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The Paradoxical Success of Corrupt Politicians: Evidence from a Field Experiment *

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Abstract

This paper contributes to the literature on the explanations for the often observed phenomenon of the electoral success of corrupt politicians. It focuses on the particular case of the Portuguese municipality of Oeiras, where Isaltino Morais was elected as mayor after being convicted for corruption-related crimes. We collected data on 557 residents of the municipality. Data were collected four weeks after the October 2017 election. We find no evidence for the ignorant voter explanation but strong support for the implicit trading theory.

1 Introduction

Corruption is a recurring phenomenon all over the world, in all forms and levels of government. It can be defined as “the abuse of entrusted power for private gain” (TI 2016). There are different types of corruption, classified according to the frequency with which it occurs, the sector involved, and the amount of money affected. It may range from petty corruption, which is sporadic and involves lower-level government officials, to grand corruption, which occurs at the highest levels of government, and is usually facilitated through complex financial operations. Lastly, there is political corruption, which happens when a government official takes advantage of her position to systematically manipulate policies, institutions or rules for personal gain.

The costs of corruption are severe and widespread. In the European Union, between €179 billion and €990 billion in GDP are lost annually due to corruption (Hafner et al. 2016). Another study places the global annual cost of bribery alone at about \$1 trillion (Kaufmann 2005), an estimate that does not include the cost of other corrupt activities or of the illegal practices that are usually associated with corruption, such as bid rigging, fraud or money laundering.

The abuse of public office has a direct detrimental effect on GDP per capita, GDP growth and welfare.¹ Empirical evidence reveals that it also has an indirect effect on growth and income through, for instance, deterring investment and harming the business sector.² Furthermore, corruption prevents inclusive growth, as it is associated with increased income

¹Pellegrini and Gerlagh 2004; Mauro 1995; Gupta, Davoodi, and Alonso-Terme 2002; Welsch 2008.

²Mauro 1995; Wei 2000, Ciocchini, Durbin, and Ng 2003, Dreher and Herzfeld 2005, Tanzi and Davoodi 2001, Méon and Sekkat 2005

inequality and lower income growth for the poor.

Corruption both allows for wasteful spending and weakens the state's capacity to collect taxes, resulting in lower government revenue. This raises the cost of public investment and reduces the quality of public infrastructure and services, ultimately at the cost of the environment and of the population's health and education.³

Lastly, the manipulation of public offices for private purposes impairs democratic representation, undermines trust in the government and in the legitimacy of the democratic institutions and weakens citizens' trust in one another (Anderson and Tverdova 2003), potentially creating conflict, violence and civil disorder.

Corruption can be understood as an agency problem. The principal (the voter) entrusts the agent (the politician) with the authority to make decisions on her behalf, but does not have full control or monitoring power over the agent's actions. The asymmetry of information creates incentives for the agent to act according to her own interest. Unless preferences are perfectly aligned, the agent will not act in the principal's best interest.

Hence, there is the need to create a structure of incentives such that the politician acts in accordance with the citizens' preferences. The politician will do so depending on the costs of violating the delegation relationship. In turn, the costs are dependent on the probability and consequences of being caught. Monitoring mechanisms, which increase the availability of information and thus the probability of being caught, as well as punishing mechanisms, that do not allow for misbehaviour to go unpunished, are fundamental to tackle corruption (Winters, Testa, and Fredrickson 2012).

One such mechanism is elections. Firstly, citizens have the right to choose who holds political power and are motivated to keep off office those who do not act in their interest. Secondly, politicians will not engage in corrupt behaviors that compromise their electoral success. However, on several occasions, elections fail in being "a tool to select and discipline politicians" (Fernández-Vázquez, Barberá, and Rivero 2016 p.17), as allegations or even convictions of corrupt behavior do not determine the end of nor deeply harm a political career.

In all fairness, there is evidence of electoral retribution, of electors' punishing misbehaving candidates by not voting for them. In the United States congressional elections, charges of

³Mauro 1998, Gupta, Davoodi, and Alonso-Terme 2002; Welsch (2004); Pellegrini and Gerlagh 2006 Locatelli et al. 2017; Gupta, Davoodi, and Tiongson 2000

corruption resulted in a 6 to 11% decrease in the expected vote share (Peters and Welch 1980, Welch and Hibbing 1997). As a general rule, electoral retribution tends to be rather modest: in Japan, "scandal-tainted" legislators lost 1% of the electorate; in the United Kingdom, members of parliament implicated in an expenses abuse scandal suffered, on average, a 1.5% loss in vote share (Reed 1999, Eggers and Fisher 2011).

Consequently, more often than not, electoral retribution does not prevent implicated office-holders from being re-elected. Empirical record shows that being accused of such violations can have a mild effect on election possibilities (Golden 2006; Fernández-Vázquez, Barberá, and Rivero 2016) and the majority of corrupt candidates have a safety net of sufficient size that such a downturn doesn't mean the loss of office. In the US Congress, 75% of the candidates facing corruption charges were elected. In Japan, 64.6%. This leads Golden (2006) to conclude that "the modal corrupt politician is successfully reelected despite charges, or even convictions, of illegal behavior" (p.8).

The local elections of the Portuguese municipality of Oeiras are an example of the electoral success of a candidate that has been convicted for crimes concerning corruption, Isaltino Morais. Isaltino, as he is commonly referred to, was able to get re-elected when the accusations of corrupt practices first surfaced, during the time of his trial, and, more recently, after serving his prison sentence for corruption related crimes. By focusing on the particular case of Oeiras, a municipality with one of the wealthiest, most educated populations of Portugal, this study attempts to investigate what explains, given the costs and unpopularity of corruption, the electoral success of corrupt politicians.

The remainder of the paper is organized as follows. The next section reviews previous literature, while the third section presents an overview of the Portuguese local governance and the Oeiras' case. The fourth section explains the design of the survey-embedded experiment. The fifth section describes the collected data, and results are presented in the sixth and seventh sections. The eighth section concludes.

2 Existing literature

Regarding individual attitudes towards politicians, the most consensual explanations for the paradox of "unpopular corruption and popular corrupt politicians" (Kurer 2001 p.63) can be

grouped into two categories: the ignorant voter theory and the implicit trading theory.

The *ignorant voter theory* suggest that voters support corrupt politicians simply because they are not aware of the elected official's behavior. In this case, the support of such politicians is due to imperfect information on the levels and consequences of corruption, i.e., an agency problem.

Scholars have tested this hypothesis by providing information on the politician's conduct and analyzing the voters' response. The aim of this kind of experiments is to understand if eliminating information asymmetries can have an impact on the level of corruption through a retrospective mechanism, causing citizens to select out of corrupt politicians, versus a prospective mechanism, where politicians opt to be less corrupt fearing not being elected (Winters, Testa, and Fredrickson 2012). Results of such experiments are not consensual.

On the one hand, there is evidence that indicates that information can be a strong antidote against the support of misbehaving officeholders. Winters and Weitz-Shapiro (2013) find that the typical Brazilian is sensitive to corruption and would not choose a hypothetical corrupt candidate. On another study, also in Brazil, Ferraz and Finan (2008) analyze the effects of federal government audits of municipal records, which showed financial irregularities and diversion of funds, on electoral results. They find evidence of "massive voter retaliation": an audit revealing corruption would worsen electoral performance by 7 to 14 percentage points.

On the other hand, other studies have found modest or even unexpected effects. In Mexico, an information campaign on the incumbent's misbehavior, led to a decline in her party's vote share, which was, according to the authors, due to a decrease in turnout of an average of 6 percentage points (Chong et al. 2014). In Brazil, providing information on corruption charges in a particular local election where both candidates were implicated resulted in a loss in support for one candidate but not for the other (De Figueiredo, Hidalgo, and Kasahara 2010). In this experiment, turnout depressed by 1.2%, which is all the more noteworthy, as voting is mandatory in Brazil. These experiments' common result, the decrease in participation, suggests that the treatments increased distrust in the power of vote. This could be expected in the Brazilian case, because both candidates were facing corruption charges, but in the Mexican election it shows that information did not urge the voters to throw the rascal out by voting for the non-corrupt candidate, but by passively removing themselves from the

electoral process. Information seems to have resulted in less government accountability.

Winters, Testa, and Fredrickson (2012) advocate that an effective informational treatment must be salient, credible and accessible. Ferraz and Finan's (2008) analysis shows that accessibility of information, which in their experiment meant the existence of a local radio station that spread the audit results, increases electoral retribution.

Information must be credible for the voter to act on it. Often corruption allegations come from an opponent candidate or party, leading individuals to discount it as a partisan trick. Because of this, Rundquist, Strom, and Peters (1977) defend that "only when the corruption message arises from a source outside the electoral setting is it likely to be given credibility" (p. 955). Ferraz and Finan (2008) also attribute the success of the treatment to the nature of information, government audits, and not allegations, scandals or unverified accusations. Nonetheless, even when information originates from independent and reliable sources, voters may deliberately ignore it because they believe that all politicians are, at some level, corrupt.

Finally, to select out a corrupt politician, voters must understand the consequences and costs of such behaviors. Klasnja (2011) finds that politically aware voters are, on average, less likely elect corrupt politicians than their less informed counterparts, due to greater knowledge and better understanding of incumbents' involvement in corruption. The author defends that dishonest politicians are able to maintain public support partly because large sections of the electorate have a low level of political awareness.

Voters may exchange their vote and political support for explicit benefits provided by the politician. "Pork barrel politics" is often expected to be behind the electoral success of dishonest officeholders. However, as Rundquist, Strom, and Peters (1977) point out, to establish a network of exclusive provision of goods to specific voters demands an overly complex organization, difficult to put into practice. Furthermore, attempts at establishing clientistic networks may lead voters away from politicians (Konstantinidis and Xezonakis 2013) or can be largely dependent on institutional settings (Manzetti and Wilson 2007).

Implicit trading does not require explicit dealings, i.e., the voter supports a candidate gaining from her election a benefit that is not explicitly agreed upon. When voting, the citizen might find the candidate's honesty so important that any corruption allegation retrieves vote intention. However, the voter might also take into account other aspects of the candidate

against the seriousness of the corruption charges, such as her party or stance on an important issue, personality or her ability to provide economic benefits. This balancing act might explain the electoral success of such candidates. Since there is no explicit conversation, there is a much larger pool of possible voters when comparing to explicit trading, allowing politicians not to suffer electoral reprisals for their misbehavior.

In Rundquist, Strom, and Peters' (1977) experiment, political stances were shown to be the most important reason behind supporting a corrupt politician: if individuals were strongly *pro* or *contra* a certain policy issue, they were more likely to keep supporting a hypothetical corrupt candidate that shared their stand on that issue.

In an experimental setting, Anduiza, Gallego, and Muñoz (2013) find evidence of partisan bias, that is, individuals were more tolerant to corruption cases when it affected their preferred party. Anderson and Tverdova (2003) show that the negative effect of corruption on evaluations of the political system was significantly attenuated among supporters of the incumbent political authorities. Partisanship seems to increase the likelihood of voting for a corrupt politician, while political awareness appears to have the opposite effect. However, there is not a consensus on the effects of the two features being simultaneously present. While Klasnja (2011) finds that partisanship diminishes the positive association between political sophistication and the electoral sanctioning of corrupt politicians, Anduiza, Gallego, and Muñoz (2013) defend that high political awareness moderates the partisan bias, decreasing the chances of electing a corrupt politician.

Finally, the trade-off hypothesis advocates that voters accept a certain level of corruption if the politician is able to create favorable economic conditions. Evidence both for and against this hypothesis has been found. Providing tangible benefits (tax cuts) seemed to outweigh costs of political corruption and increase propensity to vote for a hypothetical corrupt politician by 8% in Greece. In a similar experiment in Brazil, performing public works would not improve chances to win (Konstantinidis and Xezonakis 2013, Winters and Weitz-Shapiro 2013).

Another study looked at real corruption cases in Spanish elections to evaluate the impact of the incumbent's performance on the electoral results. Fernández-Vázquez, Barberá, and Rivero (2016) show that while there was evidence of electoral retribution (corrupt local executives were punished in elections by an average decrease of 1.8 percent in the vote share)

dishonest politicians that increase economic welfare, allowing the constituents to benefit from corruption, “survived the verdict of elections unharmed” (p.24).⁴ Misbehaving politicians that did not improve welfare suffered an average loss of 4.2%.

Golden (2006) argues that it is more reasonable to expect electoral retribution in local elections because mayors are executive officials that can affect the quantity and quality of services, while a national level politician being voted out of office for dishonest behavior has no immediate impact on national policy or on the overall degree of corruption tolerated by the governing party. Still, one can also argue that the executive power of the mayor may lead constituents to believe they can benefit from it.

Fernández-Vázquez, Barberá, and Rivero’s (2016) experiment shows evidence of an explanation of Kurer (2001) for the electoral support of corrupt politicians: voters have inconsistent preferences. The author defends that while voters believe that corruption is materially disadvantageous and morally repugnant and express their feeling in anti-corruption statements, at the same time they believe that it is beneficial and morally justified to take advantage of the opportunity when it arises.

Fernández-Vázquez, Barberá, and Rivero (2016) further argue that, in this case, corruption becomes a collective action problem. As Kurer (2001) puts it, although the best possible outcome is to have non-corrupt politics, the worst is to have the corrupt politician win, not having supported her and thus being shut from the clientistic distribution network. While everyone would benefit clean politics, no single person has incentives to act against it, resulting in the election of a corrupt politician.

3 Portuguese local governance

Portuguese local government is composed of two autonomous regions, municipalities and *freguesias* (civil parishes).⁵ There are 308 municipalities, 278 in mainland Portugal and 30 in the autonomous regions of Azores and Madeira. The municipality is in charge of promoting

⁴The authors considered licensing construction on non-developable land or in environmental protected areas as welfare increasing corrupt behaviours, while fraud in procurement, embezzlement, illegal hiring of municipal personnel or blackmail were defined as welfare decreasing.

⁵These were formally established by the 1976 Constitution of the Portuguese Republic (articles 249 through 254).

the well-being of the resident population.⁶

The representative branches of each municipality are the Municipal Council and Municipal Assembly (*Câmara Municipal* and *Assembleia Municipal*). The Council is the executive branch, in charge of the governance of the municipality and responsible for the elaboration and implementation of local policies. The Assembly serves as the deliberative branch that monitors the activity of the Council and approves the general framework for its policies.

The local governing bodies serve four-year terms. Citizens registered in each municipality are called to vote on the same day for party or independent lists presented for each of the three representative branches, the Municipal Council, the Municipal Assembly and the Parish Council. Votes are transformed into mandates using the d'Hondt method.⁷

The Council is composed by members of different parties or independent lists, elected through direct universal secret suffrage, in proportional representation elections. The mayor is the first candidate of the most voted list. Regarding the Assembly, part of its members are elected directly by voters according to proportional representation while the remaining seats are held by the presidents of the municipality's Parish Councils.

The mayor plays a key role in the local government. She presides over the Municipal Council, coordinates its activity, executes its deliberations, and assigns task to fellow council members. The mayor has managerial autonomy in some of her responsibilities, such as management of human resources, management and maintenance of the patrimony, authorization of contracts, permits, and others. Additionally, she is able to decide, within the plan of activities, which public works to implement and when, and to influence the choice of capital good suppliers, making her a principal decision-maker in the allocation of resources and investment in the municipality.

The Oeiras case

As of 2016, 174.249 people inhabited the 45.9km² that constitute Oeiras, making it the fifth most densely populated municipality in Portugal (Pordata 2016). Oeiras shares borders with

⁶The 169/99 and 75/13 laws define the competences and areas of intervention of the local power and representative branches. It is responsible for the organization of the territory, economic development, social welfare, environment, and the task of providing local public goods and services such as water, transportation, housing, health care, education, sports and culture, besides municipal police and civil protection.

⁷The d'Hondt method is a highest averages method for allocating seats in a party-list proportional representation. It tends to favour the parties that gain the most votes.

the municipalities of Lisbon on the east, Amadora and Sintra on the north, and Cascais on the west. It enjoys a privileged geographic location as it is part of the Lisbon metropolitan area and has over 10 km of coastline along the Tagus estuary. Its territory is divided into five civil parishes.⁸

The proximity to the country's capital led Oeiras to grow, in the past, as a dormitory town and as a passage to the neighboring Cascais. However, in recent decades, Oeiras has developed beyond a traditional suburb, becoming a municipality of importance in its own right. For instance, it is now a destination of reference for tech enterprises, hosting the highest proportion of medium-high to high tech companies, which are located in the many science and technology parks of the municipality.⁹ Oeiras' workers have the highest average monthly base remuneration of the country, €920 higher than the national minimum wage of €485 (Pordata 2013).

Oeiras is renowned for the quality of life, wealth and education of its population. The per capita purchasing power of the *Oeirenses* is 57.1 percent above the Portuguese average, a value which is inferior only to the country's largest cities of Lisbon and Oporto (Pordata 2015) and 20.7% above the European average, positioning Oeiras below Germany and above Belgium and the United Kingdom (INE 2015).¹⁰ The *Oeirenses* are one of the most educated populations in Portugal. According to the 2011 census, 30.7% of the inhabitants hold a bachelor's degree, which is over twice the Portuguese average (13.8%). Oeiras comes in second place, following Lisbon (31.1%). Most notably, only one in every five Oeiras' inhabitants has little to no schooling.¹¹ In Lisbon, over a quarter (27.17%) of the population has such a schooling level, and at national level it accounts for 35.2% of the population. Finally, the Oeiras municipality was the only one, in 2011, where over half of the population (53%) had completed at least high-school, which compares to a national average of 30.5% and 49.1% for Lisbon (Pordata 2013).

⁸The five civil parishes of Oeiras are: União das Freguesias de Algés, Linda-a-Velha e Cruz-Quebrada/Dafundo; UF de Carnaxide e Queijas; UF de Oeiras e São Julião da Barra, Paço de Arcos e Caxias; Junta de Freguesia de Barcarena; and JF de Porto Salvo

⁹According to the location of the company's headquarter (INE 2016).

¹⁰Per capita purchasing power is a composite measure, based on a matrix of 16 variables, that intends to express the population's material well-being. The comparison with European countries is obtained from the estimation of the Portuguese purchasing power as 76.8% of the European average.

¹¹It is considered "little" schooling have completed only primary school (four years of education).

Oeiras is today an economic pivot. It is one of the most financially independent municipalities, collecting 77.3% of its revenue (Carvalho et al. 2016). Some attribute the growth of Oeiras to its mayor, Isaltino Morais, who has presided the City Council since 1985 (with the exception of the years during which he served as a minister, the period in which he was imprisoned and the following years).

Political history and Isaltino Morais

Isaltino Morais first ran for mayor of Oeiras in 1985, heading the list of the center-right Social Democratic Party (*Partido Social Democrata*, PSD). He was successfully elected, and re-elected every following four years, in 1989, 1993, 1997 and 2001.

In 2002, he suspended his mandate as a mayor to become Minister of Cities, Spatial Planning and Environment after being appointed by then prime minister Durão Barroso. This appointment would not last long, as just a year later Isaltino resigned due to the surfacing of news articles claiming he owned bank accounts in Switzerland and Belgium, with capital that had not been declared to the fiscal authorities (Público 2003).

It later became known that, between 1990 and 2002, Isaltino owned a bank account in Switzerland with over €1.1 million, while in this period he had earned a total net salary of €351,139.82 and had not engage in any other paid activity (Sábado 2009).

Due to the accusations, PSD withdrew its support for the candidature of Isaltino for the 2005 local elections. Isaltino proceeded to create his own independent movement, a group of citizen voters called *Oeiras Mais À Frente* (IOMAF), and to win with 34.2% of the votes.¹²

In August of 2009, the then Oeiras mayor was sentenced to seven years of prison, a compensation of €463 thousand and loss of mandate, for the crimes of passive corruption, misuse of power, fiscal fraud and money laundering (Público 2009). He appealed and stayed as Oeiras mayor, being re-elected the following October with an even larger vote share than in the previous election (41.52%).

One year later, his sentence was reduced to two years of effective imprisonment and a compensation of €197 thousand, for three crimes of fiscal fraud and one of money laundering, acquitting the defendant of the remaining crimes, with the exception of the passive corruption

¹²Here and further on the election results refer to the Municipal Council elections (SGMAI 2017).

crime that was proved in court but had to be re-trialed due to an irregularity in the procedure. By then, the 1996 crime had prescribed (Jornal de Notícias 2012).

In 2013, the Constitutional Court refused the last of a total of 44 appeals that Isaltino's defence presented during his process and, on April 24th, the mayor of Oeiras was arrested and imprisoned at the Prison of Carregueira (Público 2013).

In the local elections of October of that same year, Paulo Vistas, who had been Isaltino's campaign manager and vice-president of the Municipal Council in the two previous mandates, headed the IOMAF movement and won the elections with 33.45% of the votes. On election night, news outlets reported Paulo Vistas' supporters celebrating this victory outside the prison where Isaltino was being held (Jornal de Notícias 2013).

In June of 2014, Isaltino was released to serve the remainder of his sentence in parole.

When the time came for the 2017 elections the main prospects to win the Oeiras mayor's office were Paulo Vistas, heading the IOMAF citizen's movement that had been created by Isaltino, and the man himself, now leading a recently founded citizens' movement called *Inovar Oeiras de Volta* (IN-OV).

On a national level, the 2017 local elections were marked by the return to the race of many candidates that had been in office through many mandates, in what the news outlets called "the return of the dinosaurs" (Jornal i 2017). Of these many "dinosaurs" only Isaltino was re-elected to office. His movement won 41.65% of the votes for the Municipal Council, which granted absolute majority of seats, and 38.12% of the votes for Municipal Assembly.

The case of Isaltino is not especially rare in Portuguese local government. Fátima Felgueiras, Valentim Loureiro e Avelino Ferreira Torres are three examples of mayors that were involved in corruption scandals and were later re-elected. The case of Isaltino Morais is exceptional because of how long the politician has been in power, and, most importantly, because Oeiras is an exceptional Portuguese municipality.

In Portugal, recent years have been marked by high-profile corruption cases implicating ministers (or former ministers), and even a former prime minister, along with other nationally recognized figures. The country is ranked as the 29th least corrupt country of the 176 considered in the Corruption Perception Index of 2016 (TI 2016). Regarding Europe, Portugal is the 14th least corrupt country, placed in the middle of the list.

Absolution, prescription of crimes or the abandonment of prosecution due to lack of evidence are the norm when it comes to corruption cases. A study of reported corruption in Portugal found that the majority of cases between 2004 and 2008 were closed (Lima 2011). Only 14 of the 838 cases (1.7%) resulted in convictions leading Sousa (2016) to declare that "every time the agent of passive corruption holds an elected position, the probability of being convicted is close to zero" (p.21).

4 Data Collection

The aim of this study was to take advantage of the election of a candidate who had been imprisoned for corruption-related crimes to test the main existent theories for the electoral success of corrupt politicians - ignorant voter theory and the implicit trading theory.¹³ In order to do so, a survey-embedded experiment was conducted.

Surveys were conducted online and through face-to-face interviews, in various places of the five parishes of Oeiras, over the course of three weeks in November 2017. Total number of survey respondents amounted to 557: 301 online surveys and 256 face-to-face interviews.

Firstly, we collected information on the individual. Following that, the subject was asked to distribute nine points between *honesty* and *competence* according to the importance she attributed to these being qualities of the ideal mayor or of the ideal politician. The motivation was to understand each voter's trade-off point between *honesty* and *competence*, which of the two she valued the most, and to what extent. Throughout the whole survey *honesty* was defined as "not accepting bribes and not peddling political favours" and *competence* was described as "delivering to the population the bundle of goods and services it desires, at a suitable level".

In the second part of the survey, the experiment was conducted. One of three types of news articles (treatments) was provided to half of the subjects:

1. *Honesty News*: news about the corruption crimes, the trial and the arrest of Isaltino;
2. *Competence News*: news pieces concerning the Oeiras' economic and social situation;

¹³Winters and Weitz-Shapiro 2013, Ferraz and Finan 2008, Chong et al. 2014, De Figueiredo, Hidalgo, and Kasahara 2010, Rundquist, Strom, and Peters 1977, Anduiza, Gallego, and Muñoz 2013, Klasnja 2011, Konstantinidis and Xezonakis 2013, Winters and Weitz-Shapiro 2013, Fernández-Vázquez, Barberá, and Rivero 2016

3. *Placebo News*: news articles on an issue non-related to the study (the importance and benefits of physical exercise), to understand if receiving any type of news articles would have an effect on the subjects' answers.

After reading the news articles, the respondents were asked to evaluate four politicians based on their *honesty* and *competence* in a scale of 1 to 4. The politicians were: Isaltino Morais, Paulo Vistas (Oeiras mayor from 2013 till 2017, and the main contestant at the 2017 elections), Fernando Medina (Lisbon's mayor, who came into office in 2015 and had been recently reelected, supported by the Socialist Party) and Carlos Carreiras (who has been the Cascais' mayor since 2011 and is supported by the Social Democratic Party).

As Medina and Carreiras are the mayors of the neighboring municipalities, individuals were likely to have been in contact with their work and be able to evaluate them. Nonetheless, these questions were included in order to measure the individuals' perception of the typical mayor's level of honesty and competence. The two mayors are supported by the two main political parties in Portugal, which allows to control for partisan bias in the evaluations.

The other half of survey respondents answered the questions on the evaluation of politicians and voting choices without having read the news articles. These were considered to be part of the control group whereas those who answered the questions having read the news articles were considered to be in the honesty, competence or placebo treatment groups.

Finally, the respondents were asked to report their voting choices in the last three local elections and frequency of vote for Isaltino Morais in the past, as the 2017 elections marked the 8th time Isaltino ran for mayor in Oeiras.

This experiment's intent was to understand how the evaluations of *honesty* and *competence* related to the individuals' information and voting choice, and to understand if providing information on the corrupt behaviour of the mayor or on the economic and social situation of Oeiras, as a proxy for Isaltino's competent action as a mayor, would have an impact on the voter's evaluation of *honesty* and *competence* of the mayor, and possibly of other politicians.

When the surveys carried face-to-face, the first part was asked and filled by the interviewers. The evaluation and vote choices were filled by the respondent in a paper she would then fold and place in a black closed box (similar to an urn).¹⁴

¹⁴Occasionally, illiterate individuals or individuals that suffered from eyesight problems would not be able to fill the survey by themselves and all questions were read to them.

5 Descriptive statistics

Table 1 comprises summary statistics of the individuals' information, the individuals' evaluation of the two characteristics for the four politicians and past voting choices. Tables 7 and 8 (Appendix) illustrate more detailed statistics.

The average sampled individual is 43 years old and has lived in the municipality for 26 and a half years. The prevailing age group is from 20 to 23 years old. Almost half of the sample (45.1%) resides in the parish of Oeiras e São Julião da Barra, the most populated of Oeiras. About one in every two respondents is either married or cohabiting.

The majority of the respondents (56.4%) holds a university degree, followed by those who have completed secondary education. With regards to income, close to 40% of our sample has an average monthly gross income between €591 and €1700 and the second largest group has an income below €590, approximately the national minimum income. The two upper income groups are composed almost solely of university graduates. More than half (55.7%) of the sample is employed, around 18.7 percent is retired and slightly less is currently studying.

The value of honesty variable details how many of the nine points to be distributed between honesty and competence were attributed to honesty. The vast majority gave either 4 points to honesty and 5 to competence or vice-versa. There is a small difference in the mean disclosing that, on average, subjects claim to give primacy to honesty.

Regarding the perceived honesty and competence of the politicians, we can observed that: (i) Average honesty evaluation of the three politicians (Vistas, Medina and Carreiras) was of 2.43, higher than the evaluation of Isaltino's honesty (1.77); (ii) The opposite is verified for competence: the competence evaluation of Isaltino Morais (3.17) is higher than the average competence of the three other politicians (2.44); (iii) The evaluation of Paulo Vistas was below the mean competence and honesty given to other politicians; (iv) The evaluation of Isaltino of those who voted for him in 2017 is higher than of those who did not, both for competence (3.65 points versus 2.94) and for honesty (2.41 versus 1.47 points).

About a third of the sample, 31.2%, elected IN-OV, the independent list headed by Isaltino Morais. Paulo Vistas, leading the IOMAF movement, was voted by 15.3% of the individuals. Abstention counted for almost a tenth of individuals, a much lower percentage than the municipality's registered rate of abstention of 44.5% (SGMAI 2017).

TABLE 1: Descriptive statistics of the sampled population

	Variable	Obs	Mean	Std. Dev.	Min	Max		
individual characteristics	age	552	43.438	18.534	18	88		
	demographic	female	557	0.522	0.500	0	1	
		years in Oeiras	556	26.541	16.207	0	86	
		employed	555	0.557	0.497	0	1	
	schooling	none/primary	555	0.124	0.330	0	1	
		basic	555	0.101	0.301	0	1	
		secondary	555	0.211	0.409	0	1	
		university	555	0.564	0.496	0	1	
	income	>590	478	0.276	0.448	0	1	
		590-1700	478	0.452	0.498	0	1	
		1701-3380	478	0.168	0.374	0	1	
		3381-6720	478	0.075	0.264	0	1	
		<6720	478	0.0293	0.169	0	1	
	family composition	married	555	0.483	0.500	0	1	
		children	555	0.593	0.492	0	1	
		# children	326	1.950	0.854	1	5	
		value of honesty	555	4.681	1.285	0	9	
	politicians' evaluation	Isaltino	Competence	551	3.171	0.872	1	4
			Honesty	550	1.771	0.911	1	4
		Vistas	Competence	537	2.233	0.787	1	4
Honesty			534	2.292	0.880	1	4	
Medina		Competence	490	2.649	0.836	1	4	
		Honesty	490	2.582	0.847	1	4	
Carreiras		Competence	434	2.521	0.790	1	4	
		Honesty	429	2.410	0.755	1	4	
voting choices: 2017 elections		IN-OV (IM)	557	0.312	0.464	0	1	
		IOMAF (PV)	557	0.153	0.360	0	1	
	PS	557	0.054	0.226	0	1		
	PSD	557	0.115	0.319	0	1		
	Other	557	0.097	0.296	0	1		
	Blank	557	0.063	0.243	0	1		
	Abstention	557	0.0952	0.294	0	1		
	Couldn't vote	557	0.004	0.060	0	1		
	N/A	557	0.108	0.310	0	1		

At last, in Table 2, we show balance tests across the four groups for the main baseline variables. We can observe that, in comparison to the control group, subjects that were in the honesty treatment group, valued more honesty, in terms of competence, a difference that is significant at the 5% level. Other minor differences were found in variables other than the main ones, such as frequency of volunteer work, working in the agricultural industry, belonging to a specific income bracket and matrimonial situation of cohabitation. These were included as control variables in the regressions estimated. Given that this information was

collected before treatment, therefore unaffected by it, and that the treatments were allocated at random, the differences found across the groups can only be a product of chance.

TABLE 2: Balance tests for the main variables

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Control	Hon	C vs Hon	Comp	C vs Comp	Pla	C vs Pla
age	41.82 (18.49)	44.42 (18.07)	-2.60 (0.22)	46.14 (18.67)	-4.32 (0.06)	44.40 (18.89)	-2.59 (0.26)
female	0.53 (0.50)	0.53 (0.50)	0.00 (0.97)	0.46 (0.50)	0.07 (0.25)	0.55 (0.50)	-0.02 (0.77)
years in Oeiras	25.83 (16.68)	26.75 (16.14)	-0.93 (0.62)	27.90 (15.62)	-2.08 (0.28)	27.03 (15.57)	-1.21 (0.53)
employed	0.58 (0.49)	0.62 (0.49)	-0.04 (0.44)	0.46 (0.50)	0.12 (0.05)	0.51 (0.50)	0.07 (0.26)
education	4.73 (1.52)	4.75 (1.49)	-0.02 (0.89)	4.85 (1.53)	-0.12 (0.52)	4.88 (1.43)	-0.15 (0.41)
income	2.08 (0.98)	2.22 (0.91)	-0.14 (0.25)	2.28 (1.11)	-0.19 (0.16)	2.01 (1.00)	0.07 (0.59)
married	0.45 (0.50)	0.53 (0.50)	-0.08 (0.17)	0.57 (0.50)	-0.12 (0.06)	0.44 (0.50)	0.01 (0.92)
value of honesty	4.62 (1.27)	4.87 (0.93)	-0.25 (0.04)*	4.70 (1.47)	-0.08 (0.62)	4.63 (1.46)	-0.01 (0.96)
N	271	102	373	93	364	91	362

Notes: In columns (1), (2), (4) and (6) the mean of the variables for each of the four groups - control group (C), honesty treatment group (Hon), competence treatment group (Comp) and placebo treatment group (Pla) - is reported, as well as the standard deviation, in parentheses. In columns (3), (5) and (7) we report the mean difference between each of the treatment groups and the control group, with the p-value of the t-test being reported in parentheses.

6 Vote determinants

In order to characterize the Isaltino Morais (IM) voter, the following binomial probit model, fitted by maximum likelihood, was estimated:

$$\Pr(\text{Vote}IM_i = 1) = \Phi(x_i'\beta) \quad (1)$$

Where Φ is the standard normal cumulative distribution function. *VoteIM* is the outcome variable that indicates which candidate the individual voted for. It was set as a dichotomous variable and three specifications were implemented, in which the outcome of voting IM is evaluated against voting for any of the other candidates (*vs Others*), voting for Isaltino's main contender, Paulo Vistas (*vs Vistas*), or doing anything else, including abstention or

voting blank (*vs All*). Finally, x'_i corresponds to a vector of case-specific regressors, regarding individuals' characteristics and revealing preferences and beliefs, that are now explained.

The variables *avg honesty* and *avg competence* correspond to the average of the honesty and competence evaluations of the three politicians other than Isaltino Morais (Paulo Vistas, Fernando Medina and Carlos Carreiras). In the model *vs Vistas*, a variable denoting the honesty and competence evaluation of Paulo Vistas is included.

The variable *value of honesty (in terms of competence)* denotes how many points the individual attributed to honesty. *IM honesty* and *IM competence* correspond to the evaluation of IM' honesty and competence on a scale of 1 to 4.

The online version of the survey concluded with an open question asking the reason behind the individual's vote in the 2017 elections. For those who had voted for Isaltino, one recurring answer was that only those who live in Oeiras comprehend the benefits of having Isaltino as a mayor. Thus, we include the variable *years in Oeiras*, which indicates for how many years the individual has lived in the municipality. This variable is expected to have a positive effect on the probability of voting for Isaltino.

Education and income were treated as continuous variables. Education may serve as a proxy for political awareness. Politically conscious voters are, on average, less likely to support corrupt politicians than their less informed counterparts. There is no clear expectation of the effect of income because while some authors argue that the poorer may have less time and availability to pay attention to the quality of governance, other studies show greater tolerance for corruption among the upper socio-economic class.¹⁵

Marginal effects evaluated at the mean are reported in Table 3. These regressions were estimated with cluster robust standard errors, clustering for place and date of survey.

The data show that higher perceived honesty of other politicians (*avg honesty*) decreases probability of voting IM: on average, an increase in one point is expected to decrease chances of voting by 16.2 percentage points. This is only significant for the *vs Others* model where all explanatory variables are included. Hence, when individuals believe other politicians to be more corrupt, they are less likely to vote for Isaltino. This runs contrary to existing findings that showed that audits proving a politician had not engaged in corrupt behaviours actually enhanced her chances of re-election, i.e., voters expected, to some degree, all politicians to

¹⁵Klasnja 2011; Anduiza, Gallego, and Muñoz 2013; Winters and Weitz-Shapiro 2013

TABLE 3: Vote determinants (probability of voting for Isaltino Morais)

	(1) vs Others	(2) vs Others	(3) vs Others	(4) vs Vistas	(5) vs All
avg honesty	0.0158 (0.06)	-0.1007 (0.06)	-0.1619* (0.07)		-0.0623 (0.05)
avg competence	-0.1089* (0.05)	-0.1636** (0.05)	-0.1491* (0.06)		-0.0914* (0.04)
value of honesty	-0.0977*** (0.02)	-0.0707*** (0.02)	-0.0805*** (0.02)	-0.0395* (0.02)	-0.0533** (0.02)
education	-0.1314*** (0.02)	-0.0860** (0.03)	-0.0551* (0.03)	-0.0252 (0.02)	-0.0339* (0.01)
years in Oeiras	-0.0016 (0.00)	-0.0026 (0.00)	-0.0043** (0.00)	-0.0017 (0.00)	-0.0021 (0.00)
employed	0.0139 (0.04)	-0.0487 (0.05)	0.0281 (0.06)	-0.1194 (0.06)	-0.0400 (0.04)
age	0.0008 (0.00)	-0.0006 (0.00)	0.0029 (0.00)	-0.0008 (0.00)	0.0020 (0.00)
female	0.0552 (0.06)	0.0525 (0.04)	0.0447 (0.05)	0.0428 (0.05)	0.0789 (0.05)
IM honesty		0.3012*** (0.03)	0.3199*** (0.04)	0.2678*** (0.06)	0.2084*** (0.05)
IM competence		0.3003*** (0.04)	0.2971*** (0.06)	0.2356*** (0.04)	0.2276*** (0.04)
income			-0.1286*** (0.03)	-0.0263 (0.03)	-0.0690** (0.02)
PV honesty				-0.1146* (0.06)	
PV competence				-0.2659*** (0.05)	
N	385	382	336	211	400

Notes: These regressions controls for the variables that were unbalanced across the groups. The results reported are the marginal effects evaluated at the mean. Standard errors clustered by date and place of survey are reported in parentheses. Significance levels: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

be corrupt and would reward those who were not (Ferraz and Finan 2008). Our results show that believing other politicians are more dishonest does not increase the likelihood of voting for Isaltino.

When perceived competence of other politicians (*avg competence*) decreases by 1 point, the probability of having voted for IM increases by 9.1 to 16.4 p.p.. The coefficient is statistically significant at 1 to 5 percent level. Therefore, the more one believes other politicians are not competent, the more probable it is that she supports IM, suggesting that his supporters see him as exceptionally competent.

We can observe, in the *vs Vistas* model, that an increase by 1 point in the evaluation of

Vistas' honesty decreases probability of voting for Isaltino by about the half the percentage points of an equal increase in the competence evaluation, 11.5 versus 26.6 percentage points, or an increase in one point of IM's honesty or competence. When we compare those who voted for Isaltino with those who voted for Paulo Vistas, we can see the honesty level of the main contestant is less significant than his competence or the competence or honesty of Isaltino in determining vote decisions.

The coefficients of *IM honesty* and *IM competence* are positive and significant, at a low significance level across all specifications, indicating these characteristics are important factors for his reelection. As these variables may be affected by the treatment, we shown in Table 10 (Appendix) regressions including interactions between receiving one of the treatments and the honesty and competence evaluations, which hold similar results.

The result of the *value of honesty (in terms of competence)* is as anticipated: as one values honesty more, one is less likely to elect Isaltino. One additional point to honesty corresponds to a decrease in the probability of voting between 7.1 to 9.8 percentage points (*vs Others* model). We can also observe, in Table 5, that an additional point to honesty (in terms of competence) is related a decrease in about 0.14 points in the evaluation of Isaltino's competence, a result that is significant at the 0.1% level.

The variable *years in Oeiras* is only significant in the *vs Others* specification, when all variables are included. Contrary to expectations, it is negatively related to voting for IM. We find no relation between employment status, age or gender and voting decision.

Finally, we encounter an inverse relationship between socio-economic status and supporting IM: higher levels of education and income are correlated to a decrease in the probability of voting for Isaltino and are statistically significant across all specifications, except for the *vs Vistas* model. Furthermore, in Table 5 we can see that education is associated with a lower evaluation of Isaltino's honesty meaning those who are more educated are more skeptical of the politician's honesty level. Regarding education, our results are in accordance with the previous literature. In Table 9 (Appendix) these are treated as binary variables, showing results consistent with the ones depicted in Table 3.

We can conclude, firstly, that, although the election of Isaltino Morais is remarkable given the particular circumstances of Oeiras, one of the most educated and wealthiest municipalities in the country, our results show that it is neither the richest, nor the most educated in the

municipality that support Isaltino Morais.

Secondly, we find significant support for the trade-off hypothesis. It is shown that perceived competence is a crucial aspect of his support, and, most importantly, that those who attribute more importance to competence (in terms of honesty) and believe other politicians are less competent are those who vote for IM. These results provide evidence that competence, defined throughout the survey as the provision of goods and services, moderates punishment for the politician’s misconduct allowing his election, i.e., the perception of Isaltino Morais as an exceptionally competent mayor explains his success.

7 Treatment effects

To estimate the treatment effects of the survey-embedded experiment, the following model was estimated using OLS:

$$O_i = \beta_0 + \beta_1 \cdot \text{T(HONESTY)} + \beta_2 \cdot \text{T(COMPETENCE)} + \beta_3 \cdot \text{T(PLACEBO)} + \varepsilon \quad (2)$$

Where O_i corresponds to the main outcome of interest, the evaluation of Isaltino Morais in terms of honesty and competence, on a scale of one to four. T(HONESTY) , T(COMPETENCE) , and T(PLACEBO) are indicator variables, equal to one if the individual received the honesty, the competence, or the placebo treatment, i.e., if the subject read one of the three types of news articles before answering questions on the evaluation of the politicians. If the subject is part of the control group, the three binary variables are equal to zero. The coefficients β_1 , β_2 , and β_3 measure the *honesty*, the *competence*, and the *placebo* treatment effect, respectively.

In addition to the baseline regression 2, other regressions were run, including variables such as years living in Oeiras, income, education, value of honesty in terms of competence, in addition to gender, age and employment status. These were estimated with cluster robust standard errors, clustering for place and date of survey, if conducted face-to-face, and for taking the survey online.

We find statistically significant effects of the treatments. We can observe in Table 4 that the competence treatment affects the individual’s perception of Isaltino’s level of competence. However we also find effects of receiving the placebo treatment, meaning it was not, in fact,

TABLE 4: Treatment effects on Isaltino’s honesty and competence evaluation

	(1)	(2)	(3)	(4)	(5)	(6)
	IM hon	IM hon	IM hon	IM comp	IM comp	IM comp
T(HONESTY)	-0.1104 (0.10)	-0.0981 (0.09)	-0.1021 (0.08)	0.0781 (0.07)	0.1149 (0.08)	0.1246 (0.09)
T(COMPETENCE)	0.0275 (0.09)	0.0903 (0.08)	0.1074 (0.08)	0.1397* (0.06)	0.1718* (0.07)	0.1831* (0.07)
T(PLACEBO)	-0.0205 (0.12)	0.0107 (0.12)	-0.0019 (0.12)	0.1732** (0.05)	0.1930* (0.08)	0.1900* (0.08)
years in Oeiras		0.0016 (0.00)	-0.0008 (0.00)		-0.0026 (0.00)	-0.0034 (0.00)
income		-0.0315 (0.06)	-0.0843 (0.05)		0.0095 (0.04)	-0.0112 (0.07)
education		-0.2372*** (0.03)	-0.2245*** (0.03)		-0.0360 (0.02)	-0.0321 (0.03)
value of honesty		-0.0543 (0.03)	-0.0618* (0.03)		-0.1051* (0.04)	-0.1097** (0.04)
N	535	463	461	536	464	462

Notes: The regressions control for the variables that were unbalanced across the groups, as well as age, employment status and gender for regressions (3) and (6). Standard errors clustered by date and place of survey are reported in parentheses. Significance levels: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

a placebo treatment. We can only speculate about why we find a significant effect.¹⁶

We do not find effects of any of the treatments when we run the same regression having as outcome variables the honesty and competence evaluations of the other politicians.

As we cannot fully grasp the reason behind the placebo treatment effects, we continue to assess the experiment’s results by excluding from the analysis the individuals that were subject to the placebo treatment. When we run the regression on this restricted sample, we find effects of the competence treatment. As shown in Table 5, reading the news about the situation of Oeiras increases the evaluation of Isaltino’s competence by 0.14 to 0.19 points, a result significant at the 5 percent level for all specifications used. We also observe that the honesty treatment, which referred directly to Isaltino, has no effect on either the evaluation of honesty or competence.

Finally, we conducted tests for localized treatment effects on the restricted sample. The treatment effects for the subsamples, selected according to the variables that we found significant in the *Vote Determinants* section, are summarized in Table 6.

¹⁶For instance, when Isaltino was released from prison, it was reported he was visibly slimmer, and he declared he exercised while imprisoned (Correio da Manhã 2014). Voters may associate news articles on the benefits of exercise with a positive assessment of Isaltino’s work. It can also be that the placebo news distracted or relaxed the respondent resulting in more sincere survey answers.

TABLE 5: Treatment effects on Isaltino’s honesty and competence evaluation

	(1)	(2)	(3)	(4)	(5)	(6)
	IM hon	IM hon	IM hon	IM comp	IM comp	IM comp
T(HONESTY)	-0.1078 (0.10)	-0.0958 (0.09)	-0.1014 (0.09)	0.0861 (0.07)	0.1316 (0.08)	0.1403 (0.09)
T(COMPETENCE)	0.0290 (0.09)	0.0953 (0.08)	0.1227 (0.08)	0.1435* (0.06)	0.1776* (0.07)	0.1908* (0.08)
years in Oeiras		0.0022 (0.00)	0.0018 (0.00)		-0.0031 (0.00)	-0.0039 (0.00)
income		-0.0459 (0.06)	-0.0770 (0.06)		0.0249 (0.04)	0.0184 (0.07)
education		-0.2444*** (0.03)	-0.2487*** (0.03)		-0.0550* (0.03)	-0.0525 (0.03)
value of honesty		-0.0369 (0.03)	-0.0457 (0.03)		-0.1303** (0.04)	-0.1419*** (0.03)
N	449	390	388	452	393	391

Notes: These regressions control for the variables that were unbalanced across the groups, as well as age, employment status and gender in regressions (3) and (6). We exclude from the analysis the placebo treated individuals. Standard errors clustered by date and place of survey are reported in parentheses. Significance levels: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

We find that the treatment effect on the competence evaluation is driven by those who value honesty (in terms of competence) below the average. For these, receiving the competence treatment increases the competence evaluation by to 0.32 points, and the honesty evaluation by an even larger amount of 0.42 points. Furthermore we observe that for these voters, who attribute more importance to competence than the average individual in the sample, the honesty treatment has a positive effect (of 0.39 points) on the evaluation of competence, an effect that is not present for the whole sample.

We also observe that if the period of time living in Oeiras is shorter than the sample’s average, there is a significant positive effect of the competence treatment on both the honesty (0.29 points) and the competence evaluation (of around 0.23 points).

Finally, and contrary to expectations, the treatment effects are driven by the part of the sample that is the most educated. Only for those who have a college degree does the competence treatment have a positive impact on both the honesty and the competence evaluations, of 0.29 and 0.19 points, respectively. Once again, there is a significant positive effect of the honesty treatment on the perceived competence level, of around 0.24 points.

Nonetheless, we can observe that there are no treatment effects on those whose income is above average, whereas if income is below average there is an increase of 0.26 points on

TABLE 6: Treatment effects on Isaltino's honesty and competence evaluation for the subsamples

		(1)	(2)	
		IM honesty	IM comp	
value of honesty	above average	T(HONESTY)	-0.1478 (0.11)	0.0793 (0.09)
		T(COMPETENCE)	-0.0937 (0.16)	0.0722 (0.10)
		N	252	254
	bellow average	T(HONESTY)	0.0777 (0.13)	0.3913** (0.12)
		T(COMPETENCE)	0.4247** (0.11)	0.3220* (0.12)
		N	136	137
years in Oeiras	above average	T(HONESTY)	-0.0451 (0.13)	0.2780 (0.15)
		T(COMPETENCE)	-0.0827 (0.11)	0.1454 (0.15)
		N	165	166
	bellow average	T(HONESTY)	-0.1174 (0.13)	0.0474 (0.19)
		T(COMPETENCE)	0.2919** (0.10)	0.2279* (0.10)
		N	223	225
education	university graduates	T(HONESTY)	0.0323 (0.11)	0.2393* (0.09)
		T(COMPETENCE)	0.2939* (0.11)	0.1942*** (0.05)
		N	216	217
	non-university graduates	T(HONESTY)	-0.3147 (0.18)	-0.0179 (0.20)
		T(COMPETENCE)	-0.1330 (0.16)	0.1465 (0.15)
		N	172	174
income	above average	T(HONESTY)	0.0193 (0.09)	0.1373 (0.12)
		T(COMPETENCE)	0.0719 (0.12)	0.0154 (0.11)
		N	108	108
	bellow average	T(HONESTY)	-0.1234 (0.12)	0.1134 (0.13)
		T(COMPETENCE)	0.1681 (0.11)	0.2641* (0.10)
		N	280	283

Notes: All regressions control for the variables that were unbalanced across the groups and for a set of demographic, economic and political variables. Standard errors clustered by date and place of survey are reported in parentheses. Significance levels: * p<0.05, ** p<0.01, *** p<0.001.

the evaluation of competence when the subject receives the competence treatment. We can conclude that the university graduates category, which corresponds to half of the sample, encompasses not only the upper socioeconomic class, but is an heterogeneous group.

The fact that we find that for some individuals the honesty treatment actually improves the competence evaluation might occur because these voters believe that for a condemned politician to be elected it must mean he his competent, otherwise he would not be in power. This goes in line with the implicit trading, that corruption's electoral consequences can be moderated by the competent work of the politician.

8 Concluding remarks

Our findings present evidence for the implicit trading theory, that is, the theory that voters tolerate corruption in order to have in office a "competent" politician, who is capable of creating favourable economic conditions. We can observe that both believing other politicians are less competent and attributing more value to competence, in terms of honesty, are positively correlated with supporting Isaltino. Moreover, the presence of competence treatment effects shows that the Oeiras' electorate links the social and economic well-being of the municipality with Isaltino Morais' ability of *providing the desired public goods and services*. At last, the fact that there is a positive effect of the honesty treatment on the competence evaluation, which is significant for part of the sample, suggests that voters believe that for a candidate who has been convicted for corruption-related crimes to be elected, she must be competent.

At the same time, the results indicate little explanatory power for the ignorant voter hypothesis. The Oeiras' electorate seems to be aware of who they are voting for, as the information provided about the past crimes and conviction of Isaltino, which was salient, credible and accessible, does not affect the honesty evaluation.

A distinctive aspect of the study is that it focuses on a real, popular, longstanding politician and actual elections, versus a hypothetical corrupt candidate and vote intention, as previous studies have done. Assuming surveyed individuals were truthful, we are able to analyze actual, not stated, behaviour.

The fact that we use survey data and rely on self-reported behaviour - in lack of another form of knowing who people voted for - and stated preferences is a vulnerability of our study.

The individuals' answers may be subject to, for instance, social desirability bias. When the survey was not taken online, the most sensitive questions of the questionnaire were self-administered and placed in a black closed box to lead respondents to disclose their true beliefs and past behavior. However, this is not a flawless method.

There are further limitations of this experiment. Firstly, we employ a weak treatment, composed only by information (news articles) which might not be new to the respondents and might be insufficient to alter one's behaviour. We also find unexpected placebo treatment effects, which we find difficult to interpret. Moreover, our data are non-representative, and it may be that the particular experience of the sampled electorate does not apply to all Oeiras voters. Finally, this survey was conducted post-elections, and we cannot measure if the treatment effect would last or if it would impact future voting decision. Nonetheless, this paper's aim was not to alter voting choices but to understand previous voting decisions and explain the electoral success of a particular candidate.

In this study we used education as a proxy for political sophistication, as we focused on ignorant voter theory and implicit trading (trade-off) theory. Those who are more educated should be less tolerant to a dishonest politician. Education, measured by the schooling level, has unpredictable effects: having a college degree is negatively related to supporting Isaltino Morais, but, at the same time, the treatment effects are driven by these individuals. We believe this is so because half of the sample are university graduate students, making it an heterogeneous group.

Hence, for future research, it could be advantageous to cross the measures employed in this study with specific measures of political sophistication to understand more clearly how it influences voting decision and perceptions of politicians.

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A Appendix A

A.1 Data description

TABLE 7: Descriptive statistics, individual characteristics (continuation)

	Variable	Obs	Mean	Std. Dev.	Min	Max
	age	552	43.438	18.534	18	88
	female	557	0.522	0.500	0	1
	years in Oeiras	556	26.541	16.207	0	86
parish	Algés	557	0.262	0.440	0	1
	Barcarena	557	0.054	0.226	0	1
	Carnaxide	557	0.147	0.355	0	1
	Oeiras	557	0.451	0.498	0	1
	Porto Salvo	557	0.086	0.281	0	1
matrimonial status	single	555	0.405	0.491	0	1
	married	555	0.382	0.486	0	1
	widowed	555	0.036	0.187	0	1
	divorced	555	0.112	0.315	0	1
	cohabitation	555	0.065	0.247	0	1
	children	555	0.593	0.492	0	1
	# children	326	1.951	0.854	1	5
job situation	employed	555	0.557	0.497	0	1
	unemployed	555	0.079	0.270	0	1
	student	555	0.177	0.382	0	1
	retired	555	0.187	0.391	0	1
job sector	agriculture	542	0.013	0.113	0	1
	industry	542	0.103	0.305	0	1
	services	542	0.590	0.492	0	1
	public adm	542	0.129	0.336	0	1
	other	542	0.164	0.371	0	1
civic participation	civic association	556	0.167	0.374	0	1
	political body	555	0.016	0.126	0	1
volunteer work	never/rarely	556	0.595	0.491	0	1
	sporadically	556	0.259	0.438	0	1
	often	556	0.083	0.276	0	1
	very often	556	0.063	0.243	0	1
religion	not important	555	0.245	0.431	0	1
	mildly important	555	0.214	0.411	0	1
	important	555	0.335	0.472	0	1
	very important	555	0.205	0.404	0	1
value of honesty	mayor	555	4.681	1.285	0	9
	politician	552	4.786	1.222	0	9

TABLE 8: Descriptive statistics, past voting choices (continuation)

	Variable	Obs	Mean	Std. Dev.	Min	Max
2013 elections	IOMAF (PV)	557	0.332	0.471	0	1
	PS	557	0.110	0.313	0	1
	PSD	557	0.068	0.252	0	1
	CDU	557	0.025	0.157	0	1
	Other	557	0.045	0.207	0	1
	Blank	557	0.066	0.249	0	1
	Abstention	557	0.106	0.308	0	1
	Couldn't vote	557	0.093	0.291	0	1
	N/A	557	0.154	0.362	0	1
2009 elections	IOMAF (IM)	557	0.348	0.477	0	1
	PS	557	0.066	0.249	0	1
	PSD	557	0.070	0.255	0	1
	CDU	557	0.023	0.151	0	1
	Other	557	0.027	0.162	0	1
	Blank	557	0.029	0.167	0	1
	Abstention	557	0.072	0.258	0	1
	Couldn't vote	557	0.206	0.405	0	1
	N/A	557	0.158	0.365	0	1
Voted for IM in past elections	"never"	511	0.464	0.499	0	1
	"rarely"	511	0.145	0.352	0	1
	"often"	511	0.141	0.348	0	1
	"always"	511	0.250	0.433	0	1

A.2 Vote determinants

TABLE 9: Vote determinants, education and income as binomial variables

	(1) vs Others	(2) vs Others	(3) vs Others	(4) vs Vistas	(5) vs All
avg honesty	0.0124 (0.06)	-0.1065 (0.06)	-0.1305* (0.07)		-0.0459 (0.05)
avg competence	-0.1042* (0.04)	-0.1620** (0.05)	-0.1515** (0.05)		-0.1007** (0.04)
value of honesty	-0.0916*** (0.02)	-0.0680*** (0.01)	-0.0708*** (0.01)	-0.0390* (0.02)	-0.0536*** (0.02)
college graduate	-0.3625*** (0.05)	-0.2640*** (0.06)	-0.2228*** (0.06)	-0.0616 (0.06)	-0.1664*** (0.04)
years in Oeiras	-0.0006 (0.00)	-0.0020 (0.00)	-0.0027 (0.00)	-0.0015 (0.00)	-0.0015 (0.00)
employed	0.0107 (0.05)	-0.0373 (0.06)	0.0010 (0.06)	-0.1406* (0.06)	-0.0520 (0.04)
age	0.0019 (0.00)	0.0000 (0.00)	0.0019 (0.00)	-0.0003 (0.00)	0.0014 (0.00)
female	0.0464 (0.07)	0.0453 (0.04)	0.0358 (0.05)	0.0496 (0.04)	0.0719 (0.05)
IM competence		0.3022*** (0.04)	0.3072*** (0.05)	0.2843*** (0.04)	0.2414*** (0.04)
IM honesty		0.3046*** (0.03)	0.3031*** (0.03)	0.2728*** (0.06)	0.2078*** (0.05)
income above avg			-0.2016*** (0.05)	-0.0937 (0.05)	-0.1254*** (0.04)
PV honesty				-0.1440** (0.05)	
PV competence				-0.2570*** (0.05)	
N	385	382	382	242	455

Notes: These regressions control for the variables that were unbalanced across the groups. Standard errors clustered by date and place of survey are reported in parentheses. Significance levels: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

TABLE 10: Vote determinants, including interactions

	(1) vs Others	(2) vs Others	(3) vs Others	(4) vs Vistas	(5) vs All
avg honesty	0.0158 (0.06)	-0.0896 (0.06)	-0.1564** (0.06)		-0.0640 (0.05)
avg competence	-0.1089* (0.05)	-0.1763** (0.06)	-0.1622** (0.06)		-0.0920* (0.05)
value of honesty	-0.0977*** (0.02)	-0.0703*** (0.01)	-0.0755*** (0.01)	-0.0332 (0.02)	-0.0509** (0.02)
education	-0.1314*** (0.02)	-0.0828** (0.03)	-0.0545* (0.03)	-0.0211 (0.02)	-0.0363** (0.01)
years in Oeiras	-0.0016 (0.00)	-0.0029 (0.00)	-0.0041* (0.00)	-0.0018 (0.00)	-0.0022 (0.00)
IM honesty		0.3115*** (0.03)	0.3159*** (0.04)	0.2860*** (0.06)	0.1713** (0.06)
IM competence		0.2753*** (0.04)	0.2627*** (0.06)	0.2255*** (0.05)	0.2143*** (0.06)
IM hon (T hon)		0.1133 (0.18)	0.0850 (0.19)	-0.1375 (0.17)	0.2165 (0.11)
IM hon (T comp)		-0.0767 (0.12)	-0.0240 (0.13)	-0.1013 (0.10)	0.0803 (0.11)
IM hon (T pla)		-0.0623 (0.08)	-0.0387 (0.05)	0.0401 (0.08)	0.0256 (0.04)
IM comp (T hon)		0.0039 (0.09)	0.1192 (0.12)	0.2714* (0.13)	0.1079 (0.10)
IM comp (T comp)		0.1003 (0.07)	0.1845* (0.08)	0.0744 (0.06)	0.1006 (0.06)
IM comp (T pla)		0.0190 (0.12)	-0.0356 (0.12)	-0.2675 (0.18)	-0.0756 (0.10)
T(HONESTY)		-0.3239 (0.39)	-0.6392 (0.58)	-0.7083 (0.45)	-0.7795 (0.41)
T(COMPETENCE)		-0.1957 (0.23)	-0.4858* (0.24)	0.0226 (0.24)	-0.3956 (0.22)
T(PLACEBO)		0.0049 (0.40)	0.1313 (0.41)	0.8400 (0.65)	0.1852 (0.33)
income			-0.1450*** (0.02)	-0.0259 (0.03)	-0.0794*** (0.02)
PV honesty				-0.1146* (0.05)	
PC competence				-0.2731*** (0.05)	
N	385	382	336	211	400

Notes: All regressions include control for the variables that were unbalanced across the groups as well as age, employment status and gender. Standard errors clustered for the date and place of survey are reported in parentheses. Significance levels: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

A.3 Treatment effects

TABLE 11: Treatment effects on voting report of 2017 elections

	(1)	(2)	(3)	(4)	(5)	(6)
	vs Vistas	vs Vistas	vs Others	vs Others	vs All	vs All
T(HONESTY)	-0.1232 (0.07)	-0.0487 (0.07)	-0.1095 (0.06)	-0.0541 (0.07)	-0.0877 (0.06)	-0.0360 (0.07)
T(COMPETENCE)	-0.0765 (0.05)	0.0043 (0.05)	-0.0700 (0.05)	0.0335 (0.06)	-0.0417 (0.05)	0.0602 (0.06)
T(PLACEBO)	-0.0753 (0.05)	-0.0485 (0.06)	-0.0467 (0.05)	-0.0425 (0.06)	-0.0548 (0.05)	-0.0152 (0.06)
N	254	221	395	347	478	419

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

Notes: All regressions controls for the variables that were unbalanced across the groups as well as age, gender and employment status, plus a set of demographic, economic and political controls for regressions (2), (4) and (6). Standard errors clustered by date and place of survey are reported in parentheses. Significance levels: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.