at a convention (congress, conference) by delegates from the local parties.
3. The same as 1 and 2 but regional or national organs exercise influence over the selection process, e.g., add names to the lists or have veto power. The final selection, however, takes place at the constituency level. Formal approval by regional or national organs without actual involvement in the process belongs to the second category.
4. The same as 5 but regional or district organs exercise influence over the selection process, e.g., party members, the local parties or committees at the constituency or the regional level propose candidates, but the decision is taken at the national level.
5. Selection by the party leader, by the national executive organ, by a selection committee at the national level or by another national elite.

**Control Variables:**

The alternative models of causal explanations of political corruption, discussed above, emphasize executive recruitment and mainly electoral systems as the primary determinants of
corruption. To take into account their argument, I control for the effects of these predictors as well. The executive recruitment and electoral systems variables are derived from the World Bank’s Database on Political Institutions (DPI 3a) as described in Beck, Clarke, Groff, Keefer, & Walsh (2003) for the year 2000. In terms of executive recruitment, I concentrate on the distinction between presidential versus parliamentary systems. If the system has a directly elected president independent of the legislature it takes the value one (1) and zero (0) otherwise.

While testing for the effects of electoral systems, I concentrate on two forms of election: plurality and proportional representation. In proportional representation systems voters choose between different party lists and candidates are selected from these lists depending on the vote share of each party. The variable takes value one (1) if candidates are elected based on the percent of votes received by their party, zero (0) otherwise. I also incorporate a dummy variable to test the effects of open versus closed list proportional representation systems. The variable takes the value one (1) if a closed list is used, zero (0) otherwise. Another dummy variable in the model controls for the effects of presidential (1) versus parliamentary systems (0). To account for territorial decentralization, I use a dummy variable taken from DPI 2a. The variable is coded as one (1) if sub-national units have extensive powers of taxation, otherwise zero (0).

I include in my analyses a number of additional independent variables suggested in the literature. These are bicameralism and mean district magnitude taken from DPI 3a, effective number of parties gathered from (Golder 2005), and particularism for the lower house. The latter is an index constructed by Seddon, Gaviria, Panizza and Stein (2001) to measure vote-seeking behavior of candidates, which is a function of the type of electoral system. It measures the degree to which individual politicians appeal to narrow geographic constituencies, on the one hand, or party constituencies, on the other, to further their careers. The index is an average of three components: ballot, pool, and vote, taking the value between 0 (most party-centered) to 2 (most candidate-centered).

Along with the political and institutional variables identified above, I also experiment with a country’s level of economic development, its population’s education level and the ability of citizens to monitor their representatives depending on the level of obtainable information. To control for the level of economic development, I use GDP per capita (GGDC 2005). The population’s education level is proxied by the total secondary school gross enrollment ratio (WDI 2005). Data on the level of obtainable information is proxied by total average circulation (or Copies Printed) of daily newspapers per 1,000 inhabitants (UNESCO 2005). The values of these variables (GDP, education and newspaper circulation) for each governing party are calculated with one year lag for the period that party was in office.

Model Specification and Empirical Analysis

This section gives the results of my regression analysis, testing the hypothesis outlined above by utilizing the data described in Section 4. I consider three models to explain the effect of candidate selection on corruption. The first model tests the effects of the main independent variable. The second model analyzes the effects of institutional variables, including the degree of centralization. Finally, the last model includes other control variables, economic, educational and informational determinants of corruption. Table 1 displays results for all three models.

Existence of a Relationship between Different Processes of Candidate Selection and Corruption:

Model 1 is a regression only testing the relationship between the degree of the centralization of candidate selection process and corruption. The results, Table 1 Column 1, confirm my
expectations. The coefficient on Centralization is highly significant and positive, suggesting that there is a correlation between the degree of centralization of candidate selection in political parties and corruption. The standardized beta coefficient of Centralization is .493. The finding is strongly significant and shows that Centralization alone explains 23% of variation in CPI index on a sample of 68 political parties.

Existence of Relationship between Political Institutions and Corruption:

Next, I ask whether political institutions, including centralization of candidate selection, indeed contribute to explaining corruption. Interestingly, in contrast to earlier findings, Proportional representation systems have a negative correlation with corruption. The dummy variable Proportional has a negative standardized beta co-efficient. However, the relation is statistically insignificant. Likewise, Bicameralism and District magnitude have negative standardized coefficients, yet statistically insignificant. Other variables, Effective number of parties and Particularism, which measures the vote-seeking behavior of candidates, do not show any statistical significance.

On the other hand, Closed list systems have a positive correlation with corruption. Nevertheless, like the other variables, it is not even statistically significant at <0.1 level. The only variables that display a correlation with corruption are Centralization, Presidential and Federalism. Presidential ($β$=.472) and Federalism ($β$=.307) have positive coefficients significant at .002 and .025 level, respectively. The main independent variable, Centralization, remains stable with a positive coefficient ($β$=.409) significant at <.001 level. Altogether, political institutions explain 43% of variance in Corruption.

Existence of a relation between Candidate Selection and Corruption Controlling for Socio-economic Factors:

The final model tests the robustness of these findings by including socio-economic variables identified in the previous section. I exclude from this model institutional controls that did not have any significant effect on the dependant variable. Also, I prefer not to consider the effect of Newspaper Circulation, which measures the ability of citizens to monitor their representatives depending on the level of obtainable information. Although it shows a quite significant effect on the dependent variable ($β$= -.492; <.01) and surprisingly with a positive sign, the missing cases under this variable not only shrinks the number of cases for the entire model, but also makes the reliability of its effect questionable.

Overall this model explains almost 58% of variation in the dependent variable. However, interestingly, when I remove the Newspaper circulation from the model, GDP, which was earlier inversely related to corruption, lost its significance. Perhaps, the inclusion of the missing cases, excluded when Newspaper circulation was in the model, explains this incongruity. I maintain that the proximity of the values of cases in the data for this variable diminishes the effects of GDP. Remember that most of the cases under investigation are drawn from developed democratic countries.

As Table 1 Column 3 demonstrates, Education, which has an inverse effect on corruption, suggests that corruption is lower in countries where citizens are better educated. Institutional variables, on the other hand, provide mixed results. Presidential, which earlier had scored significant, has lost its influence in this model. Federalism, by contrast, still retains a positive significant effect on corruption.
On the other hand, *Centralization*, once again, remains stable to changes in the model. It has a positive coefficient significant at >.001 as expected. This finding proves my hypothesis that corruption is positively associated with centralized candidate selection processes as opposed to decentralized processes.

Altogether, these empirical findings have important implications for the literature that links corruption to variations in institutional designs in general and electoral systems in particular. One important conclusion that can be drawn from these results is that perhaps it is not the election stage but the process that precedes election matters most in inducing corruption. If accountability on the part of office-seekers is the major concern, it is reasonable to expect potential nominees to be more responsive to those for the prospect of being selected for election.

These findings, at the same time, reaffirm the research that focuses on the organizational dynamics of political parties in promoting and sustaining corruption. This literature, as discussed above, emphasizes the oligarchization of party organization detached from members as a catalyst for corrupt activity. The fact that more centralized nomination procedures are signs of oligarchic party structures confirms the link between political parties and corruption.

**Conclusion**

In this study, I offered a new perspective to the study of corruption by introducing the role of candidate selection. Building an earlier research investigating the role of political institutions in general and electoral systems and political parties in particular, I argued that we need a more general model to reach better conclusions about the effects of electoral systems on corruption. In this regard, I have introduced the processes of candidate selection to bridge the gap between electoral system and political party explanations of corruption. Focusing on the processes of candidate selection is important because it tells us to whom in the first place potential representatives feel accountable. Thus, I argued that more centralized candidate selection processes are associated with corruption more than decentralized candidate selection processes.

To test the validity of this argument, I have relied on candidate selection processes in 69 governing parties from 31 democracies between 1995 and 2005. All the three models I have developed to test this argument displayed a strong association between different candidate selection processes by political parties and corruption. Based on this study, it is possible to assert that more centralized legislative nomination procedures contribute to corruption more than their decentralized counterparts that allow broader participation to the candidate selection process. Together with confirming our understanding of the corruption-enhancing role of political parties, the findings, at the same time, demonstrate how they sustain corruption by telling us to whom potential representatives in the first place feel accountable.

In this regard, one important implication of the study is over organizational dynamics of political parties. Most obviously, the findings suggest the necessity to adopt more democratic procedures in candidate selection processes that will allow greater participation among the members. Broadening participation for nomination is important not only for reducing corruption but also for establishing a true logic of democracy. As Bille (2001) noted, a regime is hardly democratic if the organizational structure of the parties obstructs citizen participation and influence.

Despite the contribution of these findings to the literature studying the link between political institutions and corruption, perhaps the most outstanding weakness of the study is the limited number of cases that has been analyzed here. Certainly, this limitation might raise concerns over the “generalizability” of my findings. Although I think that the overall pattern would...
have remained the same, a larger group of cases with all democratic countries and relevant political parties might produce more robust results. Therefore, the future research should concentrate on collecting more data on different parties from different countries.

Notes
1 Gerring and Thacker also consider other causal pathways such as openness, transparency and information costs, intergovernmental competition, localism, party competition, decision rules, collective action problems, and public administration, which support their claim that centralized constitutions help foster lower levels of political corruption.

2 Not all studies, however, have reached similar conclusions. Chang (2005), for instance, quite contrary to previous research find open-list electoral systems to be more corrupt. Under open-list proportional representation systems, Chang argues, the costs for winning an election increases for candidates who are at the margin of losing the election. As the need to collect more personal vote increases, so does the legislators’ dependence on unlawful resources.

3 While much of della Porta’s focus is on Italy, her observations include party bureaucratization, declining membership and resources, electoral volatility, party fragmentation, collusion among parties, and party influence in public administration.

4 A comprehensive coverage of regime type, executive structure, parties serving in the government, links to major political parties and election years for all countries around the world between 1945 and 2005 can be found on the website World Political Leaders, http://www.terra.es/personal2/monolith/00index.htm.

5 These countries are Austria, Belgium, Denmark, Finland, France (not included in Bille’s dataset), Germany, Ireland, Italy, the Netherlands, Norway, Sweden, and United Kingdom.

6 Despite their wide usage by scholars, a common weakness inherent to both indices is necessary to note. Neither of these indexes distinguishes between political and bureaucratic corruption. Yet CPI Framework Document finds this distinction, if not unnecessary, minor for the 0.88 correlation between the assessments of political and bureaucratic corruption (Lambsdorff, 1998; 7).

7 The exclusion of the Newspaper circulation from the model increases the number of cases from 53 to 65.

REFERENCES


**Appendix**

**Figure 1: Simple Principle-Agent Model**

![Figure 1: Simple Principle-Agent Model](image1)

**Figure 2: Principle-Agent Model Incorporating the Process of Candidate Selection**

![Figure 2: Principle-Agent Model Incorporating the Process of Candidate Selection](image2)

Table 1: Effects of Candidate Selection on Corruption Perceptions for Governing Parties in 31 Countries Controlling for Political Institutions, Particularism and Socio-economic Factors

Co-Efficient Parameter (Standard Error); Coefficient Parameters are Standardized Beta-coefficients.

Dependent Variable: Corruption Perception Index (CPI 1995-2005)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>1.873*** (.594)</td>
<td>1.055 (1.549)</td>
<td>7.492* (1.308)</td>
</tr>
<tr>
<td>Candidate Selection</td>
<td>.493*** (.174)</td>
<td>.409*** (.191)</td>
<td>.316**** (.150)</td>
</tr>
<tr>
<td>Proportional</td>
<td>-</td>
<td>-.034 (.972)</td>
<td>-</td>
</tr>
<tr>
<td>Closed List</td>
<td>-</td>
<td>.130 (.600)</td>
<td>-</td>
</tr>
<tr>
<td>Presidential</td>
<td>-</td>
<td>.472*** (.721)</td>
<td>.026 (.467)</td>
</tr>
<tr>
<td>Federalism</td>
<td>-</td>
<td>.307** (.610)</td>
<td>.315 (.410)</td>
</tr>
<tr>
<td>Bicameralism</td>
<td>-</td>
<td>-.114 (.666)</td>
<td>-</td>
</tr>
<tr>
<td>District Magnitude</td>
<td>-</td>
<td>-.220 (.009)</td>
<td>-</td>
</tr>
<tr>
<td>Effective Parties</td>
<td>-</td>
<td>.063 (.122)</td>
<td>-</td>
</tr>
<tr>
<td>Particularism</td>
<td>-</td>
<td>.001 (.647)</td>
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<tr>
<td>GDP</td>
<td>-</td>
<td>-</td>
<td>-.079 (.000)</td>
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<tr>
<td>Education</td>
<td>-</td>
<td>-</td>
<td>-.537* (.009)</td>
</tr>
<tr>
<td>Newspaper</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted R²</td>
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<td>.438</td>
<td>.546</td>
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<tr>
<td>N</td>
<td>68</td>
<td>56</td>
<td>65</td>
</tr>
</tbody>
</table>

**** signifies p < .001; *** signifies p < .01; ** signifies p < .05; * signifies p < .10.