

PROSPECTS FOR THE CONSOLIDATION OF LATIN AMERICAN DEMOCRACIES

Rethinking the role of corruption and institutional trust

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Abstract This article analyses the role of corruption and institutional trust in the process of the consolidation of Latin American democracies. Corruption not only violates the basic democratic principles of equality, transparency, and fairness, but it is also believed to foster the likelihood of a democratic breakdown by undermining the legitimacy of the democratic system in general, and the trust in its core institutions in particular. When compared with consolidated democracies, both level of corruption and institutional distrust are significantly higher in almost all Latin American countries. However, there is no evidence that the Latin American citizens' trust in the policy-implementing institutions (police, judiciary, public administration) is more negatively influenced by corruption than it is the case for citizens in consolidated democracies. These findings cast some doubts on the assumption that attitudes should form part of the concept of CoD. Instead, they might better be conceptualized as independent phenomena potentially influencing the persistence of democracy.

Keywords Consolidation of democracy, institutional trust, corruption, Latin America.

Introduction

Over the last few years, the relationship between democracy and *Rechtsstaat* / *estado de derecho* has attracted increasing scholarly interest.¹ In particular, social scientists who deal with the topic of the consolidation of democracy (CoD) highlight the importance of the rule of law, here defined as the equal and fair application of existing laws (O'Donnell, 1998) for the persistence and quality of democracy. This article focuses on a specific violation of the principle of rule of law, namely corruption, and analyses some of its potential implications for CoD.

The Latin American region constitutes a valuable sample of countries for investigating the topic of corruption and rule of law in the process of CoD. First, this region was almost completely captured by the third wave of democracy (Huntington, 1991). In addition, events since the beginning of this last wave of

1 Throughout this article, the terms rule of law and *Rechtsstaatlichkeit* are used synonymously. For the subtle differences between them, see Lauth/Pickel/Welzel (2000).

democratization, which were in line with earlier experiences with democracy, lead us to conclude that the lack of a stable rule of law plays an important role for explaining the difficulties in establishing liberal democratic regimes in Latin America (Weyland, 1998).

In the theoretical part of this paper, the topics of corruption and trust in policy-implementation institutions (PII) (Gabriel and Vetter, 1999) will be located in the broader context of CoD. After that, a hypothesis will be formulated which states that the age of a democratic system affects the type of information that citizens use to assess the trustworthiness of PII. More specifically, it is contended that the longer a democracy survives, the less important the citizens' evaluation of the extent of corruption becomes for their trust in PII.

The empirical section is subdivided into a descriptive and an analytical part. First, the extent of corrupt behaviors in both groups of countries will be discussed, using data from *Transparency International* (TI). Second, two important aspects of democratic legitimacy will be described, namely the citizens' perception of corruption and their trust in the so-called policy-implementation institutions (PII) judiciary, police, and administration. Data on these issues is taken from the *World Value Survey* 1995/98 and the *Latinobarometros* 1995, 1996, 1997, and 1998.² Following the descriptive section, the question of whether citizens' trust in PII in the young Latin American democracies depends more on the institutions' democratic performance than do such perceptions in the more consolidated democracies elsewhere will be addressed. This hypothesis test will be performed by estimating different correlation coefficients. The paper concludes with a summary and a brief discussion of the implications of the empirical findings for the future of democracy in Latin America and the way CoD should be conceptualized.

A theoretical perspective on the consolidation of democracy (CoD), rule of law, and institutional trust

Different dimensions of CoD and the rule of law

The longer ago the transition to democracy took place, the more the scientific and political interest shifts away from the how and why of these transitions and, instead, focuses more on the persistence and quality of the new democracies.³ This debate

2 LATINOBARÓMETRO is a public opinion survey conducted yearly since 1995, representing the opinions, attitudes, behavior and values of 17 countries in Latin America, approximately 400 million inhabitants in Latin America. The survey LATINOBARÓMETRO is produced by the NGO LATINOBARÓMETRO a non profit organization based in Santiago de Chile and directed by Marta Lagos. (www.latinobarometro.org).

3 For Schmitter/Guilhot (2000) it is an 'epistemological shift' that takes place when the focus of interest shifts from decisions in the case of transition studies to rules in the phase of consolidation.

has been labeled the consolidation of democracy (CoD). Unfortunately, there is little consensus on the exact meaning of this term and its conceptualization.

In accordance with the mainstream literature, CoD is defined in terms of a high likelihood of the persistence of a democracy (i.e. Przeworski, 1991; Diamond, 1994; Linz and Stepan, 1996). Hence, a *democracy is consolidated if it is expected to persist*.⁴

The lack of a consensus on a basic definition, along with the complex nature of the phenomenon has given rise to different conceptualizations of CoD. Some authors ignore the complexity of CoD and apply simple indicators, such as, for instance, the survival for 12 years (Gasiorowski and Power, 1998), the holding of two consecutive free and fair elections, or two peaceful shifts in government (Huntington, 1991). Other authors, instead, take the complex nature of CoD in their conceptualizations into account. However, in their empirical studies they proceed in a disaggregated but eclectic manner.⁵ For example, Valenzuela (1992) focuses exclusively on the *formal*, or *institutional* dimension of CoD, and in this way highlights the importance of the so-called authoritarian enclaves in the constitutions to the neglect of other conceptually relevant aspects of CoD. Yet others, like Przeworski (1991), Di Palma (1990), or Higley and Burton (1998) concentrate on the *behavior* of the core political actors (almost exclusively the political elites and not the masses), whereas Diamond (1998), Klingemann (1998), or Fuchs and Roller (1998) place the *attitudes* (of the masses, but not of the elites) at the centre of their study of CoD.

Only few authors such as Linz and Stepan, (1996) and Merkel (1996) have attempted to integrate these three core CoD dimensions (i.e. institutions, behavior, attitudes) into some kind of multilevel models of CoD. Such a conceptualization of CoD suggests that a democratic political system is consolidated if:

- the formal rules are in accordance with democratic principles (*institutional dimension*),⁶
- those rules are followed by the relevant political actors (*behavioral dimension*),
- these rules are supported by a majority of the citizens (*attitudinal dimension*).⁷

It is important to not that such multilevel conceptualizations of consolidation establish a close relationship between institutions, behavior, and attitudes *qua definitionem*.

In this article, the idea of different dimensions of CoD is employed and its underlying assumption of highly inter-correlated dimensions put to an empirical test. That is, the behavioral and attitudinal dimensions are described and their

4 A useful overview of the different definitions of CoD used in the literature can be found in Schedler (1998) and Waldrauch (1996).

5 See Munck (1996) and Encarnación (2000) on this point.

6 Notice that not all of these rules are exclusively fixed in a constitution but can also be laid down in laws as is the case for most of the countries' electoral rules.

7 Studies of political culture in the tradition of Almond/Verba (1963) show that the legitimacy of democracy is a basic indicator of the persistence, i.e. the level of consolidation of a democracy (see Diamond 1998, Easton 1965, Fuchs 1996).

relationship with one another is analyzed. The principal aspect to be investigated is the one of rule of law. Increasingly, this topic is identified as a key issue of CoD (O'Donnell, 2000). Through the perspective of the rule of law approach, the concept of CoD can be reformulated as follows: (a) the fair and equal application of (democratic) norms has to be legally laid down (*institutional dimension*); (b) those actors entitled to take collectively binding decisions⁸ have to follow the principle of a fair and equal application of existing norms (*behavioral dimension*); (c) the citizens have to positively evaluate the principle of the rule of law and how it is put into practice by the political elite⁹ (*attitudinal dimension*). Democracies that fulfill these conditions can be regarded as consolidated in the area of the rule of law. The following section will briefly elaborate the ways in which corruption might produce a negative impact on CoD.

Corruption in the context of CoD

The large numbers of ways in which the rule of law can be violated (Mendez, O'Donnell and Pinheiro, 1999) constitutes a major obstacle to operationalize this concept. One solution to this problem consists in focusing on just one type of violation of the rule of law. It can be argued that the phenomenon of corruption is an appropriate and fruitful way of operationalizing the violation of the rule of law — especially in the context of CoD, because “[...] there is perhaps no more common and profound obstacle to the consolidation of new democracies than widespread corruption [...] by holders of state power at all levels” (Schedler, Diamond and Plattner, 1999: 1).

Corruption can be defined as the “misuse of a public office through the violation of existing norms and the simultaneous acceptance of damaging collective interests” (Schmidt 1995: 522, [translation CQS]); see also Sandholtz and Koetzle, 1998: 4 in the bibliography we only have Sandholtz and Koetzle, 2000 or Weyland, 1998: 109)¹⁰ The important point to underline is that corruption, by definition, constitutes an illegal behavior, regardless of whether or not a given practice is more-or-less socially accepted.¹¹ In the context of this paper, it is of central importance that each form of corrupt behavior is a violation of the rule of law.

8 Collectively binding decisions are not only taken by the members of the government and the parliament. In addition, the judiciary, the public administration and the police have to be mentioned. In the present chapter, all actors belonging to one of these institutions are labeled as ‘political elite’.

9 “Depending of the outcome of the evaluation (...), there is either positive or negative feedback for the community’s legitimacy convictions and value commitments. This feedback stabilizes or erodes the community consensus on its democracy, and for this reason has important consequences for the consolidation of a democracy.” (Fuchs/Roller 1998: 42).

10 An overview of the different definitions of corruption can be found in Lancaster/ Montinola (1997).

11 In this chapter, the functional interpretations of corruption are not taken into account. These approaches hold that certain forms of corruption assist in making a political system more effective (see e.g. Bayley 1989 or Nye 1989).

The idea that corruption is illegal applies to every kind of political system. Notice that it does not matter if corruption takes place in a democracy or an autocracy - in both types of political regimes a rise in corruption implies a decline of the rule of law. However, in the case of democracies, corruption cannot be reduced to its legal implications. In addition to its illegal nature, corruption violates the fundamental normative principles of democracy, namely the equality of its citizens and the transparency and openness of the democratic process of decision-making (Sandholtz and Koetzle, 1998). As stated, "[...] beyond its impact on the functioning of mechanisms and institutions, corruption, by striking at the very roots of democracy, comprises the values of the system. Corruption substitutes private interests for the public interest, undermines the rule of law, and denies the principles of equality and transparency" (Della Porta and Meny, 1997: 5).

Hence, in democracies, corruption violates both the normative principles and the legal norms. Furthermore, corruption can be interpreted as a violation of the conditions formulated in the behavioral dimension of CoD. Thus, it follows by definition that the higher the level of corruption, the lower the intensity of the rule of law, the worse the democratic performance and, hence, the lower the level of CoD. In short, a worse democratic performance is taken as an indicator for a shorter expected persistence of democracy.

However, the *de facto* corrupt behavior is not the only aspect of corruption which is relevant for CoD. As mentioned earlier, in order to be persistent, a democracy needs to be legitimate in the eyes of its citizens. If it is true that democracies gain their legitimacy through the accomplishment of their procedural norms¹² (Klingemann, 2000: 268), then it can be expected that a high level of corruption (*behavioral dimension*), has a negative impact on the support and legitimacy of democracy (*attitudinal dimension*).¹³ Notice that this assumption of an automatic correspondence between the democratic performance (behavioral dimension) and the citizens' attitudes is built into the multilevel concepts of CoD. It is important to investigate whether this theoretical assumption can be sustained with empirical findings. Hence, the empirical part of this paper not only focuses upon the corrupt behavior of the elites, the citizens' perception of such behavior, and the trust in a certain type of political institutions. It will also be examined if, in fact, there is a strong relationship between corruption and institutional trust.

12 Economic and political performances are macro-indicators, i.e. they are attributes of the whole political system. On the basis of the *de facto* performances, each citizen develops an individual perception of the performance. Hence, this indicator is located at the micro-level, the same as the citizens' trust in institutions. It is plausible to expect that the trust in institutions (micro-level) is more influenced by the individual perception of performances (micro-level) than by statistics on the GDP or the *de facto* level of corruption (macro-level). For an empirical test of this assumption, see Mishler/Rose (1998: 23, 27).

13 Of course, corruption is not the only factor that influences democratic legitimacy. In particular, economic performances seem to be important for the legitimacy and the trust in institutions. However, somehow surprisingly, Klingemann/Hofferbert (1998) could show that the impact evaluations of democratic performances is greater than citizens' evaluations of economic performances. Diamond (1998: 35) also finds a high correlation between democratic performance, on the one hand, and satisfaction with democracy and institutional trust, on the other.

Trust in policy-implementing institutions and corruption

Generally speaking, trust in political institutions, as with trust in fellow citizens is a major aspect of liberal democratic theory. Trust assists political systems to foster their legitimacy and their capacity to deliver effective and coherent policies. Well-functioning institutions create trust and *vice versa*. From this it becomes clear that the topic of trust in institutions is especially important for new democracies and their struggle for persistence and a minimum of democratic quality (Mishler and Rose, 1998). “Thus, improving levels of trust (or at least reducing levels of distrust) is part of the challenge of legitimating, and thus consolidating, democracy” (Diamond, 1999: 206).

A discussion of the state of the rule of law and corruption draws attention to a specific kind of institution. These can be labeled the ‘policy-implementing institutions’ (PII) since their main role is “[...] to convert collectively binding decisions into concrete measures and to adjust disputes between citizens or between the state and citizens (Gabriel and Vetter, 1999: 215, [translation CQS]). In more concrete terms, PII, which include the public administration, the police, and the courts of justice, can be contrasted with policy-designing institutions such as the government and the parliament.¹⁴

Due to their role of implementing formal norms into daily practice, it becomes clear that PII play a central role for the realization of the rule of law. To this, one can add that citizens’ individual experiences with corruption occur more through interactions with PII than through interactions with other kinds of institutions like the president or members of the parliament, because, as Rose and Shin note: “For the great mass of the population, corruption at the top is far less immediate than corruption at the bottom of public administration [...]” (Rose and Shin, 1999: 13). This leads to the assumption that the citizens’ perceptions of corruption are mainly — though not exclusively — generated by their personal experiences with PII.¹⁵ This assumption implies that the extent of institutional trust hinges upon the institutional performance. It should be noted that this institutional hypothesis is contested by a more culturally based approach, the second major theory in explaining institutional trust (Mishler and Rose, 1998).

14 Factor analysis shows that citizens in surveys make a difference between these two groups of institutions (see Pickel/Walz (1995: 147) and Gabriel/Vetter (1999: 200)).

15 Obviously, corruption is not limited to actors inside the policy implementing institutions. What is even more, corruption scandals involving top-rank officials in government and parliament most likely receive a much higher attention in the media and, thus, do have an impact on both the citizens’ perception of corruption and (supposedly) their trust in political institutions. What exactly this impact is, if, for instance, there is a certain threshold for the amount of scandals above which the citizens do not tolerate corruption any more, or if attention to and tolerance of corruption follow cyclical pattern can hardly be assessed with the kind of large N cross-national study performed in this paper. In order to analyze whether timing and sequences of corruption scandals play a crucial role, more in-depth case studies and / or better time-series data are needed. Nevertheless, the lack of information about timing and sequence of corruption scandals in single countries does not challenge the findings in this paper because it can be assumed that the occurrence of such scandals is randomly distributed both inside and between the two country-groups.

In the light of cultural theories, institutional trust is seen as the result of an early process of socialization. Thus, trust in institutions is exogenous. It is said to vary in relation to the trust that citizens have in their fellow citizens. In contrast to this, institutional theories claim that the degree of institutional trust is the result of the citizens' reflection on the actual performance of the same institutions. Hence, in this theoretical framework trust in institutions is interpreted as being endogenous, i.e. it is supposed to vary with regard to the performance of these institutions. Consequently, "an increase in popular trust in representative institutions requires an increase in their trustworthiness" (Rose and Shin, 1999: 19).

In the following, the institutional theory of institutional trust is applied.¹⁶ As mentioned above, these theories explain the variation in institutional trust with the variation of institutions' performance — including both the systemic and the democratic performance. Factors such as economic growth, unemployment rate, social, and inner security are subsumed under the category of systemic performance. In contrast, democratic performance, narrowly defined, can be understood as the compliance of the democratic procedural rules of the game by the political elites and, by doing so, guaranteeing the respect of the fundamental freedoms and of the principles of equality, openness and transparency of the democratic process (Fuchs, 1998: 10f). As can be seen, the term democratic performance is closely related to the concept of the rule of law (O'Donnell, 1998) and the problem of corruption is located at the intersection of both concepts, as it reduces both the degree of democratic performance and of the rule of law.

Both systemic and democratic performance has an impact on institutional trust. However, a crucial difference between the two types of performances is made when new and mostly unstable democracies are compared with old and consolidated democratic systems. The argument is based on the assumption that the age of a democracy, i.e. the length of time a democracy has been in place in a given country, has an impact on the sources of institutional trust (Mishler and Rose, 1998).

Following the hypothesis, it is assumed that the longer a democratic experience has lasted, the more inclined citizens are to take the existence of basic freedoms and the respect for democratic principles such as equality, transparency and openness for granted. As a consequence, democratic performance is expected to lose importance for the generation of institutional trust, and systemic performance becomes the major source of institutional trust. In contrast, the authoritarian predecessor to democracy and its neglect of basic freedoms is still embedded in the memory of the majority of citizens in the new democracies. As a consequence, these citizens are believed to put more emphasis on the respect of democratic freedoms and rights when evaluating the trustworthiness of democratic institutions.

16 The testing of both theories would go far beyond the scope of the present paper. Additionally, it is not at the core of the research question posed here. Only institutional theories of institutional trust allow for the possibility of deliberately influencing the legitimacy and the persistence and consolidation of democracy — for instance through either abstaining from corrupt behaviors or fighting corruption more rigidly.

Transferring these assumptions to the present research problem, the following hypothesis can be made: Citizens' trust in PII (police, public administration, judiciary) hinges upon the democratic performance of these institutions, measured in terms of corruption. The more corruption, the lower the trust in PII. Taking into account that Latin American democracies are mostly young democracies, the following hypothesis can be derived: *The association between the citizens' perception of corruption and their trust in policy implementing institutions is higher in the young Latin American than in the old and consolidated democracies.*

Before testing this hypothesis, it is worth describing the level of corrupt elite behavior, the citizens' perception of corruption, and their trust in PII in Latin America in the second half of the 1990s and to compare it with the data for consolidated democracies.

Empirical results

Indicators

There are only a few large N comparative studies on corruption. One obvious reason for this is the clandestine character of corruption and the subsequent problems of finding valid data for a broad range of countries. However, for some years, Transparency International (TI), a German NGO, has made its Corruption Perception Index (CPI) available to the public.¹⁷ In it, the level of corruption in countries from all over the world is assessed on the basis of questionnaires for business people, risk analysts, journalists, and the public (Transparency International, 1999: 2). The scale ranges from 0 (very corrupt) to 10 (hardly corrupt). From 1996 onwards, data has been available on an annual basis and in the most recent index around 90 countries are included.¹⁸

Data for measuring the perception of corruption and for the trust in institutions is taken from two different surveys:¹⁹ first, the Latinobarometro survey for the years 1995, 1996, 1997, and 1998 (www.latinobarometro.org) and, second,

17 Lancaster/Montinola (2001) offer a broad overview of the existing attempts to create large N indices on corruption. These authors clearly favor the index produced by TI, available under <http://www.transparency.org/>.

18 it has to be pointed out that TI does not measure the *de facto* amount of corrupt behavior but the perceptions about corruptions held, by and large, by country experts and business people from outside the respective country. Such an estimate of corruption is far from perfect. However, it seems to be the closest social scientists can get nowadays to assess the level of corruption comparatively for a large set of countries. This explains why the index produced by TI has become the most widely used in social sciences over the last few years.

19 "If popular support legitimization is a core component of democratic consolidation then mass-level survey data on popular support for democracy provide an indispensable measure of progress toward democratic consolidation" (Diamond 1998: 8).

the World Value Survey (WVS) from 1995-98 (<http://wvs.isr.umich.edu/>). The Latinobarometro provides the data for the Latin American cases whereas the WVS is used for the consolidated democracies.

In the Latinobarometro, the questions for measuring the trust in institutions state:

Please look at this card and tell me how much confidence you have in each of the following groups, institutions or persons mentioned on the list: (1) a lot, (2) some, (3) a little or (4) no confidence? The Judiciary, The Public Administration, The Police.

In the World Value Survey, the question states:

I am going to name a number of organizations. For each one, could you tell me how much confidence you have: is it (1) a great deal of confidence, (2) quite a lot, (3) not very much confidence or (4) not at all? The Legal System, The Civil Service, The Police.

In the Latinobarometro, the perception of corruption is measured with the following question:

From the list of issues that I am going to read out to you do you think they have (1) increased a lot or (2) a little, or have (3) remained the same or have (4) decreased a little or (5) a lot in the last 5 years?: Corruption

For the World Value Survey, it states:

How widespread do you think bribe-taking and corruption is in this country? (1) Almost no public officials are engaged in it?, (2) A few public officials are engaged in it, (3) Most public officials are engaged in it, (4) Almost all public officials are engaged in it.

The items for measuring the institutional trust in both surveys are similar and therefore easily comparable. However, this is not the case for the corruption perception items. In the Latinobarometro, the question asked refers to the development of corruption over the last few years whereas in the WVS respondents are asked to evaluate the present situation of corruption in their country. Comparing the text of both items, one might conclude that the question as it is stated in the Latin American cases leads to higher values of corruption perception. Thus, whenever the perception of corruption in Latin America is compared with the one in consolidated democracies, the differences in the item text and the subsequently introduced bias in favor of the consolidated democracies has to be taken into account.

Levels of corruption in Latin America and in consolidated democracies

The Corruption Perception Index (CPI) enables us to investigate whether in the second half of the 1990s the Latin American democracies were more corrupt than the consolidated democracies. This question refers to the *behavioral dimension* of CoD.

Table 1 reveals a clear difference between the group of Latin American countries, on the one hand, and the consolidated democracies, on the other. The mean value of corruption for Latin America for the second half of the 1990s is 3,46 compared to 8,26 for the established democracies. The latter group is relatively

Table 1 Level of corruption (CPI) in Latin America and consolidated democracies, 1996-2000

| Country | 1996 | 1997 | 1998 | 1999 | 2000 | Mean | Trend |
|-------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| GB | 8,44 | 8,22 | 8,70 | 8,60 | 8,70 | 8,53 | 0,26 |
| Germany (W) | 8,27 | 8,23 | 7,90 | 8,00 | 7,60 | 8,00 | -0,67 |
| USA | 7,66 | 7,61 | 7,50 | 7,50 | 7,80 | 7,61 | 0,14 |
| Japan | 7,05 | 6,57 | 5,80 | 6,00 | 6,40 | 6,36 | -0,65 |
| Australia | 8,60 | 8,86 | 8,70 | 8,70 | 8,30 | 8,63 | -0,30 |
| Norway | 8,87 | 8,92 | 9,00 | 8,90 | 9,10 | 8,96 | 0,23 |
| Sweden | 9,08 | 9,35 | 9,50 | 9,40 | 9,40 | 9,35 | 0,32 |
| Finland | 9,05 | 9,48 | 9,60 | 9,80 | 10,0 | 9,59 | 0,95 |
| Switzerland | 8,76 | 8,61 | 8,90 | 8,90 | 8,60 | 8,75 | -0,16 |
| Germany (E) | 8,27 | 8,23 | 7,90 | 8,00 | 7,60 | 8,00 | -0,67 |
| New Zealand | 9,43 | 9,23 | 9,40 | 9,40 | 9,40 | 9,37 | -0,03 |
| Spain | 4,31 | 5,90 | 6,10 | 6,60 | 7,00 | 5,98 | 2,69 |
| Argentina | 3,41 | 2,81 | 3,00 | 3,00 | 3,50 | 3,14 | 0,09 |
| Bolivia | 3,40 | 2,05 | 2,80 | 2,50 | 2,70 | 2,69 | -0,70 |
| Brazil | 2,96 | 3,56 | 4,00 | 4,10 | 3,90 | 3,70 | 0,94 |
| Columbia | 2,73 | 2,23 | 2,20 | 2,90 | 3,20 | 2,65 | 0,47 |
| Costa Rica | | 6,45 | 5,60 | 5,10 | 5,40 | 5,64 | -1,05 |
| Chile | 6,80 | 6,05 | 6,80 | 6,90 | 7,40 | 6,79 | 0,60 |
| Ecuador | 3,19 | | 2,30 | 2,40 | 2,60 | 2,62 | -0,59 |
| El Salvador | | | 3,60 | 3,90 | 4,10 | 3,87 | 0,50 |
| Guatemala | | | 3,10 | 3,20 | | 3,15 | 0,10 |
| Honduras | | | 1,70 | 1,80 | | 1,75 | 0,10 |
| Mexico | 3,30 | 2,66 | 3,30 | 3,40 | 3,30 | 3,19 | 0,00 |
| Nicaragua | | | 3,00 | 3,10 | | 3,05 | 0,10 |
| Paraguay | | | 1,50 | 2,00 | | 1,75 | 0,50 |
| Peru | | | 4,50 | 4,50 | 4,40 | 4,47 | -0,10 |
| Uruguay | | 4,14 | 4,30 | 4,40 | | 4,28 | 0,26 |
| Venezuela | 2,50 | 2,77 | 2,30 | 2,60 | 2,70 | 2,57 | 0,20 |
| Mean | 3,54 (8,15) | 3,64 (8,27) | 3,38 (8,25) | 3,49 (8,32) | 3,93 (8,33) | 3,46 (8,26) | 0,39 (0,18) |
| Minimum | 2,5 (4,31) | 2,05 (5,90) | 1,50 (5,80) | 1,80 (6,00) | 2,60 (6,40) | 1,75 (5,98) | |
| Maximum | 6,8 (9,43) | 6,45 (9,48) | 6,8 (9,60) | 6,9 (9,80) | 7,4 (10,0) | 6,79 (9,59) | |

Notes: The scale ranges from 0 (very corrupt) to 10 (hardly corrupt). The values in the column "trend" are calculated by subtracting the first from the last data point for each country. Hence, negative values indicate an increase of corruption over time. Values in parentheses indicate the mean, the minimum and the maximum values for the group of consolidated democracies.

homogeneous, Spain displaying as the most corrupt consolidated democracy.²⁰ The group of Latin American countries is homogeneous, as well. However, this finding is a result of the fact that almost all of them are located at the lower half of the TI index.

The main exception from this pattern is Chile with a mean value of 6,79 and a slightly positive tendency over the past 5 years. In Bolivia (2,69), Venezuela (2,57), Honduras, and Paraguay (both 1,75) the level of corruption is worse — the latter two countries occupying one of the lowest positions when compared with the most corrupt states in the world. The only positive finding from table 1 in terms of CoD in Latin America is that the already very high level of corruption does not seem to be getting worse over time. However, some of the countries have to be excluded from this admittedly very weak sign of hope. These include Bolivia, Costa Rica and Ecuador as these countries show a clear increase in corrupt practices in the second half of the 1990s.

In terms of the multilevel model of a consolidated democracy, it can be stated that the democracies in Latin America clearly come short of the standards set by the consolidated democracies on the behavioral dimension of CoD. The massive amount of corrupt practices clearly violates the core principle of the rule of law and, thus, endangers the persistence and the quality of democracy.

Description of corruption perception in Latin America

As mentioned earlier, the *de facto* corrupt behavior of the political elites (*behavioral dimension*) is not the only relevant aspect for evaluating the level of CoD — at least not, if we adopt a multilevel model of consolidated democracies in which the citizens' attitudes matter by definition. The following investigates different aspects of democratic legitimacy linked to the topic of corruption, thus measuring the *attitudinal dimension* of CoD. After dealing with the perception of corruption, the citizens' trust in the so-called policy implementing institutions (PII) is shown, which is yet another attitudinal aspect of CoD. Table 2 shows the extent to which the citizens in Latin America perceive their political systems to be corrupt. Data is available for the period from 1995 to 1998. As a point of reference, table 2 also contains data for the consolidated democracies in 1996.

The mean for all Latin American countries over the whole period is 85%, indicating that more than three quarters of the Latin American population perceive their political systems to be corrupt. Countries such as Argentina, Costa Rica, Nicaragua, and Venezuela are above this high mean value, with more than 90% of the citizens declaring their political system corrupt. Almost all of the countries show a rising trend in corruption perception. Peru is especially interesting as the mean value over the period of four years is 69%. However, hidden behind this

20 However, the declining tendency of corruption in Spain should be noted. Additionally, with a mean of 5.98 over the period 1996-2000, Spain is clearly less corrupt than almost all countries in Latin America.

Table 2 Corruption perceptions in Latin America and consolidated democracies (%)

| Country | 1996 | 1995 | 1996 | 1997 | 1998 | Mean | Trend |
|-------------|------|------|------|------|------|------|-------|
| GB | 38 | | | | | | |
| Germany (W) | 45 | | | | | | |
| USA | 48 | | | | | | |
| Japan | | | | | | | |
| Australia | 27 | | | | | | |
| Norway | 19 | | | | | | |
| Sweden | 39 | | | | | | |
| Finland | 26 | | | | | | |
| Switzerland | 29 | | | | | | |
| Germany (E) | 50 | | | | | | |
| New Zealand | 14 | | | | | | |
| Spain | 64 | | | | | | |
| Argentina | | 84 | 93 | 97 | 93 | 92 | 9 |
| Bolivia | | | 86 | 94 | 87 | 89 | 1 |
| Brazil | | 68 | 79 | 87 | 91 | 81 | 23 |
| Columbia | | | 88 | 89 | 88 | 88 | 0 |
| Costa Rica | | | | 97 | 95 | 96 | -2 |
| Chile | | 75 | 73 | 80 | 72 | 75 | -3 |
| Ecuador | | | 93 | 96 | 92 | 94 | -1 |
| El Salvador | | | | 86 | 91 | 89 | 5 |
| Guatemala | | | | 72 | 87 | 80 | 15 |
| Honduras | | | | 94 | 86 | 90 | -8 |
| Mexico | | 80 | 88 | 78 | 79 | 81 | -1 |
| Nicaragua | | | | 91 | 96 | 94 | 5 |
| Panama | | | | 83 | 87 | 85 | 4 |
| Paraguay | | 87 | | 94 | 92 | 91 | 5 |
| Peru | | 40 | 68 | 86 | 83 | 69 | 43 |
| Uruguay | | 77 | 90 | 92 | 90 | 87 | 13 |
| Venezuela | | 91 | 95 | 97 | 96 | 95 | 5 |
| Mean | 36 | 75 | 85 | 89 | 89 | 85 | 7 |
| Minimum | 14 | 40 | 68 | 72 | 72 | 69 | -8 |
| Maximum | 64 | 91 | 95 | 97 | 96 | 95 | 43 |

Notes: Percentage of respondents stating that corruption in their country has increased "a lot" or "a little". Values in column "trend" are calculated by subtracting the first from the last data point for each country. Hence, negative values indicate an increase of corruption perception over time, expressed in percentage points. See page 9f. for the differences in wording the questions in the Latinobarometro and the WVS.

relatively modest value in the Latin American context is a dramatic increase from 40% in 1995 to 83% in 1998. A similarly remarkable increase can be observed in the Brazilian case. In only four years, the value of corruption perception has increased by 23 percent points to a level of 91% in 1998. Chile shows the best results in terms of corruption perception in the Latin American context; however, even in this country approximately two thirds of the population believe that their political elite is corrupt. Surprisingly, the value for Uruguay (87%) is quite high, since this is one of the few third wave democracies in Latin America which is generally considered as being close to CoD.

The absolute values for Latin America taken as such are already alarming. However, the negative impact on CoD becomes even more evident when the Latin American data is compared with the data for consolidated democracies. Even if the

slightly different stimulus for measuring corruption in the Latinobarometro and the WVS perception is taken into account, one cannot but conclude that the gap between the two country groups is enormous: In the group of the consolidated democracies, around one third of the population believes that all or most of their political elites are corrupt. As mentioned, the respective value for Latin America is 85%.

Trust in policy-implementation institutions in Latin America

As mentioned earlier, the trust of citizens in their political institutions is an important feature in the process of consolidating democracies, since “institutional trust has significant positive effects on support for the current regime and on rejection of authoritarian alternatives, and this positive effect appears to be linear” (Diamond, 1999: 206). The following section presents the trust that the Latin American citizens have in their PII. Wherever data is accessible, the values for the consolidated democracies will be shown as a point of reference.

Table 3 indicates that in Latin America over the second half of the 1990s only about one third of the population expresses very strong or strong trust in the *judiciary*.²¹ In addition to this dramatic figure, most countries show a downward trend in trust in the judiciary despite the already very low values. For instance, in Argentina, trust in PII has dropped by 15 percentage points from an existing low of 34% in 1995 to 19% in 1998. Another example is Peru, with a loss in trust of 10 percentage points in only four years, falling to a value of 16% of its citizens trusting the judiciary in 1998. Costa Rica (mean 50%) and Uruguay (mean 53%) are the countries with the highest record of citizens’ trust in the judiciary, Costa Rica, in addition, being the only country with a clear increase of trust. Chile, a country generally considered having good chances for reaching CoD, ranges only slightly above the Latin American mean of trust in the judiciary and, thus, performs worse than countries such as Brazil or Honduras.

The values for trust in the *police* in Latin America are similar to the ones for the judiciary. The mean value for all countries during the period 1995-1998 is 34%. In Argentina, again, a dramatic decline in trust in the police can be observed, falling 17 percentage points from 36% in 1995 to 19% in 1998, the lowest value for the whole region. Other countries with a strong decline in trust are Peru (minus 16 percentage points) and the Central American States Honduras (minus 18 percentage points), Nicaragua (minus 13 percentage points), and El Salvador (minus 13 percentage points). Chile and Uruguay are two countries in which trust

21 In addition to the percentage of people trusting their PII, table 3 indicates the mean and the tendency of trust in the judiciary and the police over time for each country. Furthermore, an index of trust in PII is shown: it is constructed by adding the trust an individual has in the police *and* the judiciary. It ranges from 2 (very strong trust in *both* institutions) to 8 (no trust at all, *either* in the police, *or* in the judiciary). Notice that the index of trust in PII shown in table 4 is slightly different. It is based on the sum of individual trust in the police, the judiciary *and* the public administration and it ranges from 3 (very strong trust in all three institutions) to 12 (no trust at all, *either* in the police and the judiciary, *or* in the public administration).

Table 3 Development of trust in PII in Latin America, 1995-1998

| Country | PII | 1995 | 1996 | 1997 | 1998 | Mean | Trend |
|-------------|----------------|------|------|------|------|------|-------|
| Argentina | Judiciary | 34 | 23 | 21 | 19 | 24 | -15 |
| | Police | 36 | 25 | 16 | 19 | 24 | -17 |
| | Administration | 27 | 19 | | | | |
| | PII | | | 11 | 12 | | 1 |
| Bolivia | Judiciary | | 25 | 27 | 27 | 26 | 2 |
| | Police | | 18 | 20 | 27 | 22 | 9 |
| | Administration | | 22 | | | | |
| | PII | | | 15 | 18 | | 3 |
| Brazil | Judiciary | 39 | 41 | 44 | 41 | 41 | 2 |
| | Police | 33 | 28 | 32 | 25 | 29 | -8 |
| | Administration | 28 | 27 | | | | |
| | PII | | | 31 | 25 | | -6 |
| Columbia | Judiciary | | 32 | 46 | 29 | 36 | -3 |
| | Police | | 24 | 44 | 32 | 33 | 8 |
| | Administration | | 20 | | | | |
| | PII | | | 38 | 22 | | -16 |
| Costa Rica | Judiciary | | | 43 | 57 | 50 | |
| | Police | | | 35 | 34 | 34 | |
| | Administration | | | | | | |
| | PII | | | 35 | 33 | | -2 |
| Chile | Judiciary | 40 | 36 | 42 | 36 | 39 | -4 |
| | Police | 63 | 47 | 53 | 56 | 55 | -7 |
| | Administration | 42 | 38 | | | | |
| | PII | | | 40 | 35 | | -5 |
| Ecuador | Judiciary | | 31 | 30 | 22 | 28 | -9 |
| | Police | | 35 | 34 | 27 | 32 | -8 |
| | Administration | | 27 | | | | |
| | PII | | | 27 | 17 | | -10 |
| El Salvador | Judiciary | | | 46 | 36 | 41 | |
| | Police | | | 53 | 40 | 47 | |
| | Administration | | | | | | |
| | PII | | | 46 | 29 | | -17 |
| Guatemala | Judiciary | | | 28 | 28 | 28 | |
| | Police | | | 26 | 26 | 26 | |
| | Administration | | | | | | |
| | PII | | | 29 | 19 | | -10 |
| Honduras | Judiciary | | | 53 | 41 | 47 | |
| | Police | | | 53 | 35 | 44 | |
| | Administration | | | | | | |
| | PII | | | 48 | 33 | | -15 |
| Mexico | Judiciary | 33 | 19 | 27 | 29 | 27 | -4 |
| | Police | 28 | 12 | 26 | 27 | 23 | -1 |
| | Administration | 39 | 19 | | | | |
| | PII | | | 15 | 20 | | 5 |
| Nicaragua | Judiciary | | | 39 | 24 | 31 | |
| | Police | | | 41 | 28 | 34 | |
| | Administration | | | | | | |
| | PII | | | 33 | 18 | | -15 |

| Country | PII | 1995 | 1996 | 1997 | 1998 | Mean | Trend |
|-----------|----------------|------|------|------|------|------|-------|
| Panama | Judiciary | | | 34 | 28 | 31 | |
| | Police | | | 48 | 39 | 43 | |
| | Administration | | | | | | |
| | PII | | | 34 | 24 | | -10 |
| Paraguay | Judiciary | 34 | | 32 | 35 | 34 | 1 |
| | Police | 30 | | 37 | 43 | 36 | 13 |
| | Administration | 19 | | | | | |
| | PII | | | 24 | 29 | | 5 |
| Peru | Judiciary | 26 | 25 | 18 | 16 | 21 | -10 |
| | Police | 41 | 30 | 28 | 25 | 31 | -16 |
| | Administration | 30 | 26 | | | | |
| | PII | | | 17 | 13 | | -4 |
| Uruguay | Judiciary | 55 | 55 | 56 | 48 | 53 | -7 |
| | Police | 47 | 43 | 48 | 48 | 46 | 1 |
| | Administration | 40 | 37 | | | | |
| | PII | | | 45 | 40 | | -5 |
| Venezuela | Judiciary | 29 | 27 | 37 | 29 | 31 | 0 |
| | Police | 25 | 17 | 27 | 23 | 23 | -2 |
| | Administration | 22 | 18 | | | | |
| | PII | | | 28 | 21 | | -7 |
| Mean | Judiciary | 36 | 31 | 37 | 32 | 34 | -4 |
| | Police | 38 | 28 | 36 | 33 | 34 | -5 |
| | Administration | 31 | 25 | | | | |
| | PII | | | 30 | 24 | | -6 |
| Minimum | Judiciary | 26 | 19 | 18 | 16 | 21 | |
| | Police | 25 | 12 | 16 | 19 | 22 | |
| | Administration | 19 | 18 | | | | |
| | PII | | | 11 | 12 | | |
| Maximum | Judiciary | 55 | 55 | 56 | 57 | 53 | |
| | Police | 63 | 47 | 53 | 56 | 55 | |
| | Administration | 42 | 38 | | | | |
| | PII | | | 48 | 40 | | |

Notes: Percentage of respondents stating a lot or some trust in judiciary, police, and public administration (scores 1 and 2 on a 4-point-scale of institutional trust). Row "Index of trust in PII": Percentage of respondents scoring 2-4 on the scale ranging from 2-8. The values in the column 'trend' are calculated by subtracting the first from the last data point for each country. Hence, negative values indicate a decrease of institutional trust, expressed in percentage points.

in the police remains constant over time, though remaining at a modest level with 55% and 46%, respectively.

Data for trust in the *public administration* is only available for 1995 and 1996. For this period it can be shown that only 28% of the Latin American citizens trust their bureaucracy. Venezuela ranks lowest with 20%. On the other end, the citizens in Chile and Uruguay, again, show the highest level of trust in their public administration in Latin America. However, even in these countries the level of trust never exceeds 45%. Furthermore, even though data is only available for two consecutive years, some countries show a sharp decline: for instance, in Mexico (from 39% to 19%) and again in Argentina (from 27% to 19%).

Table 4 Trust in PII in consolidated democracies, 1996

| Country | Judiciary | Administration | Police | PII |
|-------------|-----------|----------------|---------|---------|
| Germany (W) | 54 | 48 | 71 | 33 |
| USA | 37 | 51 | 71 | 31 |
| Japan | 80 | 38 | 78 | 42 |
| Australia | 35 | 38 | 76 | 24 |
| Norway | 70 | 51 | 86 | 46 |
| Sweden | 63 | 45 | 81 | 41 |
| Finland | 69 | 34 | 86 | 39 |
| Switzerland | 68 | 50 | 70 | 41 |
| Germany (E) | 33 | 41 | 52 | 15 |
| New Zealand | 47 | 29 | 81 | 27 |
| Spain | 47 | 42 | 62 | 29 |
| Mean | 55 (31) | 42 (25) | 74 (28) | 34 (15) |
| Minimum | 33 (19) | 29 (18) | 52 (12) | 15 (8) |
| Maximum | 80 (55) | 51 (38) | 86 (47) | 46 (30) |

Notes: See notes for table 3. Numbers in brackets are the values for Latin America taken from table 3. The index of trust in PII shown in table 4 includes the trust in all three PII. It ranges from 3 (very strong trust in all three PII) to 12 (no trust at all, *neither* in the judiciary, *nor* the police, *nor* the administration). The percentage of respondents scoring from 3 to 6 is shown.

The values for the so-called index of trust in PII are declining as well. The Latin American mean for 1997 is 30%, compared to only 24% in 1998. Brazil, Ecuador, El Salvador, and Nicaragua are particularly hit by the simultaneous decline on the individual basis of trust in both the judiciary and the police. In other words, in these countries, the number of those citizens who distrust any form of PII is high. In contrast to this, in other countries with both low levels of trust in police and judiciary, the intersection of individuals who distrust both the police and the judiciary is lower.

All of the data presented in Table 3 show an enormous and widespread distrust in the police, the judiciary, and the public administration in Latin American countries. Chile and Uruguay are the countries which perform best and, not surprisingly, these are the two countries generally seen as the most promising democracies in terms of CoD. As shown by the evidence, less than half of the respondents display some level of trust in their PII. Mexico, Argentina, and Bolivia are the countries with the worst record of institutional trust: for the most part, more than three quarters of the citizens express their distrust in police, judiciary, and administration. These values indicate a clear lack of legitimacy of the respective political systems. This finding becomes even more evident when the data is compared to the figures for consolidated democracies.

The mean values in Table 4 clearly show that the citizens in consolidated democracies have significantly more trust in each of the three PII than in Latin America. The largest difference can be observed in the case of the police. Around two thirds of the citizens in the consolidated democracies trust the police compared to only 28% in Latin America. More than half of the respondents in the group of established democracies declare that they trust their judiciary — in Latin

America it is about one third and only 25% trust their public administration. The index of trust in PII also reveals the large difference between the two country groups. In Latin America only 15% of the citizenry has even a modest level of trust in all PII simultaneously, whereas in the consolidated democracies there are at least 34%. The results indicate that the level of trust in PII in the second half of the 1990s in Latin America is at a very low level — both in absolute terms and in comparison with consolidated democracies. Furthermore, many cases even display a downward trend.

In summing up the description of the corruption, the corruption perception and trust in PII, it can be stated that there is a huge gap between Latin America and the group of consolidated democracies in all three areas. This is empirical support for the initial assumption that the Latin American democracies do not belong to the group of consolidated democracies. This statement is true if one shares the view that high levels of corruption of the elites (*behavioral dimension*) and institutional distrust of the citizens (*attitudinal dimension*) disqualifies a democracy from being consolidated.

If these indicators are applied, only a few Latin American democracies come close to the standard set by the consolidated democracies. First are Chile and Uruguay. Chile is one of the least corrupt countries in Latin America, Chileans perceive their democracy as less corrupt than their Latin American fellow citizens do and their trust in PII is one of the highest in that region. In Uruguay, the values for institutional trust are also high. However, the country ranges comparatively high in terms of corruption and, as a consequence, Uruguayans believe that their political system is very corrupt.

On the lower end of the CoD “scale” are important countries such as Argentina, Brazil, Peru, and Columbia. All of these democracies range very low on at least one dimension of CoD described above. In Argentina, Brazil, and Peru the low level and the declining trend of citizens’ institutional trust is remarkable. In Columbia, the most serious problem that can be observed from this study is the huge extent of corruption. *In grosso modo*, Latin American democracies show deficits in the rule of law and in legitimacy.

The next section deals with the hypothesis on the impact of democratic performances on the level of institutional trust. On the one hand, if the hypothesis is confirmed, a vicious circle for Latin America with negative consequences for the persistence and quality of democracy may result. Increasing levels of corruption (i.e. low levels of democratic performance) might lead to increasing institutional distrust which, if it lasts long enough, could cause even lower levels of democratic performance. On the other hand, if there is no substantively significant relationship between institutional trust and corruption, such a finding would challenge the multilevel models of consolidated democracies since they are fundamentally based on the assumption of a high association between behavior and attitudes.

Comparing the association between corruption and institutional trust in Latin America and consolidated democracies

The hypothesis to be tested states that the age and the stability of a democratic system has an impact on the kind of sources of institutional trust. The more time has passed since the transition from an autocratic form of government to a (stable) democratic system, the less important political freedoms and civil liberties become for citizens and, thus, they not base their trust in the democratic performance of the political institutions to the extent that they did in the earlier phase of democracy.

If this assumption is correct, one should find a stronger association between corruption perception and trust in PII in the case of Latin American citizens than in the case of the citizens in consolidated democracies. The following section tests the hypothesis empirically by investigating the correlation between different measures of corruption, its perception, and the trust in PII both on the macro — and the micro-level.

Correlation between corruption perception and institutional trust on the macro-level

Corruption, its perception, and institutional trust can be seen as an attribute of a whole country (macro-level) or as a characteristic of individuals (micro-level). Before investigating the correlations on the micro-level, this section briefly analyzes the strength of the association between corruption and institutional trust in Latin America and consolidated democracies on the macro-level.

First, the values of Bravais-Pearsons r show that the degree of corruption measured by TI and the citizens' perception of the extent of corruption are significantly correlated in both country groups (Latin America: $r: -0.749$, sig. -level: 0.02 , $N=9$, consolidated democracies: $r: -0.803$, sig. -level: 0.003 , $N=11$, negative sign due to coding of variables). This indicates that the citizens are able to correctly perceive the level of corruption in their own country as it is evaluated by outside observers. Put the other way round, this finding supports the claim that the TI index is in fact reflecting to a certain degree what is going on in terms of corruption in a wide range of countries.²²

However, no significant correlation can be found between corruption measured by TI and its perception, on the one hand, and the trust in PII, on the other. As can be seen in table 5, there are only two and a half exceptions to this finding: In consolidated democracies, the citizens' corruption perception and the trust in the police correlate significantly in such a way that in case of more corruption the trust in the police is lower. However, at the same time, there are no significant correlations

²² Notice though that part of the correlation might be due to the fact that in certain cases TI incorporates survey data into their overall country scores.

Table 5 Institutional trust correlated with corruption (TI) and citizens' corruption perception on the macro-level, 1996

| | 'Some and a lot of trust in' | | | | | |
|---|------------------------------|-------------------|-------------------------|------------------|-------------------------|--------------------------|
| | judiciary | | administration | | police | |
| | A | B | A | B | A | B |
| Citizens' perceiving 'some and a lot of corruption' | -0.134 (0.695) | -0.408 (0.242) | -0.504 (0.114) | 0.325 (0.359) | -0.427 (0.190) | -0.740 (0.014) |
| TI | 0.314 (0.410) | 0.125 (0.715) | 0.740 (0.023) | -0.09 (0.793) | 0.613 (0.079) | 0.479 (0.136) |

Notes: A = Latin America, N= 9 to 11; B = consolidated democracies, N= 10 to 11; Bold numbers = significant Bravais-Pearson's r at 0.1 level (2-tailed); number in brackets = significance level (2-tailed).

between the corruption index of TI and the trust in any of the PII. On the contrary, in the group of Latin American countries, the TI index correlates significantly with the percentage of citizens having strong and some trust in their public administration. In addition, if we accept a somewhat more relaxed significance level of .1, there is also a significant correlation between the TI index and the citizens' trust in the police. In both cases the signs of the coefficients take the expected direction. At the same time, however, no significant association can be found between the aggregate corruption perception and any of the aggregate measures of trust in PII.

It should be noted that these results are only of limited relevance for testing the hypothesis. The low number of cases may account for the lack of the significant coefficients — even more so since the variance of corruption (and its perception) in the case of Latin America, the same as of the TI-values in the case of the consolidated democracies is very low. Fortunately, the problem of low N and low variance can be bypassed if the correlation between corruption perception and institutional trust is estimated on the micro level. Here, the variance and the N (at least 1,000 for single countries) are much higher.

Correlation between corruption perception and institutional trust on the micro level

In this section, the correlation between the citizens' perception of corruption and their trust in the three different PII is analyzed. The aim is to test the hypothesis that the correlation in Latin America is stronger than in the group of consolidated democracies.

Usually when survey data is used, it is assumed that the data is measured on the interval level. Following the mainstream practice, the association between corruption perception and institutional trust is calculated by using Bravais-Pearson's r. The results are documented in table 6. In order to check whether the hypothesis is valid, the two values in each row have to be compared. First of all, table 6 indicates that all coefficients calculated on the basis of the pooled data are significant. It should be

Table 6 Association (Bravais-Pearsons r) between corruption perception and institutional trust on the micro level, 1996

| Trust in | Latin America | Consolidated democracies |
|----------------|------------------|--------------------------|
| Judiciary | 0.111 (0.108) | 0.235 (0.215) |
| Administration | 0.140 (0.100) | 0.173 (0.178) |
| Police | 0.131 (0.086) | 0.190 (0.148) |
| PII | 0.160 (0.128) | 0.275 (0.257) |

Notes: In order to the results equivalent, the coefficients for Latin America are multiplied by -1. All coefficients are significant at the 0.01 level (2-tailed). Latin America $N=14.000$, consolidated democracies $N=11.000$. Numbers in brackets indicate the mean correlation coefficients of the single countries in each group (each $N=1000$).

noted, however, that this is not surprising as the N is relatively high (above 10,000). Hence, the relevant information for the hypothesis test is contained in the difference of strength of the association between the two country groups.

The different coefficients will now be compared. In Latin America, the correlation between corruption perception and trust in the judiciary is 0.111, compared to 0.235 in the case of the consolidated democracies. The respective coefficients in the case of trust in the administration are 0.140 (Latin America) compared to 0.173 (consolidated democracies) and for the police 0.131 to 0.190. The weak association between corruption and trust in Latin America becomes even more evident when we look at the index of trust in PII. In Latin America, Bravais-Pearsons r is 0.160 and in the consolidated democracies it is 0.275.

In contrast to the expectation formulated in the initial hypothesis, the association between trust in any PII and corruption perception is found to be consistently weaker in the new Latin American democracies than in the older consolidated ones. We obtain the same substantial result if we first calculate the correlations for each country separately and then compute the mean correlation value for each of the two country groups (judiciary 0.108 vs. 0.216; administration 0.105 vs. 0.196; police 0.086 vs. 0.148; PII index 0.128 vs. 0.257). Hence, in the case of all indicators of institutional trust, the mean association with corruption perception is higher in the consolidated democracies than in the Latin American ones. In addition to this, there are some Latin American countries in which no statistically significant correlation can be found at all.²³

²³ This is the case for Uruguay (all four indicators of trust) and Venezuela (judiciary and administration). In Spain, a consolidated democracy, the correlation between trust in police and corruption is not significant either. However, since Spain is the youngest of the consolidated democracies in the sample, this finding can be seen as further evidence for rejecting the hypothesis.

Table 7 Association (Tau-b) between corruption perception and institutional trust on the micro level, 1996

| Trust in | Latin America | Consolidated democracies |
|----------------|------------------|--------------------------|
| Judiciary | 0.115 (0.174) | 0.214 (0.196) |
| Administration | 0.145 (0.100) | 0.153 (0.178) |
| Police | 0.137 (0.080) | 0.167 (0.132) |
| PII | 0.154 (0.112) | 0.229 (0.215) |

Note: See notes to table 6.

All of the empirical findings indicate a weaker association between the perception of corruption and the trust in PII of citizens living in Latin America compared to those in consolidated democracies. Hence, the initial hypothesis cannot be empirically confirmed. In other words, it does not seem to be the case that there is a declining importance of democratic performance for building institutional trust in more established a democratic political system *vis-à-vis* young democracies.

However, one could object to this finding for methodological reasons. The scale for measuring the perception of corruption in Latin America contains 5 categories but in the case of the consolidated democracies only 4. One could argue that this might cause a systematic reduction of the correlation coefficient for Latin America, especially if the additional assumption is made that the survey data used is not measured at the interval but at the ordinal scale level.²⁴ Consequently, the lower association between trust and corruption would be a fact based on technical rather than substantial differences between the data for the two country groups. A preliminary response to this is that this deflation-effect caused by the higher number of categories itself decreases when the number of cases rises. Hence, since the N is relatively large, the deflating effect can be expected to be very low. However, taking this methodological objection serious and testing for the robustness of the results, the same associations as above are re-calculated, this time using Tau-b as the measure of correlation. Tau-b is a measure for ordinal scale level variables and, thus, at least equally appropriate for survey data as is Bravais-Pearsons r.

If the application of Tau-b leads to a smaller difference between the Latin American and the consolidated democracies, then it can be assumed that the number of categories has influenced the strength of Pearson's r in favor of the latter country group. However, if the association for Latin America still is weaker, then additional and stronger evidence for rejecting the initial hypothesis is found.

24 Holding that survey data is measured at the ordinal scale level, seems to be as plausible as assuming a metric scale level.

Comparing the coefficients in table 7 with those in table 6 reveals that, indeed, the difference between Latin America and the consolidated democracies decreases when Tau-b is used. However, the associations are still consistently weaker in Latin America — regardless of whether it is calculated on the basis of the pooled data or on the country level.

The initial hypothesis of this analysis stated that the perception of the democratic performance in unstable democracies has a greater impact on the citizen's trust in political institutions than it has in consolidated democracies. The empirical results presented above do not show any evidence for this hypothesis. On the contrary, in the established democracies the association between the corruption perception and the trust in the judiciary, the police, and the administration is consistently higher than in the young democracies in South and Central America. Furthermore, even when taking the different stimuli for measuring the corruption perception into account, the results still do not provide any evidence for assuming that in Latin America the issue of corruption influences the creation of trust more than it does in consolidated democracies.

However, it could be argued that in both country groups the strength of association between institutional trust and corruption is far from being overwhelming. This could be taken as evidence to question the assumption on which multilevel models of consolidated democracies are based — namely, a close relationship between behavior and attitudes, which, as a consequence, requires that the latter dimension is a definitorial part of the concept of CoD. The findings in this paper suggest that this theoretical assumption has to be further empirically tested and maybe theoretically rethought.

It is not an exaggeration to conclude that Latin America shows a remarkably low record in terms of respect for the rule of law. The level of rule of law-like behavior of the political elites is low. Indeed, it is even close to the world-wide bottom-line; the citizens consider their political systems to be corrupt and their trust in those political institutions that are responsible for enacting an effective *Rechtsstaat* are very low. At the same time and despite the aforementioned results, corruption does not play the expected important role in the process of forming trust in policy implementing institutions.

Conclusion

This paper dealt with the topic of corruption as a specific form of violating the principle of the rule of law and placed the analysis in the broader context of CoD. Starting out with a multilevel model of CoD, the basic assumption was that corruption is a twofold problem for the persistence and quality of democracies. First, corruption violates the normative and legal principles of democracy and, thus, violates those criteria for a consolidated democracy formulated in the *behavioral* dimension. Second, corruption leads to lower democratic legitimacy and, thus, violates the *attitudinal* criteria for CoD.

For Latin America it was shown that the levels of corruption along with the distrust in the PII judiciary, police, and administration have been increased over the second half of the 1990s. By comparing the Latin American democracies with some consolidated ones, it became evident that the values for CoD in Latin America are at a very low level. However, further analysis showed that the association between the citizens' corruption perception and their institutional trust is lower in Latin America than in older democracies. In other words, in Latin America, different levels of corruption do not have the same importance for institutional trust as they have in stable democracies. Nevertheless, even in consolidated democracies the association between institutional trust and corruption perception is rather low.

The last findings have several implications for how we conceptualize CoD, which role we attribute to corruption in general, and what expectations we have about the further process of the consolidation of Latin American democracies. As to the question of how to conceptualize CoD, the findings suggest that we think more carefully about the status of attitudes in the process of CoD. Should they really be included into the very concept of CoD, attributing them — by definition — a central role, as it is done by multilevel concepts of consolidated democracies? Due to the finding of a weak relationship between corruption and institutional trust, it seems to be more fruitful to further investigate empirically the impact of attitudes on CoD-relevant behavior, i.e. to convert attitudes from being a definitorial part of CoD into an independent variable.

As to the role of corruption in the consolidation process in general, and the future of democracy in Latin America in particular, the findings are ambiguous. On the one hand, the lack of a connection between corruption and institutional trust is positive since there does not seem to be a vicious circle at work that starts with high corruption, i.e. low democratic performance causing low institutional trust, which then, in turn, leads to even lower democratic performance. On the other hand, a weak association between corruption and trust in institutions also implies that a significant reduction of corrupt behavior cannot be expected to contribute significantly to the citizens' trust in their political institutions.

At this point, one can only speculate as to why Latin Americans do not link the topic of corruption to the one of institutional trust in the same way as citizens of established democracies: Either, citizens have given up and converted to cynicism (i.e. they have lost the belief in their elites' capacity and honest will to put the basic democratic principles of equality and freedom into practice), or, interpreting the findings in the light of Inglehart's theory of postmodernism (Inglehart, 1997), it could be concluded that the economic and social problems in Latin America are far too serious as to be preoccupied by such topics as corruption and the rule of law. From this angle, taking corruption into account when evaluating political institutions appears to be a 'luxury' reserved for the citizens in wealthy countries. Regardless of which of the two speculations comes closer to reality, both have negative impacts on the prospects for CoD in Latin America. Neither cynicism and resignation, nor a lack of sensitivity for 'soft' political issues is helpful when the aim is to strengthen the principle of the rule of law and, therefore, to secure the persistence and quality of the young democracies in Latin America.

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