

INFORMAL INSTITUTIONS AND ELITE CORRUPTION IN YOUNG DEMOCRACIES

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ABSTRACT

MICHELLE SMOLER: Informal Institutions and Elite Corruption in Young Democracies
(Under the direction of Milada Vachudova.)

Over the last century the world has seen several waves of democratization in the developing world. Despite expectations, the quality of these democracies has in many cases disappointed citizens and political onlookers alike. Rather than resulting in accountable and responsive governance, many countries still report high levels of corruption, lowering voters' trust and satisfaction with democracy. Research has sought to explain why democratic success or backsliding varies across countries, but has focused largely on formal institutions and their ability to constrain behavior, neglecting the role of informal rules and norms in influencing elite corruption in the long term. I argue that the quality of democratic governance following transition depends on the legacy of authoritarian-era informal institutions. When ex-authoritarian elites assume positions of power under democracy, they reproduce the informal rules and norms that structured their past behavior. To the extent that these rules and norms support democracy, elites will pursue accountable governing practices. More often, however, authoritarian-era informal institutions are incompatible with democratic principles and will encourage elites to engage in corrupt, non-accountable behavior. I test my argument using a cross-sectional time series, focusing on young democracies in Europe, Latin America, and Africa. I find that informal institutions are an essential component in explaining quality of governance in young democracies.

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INTRODUCTION

Over the last century the world has seen several waves of democratization in the developing world. Despite expectations, the quality of these democracies has in many cases disappointed citizens and political onlookers alike. Rather than resulting in accountable and responsive governance, many countries still report high levels of corruption, lowering voters' trust and satisfaction with democracy. Research has sought to explain why democratic success or backsliding varies across countries, but has focused largely on formal institutions and their ability to constrain behavior, neglecting the role of informal rules and norms in influencing elite corruption in the long term.

Scholars expected that the introduction of democracy to a regime would raise quality of governance while lowering levels of corruption. Formal institutions such as elections and party systems create incentives for accountable governance. Recent evidence has shown, however, that while popular pressures and formal institutional constraints can, at their best, serve as effective checks on the abuse of power, they do not eliminate opportunities for elites to pursue narrower interests. The question of if and when elites take advantage of these opportunities requires a broader consideration of the factors that influence elite decision-making. In conjunction with written rules and laws, informal institutions build a foundation of common expectations among elites. If informal institutions encourage elites to pursue their goals outside the public eye in ways that limit the redistribution of rents or enable extraction of state resources for private gain, elites may choose to violate democratic rules and engage in non-accountable, corrupt behavior.

Young democracies are a unique case — regime transition presents an opportunity for institutional development and the restructuring of rules and norms to support

democracy. Democratic transitions may be precipitated internally or externally, but they are generally accompanied by an elite interest in reorienting institutions toward democratic principles and formalizing political activity so that it may be monitored and submitted to public scrutiny. Even so, corruption often remains central to elite interactions: why? Although transitions often result in radical institutional change, they do not constitute *tabula rasa* for these countries — the authoritarian past prevails. In this paper, I argue that the reproduction of authoritarian-era political elites through democratic transition results in the reproduction of authoritarian-era informal institutions, which both undermine the legitimacy of democracy's accountability mechanisms and provide alternative incentives for elites to engage in corruption and generally non-accountable behavior.

Existing scholarship on authoritarian legacies shows that the reproduction of authoritarian-era elites can have many effects on democratic consolidation; however most focus on how allowing incumbent elites to participate in constitutional design and institutional development influences what kind of formal institutions emerge after transition. Corruption is often seen as an outcome of these institutional legacies, but corruption may also be a result of elite reproduction itself. Informal institutions survive only with ongoing recognition — if democratic institutions are not strong enough to hold elites accountable and/or provide effective “by the book” avenues for achieving political objectives, such elites are likely to continue practicing politics in line with well-known and mutually understood norms and expectations from the authoritarian regime. Corruption in young democracies results, in part, from informal institutions remaining active but unchanged due to the treatment of ex-authoritarian elites during transition.

I contribute to the literature on corruption by providing a more comprehensive picture of the institutional environment that shapes elite decision-making following democratic transition. While informal institutions are prominent in discussions of elite behavior, we have yet to see informal rules and norms integrated into theories of democratic

consolidation and quality of governance. The incorporation of informal rules and norms is a necessary extension to discussions of democratization and corruption. Democratic transitions are critical moments for institutional change — by focusing on formal institutional development, we only have half the story. In addition to theoretical contributions, this study provides a unique quantitative application of informal rules and norms that illustrates their interaction with formal institutions on a broad scale.

In Section 2 of this paper, I will explore corruption, its causes, and relationship to democracy. In Section 3, I will discuss institutional legacies of authoritarianism and the role of elite reproduction in shaping democratic trajectories. I will then present a theory of elite corruption in young democracies based on the reproduction of informal authoritarian-era institutions. I establish expectations regarding which unwritten rules and norms are incompatible with democratic accountability mechanisms, and how these formal and informal institutions interact to shape patterns of elite corruption. In Section 4, I introduce quantified indicators for the variables of interest. In Section 5, I test my hypotheses using two cross-sectional time series regression models. I then review the statistical results of the models, and evaluate my hypotheses regarding the reproduction of authoritarian-era informal institutions and their impact on corruption in young democracies. I show that the informal institutions that emerge under democracy are an outcome of informal institutions from the authoritarian period. I also find that quality of these informal institutions shapes patterns of elite corruption in the years following democratic transition. In Section 6, I conduct robustness tests, confirming and corroborating my findings.

DEMOCRACY AND CORRUPTION

Political institutions and social checks shape quality of governance and patterns of corruption by promoting or hindering accountability. Accountability refers to constraints on the government's use of political power, and involves external mechanisms for the monitoring and oversight of elite activities as well as the imposition of sanctions for undesirable behavior (Schedler 1999; Lührmann et al. 2017). Three types of accountability are commonly discussed: vertical, horizontal, and diagonal. Vertical accountability reflects citizens' ability to monitor and shape elite decision-making through active participation in elections and political parties. Horizontal accountability describes the relationship among government institutions and the extent to which they are able to monitor and constrain each other's activities. Diagonal accountability, a newer concept, deals with the "oversight function of non-state actors such as media and civil society" (Lührmann et al. 2017)

Historically, scholars argued that the transition from authoritarianism to democracy would produce better quality governance and, therefore, less corruption, due to the adoption of institutions designed to hold leaders accountable. Democratic mechanisms of vertical accountability such as political competition associated with free and fair elections should discourage corruption, because politicians are subject to the voters' will and can be replaced should they engage in illicit behavior. Democratic institutions should also discourage corruption through horizontal mechanisms of accountability by monitoring elite practices and exacting sanctions for corrupt behavior. Furthermore, a free and independent media can monitor and constrain elite practices by exposing corrupt behavior to the public. Given these expectations, scholars predicted that any amount of democracy would decrease corruption and increase quality of governance.

The relationship between democracy and corruption, however, is not so simple or linear. Empirically, we often find that democracy and poor quality governance go hand-in-hand (Holmberg, Rothstein and Nasiritousi 2009). In particular, countries that have recently undergone democratic transition tend to experience higher levels of corruption than under authoritarian rule.

Recent research shows that democracy in and of itself does not ensure good quality governance; rather, for democracy to reduce corruption, political institutions and mechanisms of accountability must be enforceable. McMann et al. (2017) find a curvilinear relationship between democracy and corruption that depends on the strength of vertical accountability mechanisms — the level of basic civil liberties such as freedom of expression and freedom of association, in conjunction with free and fair elections — as well as horizontal accountability mechanisms in the form of effective judicial constraints on the executive. In line with these findings, Bäck (2008) similarly argues that the state's administrative capacity shapes the extent to which democratic institutions are enforceable and therefore effective in constraining corruption. Young democracies in particular are prone to higher levels of corruption because when authoritarian regimes transition to democracy, the restructuring of political and social institutions weakens the state's ability to monitor corruption; at the same time, democratic institutions are too weak for citizens to monitor and constrain corruption effectively from below. Pellegata (2009) also finds that quality of governance in democracies depends on the country's level and cumulative length of time exposed to democracy — younger democracies tend to experience more corruption compared to older democracies where democratic institutions are entrenched and thus capable of holding elites accountable. Overall, findings show that democratic mechanisms of accountability only promote good quality governance and mitigate corruption when elites expect to be sanctioned for violating institutional rules and norms of democracy.

However, formal democratic institutions are not the only rules of the game. A de-

veloping literature on informal institutions shows that unwritten rules and norms play an important role in shaping elite decision-making and quality of governance. Helmke (2004) define informal institutions as “socially shared rules, usually unwritten, that are created, communicated, and enforced outside of officially sanctioned channels” (728). O’Donnell (2006) describes informal institutions as *common knowledge*, such that interactions occur among elites with mutually understood and shared expectations, and deviation or failure to adhere to the rules incurs some form of punishment. Even if these rules are impenetrably opaque to outsiders, they are clear to relevant actors. O’Donnell also discusses how elites may shift between formal and informal rules depending on contexts, in one breath adhering to official constraints on political activity, and in another, perhaps, engaging in corruption. Given the importance of informal institutions in shaping elite behavior, it is essential that we consider their role in promoting or hindering corruption.

Informal institutions shape elite behavior in different ways depending on how compatible they are with formal institutional goals, and how strong they are relative to formal institutions (Helmke 2004; Grzymala-Busse 2010). Informal institutions that are compatible with democratic outcomes will support accountable political practices whereas informal institutions incompatible with democratic outcomes will undermine mechanisms of accountability and reinforce corrupt behavior. Chile’s executive-legislative power-sharing mechanism is an example of an informal institution compatible with democratic outcomes — political actors developed informal mechanisms to incentivize multi-party cooperation despite a constitution that designates substantial power to the executive (Helmke 2004).

On the other hand, informal institutions such as predation and patrimonialism tend to be incompatible with democratic outcomes and incentivize corrupt behavior. Predation is the political practice of extracting state resources without targeting or delivering goods to citizens, and without tolerating opposition. Patrimonialism is defined as “a

system of government administration in which management personnel are responsible only to the political leadership, and where government jobs are treated as income producing personal assets” (Brinkerhoff 2002; Bratton 1997). Predatory and patrimonial rules and norms are widespread in the developing world, such as Latin America, sub-Saharan Africa and the former Soviet Union, where informal practices regularly outweigh formal laws and constraints in structuring political behavior (Gel’man 2012; Helmke 2006; Bratton 2007). They undermine mechanisms of democratic accountability such as political participation and competition, rule of law, and cross-institutional checks on elite behavior. At the same time, they support an environment where corruption is itself informally institutionalized; Darden (2008) shows that state leaders often authorize corruption as informal payment in exchange for politicians’ compliance. For example, norms of corruption in post-war Italy were so powerful that actors were more likely to expect punishment for challenging “the conventions of the illicit market” than for violating formal state law (Helmke 2004). Given the prevalence of informal rules and norms that are largely incompatible with democratic principles of accountability, and in practice hinder the effectiveness of democratic institutions in constraining elite behavior, we must consider them a key component in understanding patterns of elite corruption under democracy.

In addition to compatibility, formal institutional strength influences the extent to which informal institutions play a substantial role in elite decision-making. According to (Helmke 2004), if formal institutions of democracy are weak, compatible informal institutions may provide a useful substitute for formal mechanisms of accountability, while incompatible informal institutions likely subvert democracy leading to corruption and lower quality governance. For example, Taylor (1992) shows that in the absence of formal electoral incentive structures for constituent service behavior in Costa Rica, party leaders used patronage and career incentives to encourage elites to deliver pork and other excludable goods as a means to build voter support. Conversely, if formal democratic rules and norms are widespread and highly enforceable, incentives for ac-

countable governance will likely outweigh informal incentives to engage in corruption. Grzymala-Busse (2008) shows how in many cases democratic transition introduced rent distribution, political competition, and elections, encouraging elites to invest in democratic institutions that promote accountability, thereby raising the cost of extracting state resources for personal gain.

If we expect compatible informal institutions to support quality governance even when formal institutions of democracy are weak, and incompatible informal institutions to undermine quality governance to some extent even when formal institutions are strong, we can derive a set of preliminary hypotheses regarding elite corruption in democracies.

Preliminary hypothesis 1: When informal institutions are compatible with formal institutions of democracy:

- a. Weak formal institutions correspond to average levels of corruption (*H1a*).
- b. Strong formal institutions correspond to low levels of corruption (*H1b*).

Preliminary hypothesis 2: When informal institutions are incompatible with formal institutions of democracy:

- a. Weak formal institutions correspond to high levels of corruption (*H2a*).
- b. Strong formal institutions correspond to average levels of corruption (*H2b*).

Table 1: Preliminary hypotheses: levels of corruption

		formal democratic institutions	
		weak	strong
informal inst.	compatible	average (<i>H1a</i>)	low (<i>H1b</i>)
	incompatible	high (<i>H2a</i>)	average (<i>H2b</i>)

These hypotheses, however, only partially explain the story of corruption in post-transition democracies. Democratic transition tends to be a period characterized by

dramatic institutional change — a critical juncture of sorts — where entrenched institutions are destabilized and opportunities for establishing new institutional trajectories emerge (Capoccia 2007). In order to understand why some transitions support democratic consolidation and good quality governance while others falter, we must consider when and why incompatible informal institutions emerge. Transitions vary in the completeness of institutional transformation toward democracy — some are more successful in achieving a break from the past, while others are burdened with legacies of the authoritarian regime. While an extensive literature on authoritarian legacies exists, few consider the long-term effect of informal institutions on elite behavior. In the next section, I explore institutional legacies of authoritarianism in post-transition democracies. I then argue that the reproduction of authoritarian-era elites through democratic transition results in the reproduction of authoritarian-era informal institutions. Thus the extent to which authoritarian-era informal institutions support undemocratic behavior will influence the consolidation of democracy in terms of quality of governance and corruption.

AUTHORITARIAN LEGACIES AND ELITE REPRODUCTION

In this section, I discuss legacies of authoritarianism and how elite reproduction during democratic transition serves as a central mechanism for shaping institutional development, formal and informal.

The collapse of authoritarian rule and the adoption of democracy presents an opportunity for dramatic institutional change to occur, but complete democratic transformation requires a break from the past. Unfortunately, democratic transition is often marred by legacies of authoritarianism, which influence the trajectory of democratic development. For example, research shows that the continuation of authoritarian-era parties into democracy affects the quality of party system institutionalization and democratic competition (Roberts 1999; Ishiyama 2006). Costa Pinto (2006) finds that post-transition political culture in Portugal was largely a consequence of the authoritarian regime's institutional legacy. Hite (2004) cites a wide range of authoritarian institutional legacies including authoritarian laws, weak rule of law, a non-autonomous judiciary, and large public sectors under state control, each of which undermines democratic consolidation. Pop-Eleches (2013) find that the number of years an individual spent under communism is inversely related to their civic participation, such that those individuals who spent many years under communist rule, or who experienced communism in their formative years, were much less likely to engage in civic participation in the post-communist era.

The reproduction of authoritarian-era elites, too, has significant implications for a country's democratic trajectory. If transitions privilege ex-authoritarian elites, then their interests play a role in institutional design and implementation (O'Donnell et al. 1986). Scholars posit that when incumbent elites have significant involvement in institutional

design, democratic institutions will be adopted more slowly and less comprehensively. Research on post-communist transitions in Eastern Europe indicates that the absence of a strong political opposition at the time of transition resulted at times in incomplete consolidation of democratic institutions and practices (Vachudova 2005). Power (1996) argues that where elites' "experience and socialization [under authoritarianism] were largely characterized by clientelism and membership in marginal or quasi-fictional representative bodies" they are less committed to building effective representative institutions in the post-transition period, which diminishes the quality of the new democracy. He concludes that the reproduction of such authoritarian-era elites through democratic transition will likely undermine the quality of democratic institutions. Similarly, when a democratic transition privileges ex-authoritarian elites by granting them amnesty from transitional justice or involving them in constitutional design and institutional development, formal institutions are more likely to include loopholes, or ambiguities that reproduce elite exceptionalism and weaken mechanisms of democratic accountability (Stepan 1988; Agüero 1998). For example, the pacted transitions from military rule in Brazil produced lower quality governance because ex-authoritarian elites built "undemocratic military prerogatives" into the 1998 constitution (Zaverucha 1998).

Evidence shows that elite reproduction plays an important role in shaping the development of formal institutions during and after regime transition. I extend this argument to include informal rules and norms, which only survive with on-going recognition, and therefore depend on elite reproduction to continue into democracy. As Lauth (2000) states:

... informal institutions are based on auto-licensing (that is, self-enactment and subsequent self-assertion). Whilst the nature of formal institutions can be shaped and changed by actors with rule-making authority, this is not the case with informal institutions, as these develop, so to speak, indigenously. They do not possess a centre which directs and coordinates their actions. If their actual recognition lapses, so does their existence with it ...

When political elites from the authoritarian retain positions of power in democratic gov-

ernance, they return to the mutually understood and well-known practices that shaped their relationships with other political actors. As a result, informal institutions under democracy will be less compatible with democracy, and compete with formal democratic institutions in structuring elite behavior. When formal democratic institutions are weak, informal institutions will serve as the primary means for achieving political goals. To the extent that authoritarian-era institutions supported corruption, predation, patrimonialism, and other practices that permit or even incentivize elites to extract state resources for private gain, these institutions will continue to structure elite behavior under democracy, resulting in low levels of accountability and high levels of corruption. When formal democratic institutions are strong, they can constrain corruption significantly, but not entirely, as informal rules and norms that support corrupt and subversive behavior still exist. We can now revisit the hypotheses from the Section ??, with an additional contribution:

Hypothesis 1: Authoritarian-era informal institutions shape the quality of informal institutions that emerge following democratic transition.

Hypothesis 2: Post-transition informal institutions shape patterns of corruption on the basis of their compatibility with democracy.

When authoritarian-era informal institutions are compatible with formal institutions of democracy:

- a. Weak formal institutions result in average levels of corruption.
- b. Strong formal institutions result in low levels of corruption.

When authoritarian-era informal institutions are incompatible with formal institutions of democracy:

- c. Weak formal institutions result in high levels of corruption
- d. Strong formal institutions result in average levels of corruption.

While transitions vary in their treatment of ex-authoritarian elites, elite reproduction is fairly common. Research shows that in post-Communist Central and Eastern

Europe, for example, a considerable reservoir of elites come from the old *nomenklatura*, virtually all of which previously held top positions under communist rule, and include members of the former state police that engaged in severe forms of repression during the communist period. In a 1995 study of elite recruitment in post-communist Eastern Europe, Szelenyi (1995) found that there was a limited outflow of the old *nomenklatura* in Russia, Hungary, and Poland — five years after the collapse of the Soviet Union many of them still occupied influential positions in government. Replacement of old elites was more substantial in Hungary than in the other two countries, but the speed of transformation was slowed by the election of the Socialist Party in 1994. The authors argue that transformation from Communism is unlikely to be revolutionary in nature, and that attempts at greater transformation will be met with “trajectory correction” (622).

Similarly in Latin America, Frantz (2016) show that when dictators attach their rule to a traditional party, or repress the traditional party so as to create a new one, the elites that participate in the authoritarian regime return to play a significant role in politics after democratic transition. In Brazil, the political parties created by the military regime “produced the first two post-authoritarian presidents... and its members controlled close to 40 percent of the seats of the National Congress under democracy” (Power 1997). Political actors in new democracies are not only composed of opposition groups or “new elites” but also of high-ranking and mid-level members of the former regime. We see that among new democracies, even across geographic regions, ex-authoritarian elites play a substantial role in politics, influencing the trajectory of democracy and quality of governance. This study is therefore highly relevant to discussions of democratic transition and consolidation.

Table 2: Hypotheses: corruption in young democracies

	formal democratic institutions	
	weak	strong
compatible	average (<i>H2a</i>)	low (<i>H2b</i>)
incompatible	high (<i>H2c</i>)	average (<i>H2d</i>)

In the next section I will discuss how best to operationalize elite reproduction, authoritarian-era informal institutions, and formal institutions of democracy for the purpose of quantitative analysis.

OPERATIONALIZATION OF CONCEPTS

In this section, I discuss measures for the key concepts outlined in the framework above. I run my analysis on an cross-sectional time-series dataset composed of 58 country-cases across Europe, Latin America, and Africa that underwent democratic transition between 1960 and 2000. I determine the moment of transition using the Polity IV Project's regime transitions data. Major democratic transitions are defined as a six-point increase or more in Polity score over a period of three years or less, constituting a transition from autocracy to partial or full democracy, or a transition from a partial to full democracy. Minor democratic transitions are defined as a three- to five-point increase in Polity score over a period of three years or less, constituting a shift to partial or full democracy (Polity IV 2015). I operationalize key variables using the Varieties of Democracy (V-Dem) dataset version 7.1.

Measuring informal institutions

Grzymala-Busse (2010) describes formal and informal institutions as serving three basic functions: distributing resources, providing information, and constraining individual behavior. Those informal institutions that support corruption will promote private over public gains in the allocation of resources; they will encourage the use of private information and personal networks in achieving desired outcomes; and they will promote the exclusion of institutional or popular oversight to minimize potential costs of undemocratic behavior. I collapse these functions into two dimensions that capture the extent to which informal institutions support or undermine accountability and good governance: transparency/exclusivity and distribution/extraction. As we cannot observe the unwritten rules and norms that influence elite behavior, I focus on various

elite practices that reflect these theoretical dimensions. I construct an informal institutions index using factor analysis on several indicators of transparency/exclusivity and redistribution/extraction, which I discuss in greater detail below¹ .

Elite Transparency/exclusivity dimension

Informal institutions support corruption by limiting transparency and participation, both of which are essential to vertical and horizontal accountability. I incorporate three variables that measure the extent to which the elite decision-making environment is transparent or exclusive. Descriptions of these variables can be found in Table 3. These variables are derived from expert survey responses to questions designed to address the deliberative (or non-deliberative) nature of a country's politics, focusing on the observed practices of national-level elites. This presents us with the opportunity to measure the character of the elite decision-making environment at the microlevel. Descriptions of these variables can be found in Table 3.

¹ The directionality of the variables used in factor analysis has been reoriented to run from less to more authoritarian to ensure consistency and facilitate interpretation.

Table 3: Transparency/exclusivity dimension: variable descriptions

variable name	description	range of responses
reasoned justification	extent to which elites give public and reasoned justifications for policy positions	sophisticated justification → no justification
range of consultation	breadth of elites consulted over important policy changes	consultation across political and civil social spectrum → no consultation
respect counterarguments	extent to which elites acknowledge and respect counterarguments in discussions over important policy changes	always acknowledge counterarguments → counterarguments prohibited

Source and Descriptions: Varieties of Democracy codebook version 7.1

High values reflect more authoritarian practices — no transparency regarding policy decisions (reasoned justification), uniformity of political perspectives (respect counterarguments), and a highly exclusive decision-making environment (range of consultation). Low values reflect more democratic practices — transparency, a diversity of perspectives, and inclusive decision-making process. In exploring the data (see Table 4), we see that on average, elite practices across regions tend to fall somewhere between democratic and authoritarian, offering some transparency and inclusiveness but not without significant limitations. Comparing across regions, we see that European and Latin American cases exhibit less transparency and more exclusivity in their decision-making processes than in African cases.

Table 4: Transparency/exclusivity dimension: summary stats

	region	min	max	mean	sd
reasoned justification	Europe	0.96	6.27	3.28	1.21
	Lat. Am.	0.48	6.06	3.40	1.30
	Africa	1.02	3.98	2.47	0.94
respect counter-arguments	Europe	0.20	5.97	3.59	1.61
	Lat. Am.	0	5.66	2.75	1.33
	Africa	0.60	2.82	1.93	0.65
range of consultation	Europe	0	6.43	3.80	1.44
	Lat. Am.	0.12	6.32	3.58	1.31
	Africa	1.56	6.17	3.86	1.10

Rent Distribution and Extraction

Informal institutions also support corrupt behavior by creating opportunities for private gain without regard for public interests, and by structuring elite competition around the distribution of rents. To account for the distribution/extraction dimension of informal institutions, I incorporate five variables measuring particularistic practices, and abuse of power for private gain among members of government and their agents. Descriptions of these variables can be found in Table 5.

Table 5: Rent distribution/extraction dimension: variable descriptions

variable name	description	range of responses
common good (v2dlcommon)	extent to which elites justify policy positions in terms of common good	explicit justification for common/greatest good → no justification
particularistic or public goods (v2dlencmps)	extent to which social and infrastructural spending are characterized as “particularistic” or “public goods”	mostly public goods → mostly targeted goods
executive bribery (v2exbribe)	frequency with which members of the executive branch, or agents of the executive grant favors in exchange for bribes, kickbacks, or other material inducements	hardly ever → routinely
legislature corrupt activities (v2lgcrrpt)	frequency with which members of the legislature abuse position for financial gain	hardly ever → common
public sector corrupt exchanges (v2excrptps)	frequency with which public sector employees grant favors in exchange for bribes, kickbacks, or other material inducements	hardly ever → common

Source and Descriptions: Varieties of Democracy codebook version 7.1

Once again, high values reflect more authoritarian practices — extremely targeted spending (particularistic or public goods) and catering to special interests (common good), as well as high incidence rates of bribery and abuse of power for private gain (corruptions variables). Low values reflect more democratic practices — prioritizing public goods and public interests over private gain. Summary statistics in Table

6 show that on average elite practices tend to fall somewhere in the middle, such that public interest is not entirely neglected but targeted interests and personal gain more often compel behavior. The one exception is in Europe, where the influence of communism resulted in a greater emphasis on public rather than particularistic spending.

Table 6: Rent distribution/extraction dimension: summary stats

	region	min	max	mean	sd
particularistic or public goods	Europe	0.00	5.57	1.64	1.07
	Lat. Am.	0.36	5.43	3.25	1.09
	Africa	0.40	4.23	2.23	0.91
common good	Europe	0.00	5.56	2.64	1.12
	Lat. Am.	0.20	6.15	3.02	1.37
	Africa	0.95	4.79	2.68	0.95
executive bribery	Europe	0	5.18	2.35	1.15
	Lat. Am.	0.18	5.58	3.40	1.21
	Africa	0.41	4.99	3.25	1.21
legislature corrupt activities	Europe	0.00	4.96	2.38	1.14
	Lat. Am.	0.29	5.45	3.50	1.20
	Africa	0.75	6.13	2.84	1.15
public sector corrupt exchanges	Europe	0.00	5.36	3.05	1.15
	Lat. Am.	0.86	5.27	3.22	1.07
	Africa	1.18	5.50	3.74	0.97

Informal Institutions Index

I develop an index of informal institutions by running a principle factor analysis on the above indicators across all country-years. From this index, I then calculate a separate measure to capture the legacy of authoritarian-era informal institutions by averaging pre-transition values of the index. I determine the length of the authoritarian regime using Polity IV's regime transitions data.

The index measures the extent to which informal institutions are compatible with democracy, in terms of promoting accountability and good governance. I confirm the directionality of the index by comparing it to its component parts, which run from less to more authoritarian².

Table 7: Comparison of component variables and informal inst. legacy

	top 25th percentile	bottom 25th percentile
transparency & exclusivity	Bulgaria, Central African Republic, Chile, Czech Republic, Greece, Hungary, Mongolia, <i>Paraguay</i> , Poland, Romania, Uruguay(2)	Argentina, Senegal, Uruguay(1)
rent distribution & extraction	Dominican Republic, <i>Guatemala</i> , Honduras, <i>Paraguay</i>	Albania, Cabo Verde, Estonia, Georgia, Latvia, Lithuania, Moldova, Russia, Turkey, Ukraine
informal institutional legacy	Bolivia, Bulgaria, Central African Republic, Czech Republic, Dominican Republic, Greece, <i>Guatemala</i> , Honduras, Italy, Ivory Coast, Nigeria, Panama, <i>Paraguay</i> , Romania	Albania, Argentina, Armenia, Cabo Verde, Chile, Estonia, Greece, Malawi, Mongolia, Mozambique, Nicaragua, Panama, Peru, Poland, Portugal, Senegal, Suriname, Uruguay(1)

We see from Table 7 that those country-cases scoring high (more authoritarian) on measures of transparency/exclusiveness and rent distribution/extraction also tend to score high on the informal institutional legacy. The relationship is less obvious for low-scoring countries; however, none of the country-cases in the top 25th percentile of

² As the index is a weighted aggregation of the different component indicators, values of the components will not correlate directly to values of the index.

component variables scores in the bottom 25th percentile of the legacy and vice versa. This provides us with a strong indication that directionality for the informal institutions index is relatively consistent with that of its component parts, running from less to more authoritarian, or said differently, from compatible to incompatible with democracy. This will allow us to interpret the results more efficiently.

Table 8: Informal institutions: summary stats

		region	min	max	mean	sd
informal legacy	institutional	Europe	-1.39	1.92	0.59	0.68
		Lat. Am.	-2.21	3.32	0.73	1.23
		Africa	-1.29	1.89	0.52	0.91
post-transition institutions index	informal	Europe	-3.44	2.22	-0.09	1.31
		Lat. Am.	-3.78	3.48	-0.02	1.46
		Africa	-2.47	2.22	0.14	1.02

Table 8 exhibits the summary statistics for the informal institutional legacy (the country-average for authoritarian-era informal institutions), and the informal institutions index for the post-transition period. We see a greater variation in informal institutional compatibility in the post-transition period than under authoritarianism, indicating that informal institutions of democracy have the potential to be highly compatible or highly incompatible with democratic principles. The question is: does the informal institutional legacy affect what kind of informal institutions emerge following transition? I will answer this question in my analysis below.

Measuring formal democratic institutions

As previously discussed, formal democratic constraints on elite behavior affect patterns of corruption in young democracies. I operationalize formal institutions using V-Dem's Accountability Index, a composite measure of horizontal, vertical and diagonal constraints on political elites' use of power (Lührmann et al. 2017). This measure

is specifically designed to capture the extent to which citizens, legislators, judges, the media, and civil social actors are able to monitor and constrain the government. Directionality of the index runs from *less to more democratic*.

Table 9: Accountability index: summary stats

	region	min	max	mean	sd
accountability index	Europe	-0.32	1.97	1.22	0.51
	Lat. Am.	-0.35	1.99	0.94	0.48
	Africa	0.02	1.58	0.83	0.36

As this is a relatively new index, I corroborate my findings using an alternative specification of democratic constraints, in line with the McMann et al. study of democracy and corruption discussed in Section 2.

Measuring political corruption

I operationalize elite corruption in young democracies using V-Dem's political corruption index, which aggregates indices for executive, legislative, judicial, and public corruption (McMann et al. 2016). I also conduct robustness tests by running the model on disaggregated institutional measures of corruption in the executive and legislative branches. Each captures the extent to which political actors abuse their position for private gain. In separating measures of corruption by institutional level, we can see how informal institutions differentially affect elite behavior depending on the government body. We see from Table 10 that Europe has the lowest average levels of corruption and Africa the highest, with Latin America falling in the middle.

Table 10: Political corruption index: summary stats

	region	min	max	mean	sd
political corruption index	Europe	0.07	0.93	0.41	0.24
	Lat. Am.	0.03	0.89	0.52	0.24
	Africa	0.16	0.94	0.63	0.20

Controls

In my earlier discussion of democracy and corruption, several factors were theorized to impact post-transition institutional development and levels of corruption: state capacity, opposition party strength, and national wealth. To control for state capacity, I use the the Hanson and Sigman state capacity index, which captures a state's extractive, coercive, and administrative capacity. We see from Table 11 that state capacity in Africa is much lower than in Europe and Latin America, such that the maximum value for capacity in Africa is less than the average value in Europe. I operationalize opposition party strength using V-Dem's opposition party autonomy indicator (v2psoppaut), which measures the extent to which opposition parties are independent and autonomous from the executive.

Table 11: Controls: summary stats

	region	min	max	mean	sd
state capacity	Europe	-1.82	1.92	0.60	0.63
	Lat. Am.	-1.44	2.01	0.09	0.54
	Africa	-2.31	0.13	-0.96	0.41
opposition party autonomy	Europe	-0.97	3.02	1.94	0.89
	Lat. Am.	-0.58	3.04	1.82	0.62
	Africa	0.16	2.82	1.14	0.70

I use an ordinal measure of wealth that organizes countries based on their GDP per capita relative to the average GDP per capita for low, middle, or high-income countries.

RESULTS & ANALYSIS

Hypothesis 1: informal institutional legacy

In my first hypothesis I posit that informal institutions from the authoritarian period — a.k.a the informal institutional legacy — influence what kind of informal institutions emerge after democratic transition, and whether they are compatible or incompatible with democratic ideals of good governance and accountability. To test this hypothesis I run a cross-section time series regression with random effects (due to time-invariance on the legacy variable) on the following model:

informal inst. index \sim informal inst. legacy + accountability index + state capacity + opposition party autonomy + GDP per capita (ordinal)

Table 12: Informal institutional legacy (post-transition years 1-5)

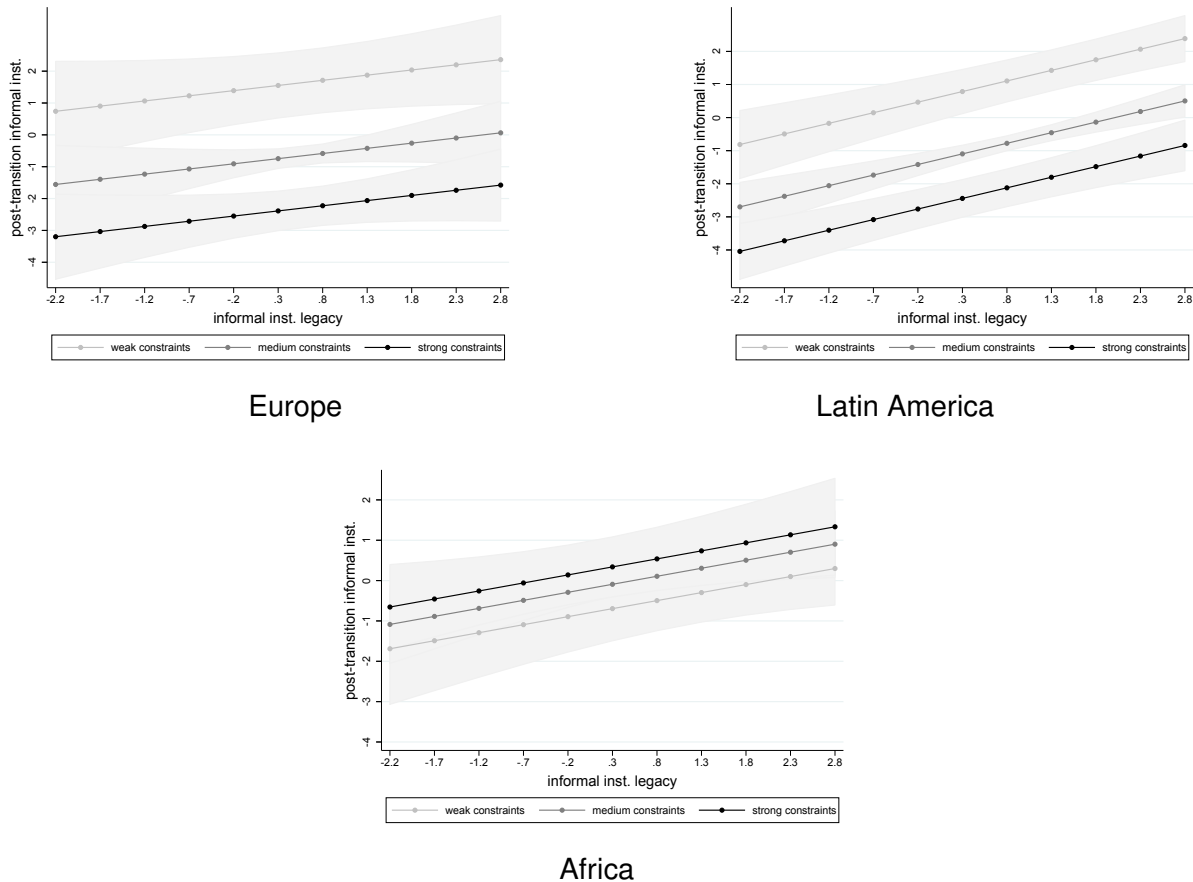
	Europe	Latin America	Africa
informal inst. legacy	0.40*	0.64***	0.40*
	(1.98)	(5.71)	(2.03)
oppos. party autonomy	-0.26	0.04	-0.02
	(-1.57)	(0.18)	(0.17)
accountability	-1.69***	-1.33***	0.62***
	(-5.27)	(-5.67)	(2.04)
capacity	0.13	0.20	-0.70***
	(1.50)	(1.25)	(-3.65)
low-mid income	0.52*	0.05	-0.12
	(2.95)	(0.11)	(-1.38)
mid-high income	0	-0.05	0
	(.)	(-0.02)	(.)
constant	1.08* * *	0	4.22***
	(2.88)	(.)	(-3.85)
N	96	73	56
w-in R ²	0.06	0.32	0.36
between R ²	0.83	0.88	0.28
overall R ²	0.81	0.87	0.38

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

Results from Table 12 offer support for the initial hypothesis that authoritarian-era informal institutions affect the quality of informal institutions that emerge following democratic transition. The average effect of the informal institutional legacy is in the expected direction and significant at conventional levels across regions. Figure 1 depicts the linear relationship between the informal institutional legacy and post-transition informal institutions. We see that a less authoritarian legacy corresponds to informal institutions in the post-transition period that are more compatible with democracy. Sim-

ilarly, a more authoritarian legacy corresponds to incompatible post-transition informal institutions.

Fig. 1: The informal institutional legacy (post-transition years 1-5)



The average effect of accountability is also significant across regions, and runs in the expected direction in Europe and Latin America, such that where constraints on elite behavior are strong, the post-transition informal institutions are more compatible with democracy. The effect is reversed in Africa, where stronger constraints result in more authoritarian informal institutions. This likely results from how low state capacity in Africa. We see from the results that state capacity has no effect on the quality of informal institutions following transition in Europe and Latin America (where the distribution of state capacity in the sample is about the same), but a strong and significant negative effect in Africa; while state capacity in these countries is likely too low to

make formal institutional mechanisms of accountability effective, an increase in state capacity could support informal internal mechanisms of oversight and monitoring.

Looking at the controls for wealth and opposition strength, we see that the effect of moving from the low to lower-middle income bracket in Europe corresponds to an increase in the informal institutions index, while opposition strength is insignificant across regions.

Informal institutional legacy over time

I investigate the effect of the informal institutional legacy over time by rerunning the analysis on post-transition periods 6-10 and 11-15. Results can be found in the Appendix, Tables 14-16 I find that in Europe, the institutional legacy loses significance after the first five years, but opposition strength becomes significant, exhibiting a negative effect on the informal institutions index during years 6-10, which supports expectations; however the effect becomes positive Europe in years 11-15. Accountability remains significant in the expected direction. The effect weakens slightly in years 6-10 but increases substantially in years 11-15. In Latin America, the informal institutional legacy remains significant in the expected direction over time, but decreases in the strength of its effect. In Africa, all effects loses significance over time, except for opposition strength, which has a negative effect on the informal institutions index in years 6-10. We must note, however, that these results are likely due to loss of observations — only nine African country-cases have observations past 13 years due to their late 20th century transitions.

Hypothesis 2: informal institutions and corruption

I test the interactive effect of informal institutions and democratic constraints in young democracies by running the following cross-sectional time series regression with country-case fixed effects on the following model, limiting the time component to

the first 15 years post-transition. I disaggregate the results by region to ensure that one area of the world is not driving results.

political corruption index \sim informal inst. index + accountability index + informal inst. index*accountability index + state capacity + GDP per capita (ordinal)

Table 13: Corruption in young democracies (post-transition years 1-15)

	Europe	Latin America	Africa
informal inst. index	0.23*** (21.39)	0.09*** (8.36)	0.22*** (12.80)
accountability	0.02 (1.09)	-0.01 (-0.93)	-0.02 (-1.10)
informal inst. index : accountability	-0.07*** (-7.07)	0.02** (2.80)	-0.15*** (-6.02)
capacity	-0.00 (-0.18)	0.00 (0.45)	-0.04*** (-3.79)
low-mid income	0 (.)	0 0	0.00 (0.43)
mid-high income	-0.02 (-1.95)	-0.02* (-2.45)	0 (.)
constant	0.55*** (23.47)	0.67*** (38.48)	0.63*** (33.64)
N	322	264	152
w-in R ²	0.79	0.72	0.77
between R ²	0.86	0.84	0.45
overall R ²	0.87	0.83	0.49

*** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$; t-statistics in parentheses

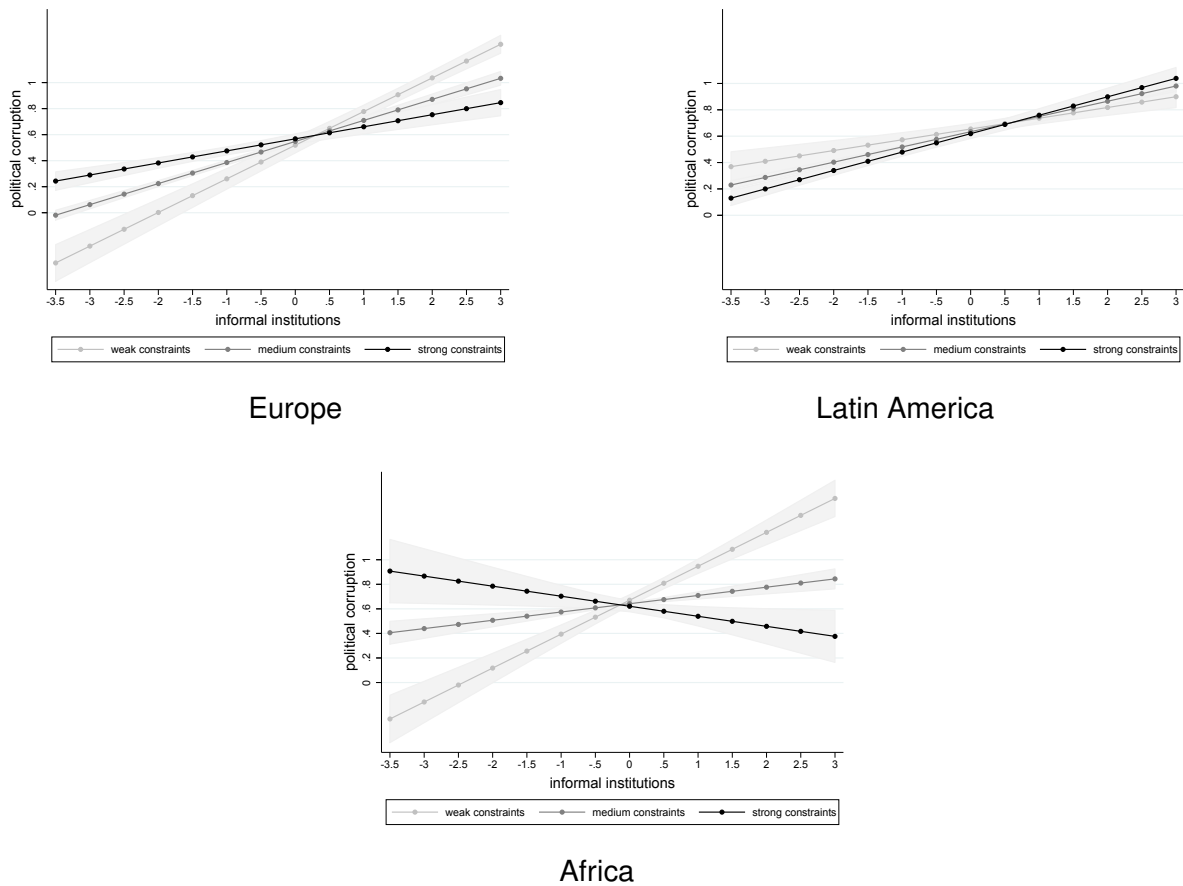
Results from Table 13 provide support for the argument that informal institutions affect

levels of corruption in young democracies. The informal institutions index is significant across regions. Surprisingly, the average effect of the accountability index is insignificant, but a closer look at its relationship with informal institutions shows that accountability does indeed affect levels of corruption.

State capacity is insignificant in Europe and Latin America but has a negative, statistically significant effect on corruption in Africa. National wealth is significant in Latin America, but in the opposite direction as expected, such that moving from low income status — the base value — to lower-middle or upper-middle income status increases levels of corruption. This is likely due to elites' increased access to more sizable rents.

The results from the regression do not provide us with enough information to evaluate whether my expectations regarding the interaction of informal institutions and democratic constraints hold up. In Figure 2 I plot predicted values of political corruption across the informal institutions index, controlling for the strength of democratic constraints on behavior. All other variables are set at their means. My findings are discussed below:

Fig. 2: Effects of formal and informal institutions on corruption



Compatible informal institutions

I find some support for hypothesis 2a: compatible informal institutions and weak democratic constraints correspond to average levels of corruption in Latin America; however, in Europe and Africa the same interaction results in *low* levels of corruption. These effects are statistically significantly distinct from zero. I find more support for hypothesis 2b: compatible informal institutions and strong constraints correspond to low levels of corruption in Europe and Latin America, but high levels of corruption in Africa.

Incompatible informal institutions

In line with hypothesis 2c, I find that when democratic constraints are weak, incompatible informal institutions result in high levels of corruption. These results are significant at conventional levels and consistent across regions. Evidence from Africa supports hypothesis 2d: incompatible informal institutions and strong democratic constraints result in average levels of corruption, as expected. Against expectations, however, I find that strong democratic constraints do not mediate the substantial positive effect of incompatible informal institutions on political corruption in Europe and Latin America, with predicted values exceeding the maximum on the political corruption index.

Analysis and summary

To begin with, my findings show that the quality of authoritarian-era institutions has a strong and significant impact on the quality of informal institutions that emerge after democratic transition and that new formal institutions of democracy do a poor job of mediating this effect. On the bright side, we see that the effect is short-lived — in general, as democracy proceeds, formal democratic institutions more strongly influence the nature of informal institutions, increasing their compatibility with democracy. Secondly, my findings show that the extent to which informal institutions are compatible with democracy is highly important when establishing expectations about democratization and quality of governance. When informal institutions are compatible with democracy, they can substitute for weak democratic constraints by incentivizing good governance. If they are incompatible with democracy, they not only serve as a counterweight, but in some cases overwhelm the effects of democratic constraints on elite behavior, leading to high levels of corruption. Since the informal institutions that emerge following democratic transition are often more incompatible with democracy, these results help to explain high levels of corruption in young democracies. Overall, it

is clear that greater attention must be paid to the role of informal institutions in shaping political behavior in democracies.

ROBUSTNESS TESTS

I conduct two sets of robustness tests: the first substitutes alternative measures of democratic constraints (based on McMann's recent study of democracy and corruption) for the accountability index in order to corroborate the results; the second utilizes disaggregated measures of corruption to see how informal institutions and democratic constraints affect elite behavior in different institutional environments.

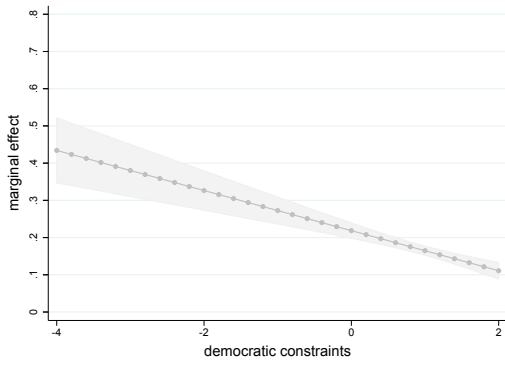
Alternative specifications

In their article, McMann et al. show that free and fair elections, freedom of association, and judicial constraints have a significant negative impact on corruption. I run an alternative model, substituting for accountability V-Dem's electoral component index, which aggregates V-Dem indices for clean elections, freedom of association, elected officials, and an indicator for the share of population with suffrage. I also add V-Dem's index for judicial constraints on the executive, which is an aggregate of various indices that capture oversight capacity and independence of the judiciary (Coppedge et al. 2017). Regression results can be found in the Appendix, Table 17.

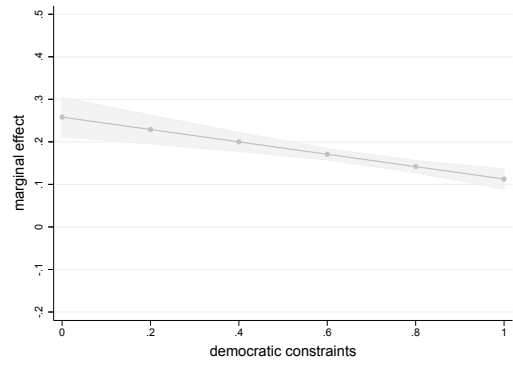
Figure 3 compares the marginal effect of informal institutions on corruption across values of democratic constraints using two different operationalizations of democratic constraint.

Fig. 3: Robustness test no. 1: informal institutions and corruption

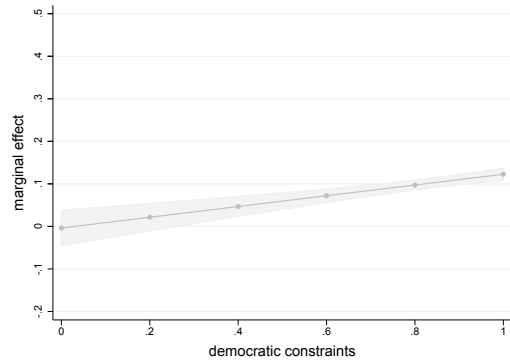
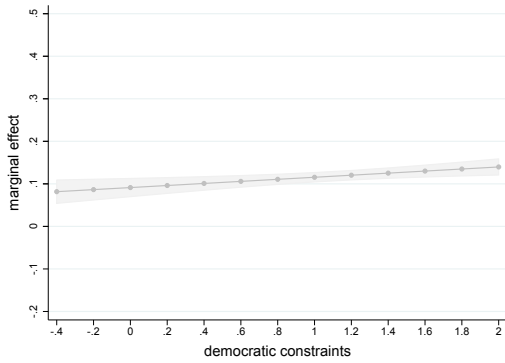
Accountability Index



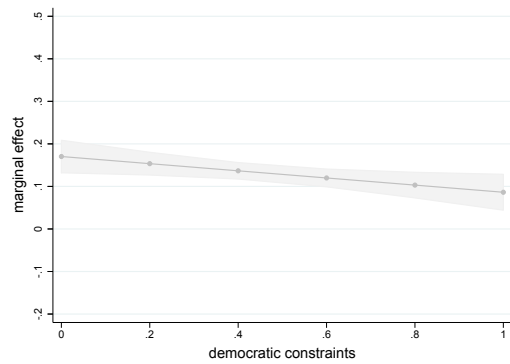
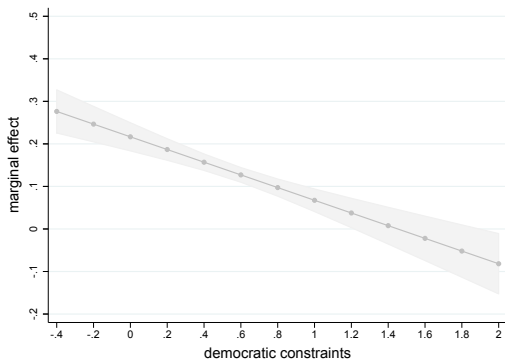
Electoral Component Index



Europe



Latin America



Africa

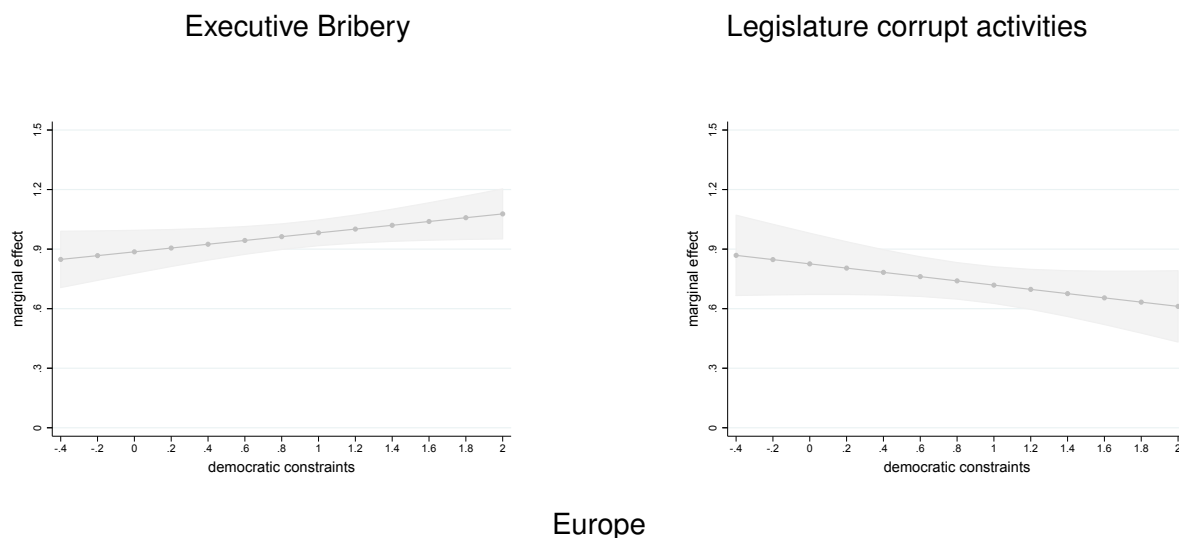
We see that the average effect of informal institutions on corruption is statistically significant for both measures across regions. However, we do see that when we substitute

in the electoral component index for the accountability index, the impact of democratic constraints on the effect of informal institutions decreases. The direction of the effect also remains consistent for both measures across regions. This evidence corroborates my findings regarding the impact of informal institutions on corruption in young democracies.

Disaggregating corruption

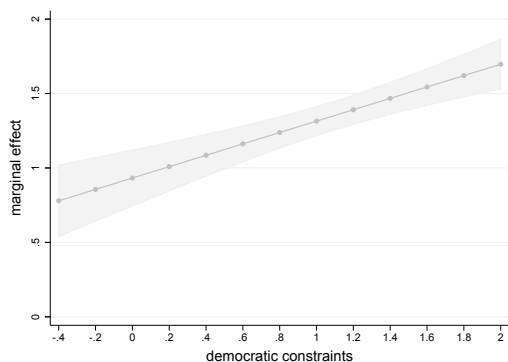
I also test the model on V-Dem's institutional-level measures of executive and legislative corruption³. Figure 4 depicts the marginal effect of informal institutions on executive bribery on the left, and on legislature corrupt activities on the right.

Fig. 4: Robustness test no. 2: informal institutions and corruption

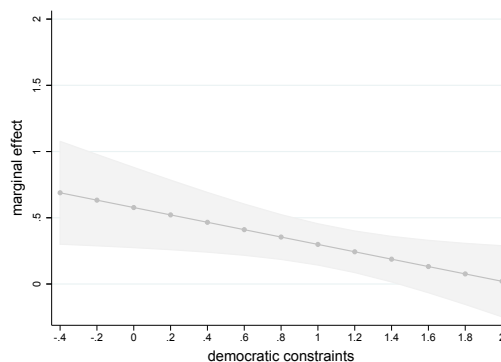


³ These variables were also used as components in constructing the informal institutions index, but pairwise correlations between these measures of corruption and the index do not indicate multicollinearity.

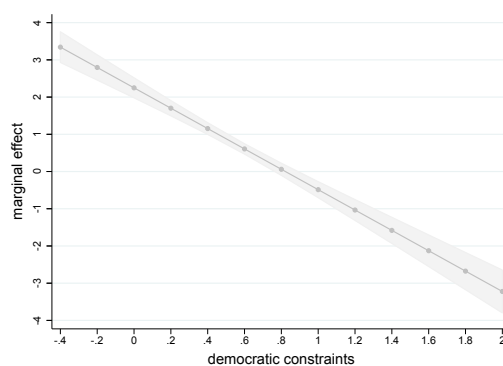
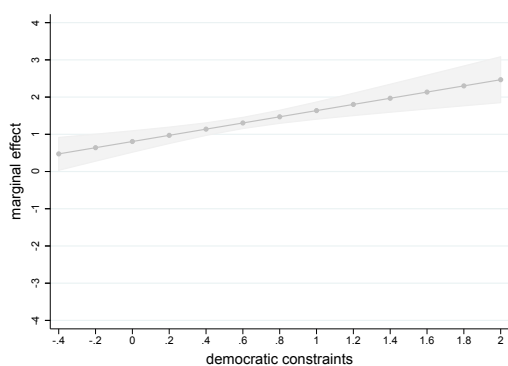
Executive Bribery



Legislature corrupt activities



Latin America



Africa

We see that the average effect of the informal institutions index on executive bribery and legislature corrupt activities is significant and positive in Europe and Latin America; however the interaction of informal institutions with democratic constraints differs between the two types of corruption. In the case of executive bribery, as democratic constraints increase in strength, so does the effect of informal institutions on corrupt behavior. On the other hand, strong democratic constraints are able to effectively mediate the effect of informal institutions on corruption in the legislature. In Africa, informal institutions have a negative effect on legislature corrupt activities when democratic constraints are strong. These findings support Hypothesis 2, to the extent that they confirm the importance of informal institutions in shaping elite corruption,

even among different government bodies. They also provide additional evidence that incompatible informal institutions undermine quality of governance. More importantly, however, they introduce questions for further research, such as “what explains the difference in the experiences of executive and legislative bodies when it comes to informal institutions and corruption?”

CONCLUSION

The emergence of new democracies has been a story of both hope and disappointment. While many have developed into successful liberal democracies, many more others have struggled to consolidate their democratic institutions and achieve high quality governance. Elites continue to evade accountability and abuse their offices for private gain. This study shows that the key to explaining such behavior in the early years of democracy lies less with formal mechanisms of accountability and more with informal rules and practices that shape elite incentives to engage either in good governance or corruption. As institutions are difficult to change, we must consider how the informal institutions that develop after democratic transition shape the long-term trajectory of democratic development. Moving forward, we must expand the study of informal institutions to explore their effects on other forms of political behavior, in particular, state capture. This practice, like corruption, involves the abuse of office for private gain but more substantially undermines democracy by broadly corrupting the political system. As more democracies backslide toward authoritarianism, I believe that this line of inquiry will be essential in explaining when and why state capture occurs.

APPENDIX

Table 14: Informal institutional legacy In Europe over time

	years 1-5	years 6-10	years 11-15
informal inst. legacy	0.40*	0.18	0.21
	(1.98)	(0.98)	(0.82)
oppos. party autonomy	-0.26	-0.40	0.38
	(-1.57)	(-2.60)	(2.05)
accountability	-1.69***	1.51***	-2.90***
	(-5.27)	(-5.77)	(-8.09)
capacity	0.13	-0.37***	0.07
	(1.50)	(-3.40)	(0.39)
low-mid income	0.52*	1.58***	0
	(2.95)	(5.90)	(.)
mid-high income	0	1.74***	-0.39
	(.)	(-0.02)	(-0.76)
constant	1.08***	0	1.84***
	(2.88)	(.)	(3.99)
N	96	91	90
w-in R ²	0.06	0.36	0.53
between R ²	0.83	0.84	0.63
overall R ²	0.81	0.83	0.63

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

Table 15: Informal institutional legacy in Latin America over time

	years 1-5	years 6-10	years 11-15
informal inst. legacy	0.64*** (1.98)	0.55*** (0.98)	0.41** (0.82)
oppos. party autonomy	0.04 (-1.57)	-0.15 (-2.60)	0.12 (2.05)
accountability	-1.33*** (-5.27)	-0.65 (-5.77)	-1.76*** (-8.09)
capacity	0.20 (1.25)	-0.34* (-2.51)	0.22 (1.13)
low-mid income	0.05* (0.11)	0 (.)	0 (.)
mid-high income	-0.01 (-0.02)	0.08 (0.67)	0.19 (1.11)
constant	0 (.)	-0.14 (-0.21)	0.41 (0.80)
N	73	67	61
w-in R ²	0.32	0.10	0.16
between R ²	0.88	0.71	0.68
overall R ²	0.87	0.69	0.69

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

Table 16: Informal institutional legacy in Africa over time

	years 1-5	years 6-10	years 11-15
informal inst. legacy	0.41*	0.32	0.35
	(2.03)	(1.81)	(1.36)
oppos. party autonomy	0.02	-0.46	0.07
	(0.17)	(-2.24)	(0.17)
accountability	0.62*	0.11	-0.20
	(2.04)	(0.76)	(-0.54)
capacity	-0.70***	-0.27**	-0.17
	(-3.65)	(-3.00)	(-1.42)
low-mid income	-0.12	-0.03	0.04
	(-1.38)	(-0.74)	(0.60)
mid-high income	0	0	0
	(.)	(.)	(.)
constant	-1.40***	-0.02	-0.14
	(-3.85)	(-0.06)	(-0.25)
N	73	67	61
w-in R ²	0.36	0.48	0.09
between R ²	0.28	0.15	0.45
overall R ²	0.38	0.13	0.52

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

Table 17: Robustness test no. 1

	Europe	Latin America	Africa
informal inst. index	0.24*** (11.92)	-0.01 (-0.25)	0.17*** (8.69)
electoral comp. index	-0.07 (-1.75)	0.04 (1.52)	-0.08* (-3.23)
capacity	0.00 (0.44)	-0.00 (-0.61)	-0.04*** (-4.00)
judicial constraints on exec.	-0.17 (-3.33)	-0.26 (-8.42)	-0.05 (-0.87)
low-mid income	0.76*** (16.52)	0.75*** (20.72)	-0.01 (-1.07)
mid-high income	0.74* (15.81)	0.74*** (21.15)	0 (.)
pol. violence & purges	-0.00 (-0.52)	-0.00 (1.74)	0.01* (2.12)
informal inst. index : electoral comp. index	-0.12*** (-4.44)	0.13*** (5.30)	-0.09* (-2.43)
constant	0 (.)	0 (.)	0.68*** (15.33)
N	322	264	152
w-in R ²	0.78	0.78	0.73
between R ²	0.91	0.86	0.61
overall R ²	0.91	0.86	0.60

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

Table 18: Corruption in Europe (post-transition years 1-15)

	exec. bribery	leg. corruption
informal inst. index	0.88*** (16.39)	0.80*** (11.02)
accountability	0.61*** (6.60)	0.05 (0.45)
capacity	0.10* (3.53)	-0.02 (0.35)
low-mid income	2.23*** (-3.94)	0 (.)
mid-high income	0 (.)	-0.20*** (-2.51)
pol. violence & purges	-0.01 (-0.55)	0.01 (0.54)
informal inst. index:accountability	0.11* (2.24)	-0.11 (-1.91)
constant	3.23*** (4.57)	3.33*** (6.01)
N	328	322
w-in R ²	0.78	0.55
between R ²	0.81	0.82
overall R ²	0.85	0.79

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

Table 19: Corruption in Latin America (post-transition years 1-15)

	exec. bribery	leg. corruption
informal inst. index	0.96*** (10.59)	0.51*** (3.43)
accountability	0.91*** (6.72)	-0.16 (-0.74)
capacity	0.14* (2.09)	0.05 (0.44)
low-mid income	3.20*** (10.11)	3.68*** (5.94)
mid-high income	3.10*** (10.07)	3.44*** (5.68)
pol. violence & purges	0.01 (0.46)	0.00 (0.14)
informal inst. index:accountability	0.30* (4.33)	-0.16 (-1.91)
constant	0 (.)	0 (.)
N	264	264
w-in R ²	0.78	0.10
between R ²	0.92	0.49
overall R ²	0.90	0.44

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

Table 20: Corruption in Africa (post-transition years 1-15)

	exec. bribery	leg. corruption
informal inst.	0.82*** (5.47)	2.22*** (15.87)
accountability	0.18 (1.12)	-0.34* (-2.25)
capacity	0.06 (0.76)	0.25** (3.20)
low-mid income	0.05 (0.86)	-0.12 (-2.42)
pol. violence & purges	-0.05 (-1.26)	-0.06 (-1.22)
informal inst. index:accountability	0.74*** (3.47)	-2.65*** (-13.11)
constant	4.90*** (4.45)	5.15*** (4.11)
N	152	152
w-in R ²	0.71	0.74
between R ²	0.07	0.49
overall R ²	0.16	0.44

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

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