

Need or Greed?

Conditions for Collective Action Against Corruption

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Abstract

Despite an unprecedented attention to democratic accountability as a means to contain corruption, our knowledge about one of its fundamental conditions remains limited: when and why do citizens engage in anticorruption efforts? This article proposes that citizens tend to engage against some forms of corruption, but oftentimes fail to engage against others. In particular, citizens tend to engage in the fight against corruption when corruption is needed to gain access to ‘fair’ treatment (need corruption) as opposed to when it is used to gain special illicit advantages (greed corruption). The lack of transparency and time lag of the negative effects of greed corruption may explain these divergent effects, but also the varying effects of reciprocity, i.e. expectations that fellow citizens will engage in the fight against corruption. In particular, reciprocity facilitates anticorruption efforts in need contexts while it may, instead, lead to free riding and further undermine engagement in greed contexts. Data from the TI Global Corruption Barometer 2013 provide support for these claims. The results suggests that reciprocity may not necessarily be beneficial to contain all forms of corruption, and that the extent to which democratic accountability reforms contribute towards reducing corruption may depend on the balance between ‘need’ and ‘greed’ corruption in any particular society.

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The trickle of evidence on the detrimental effects of corruption has steadily grown into a torrent. Corruption undermines economic growth, and intensifies environmental, social, and health problems (Holmberg et al 2009; Djankov et al. 2003; Gupta et al. 2002; Mauro 1995). Most anticorruption reforms suggested by international organizations, policy specialists, governments and scholars alike point to the importance of enhancing accountability in order to enforce anticorruption laws and policies. However, despite an unprecedented global attention to accountability as a means to contain corruption, our knowledge on one of its fundamental conditions remains limited: Why and when do citizens engage in anticorruption efforts?

This paper suggests that citizens tend to engage against some forms of corruption, but oftentimes fail to engage against others. In particular, citizens tend to engage in the fight against corruption when corruption is needed to gain access to ‘fair’ treatment (need corruption) as opposed to when it is used to gain special illicit advantages (greed corruption). In other words, the basic motivation for participation in corrupt activities matters for the level of engagement in the fight against corruption, and the basic motivation for corruption is very different if corruption is needed to gain access to services, avoid abuses by the police or win a contract with the most competitive bid, as opposed to if the basic motivation for corruption is to receive special advantages, receive a cheaper service or gain illicit advantages such as winning a contract without having the most competitive bid.

The paper proposes three different explanations for why ‘need’ corruption promotes engagement in anticorruption efforts, while ‘greed’ corruption may even undermine such engagement: *time lag*, *transparency*, and *reciprocity*. Whereas greed corruption has severe erosive effects on economic and democratic institutions these effects tend to occur with a substantial time lag, and the negative effects of greed corruption is consequently not necessarily directly experienced nor widely understood. Furthermore, greed corruption is often beneficial for both parties involved and may thereby remain secret for extended time periods, since none of the involved parties stand to gain from exposure. Finally, the influence of reciprocity, or expectations that fellow citizens will engage in the fight against corruption, may depend on the form of corruption. While an increasing number of studies suggest that expecting that fellow citizens will contribute towards the solution to common problems facilitates collective action (Ostrom 2014:237:) this effect may be contingent upon that these individuals are committed to collective benefits in the first place, i.e. that they are “conditional co-operators” (ibid; cf. Levi 1997). However, expecting that fellow citizens will engage in the fight against corruption also offer opportunities to free ride on other citizens efforts, and perhaps in particular so if they benefit from the corrupt system or are just non co-operators (or even ‘rational egoists’). In other words, a non-corrupt system could be expected to treat citizens “impartially” (Rothstein & Teorell 2009), or according to principles of

“universalism” (Mungiu-Pippidi 2006). Clearly, however, those involved in need corruption benefit more from impartial treatment than those involved in greed corruption in the short term. Rather than facilitating cooperation, expectations that other citizens will engage may therefore, instead, lead to free riding among those involved in greed corruption.

Making a distinction between ‘need’ and ‘greed’ corruption can thereby contribute to our understanding of the sources of engagement in the fight against corruption. While research shows that corruption is seen as morally wrong in most parts of the world, studies fail to explain why engagement against corruption varies substantially between different contexts and in particular why many forms of corruption remain unchecked (Person et al. 2013; Karklins 2005; Miller et al. 2001; Widmalm 2008;). The empirical evidence for the influence of corruption on citizens’ engagement remains mixed: whereas some studies suggest that corruption can increase engagement (Kostandinova, 2009), other instead suggests that corruption may substantially undermine citizens’ engagement (Birch, 2010; Chong et al., 2012; Bauhr and Grimes 2014). While there are several possible institutional and individual explanations for these divergent effects (Verba et al. 1995:271), most of these studies fail to distinguish between different forms of corruption. This study seeks an explanation to these mixed results in the varying nature of different form of corruption.

Furthermore, making a distinction between need and greed corruption also contributes towards a more fine grained and dynamic understanding of how collective action theory can help explain citizen engagement in the fight against corruption. In particular, this involves a better understanding on how reciprocity, or expectations that fellow citizens will engage, influence the willingness to engage. In the logic of collective action theory, expectations about whether fellow citizens will contribute toward the solution of common problems influence citizens’ willingness to engage (Person et al 2013; Ostrom 1998; Olson 1965). However, such expectations can influence citizens in two fundamentally different ways: it can either increase the willingness to engage since it reduces the potential risk and costs involved in engagement and increases chances of success. It may also, however, decrease the willingness to engage. In other words, reciprocity may not always facilitate cooperation, and making a distinction between different forms of corruption help us understand *when* such expectation lead to increased collective action and cooperation and when it instead facilitates free riding.

The paper proceeds as follows. In section I, I introduce the typology of corruption based on the motives for engaging in corruption and distinguish between need and greed corruption. Section II develops the theory and derives hypotheses on the relationship between corruption, institutional trust and civic engagement, and argues that need corruption leads to indignation and engagement, while greed corruption instead tends to breed a withdrawal from attempts to influence the state of affairs. Section III describes the data and

measurements. The study builds on survey data from the TI Global Corruption Barometer 2013 and includes between 15-20,000 individuals in 70+ countries. Section IV presents the results and section V concludes.

What is need and greed corruption?

The need and greed distinction focuses attention to the basic motivation for engagement in corrupt activities (Bauhr 2012). As outlined in the introduction, the distinction suggests that citizens engage in corruption either to receive services that they are entitled to that are conditioned upon corrupt exchanges (“need”) or to receive extra advantages (“greed”). By consequence, the nature of these forms of corruption differs fundamentally. Citizens engage in need corruption since it is the only way to receive services or avoid abuses, and in greed corruption to get ahead in society, get advantages or receive a cheaper service. The distinction suggests that there is a difference between paying a bribe if it was the only way in which a service, such as health care, passports or education, can be received, or whether corruption is used to receive a cheaper service. The distinction also suggest that there is a difference between resorting to corruption to win a contract with the most competitive bid or resorting to corruption to win a contract with the less competitive bid. Thus, both need and greed corruption is used to make life easier for the persons engaging in it. Need corruption can be used by an innocent man to stop physical abuse by a police officer or by parents to provide access to schooling or health care for their child. Greed corruption can be used by a company to be able to stay in business or by a criminal to avoid trial.¹

Like all distinctions between forms of corruption, the need and greed distinction may not always be easily distinguishable, since most forms of corruption are conducted in very complex and ambiguous environments. Investigating the different motives for engaging in corruption does however lead to new insights into the different forms of corruption and thereby its effects. Studies that distinguish between different forms of corruption tend to focus on such factors as the level in society in which corruption takes place (petty and grand corruption), relational distinctions (extortive and collusive corruption), perceived normality of corruption (white, grey, black corruption) and the different forms of favoritism (nepotism, cronyism, clientelism).² Important parts of the empirical literature, however, only allow corruption to vary in scale between societies. Despite a growing attention to the insight that corruption comes in many different varieties, and that this has

¹ It is important to note that the distinction does not assume that other motives for corruption, including love, are very real and present in some corrupt transactions. However, love can be an important motive for both need and greed corruption. I thank Alena Ledeneva for pointing this put to me.

² Typologies of corruption sometime also focus on the type of action (bribe/kickbacks/bid rigging/fraud) or type of actor (political or business).

implications for the effects of anticorruption reforms (e.g. Johnston 2014), both academic research and the development of specific anti-corruption initiatives is dominated by indices measuring the scale of the corruption problem (Heywood and Andersson 2009). Many studies use indices such as the transparency international corruption perceptions index (e.g. Fredriksson *et al.*, 2003; Pellegrini and Gerlagh, 2004; Tanzi, 1998) or other measures of the scale of the corruption problem (e.g. Treisman 2007; Ades and Di Tella, 1997; Fisman and Gatti, 2002; Mauro, 1995; Tanzi and Davoodi, 2000).

The need and greed distinction shifts the focus to the basic motivation for engaging in corruption. In particular, the distinction builds on the notion that the basic motive for engaging in corruption varies between settings, and those basic motives for engaging in corruption influences citizens' engagement in anticorruption efforts and potentially other state society relations. While need and greed corruption is somewhat connected to previous distinctions between forms of corruption, such as the distinction between extortive and collusive corruption commonly used in the literature on tax evasion (Klitgaard 1988; Flatters and MacLeod 1995; Hindricks et al 1999; Brunetti & Weder 2003), it is less related to distinctions that directly or indirectly focus on the scale, level or profitability of corruption. Corruption can, for instance, be characterized as both greed and petty or greed and grand. Corruption to win a contract with a less competitive bid can occur both by paying a bribe to a low level official and by manipulating the basic rules and laws upon which a society is operating. Similarly, corruption to unduly influence grades can both occur through small bribes to a teacher or by manipulating the school system to the advantage of a particular ethnic or other group.

There are several disadvantages with focusing on the scale, amount of money traded or level in society in which corruption takes place. One problem is that both the costs and the profits of corruption cannot adequately be seen as the absolute sum of money being traded. Instead, it may be more adequately described as relative to the income of actors involved. Extra expenses, however large, may have a minimal effect on the everyday life of a person who is already well off, while transaction that may appear small in absolute terms can represent a significant cost for a person living on the verge of poverty. The profitability or scale of corruption is accordingly inadequate for understanding the nature of these corrupt acts, as well as their obtrusiveness, since large-scale corruption is not necessarily obtrusive. As opposed to grand corruption, greed corruption can be both small and large in scale (measured in both the absolute or relative sum of money being traded), and more or less pervasive in society.

A deeper understanding of the different forms of corruption, and their implications can potentially facilitate an understanding of the effectiveness (or lack of effectiveness) of efforts

to contain corruption. I next suggest how the distinction between need and greed corruption may help us better understand fundamental conditions for collective action against corruption.

Forms of corruption and citizens engagement

"People are frustrated, they're angry, they feel cheated, they feel abused. They feel they have been threatened by a system that has rendered them powerless in front of it." Kristina Tremonti, founder of I paid a bribe Greece ³

According to Ms Ramanthan, one of the founders of the site Ipaidabribe.com, 80 percent of the more than 400,000 reports to the site tell stories of officials and bureaucrats seeking illicit payments to provide routine services or process paperwork and forms, including claiming a legitimate income tax refund, getting a child who has already passed the entrance requirements into high school or obtaining a driver's license after having passed the test (New York Times 2012). This form of corruption is open, extortive and has short-term negative impact of citizens every day life, and citizens that engage in it may be willing to share their experiences of it at least if encouraged by some institutional arrangements or NGOs. By contrast, engagement against greed corruption seems to be orchestrated mainly as a response to major crises. Analysts claim that such dramatic international development such as the recent global financial crises may have partly been driven by "greed", where actors used both legal and illegal corruption to gain special illicit advantages (Kaufmann 2005). However, citizens seem to have remained indifferent towards this form of corruption at least up until the time where the effects of it became very tangible, and it became more difficult for the persons involved to operate in secrecy. ⁴

Studies on how corruption influence participation and engagement thus far seem to reach conflicting conclusions about the effect of corruption on engagement (Stockemer 2013; Stockemer et al. 2013; Kostadinova 2009; Bauhr and Grimes 2014). Some studies argue that citizens want clean and accountable governments (Bratton et al., 2005) and that corruption may consequently be expected to increase both societal and electoral accountability. However, the long-term effectiveness of democracy and accountability as a means to contain

³ In "Greeks fight back against corruption" by Andrew Bomford BBC Radio 4's PM programme

⁴ When the system eventually collapses, citizens tend to engage and protest against the effects of mismanagement and greed corruption, since austerity measures often strike particularly hard against those unconnected with the causes of the crisis. These include the protests in Greece and Spain 2011 as well as the global Occupy movement, emerging and taking inspiration from the Occupy Wall Street movement in New York. However, this engagement is preceded by a long period of disengagement and indifference in relation to the root causes and developments preceding the crises.

corruption depends upon a very specific and fundamental assumption: that citizens will react and protest against corruption, mismanagement and greed. However, evidence from a growing body of literature suggests that this is far from always a reasonable assumption to make (See for example Chang & Golden, 2010; Eggers & Fisher, 2011; Reed, 1999; Peters & Welch, 1980; Bauhr and Grimes 2014; Bågenholm, 2013; de Sousa & Moriconi, 2013). Using the terminology of principal-agent theory, most current anticorruption measures assume the existence of “principals”, i.e. actors such as civil society, government agencies, or citizens willing to engage in the fight against corruption to hold potentially corrupt “agents” accountable (Person et al. 2013). However, citizens may, indeed, abstain from their right to protest and voice complains, and refrain from using their electoral right to punish corrupt politicians.⁵ A growing body of studies suggests that the reason why anticorruption efforts often fail to produce the expected benefits is the absence or lack of actors willing to enforce anticorruption legislation (Robinson 1998; Johnston 2014 World Bank 1994).

An emerging literature seeks explanations for the shortcomings of accountability and explanations for why citizens sometimes fail to engage against corruption (see, for instance, de Sousa and Moriconi 2013). At least three explanations seem to be particularly prominent in this literature: various forms of “trade off” hypothesis, information related hypothesis and explanations relating to institutional effectiveness (or perceptions thereof). Trade-off related explanations suggest that the reason why e.g. corrupt politicians survive in office is that voters simply do not prioritize having a non-corrupt political representative. Other factors, such as the politicians ability to attract investment, build successful coalitions, generate economic growth or making otherwise popular decisions are often valued more highly by most voters (see i.e. Zechmeister and Zizumbo-Colunga, 2013; Konstantinidis and Xezonakis 2013; Esaiasson and Munoz 2014). Others find limited support for the existence of tradeoffs and instead suggest that the reason why corrupt officials can maintain political support is that voters lack information about wrong doings (Winters and Weitz-Shapiro 2013, see also Chang et al 2010; Costas-Perez et al. 2012).⁶ Furthermore, various institutional explanations may contribute towards explaining re election, not least because they can make protests ineffective (Kunicova and Rose-Ackerman 2005; Gerring and Thacker 2004; Bauhr and Grimes 2014; Charron and Lapuente 2010; Zechmeister and Zizumbo; Bågenholm 2013).⁷

⁵ However, these studies also suggest that corruption can have a negative influence on voter turnout if citizens do not see that their effort lead to real changes (Kostadinova 2009). See also Simpser (2005).

⁷ These include electoral and party systems, delegation of power, the independence of the judiciary, press freedom and transparency, as well as institutional arrangements such as ombudsman offices, whistleblower hotlines or citizen report cards (McCubbins and Schwartz 1984; Peruzzotti and

However, this literature has largely ignored how the nature of different forms of corruption may potentially influence both the perceived trade offs in corrupt transaction and the level of transparency and therefore potentially influence engagement in very different directions.⁸ In particular, the basic motivations for engaging in corrupt behavior influences both the immediacy or time lag of effects and the level of transparency or information available about corrupt behavior, as well as the influence of social expectations.

How can we conceptualize whether citizens experience disengagement or indignation and a willingness to fight corruption? Empirical attempts to capture public disengagement use concepts such as resignation lack of interest and even cynicism and alienation (Krouwel and Abts 2007). This study uses two specific indicators of engagement/disengagement and suggest that different combinations of these can enhance our understanding of these phenomena: *institutional trust* and *civic engagement*.

The detrimental effect of corruption on institutional trust finds considerable support in empirical research. Although the relationship between corruption and trust may be most adequately described as reciprocal (Morris and Kleser 2010:11; Hetherington 1998; della Porta and Vanucci 1999; Rothstein and Stolle 2008), several studies argue that corruption may also have a negative effect on institutional trust (Bowser 2001; della Porta 2000; Selingson 2002; Anderson and Tverdova 2003; Chang and Chu 2006). However, most of these studies focus predominately on the scale of corruption and do not distinguish between different types of corruption.

To the extent that institutional trust is an evaluation of the perceived performance of the government (Mishler and Rose 2001), the differences in immediacy and transparency between different forms of corruption can be expected to influence their effects on institutional trust. Need corruption is both obtrusive and has a direct influence on citizens' daily lives and interaction with authorities. I therefore expect that the negative association often found between corruption and institutional trust may to a considerable extent be driven

Smulovitz 2006; Rose-Ackerman 1999, 171).

⁸ One exceptions is the literature that attempts to distinguish political corruption and in particular clientelism from different forms of corruption. One of the most straightforward criticisms against the assumption that corruption is detrimental to re election "in itself", has been raised by the literature on clientelism. Corruption can be turned into a political currency if politicians buy votes (or other expressions of support) in order to stay in power (Kitscheld 2000; Stokes 2009).⁸ Manzetti and Wilson (2007:949) suggest that people in countries where government institutions are weak and patron-client relationships strong are more likely to support a corrupt leader from whom they expect to receive tangible benefit". Although explaining voting for corrupt leaders with low quality institutions is somewhat tautological, Manzetti and Wilson show the importance of vote buying for electoral outcomes. In other words, corrupt governments use vote buying as a tool to stay in office (Weitz-Shapiro, 2008; Winters and Weitz-Shapiro, 2013), and citizens may support governments not only *despite* them being corrupt but also *because* they are corrupt (see also Brusco et al 2004; Wantchekon 2003).

by differences in need corruption, rather than cross-country differences in the sheer amount of all forms of corruption in any given society. By contrast, the relationship between greed corruption and institutional trust may not follow the expected pattern, however. Greed corruption is typically less obtrusive than need corruption and it may, therefore coexist with high institutional trust. Therefore, our first hypothesis suggest that whereas need corruption reduces institutional trust, greed corruption may not necessarily follow the expected pattern, at least not as long as its existence does not have substantial and clearly understood negative influence on citizens' everyday lives.

H1. Need corruption reduces institutional trust, while greed corruption coexists with institutional trust, ceteris paribus.

If different forms of corruption have different effects on institutional trust, the focus on the scale of the corruption problem that characterize important parts of the corruption literature clearly limits our understanding of the relationship between corruption and institutional trust. In order to understand the implication of shifts in patterns of institutional trust for collective action against corruption, we need to explore how these patterns coexist with wider societal changes. For instance, distrust in and discontent with the political system or with incumbents may spur a person to action but may also be associated with inactivity and a sense of futility with respect to civic action. Whether distrust and discontent are associated with action (indignation) or with inaction (disengagement) may depend on the nature of the problem as well as prior experiences with attempts to bring about change (von Erlach and Westholm 2007; Bauhr and Grimes 2014). Thus, reduced trust can mean a withdrawal from political life, but it can also mean the development of a critical and engaged citizenry (Norris 1999). Thus if need corruption leads to reduces in institutional trust that are accompanied with other wider changes in society, most notably increased civic engagement (Levi and Stoker 2000; Mishler and Rose 2005), reduced trust may be an expression of discontent with the current state of affairs, that may be conducive to collective action.

Whereas greed corruption has severe erosive effects on economic and democratic institutions these effects tend to occur with a substantial time lag, and the negative effects of greed corruption is consequently not necessarily directly experienced nor widely understood. Greed corruption is beneficial for the individuals involved in the short term, since it allows citizen to cut costs and gain advantages that a corruption free society would not allow them to gain. Furthermore, greed corruption is often beneficial for both parties involved and may thereby remain secret for extended time periods, since none of the involved parties stand to gain from exposure. Need corruption, by contrast has both immediate and sometimes

very severe effects on citizens' access to essential public services and may therefore cause more immediate responses and protests among need participants in corrupt transactions, including the willingness to expose corruption and engage in anticorruption efforts. Thus, while engaging in both forms of corruption may be beneficial for those involved in the short term there are typically differences in both the time horizon of negative effects and the level of transparency between these forms of corruption, which may in turn influence civic engagement.

H2. Need corruption increases willingness to expose corruption and engage against it, while greed corruption reduces willingness to expose and engage against corruption, ceteris paribus

Co operation or “Free riding”?

Citizen engagement in the fight against corruption could be seen as a multiple equilibrium collective action problem. Many of the benefits of a corruption free society, such as greater economic growth (Mauro 1995; Gupta et al. 2002), stronger democracies (Sung 2004) or better environment (Welch 2004), may be both non –excludable and non-rivalry and can therefore be seen as a public good (Samuleson 1954). However, engagement in the fight against corruption consumes invariably finite personal resources, and can in some contexts even be extremely dangerous. Citizens engaging in anticorruption efforts risk being deprived of essential public services, loosing their job and may even potentially risk their lives.

Collective action theories point to the importance of norms of reciprocity, reputation and trust, where individual action is at least partly influenced by expectations about how other individuals will act (Aumann and Dreze 2005; Fehr and Fischbacher 2005; Gintis et al. 2005; Medina 2007; Ostrom 1998; Sen 1967).

However, expecting that fellow citizens will engage against corruption, can potentially influence individual action in at least two dramatically divergent ways: it can either promote engagement, and thereby contribute to avoid suboptimal outcomes, or undermine engagement and lead to ‘free riding’ on other citizens efforts. Person, Rothstein and Teorell (2013) suggest that citizens that expect most fellow citizens, including monitoring devises and punishment regimes, to be corrupt will be more willing to participate in corrupt transaction and less willing to engage against corruption. This explains why it may be very difficult to find the highly ”principled principals” that would engage in anticorruption efforts in contexts where corruption is deeply entrenched and citizens expect institutions such as the media,

ombudsmen and the judicial system to also be involved in corruption. Citizens that expect most fellow citizens to be corrupt would avoid being the "sucker" that engages in anticorruption efforts, often at high personal costs, when the prospects of success are bleak (Della Porta and Vanucci 1999; Levi 1988; Rothstein 2005; Rothstein 2011; Falaschetti and Miller 2001; Hardin 1971; 1982; Olson 1965). This, in turn can explain the difficulties of implementing anticorruption reforms in deeply corrupt contexts (Miller et al. 2001, Rasma Karklins 2005; Miller 2006; Collier 2000; Mungiu Pippidi 2006), since there will simply be no one around willing to implement them (Person et al. 2013).

However expecting that citizens can effectively engage against corruption does not necessarily increase the willingness to engage. In fact, the basic "free rider" logic suggest that citizens that expect that other citizen's will contribute to the provision of collective goods may also conclude that their own engagement is less needed. However, despite a large body of studies on the conditions under which citizens become "potential co-operators" (or potential defectors for that matter) we know less about "why some contextual variables enhance cooperation while others discourage it" (Ostrom 2014:248). In particular, while substantial progress has been made to explain how the "structure of the game" (such as the allocation of benefits, the authorization of sanctioning mechanism and allowing communication) influences cooperation (ref to experimental studies) we know less about the conditions under which expectations on fellow citizens contributions influence cooperation. Therefore, while there is substantial support for the idea that "those who believe that others will cooperate in social dilemmas are more willing to cooperate" (Ostrom 2014: 237) and that citizens consent is contingent upon that they "believe other citizens behave fairly towards them" (Levi 1997) this finding may be conditional upon contextual factors such as the time horizon of the benefits of engagement and the level of transparency.

The two forms of corruption investigated here- need and greed corruption- generally differ in the time horizon of negative effects and their level of transparency, and thereby in how they influence civic engagement. Furthermore, while both forms of corruption may involve citizens that understand the long-term collective benefits of a corruption free society, they may by implication involve different forms of citizens. Potentially, need corruption may tend to involve what Ostrom (2014) and others term "conditional cooperators" and greed corruption a larger share of "rational egoists". Thus, even if citizens involved in greed corruption may very well perceive that greed corruption is morally wrong and realize the great collective benefits of non-corrupt systems, status quo can still be perceived as rather beneficial, since a more impartial system would likely limit their opportunities of receiving special advantages. Therefore expecting that fellow citizens can effectively fight corruption

may be seen as a threat to this beneficial status quo, and further undermine engagement. In other words, a non-corrupt system could be expected to treat citizens “impartially” (Rothstein & Teorell 2009), or according to principles of “universalism” (Mungiu-Pippidi 2006). Clearly, however, those involved in need corruption benefit more from impartial treatment than those involved in greed corruption, at least in the short term.

Therefore, reciprocity may promote collective action against need corruption, but fail to promote engagement against greed corruption. This clearly limits the extent to which reciprocity may contribute to facilitate collective action against corruption and also has implications for the extent to which democratic reforms with the purpose of enhancing democratic accountability contribute to reduce corruption. In particular the extent to which democratic reforms may contribute towards reducing corruption may critically depend on the balance between different forms of corruption in any particular society. Collective action theory does not necessarily predict a linear relationship between how much citizens expect that other people will engage and the willingness to engage in collective efforts. Instead, citizens may ask “what is the point of engaging if everyone else does so?” and elect to free ride on other citizens efforts. The free rider logic thereby lead to a fundamentally different prediction about the effects of expecting that other people will engage: expectations about fellow citizens engagement further reduces rather than increases willingness to engage. In other words, there are at least two potential reasons why citizens involved in greed corruption may not engage in anticorruption efforts in particular if, or potentially even because, they perceive that fellow citizens will engage against corruption: that they benefit from status quo and that fellow citizens engagement offer opportunities for free riding on other peoples efforts. This leads to our third and final hypothesis.

H3. Expectations about fellow citizens’ engagement strengthens citizen engagement against corruption in need corruption settings, but further weakens it in greed corruption settings

Taken together, this suggests that greed corruption has lower prospects of contributing to collective action against corruption, and leads to resignation and disengagement. Need corruption can, however, promote collective action against corruption. In the following I make a modest attempt to investigate these relationship empirically.

Data and Measurements

To analyze the influence of need and greed corruption on conditions for collective action I use data from the Transparency International Global Corruption Barometer 2013. The advantage

of this dataset is its global reach and that it is, to my knowledge, the first dataset that both include questions about different motivations for engaging in corruption and various measures of civic engagement. The drawback of this data, apart from the difficulties involved in capturing complex phenomena in survey questions, is that the data set is cross-sectional, and causal claims thereby have to be treated with caution.

The two main independent variables in this study are need and greed corruption. The measure of these forms of corruption are derived from the question “What are the most common reason for paying the bribe/bribes?” where those that answered “It was the only way to obtain a service” were categorized as need bribers while those that answered “to obtain a cheaper service” were categorized as greed bribers. Given the difficulties involved in all attempt to measures complex societal phenomena, and perhaps especially so in surveys that attempt to ask about morally sensitive topics such as corruption, these measures capture this distinction relatively well. There are a couple of limitations to the measurement of the independent variables, however. First of all these measurements do not capture all forms of need and greed corruption, but only the ones where bribes are paid in exchange for public service delivery (i.e. the supply side of bribes). However, the advantage with a comparison between measurements of these two forms of corruption becomes more comparable. Second, we cannot completely rule out that some participants answer, “it was the only way to receive a service “ even though they used corruption to receive a service that they did not perceive themselves to be entitled to. This may be unlikely, but not impossible. Furthermore, and related to the previous point, perceptions of what it is to be treated fairly or to receive a service entitled to may not always correspond to the services citizens would received if law were implemented impartially. In other words, it is possible that citizens perceive that they are entitled to a service that they are in fact not entitled to. This raises the question of to what extent inflated expectations of what the government can and should do, as well as the quality of the policies implemented, that drive the propensity of citizens to perceive that they engage in corruption out of need. In other words, while the distinction between need and greed corruption departs from whether corruption is used to uphold the basic norm that “the exercise of power should be in accordance with the enacted laws and polices and that they apply equally to “all,” as stated in the two principles of *political equality* and *equality before the law*.”(Rothstein and Teorell 2008: 175) or not, there is clearly a differences between the “rule of law” and the “rule of good laws” or laws that guarantee basic human rights. However, for our purposes here, citizens *perceptions* of the reason for engaging in corruption are interesting in their own right, since we can expect that perceptions also drive the willingness to fight corruption. The operationalization of need and greed corruption in this paper also suggests that citizens that use corruption to get access to a cheaper service use

corruption to receive a special advantage, since the service could be accessed without resorting to corruption.⁹

The data shows that there are clear differences in the level of need and greed corruption between different countries in our sample. The two dependent variables used in this study are civic engagement and institutional trust. The measure of civic engagement is derived from an index (alpha.77) using participants' answer to the question "There are many different things people could do in the fight against corruption and I am now going to ask whether you would be willing to do any of the following", and participants are subsequently asked to rate whether or not they would sign a petition, take part in peaceful protests/demonstrations, join an organization, pay more for corruption free goods, spread the word in social media and report an incidence of corruption. The second dependent variable Institutional trust, uses the following question "How effective do you think your government's actions are in the fight against corruption?". This measure provides a specific proxy for the kind of institutional trust that the two forms of corruption may influence. Oftentimes, studies on institutional trust uses very general and aggregate measures such as stated general confidence in the government, justice system or civil service (such as the questions used in the World Value survey). The measure of institutional trust used in this study more directly captures the type of confidence that has implications for civic engagement against corruption. Higher values indicate more civic engagement and more trust.

Finally, the interaction term between civic engagement and social expectations uses participants' level of agreement with the statement "ordinary people can make a difference in the fight against corruption". This statement measures interpersonal trust with a level of specificity that may have direct relevance for understanding the relationship between forms of corruption and civic engagement.

Individual and country control variables

The analysis also includes a number of control variables, both demographic and contextual, commonly understood as being associated with the dependent variables. The demographic control variables included are gender, age, education and income. As contextual control variables, I use measures of real GDP/capita from the Gleditsch expanded trade and GDP data

⁹ Some citizens may however, encounter civil servants that for instance raises the fee beyond the official level and asks for a bribe in order to allow citizens to pay the normal fee. While this possibility may introduce noise into the measurement of greed corruption, paying the unofficial raised fee would also be considered a bribe and many respondent faced with this situation may therefore respond that paying a bribe was "the only way" to receive the service.

and measures of democracy from the Freedom House/Polity (IV) data. In this dataset, average scores on indicators of political rights, civil liberties, and polity are transformed to a scale from 0-10, where 10 means more democratic. To measure inequality, I use the UNDP Gini coefficient that measures the extent to which the distribution of income (or consumption) among individuals or households within a country deviates from a perfectly equal distribution, ranging from perfect equality (0) to perfect inequality (100). The data was accessed through Teorell J, Samanni M, Holmberg S and Rothstein B. 2011. "The Quality of Government Dataset, version 6Apr11." <http://www.qog.pol.gu.se>. Appendix 1 contains additional information about these variables.

While the data used in this study is cross-sectional, I also exploit its clustered nature, arising from individuals being drawn from different countries. The findings are reported using multilevel mixed models but findings are robust to several different estimation techniques and control variables. Using, for instance, ordered logistic regression with cluster robust standard errors or generalized ordered model somewhat alters the size of the coefficients but not the main results.

The models estimated are thus:

$$\text{Depvar}_{ij} = a_{ij} + B_1 (\text{need/greed corruption}_{ij}) + B_N (\text{Individual controls}_{ij}) + B_Z (\text{country controls}_j) + e_{ij} + v_j$$

Results

This paper suggests that different forms of corruption produce different conditions for collective action. Table 1 shows the effects of the independent variables (need and greed corruption) on institutional trust (i.e. H1).

Table one about here**

Model 1 and 2 shows the bivariate association between these forms of corruption and institutional trust, and suggest that need and greed corruptions have very different effects on institutional trust. Model 3-6 adds a number of control variables to this analysis that the extant literature suggest are important explanations to institutional trust. Model 3-4 adds demographic controls (gender, education and income), while model 5-6 also include contextual controls (democracy, real GDP/capita and Inequality). These model show that the results hold even when a number of important control variables are added to the model. The effect is somewhat weakened but the divergent effects of need and greed corruption are still

important. Model 5 shows the effects of need corruption on institutional trust. We find that need corruption decreases the odds of respondents expressing institutional trust by 25% and that this result is significant at the 99%-level of confidence. In addition, we find that the standard deviation among country-wide variation is significant at the 95% level. The results of Model (1) are thereby consistent with the established, negative association between corruption and institutional trust found elsewhere in the literature (see e.g. Andersson and Tverdova 2003). In addition, we find that education has a negative influence on institutional trust, while both income and inequality has a positive effect on institutional trust. The odds of a highly educated person expressing institutional trust are, for example, 7% lower than a less educated person.

Model 6 shows that there is a significant association between greed corruption and institutional trust. However, in stark contrast to the conventional results found in research on the corruption-trust nexus, greed corruption is associated with somewhat *higher* institutional trust. Greed corruption *increases* the odds of respondents expressing institutional trust by 25%. This result is also significant at the 99% level of confidence. Again, the standard deviation among country-wide variation is significant at the 95% level of confidence. In other words, while the corruption and trust literature typically finds that corruption is negatively related to institutional trust, Model 6 shows that this relationship does not hold for all types of corruption, and thereby lends support for H1. Greed corruption makes people perceive that the government is effective in the fight against corruption, while need corruption has the opposite effect. However, whether different forms of corruption leads to engagement or disengagement very much depends on not only how it influences institutional trust but also the willingness to engage against corruption. Thus if need corruption leads to reduced institutional trust in terms of perceived government effectiveness in dealing with the specific problem of corruption *and* civic engagement we can expect that this is an expression of discontent with the current state of affairs, and that these shifts are conducive to collective action. Table 2 shows the influence of need and greed corruption on the willingness to engage in the fight against corruption (H2).

****table two about here****

The results in table 2 lend support to H2. Models (1) show the association between need corruption and civic engagement against corruption, including only the measure of need corruption and standard demographic controls. The results show that need corruption increases civic engagement against corruption. Furthermore, the models show that while both

education and income has a positive effect on civic engagement, women and older people are less likely to engage in the fight against corruption.

Models 2 and 3 show that these results are robust to several different control variables added. Need corruption has a positive influence on civic engagement against corruption even when adding key contextual variables: level of democracy, real GDP/capita and measures of inequality. Model 3 shows that the results are also robust to important attitudinal variables, institutional trust and perceptions of the extent to which corruption is an important societal problem. These models provide further support for the positive effect of need corruption on civic engagement. They also show that democracy and inequality have a positive effect on civic engagement against corruption, while the inclusion of contextual variables reduces the effect of income on civic engagement. Furthermore, people who have higher levels of institutional trust and who perceive corruption as a problem are more likely to engage against corruption.

By contrast, Models 5 and 7 show that greed corruption has a clear negative influence on civic engagement against corruption. This effect is robust to demographic, contextual and attitudinal controls. Thus, while need corruption leads to indignation and civic engagement, greed leads to disengagement and a reduced willingness to fight corruption. Furthermore, these models show that females and older people are less likely to engage against corruption, all else equal, while education, democracy and inequality contributes towards an increased civic engagement against corruption. The level of economic development, measured as real GDP/capita, has no effects on civic engagement.¹⁰ There a

Our results so far suggest that need corruption seem conducive to civic engagement (i.e need corruption both decreases trust in institutions and increases the willingness to engage in the fight against corruption), while greed corruption instead, leads to disengagement (maintained or increased institutional trust and reduces the willingness to engage in the fight against corruption).

What may be driving these divergent effects of need and greed corruption on civic engagement? In the logic of collective action citizens engagement may be influenced by expectations about fellow citizens engagement. Model 4 and 8 shows how need and greed corruption interacts with interpersonal trust, and more specifically expectations about the effectiveness of fellow citizens engagement. As outlined in the theoretical section collective action theory suggests that expectations about fellow citizens engagement can have two dramatically different effects: it can either lead to an increased engagement, because without a broad engagement individual efforts tend to fail. Alternatively it can lead to individualism

¹⁰ It is also important to note that the civic engagement index also contains of measures of the willingness spread the word in social media and report an incidence of corruption

and free riding; citizens that perceive a corruption free society as a public good may choose to benefit from others people efforts without taking the risks of engagement. H3 suggest that the effect of expectations depend on the form of corruption, i.e. that expectations about fellow citizen engagement have divergent effects in need as oppose to greed contexts.

Model 4 and 8 lend support for H3. They show that the positive effect of need corruption on civic engagement is strengthened among citizens with high levels of interpersonal trust: i.e. individuals who believe that fellow citizens can make a difference in the fight against corruption. By contrast, the effect of greed corruption on civic engagement is further weakened when citizens experience high levels of interpersonal trust. Figures one and two illustrate this effect.

****figure one about here*****

figure two about here**

Interpersonal trust may thereby condition the effects of corruption on civic engagement very differently depending on the type of corruption. While interpersonal trust and in particular expectations about fellow citizens' effectiveness in the fight against corruption clearly strengthen the positive effect of need corruption on civic engagement, it further weakens this effect in a greed corruption setting.

Conclusion

While enhancing democratic accountability is often seen as one of the most promising means to contain corruption (Johnston 2014), the effectiveness of these reforms may critically depend upon citizen willingness to engage in the fight against corruption. This paper suggests however, that far from all forms of corruption elicits public responses and willingness to engage against venality: while 'need' corruption increase citizen engagement in the fight against corruption, 'greed' corruption may instead undermine civic engagement.

The result of the analysis above raises questions about some of the fundamental conditions for citizens' engagement in the fight against corruption. If some forms of corruption promotes engagement and a willingness to fight corruption while others forms do not, this has important implications for the extent to which institutional reforms aimed at facilitating accountability, such as stronger democratization, ombudsmen, whistleblower hotlines, or citizen report cards can reduce corruption. The study point at three potentially important differences between need and greed corruption that may explain why the former may be more conducive to collective action: *time lag*, *transparency*, and

reciprocity. Whereas greed corruption has severe erosive effects on economic and democratic institutions these effects tend to occur with a substantial time lag, and the negative effects of greed corruption is consequently not necessarily directly experienced nor widely understood. Furthermore, greed corruption is often beneficial for both parties involved and may thereby remain secret for extended time periods, since none of the involved parties stand to gain from exposure. Finally, reciprocity or citizens expectations about fellow citizens engagement in the fight against corruption, tends to lead to ‘free riding’ rather than cooperation among those involved in greed corruption.

The study thereby seeks to contribute towards explaining why studies reach conflicting conclusions about the influence of corruption on citizens’ engagement (Stockemer 2013; Stockemer et al. 2013; Kostadinova 2009; Birch, 2010; Chong et al., 2012). Furthermore, the study also seeks to understand the conditions under which reciprocity, or expectations that fellow citizens will engage against corruption, influences collective action. While empirical studies tend to show that expecting that fellow citizens will contribute towards the solution to common problems facilitates collective action (Ostrom 2014:237) this effect may be contingent upon that these individuals are committed to collective benefits in the first place, i.e. that they are “conditional co-operators” (ibid; cf. Levi 1997). In particular, expecting that fellow citizens will engage also offer opportunities to free ride on other citizens efforts, a response that may be more common among those involved in greed rather than need corruption. Therefore, reciprocity may promote collective action against need corruption, but fail to promote engagement against greed corruption. This clearly limits the extent to which reciprocity may contribute to facilitate collective action against corruption and also has implications for the extent to which democratic accountability reforms can reduce corruption. In particular the extent to which democratic accountability reforms may contribute towards reducing corruption may depend on the balance between ‘need’ and ‘greed’ corruption in any particular society

The results presented in this study are robust to several different control variables added and model specifications. It is, however, important to bear in mind the limitations of a study of this kind. Although findings build on survey data of around 15000 individuals in over 70 countries, the data is cross sectional, which limits any claims of causality. Furthermore, the analysis attempts to capture complex concepts and theories with simple measurements and the analysis should therefore be seen as a first attempt to illustrate these relationships. Future research would benefit from developing more comprehensive and better measurements of different forms of corruption and submit them to more rigorous investigation, using a greater variety of both methods and time frames for the study. The results suggest, however, that distinguishing between different forms of corruption facilitate the development of a more nuanced understanding of how collective action theory help explain anticorruption efforts, as

well as a better understanding of how the balance between different forms of corruption may influence the effectiveness of democratic reforms.

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Table one. The influence of need and greed corruption on institutional trust

	(1)	(2)	(3)	(4)	(5)	(6)
	Inst. trust					
Fixed effects						
Need corruption	0.72*** [0.67,0.78]		0.71*** [0.65,0.77]		0.75*** [0.68,0.82]	
Greed corruption		1.21*** [1.10,1.34]		1.25*** [1.12,1.38]		1.25*** [1.11,1.41]
Gender			1.08* [1.00,1.16]	1.08* [1.01,1.16]	1.07§ [0.99,1.16]	1.07§ [0.99,1.16]
Age			1.00 [1.00,1.00]	1.00 [1.00,1.00]	1.00 [1.00,1.00]	1.00 [1.00,1.00]
Education			0.93** [0.88,0.97]	0.93** [0.89,0.97]	0.93** [0.88,0.98]	0.93** [0.88,0.98]
Income			1.05** [1.01,1.09]	1.06** [1.02,1.09]	1.06** [1.02,1.10]	1.07** [1.02,1.11]
Democracy					0.94 [0.86,1.02]	0.94 [0.87,1.03]
Real GDP/capita					1.00 [1.00,1.00]	1.00 [1.00,1.00]
Inequality (gini)					1.03** [1.01,1.05]	1.03** [1.01,1.05]
Random part						
Individuals	0.19***	0.17***	0.19***	0.17***	0.09***	0.08***
Countries	0.88	0.88	0.80*	0.81*	0.73**	0.73**
Log likelihood	-11231.79	-11259.66	-9896.72	-9920.54	-8224.63	-8237.41
N individuals	25508.00	25508.00	22884.00	22884.00	18559.00	18559.00

(note: odds ratios reported from multilevel logit models. Exponentiated coefficients; 95% confidence intervals in brackets)

□ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table two. The influence of need and greed corruption on civic engagement

	(1) Civic eng.	(2) Civic eng.	(3) Civic eng.	(4) Civic eng.	(5) Civic eng.	(6) Civic eng.	(7) Civic eng.	(8) Civic eng.
Fixed effects								
Need corruption	0.011*** (0.004)	0.011** (0.005)	0.012*** (0.005)	-0.022* (0.013)				
Greed corruption					-0.047*** (0.006)	-0.018*** (0.006)	-0.018*** (0.006)	0.045** (0.018)
<i>Demographic controls</i>								
Gender	-0.016*** (0.004)	-0.015*** (0.004)	-0.014*** (0.004)	-0.014*** (0.004)	-0.016*** (0.004)	-0.015*** (0.004)	-0.013*** (0.004)	-0.014*** (0.004)
Age	-0.001*** (0.000)	-0.002*** (0.000)						
Education	0.033*** (0.002)	0.031*** (0.003)	0.030*** (0.003)	0.026*** (0.003)	0.033*** (0.002)	0.031*** (0.003)	0.030*** (0.003)	0.026*** (0.003)
Income	0.007*** (0.002)	0.002 (0.002)	0.002 (0.002)	0.003 (0.002)	0.006*** (0.002)	0.002 (0.002)	0.002 (0.002)	0.002 (0.002)
<i>Contextual controls</i>								
Democracy		0.012* (0.007)	0.012* (0.006)	0.010* (0.006)		0.011* (0.007)	0.011* (0.006)	0.010* (0.006)
Real GDP/capita		-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)		-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
Inequality(gini)		0.008*** (0.002)	0.007*** (0.002)	0.006*** (0.001)		0.008*** (0.002)	0.007*** (0.002)	0.007*** (0.001)
<i>Attitudinal controls</i>								
Experienced problem			0.028*** (0.010)	0.026*** (0.010)			0.028*** (0.010)	0.026*** (0.010)
Institutional trust			0.038*** (0.006)	0.023*** (0.006)			0.038*** (0.006)	0.023*** (0.006)
Interpersonal trust				0.055*** (0.003)				0.062*** (0.002)
<i>Interactions</i>								
Need* interpersonal trust				0.014*** (0.004)				
Greed* interpersonal trust								-0.024*** (0.006)
_cons	0.465*** (0.020)	0.118 (0.075)	0.097 (0.074)	0.016 (0.069)	0.477*** (0.020)	0.125* (0.075)	0.103 (0.074)	0.004 (0.069)
Random part								
Country	.142***	.112***	.110***	.102***	.142***	.113**	.111**	.102***
Individual	.255***	.250***	.249***	.243***	.255***	.250**	.249***	.243***
N individuals	19032	15279	14836	14517	19032	15279	14836	14517
N country	85	71	71	71	85	71	71	71
Log likelihood	-1181.503	-626.767	-	-	-	-	-	-
			554.6704 3	142.1977 2	1149.06 5	625.61691	554.16672	142.12979

p-values reported, Standard errors in parentheses
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Figure one. Marginal effect of need corruption on civic engagement among citizens with different levels of interpersonal trust (with 95% confidence intervals)

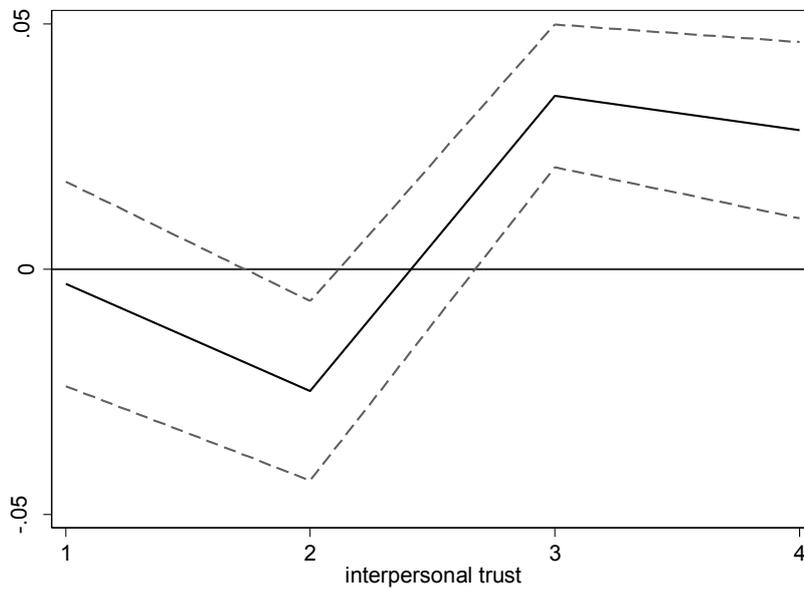
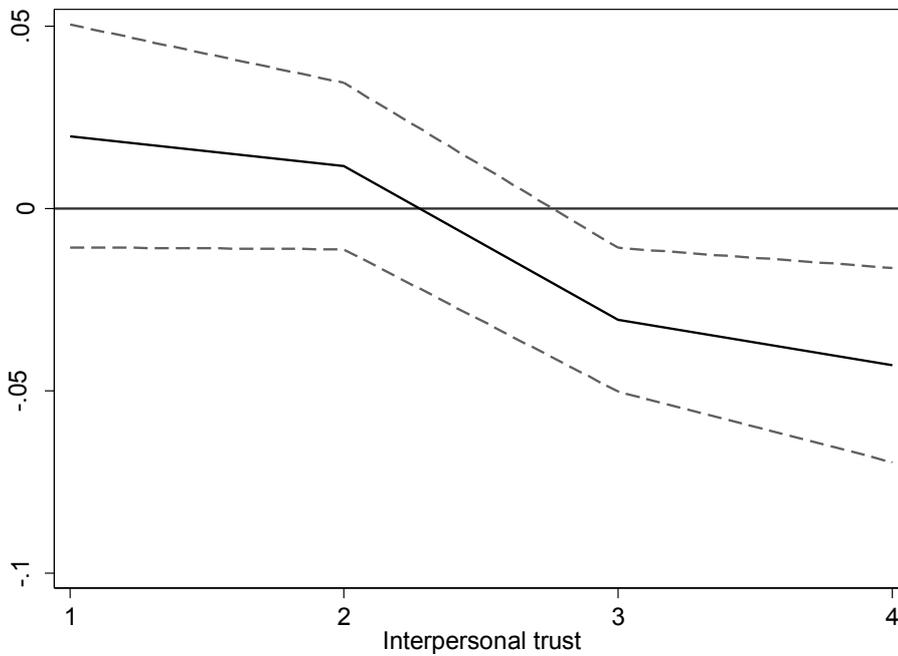


Figure two. Marginal effect of greed corruption on civic engagement among citizens with different levels of interpersonal trust (with 95% confidence intervals)



Appendix

Table A1. Countries included in the analysis

Algeria	Greece	New Zealand	Turkey
Argentina	Hungary	Nigeria	Uganda
Armenia	India	Norway	Ukraine
Australia	Indonesia	Pakistan	United Kingdom
Belgium	Israel	Papua New Guinea	United States
Bolivia	Italy	Paraguay	Uruguay
Bosnia and Herzegovina	Jamaica	Peru	Venezuela
Bulgaria	Japan	Philippines	Vietnam
Cambodia	Kazakhstan	Portugal	Yemen
Cameroon	Korea, South	Romania	Zimbabwe
Canada	Kyrgyzstan	Senegal	
Chile	Latvia	Sierra Leone	
Croatia	Lithuania	Slovakia	
Czech Republic	Macedonia	Slovenia	
Denmark	Madagascar	South Africa	
Egypt	Mexico	Sri Lanka	
Estonia	Moldova	Switzerland	
Ethiopia	Mongolia	Tanzania	
Georgia	Morocco	Thailand	
Ghana	Nepal	Tunisia	

Table A2. Summary of variables used

Variable	Obs	Mean	Std. Dev.	Min	Max
Civic eng	15279	.5258104	.2882163	0	.8571429
Inst. trust	14977	.1868866	.3898335	0	1
Interper. trust	14916	2.690198	.9936914	1	4
Need	15279	.2845081	.4511946	0	1
Greed	15279	.1229793	.3284241	0	1
Gender	15279	1.444924	.4969737	1	2
Age	15279	35.62216	13.26236	14	87
Education	15279	3.050985	.8656014	1	5
Income	15279	2.695661	1.090811	1	5
Democracy	15279	5.814307	2.619113	1.166667	10
Real GDP/c	15279	4290.647	4434.839	561.57	34286.24
Ineq. (gini)	15279	40.28362	9.634797	24.4	62.9