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Publisher: Routledge

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## Australian Journal of Political Science

Publication details, including instructions for authors and subscription information:

<http://www.tandfonline.com/loi/cajp20>

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Ian McAllister<sup>a</sup>

<sup>a</sup> Australian National University

Published online: 02 May 2014.

To cite this article: Ian McAllister (2014): Corruption and confidence in Australian political institutions, Australian Journal of Political Science, DOI: [10.1080/10361146.2014.880401](https://doi.org/10.1080/10361146.2014.880401)

To link to this article: <http://dx.doi.org/10.1080/10361146.2014.880401>

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# Corruption and confidence in Australian political institutions

IAN MCALLISTER

*Australian National University*

Corruption is inimical to public support for democratic government. This article uses Australian public opinion surveys to clarify the link between corruption and views of political institutions. The results show that citizens' personal experiences of corruption among public officials are negligible, but that three in four believe that there is some corruption among politicians and almost half believe that corruption in Australia is increasing. Perceptions of corruption matter much more than personal experiences of corrupt public officials in shaping confidence in political institutions. For policy-makers, the findings have implications for how corruption is handled, and in the measures that should be put in place to allay the public's fears about the increase in corruption.

**Keywords:** corruption; trust; government

It is widely accepted that corruption harms a nation's health.<sup>1</sup> The consequences of corruption for social and economic life have been extensively documented (Montinola and Jackman 2002), but it is only recently that scholars have begun to chart the impact of corruption on citizens' evaluations of government (Rose and Peiffer 2012; Schmidt 2007; Treisman 2007). Democratic government is based on the principles of accountability for its actions, transparency and openness in its procedures, and equal treatment for its citizens. It is commonly assumed that any compromise to these principles will foster alienation and dissent among the public and ultimately lead to a crisis of legitimacy (Gilley 2009; Pharr and Putnam 2000). By allocating public goods based on connection and money rather than on demonstrated need, corruption violates these core principles of democratic government.

Australia consistently ranks among the least corrupt countries in the world, based on indices produced by Transparency International, the World Bank and a range of other bodies (UNDP 2008). For example, the most widely used index, Transparency

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Ian McAllister is Distinguished Professor of Political Science at the Australian National University, Canberra.

<sup>1</sup>The ANUpoll was conducted by Ian McAllister and Juliet Pietsch and the fieldwork was carried out by the Social Research Centre, Melbourne. The data are publicly available from the Australian Data Archive (<<http://www.ada.edu.au/>>). My thanks to Juliet Pietsch and two anonymous referees from this journal for their constructive comments on an earlier draft of the article.

International's Corruption Perceptions Index (CPI), ranked Australia 7th out of 176 countries in 2012 (Transparency International 2012). Despite consistently favourable international rankings, there has been major publicity in Australia over the last two decades concerning corruption in public life. This has stemmed from the proceedings of a series of royal commissions and inquiries charged with investigating corruption within the police, the public service and state government. More recently, investigations have been launched into the activities of individual politicians. It is unclear, therefore, to what extent the perception of corruption in public life, as opposed to its direct experience by citizens, has influenced the Australian public's attitudes towards its political institutions.

This article measures the relative impact of personal experiences and perceptions of corruption on views of political institutions, using a national survey of public opinion towards corruption conducted in late 2012.<sup>2</sup> Since personal experiences of corruption among the Australian public are limited, it is assumed that perceptions will play the dominant role in shaping beliefs about institutions. The causal model underlying the analysis assumes that perceptions and experiences of corruption influence confidence in institutions. A possible objection to the model concerns the causality of the relationship between perceptions of corruption and confidence in institutions. It is possible that low confidence in politics may lead to a perception that corruption is more widespread. The fact that we have an event measure – personal experience of being asked for a bribe – that points in the same direction suggests that the causality is defensible and others have reached the same conclusion (Anderson and Tverdova 2003; Clausen, Kraay, and Nyiri 2011: 235).<sup>3</sup>

The article proceeds as follows. The first section examines the major public inquiries into corruption over the past two decades that have influenced the Australian public's views on the extent of the problem. The second section outlines the main measures of corruption used in the analyses, while the third section examines patterns of confidence in political institutions over an extended period of time. The fourth section assesses the relationship between the experiences and perceptions of corruption and confidence in political institutions. Finally, the conclusion examines the findings and their implications for tackling corruption in Australia.

### Corruption in Australia

For most of the nineteenth century, there was widespread corruption among public officials in the colonies, reflecting Australia's origins as a penal colony and the predominance of former convicts, the military and administrators in public life (Curnow 2003). With the federation of the colonies in 1901 and the establishment of a career public service, standards improved considerably, although there were several major scandals, mainly involving the sale of land by the government to favoured friends and supporters. In general, however, there was little evidence of widespread

<sup>2</sup>The survey is the 2012 ANUpoll, which was a national random sample of the adult population aged 18 years or more conducted by telephone. The fieldwork for the survey was conducted between 20 August and 9 September 2012. The data are publicly available from the Australian Data Archive (<<http://www.ada.edu.au>>). Full details of the survey can be found in ANUpoll (2013).

<sup>3</sup>It is unlikely that a public official would consciously be able to solicit a bribe from someone with low confidence in politics (Clausen, Kraay, and Nyiri 2011: 235).

corruption in government and what evidence existed did not gain wide public currency. In general, the public viewed the government as being relatively free of corruption. This perception began to change in the early 1970s when a series of royal commissions and inquiries documented considerable evidence of corruption among public officials (Perry 2001; Tiffen 1999).

The initial focus for much of this scrutiny was New South Wales. In 1973, a royal commission led by a NSW Supreme Court judge, Athol Moffitt, investigated links between the NSW state government and organised crime, while in 1977 the Woodward Royal Commission documented links between local police and organised crime involvement in drugs (Bottom 1988). Both investigations found considerable evidence of corruption, with Moffitt even writing a book about his experiences, which he termed 'an Australian crisis' (Moffitt 1985). In 1985, a Justice of the High Court, Lionel Murphy, was convicted on one of two charges of attempting to pervert the course of justice, a decision which was quashed on appeal. The subsequent inquiry revealed Murphy's close links with many serving politicians. Between 1995 and 1997, the Wood Royal Commission finally investigated the links between the NSW police and organised crime and revealed widespread evidence of corruption, supported by photographs, videos and phone taps (Finnane 1994).

Since the 1970s, most of the other states have experienced major inquiries that have exposed corruption among public officials, especially the police. In Queensland, for example, the 1987–89 Fitzgerald Royal Commission revealed extensive links between the police, the judiciary and the state government involving bribery, and even resulted in the jailing of the police commissioner for corruption (Finnane 1990; Whitton 1989). Western Australia has had its share of corporate scandals, with the 1991 WA Inc. Royal Commission exposing financial corruption by a former Labor premier, Brian Burke, who served seven months in jail as a result. In 1980, the Commonwealth established a royal commission, headed by a lawyer, Frank Costigan, to investigate a trade union suspected of criminal activity, including 13 murders and 23 attempted murders, but its enquiries soon led to an examination of tax evasion schemes, which were facilitated by union members.

These and many other inquiries led to demands for permanent bodies with special powers to uncover corruption among public officials. The successive revelations about corruption in NSW resulted in the creation of the state Independent Commission against Corruption in 1988, modelled on a similar body in Hong Kong established in 1974, with wide powers to investigate corruption in the public sector. In 1996, a Police Integrity Commission was established to investigate police misconduct. Queensland established a Crime and Misconduct Commission in 2002, with the other states establishing similar bodies. The Commonwealth established the National Crime Authority in 1984, which became the Australian Crime Commission in 2003 (Head 2012: 13). The net result is a wide range of diverse integrity systems, all with different powers and remits, and reflecting different historical and political origins (Prasser 2012).

This brief sketch of the major investigations into corruption in Australia since the 1970s appears to reveal major, systemic corruption among public officials. However, whether this indicates any real increase in corruption over previous periods (or indeed how widespread the practice is) is a matter of debate. The image of major public corruption may simply be a consequence of the plethora of royal commissions and semi-

judicial inquiries that have been established to shed light on the problem, and the associated publicity, rather than any real increase in extent of the problem. Moreover, the size and scope of the public sector has increased immensely during the last half-century, so any apparent increase in corruption may simply reflect an increase in government size and activity. To ascertain the levels of corrupt activity across the population, sample surveys represent the best available measure. However, continuous publicity about corruption does create a perception that its existence is widespread. Accordingly, any measure of corruption within a society needs to take account, not just of objective personal experiences of corruption, but also of subjective perceptions of corrupt activity. The available survey evidence on these two dimensions of corruption is examined in the next section.

### Measuring corruption

Corrupt or dishonest behaviour is most often reflected in the act of bribery. Bribery has been defined in many ways, but in essence it is ‘a means of getting things done’ (Rose and Peiffer 2012: 7). In practice, it involves citizens paying a benefit to a public official in order to secure the provision of a service, in what Sandholtz and Koetzle refer to as ‘the misuse of public office for private gain’ (2000: 32).<sup>4</sup> The services that attract bribes can vary from relatively minor matters, such as avoiding a traffic fine or gaining free medical care, to more serious matters, such as securing immunity from prosecution for an offence or using confidential government information for financial advantage. Since governments have a monopoly, or quasi-monopoly, on the provision of most public services, public officials are in a strong position to seek a benefit for providing access to them. Bribery tends to flourish when such services are in demand, where officials have greater discretion over their decisions, and where accountability is weak (Klitgaard 1988).

By any standards, Australia has a low level of reported bribery among public officials. Transparency International (2012) has consistently rated Australia as one of the 10 least corrupt countries in the world since its CPI was established in 1998. The CPI uses a variety of survey-based measures, combining perceptions of corruption with personal experiences of paying bribes to public officials. There are numerous objections to using mass surveys to measure bribery (Knack 2007; Olken 2009) – not least because the respondents are asked to admit to engaging in an illegal act – but surveys represent the most reliable means of ascertaining the public’s direct personal experience, as well as their perceptions, of bribery.

The low levels of bribery in Australia found in the CPI are confirmed in the first part of Table 1, which shows the survey respondents’ direct experience of bribery in 2007 and 2012.<sup>5</sup> Judged by the respondent’s experiences over the previous five years, both surveys show that just 1 per cent of respondents reported that they or a family member had encountered a public official seeking a bribe ‘very’ or ‘quite’ often; a further 3 per cent said that this had occurred ‘occasionally’. Overall, 86 per cent of the respondents in 2007 and 91 per cent in 2012 said that such an event had never happened to them or their family over the previous five years. These estimates are comparable with Transparency International’s estimate of 98

<sup>4</sup>One objection to this definition is that ‘abuse’ is not defined (Rothstein and Teorell 2012).

<sup>5</sup>The 2007 survey also had a ‘can’t choose’ option, which attracted just 3 per cent of the responses. For comparability with the 2012 survey this option has been excluded from the estimates.

**Table 1.** Personal experiences and perceptions of corruption, 2007 and 2012

Personal experience of bribery	Corruption among politicians		Changes in corruption				
	2007	2012	2007	2012			
Very often	0.3	0.1	Almost all	3	4	Increased a lot	20
Quite often	0.3	1	Quite a lot	14	9	Increased a little	23
Occasionally	3	3	Some	37	23	Stayed the same	41
Seldom	8	4	A few	34	42	Decreased a little	6
Never	86	91	Almost none	9	15	Decreased a lot	2
Do not know	2	1	Do not know	3	7	Do not know	9
Total	100	100	Total	100	100	Total	100
(N)	(2702)	(2020)	(N)	(2560)	(2020)	(N)	(2020)

Note: The questions were: 'In the last five years, how often have you or a member of your immediate family come across a public official who hinted they wanted, or asked for, a bribe or a favour in return for a service in Australia?' 'In your opinion, about how many politicians in Australia are involved in corruption?' 'In the past three years, to what extent has the level of corruption in Australia changed?' Sources: Australian Survey of Social Attitudes, 2007; ANUpoll on Corruption, 2012.

per cent of Australians never having encountered bribery over the previous 12 months.<sup>6</sup> By any standards, this is a low level of reported bribery in Australia.<sup>7</sup>

In contrast to any direct personal experience of bribery among public officials, there is a stronger perception that corruption exists among politicians. The second part of [Table 1](#) shows that while only a small minority in both 2007 and 2012 considered 'almost all' politicians to be corrupt, equally just 9 per cent in 2007 and 15 per cent in 2012 felt that 'almost none' were corrupt. In 2007, a plurality – 37 percent – thought that 'some' politicians were corrupt; by 2012 the balance had shifted, with 42 per cent saying that 'a few' were corrupt. The patterns of responses are broadly consistent across the two surveys, but they indicate fewer respondents seeing politicians as being corrupt in 2012 than in 2007. This may reflect the fact that in the years immediately prior to the 2007 survey there was a series of royal commissions and inquiries that highlighted corruption. By contrast, between 2007 and 2012 no major Commonwealth or state royal commission was established to investigate corruption among public or elected officials; the absence of any negative publicity during this period may have caused the public to see politicians in a more favourable light.

A third measure of corruption, also concerned with perceptions, is the extent to which people believe that corruption in their country has increased or decreased. As is the case with the survey question about politicians, it requires the respondent to make a subjective judgement about changes in the levels of corruption in Australia. The results in the third part of [Table 1](#) show that almost half of the respondents believe that corruption has increased, with 20 per cent saying that it has 'increased a lot', and 23 per cent that it has 'increased a little'. By contrast, just 8 per cent

<sup>6</sup>The same question wording was used in the 2006 British Social Attitudes Survey (2006) which found that 87 per cent said 'never', 6 per cent 'seldom', 3 per cent 'occasionally' and 1 per cent 'quite often'. No-one said 'very often', and 3 per cent could not answer the question.

<sup>7</sup>The respondents who reported occasional or more frequent experience of a bribe were also asked which government body was involved. A total of 18 per cent each mentioned local government and the police, 27 per cent mentioned another government body, and 22 per cent said that they did not know or were unable to say.

consider that corruption has decreased. Just over 4 in every 10 respondents believe that corruption has stayed at the same level. The public's views on whether or not the level of corruption has changed is therefore clear: more than 8 out of 10 believe that corruption has either stayed at the same level or increased, while just over 1 in 10 believe that it has decreased.

These findings, combining objective as well as subjective measures of corruption, show two apparently contradictory trends. On the one hand, direct personal experience of bribery is low, and has remained relatively unchanged between 2007 and 2012. On the other hand, there is a perception that corruption has become more widespread and has been increasing in recent years. How do we reconcile these apparently contradictory findings? The results are in line with the view that instances of corruption are relatively rare across the population, but when they do occur, especially among high profile politicians and public officials, they attract considerable publicity. Thus, few within the mass public have any personal experience of bribery, but many see considerable evidence of its existence in the society at large through the intense media coverage that it attracts.

This interpretation is given weight if we examine the relationship between the experience and perception of corruption. In fact, experience and perception are only modestly correlated, although statistically significant: the correlation between direct experience of bribery and the perception that politicians are corrupt is small ( $r = 0.11$ ,  $p = <.000$ ), as is the correlation between any direct experience of bribery and the perception that corruption is increasing ( $r = 0.09$ ,  $p = <.000$ ). This suggests that personal experiences of bribery do not have much influence in shaping a person's perception of corruption in the society as a whole. One objection to this interpretation might be that our first measure of perceptions of corruption relates to politicians, not to public officials, and is therefore not directly comparable with the question about personal experiences of corruption. The latter measure was not available in the 2012 survey, but it was available in the 2007 survey. In 2007, the correlation between perceptions of corruption among politicians and among public officials was very large ( $r = 0.80$ ,  $p = <.000$ ), suggesting that the two items are all but interchangeable. The analysis is not, therefore, likely to be biased by asking only about corruption among politicians.

One final aspect of the public's experiences and perceptions of corruption that is worth noting is the state differences in these patterns. The preceding section outlined some of the various state enquiries and commissions which have examined corruption; these have generally been concentrated in NSW and Queensland. Across the five states for which a sufficiently large sample size is available,<sup>8</sup> the patterns reveal few differences, with two exceptions (Table 2). First, NSW respondents report significantly more personal experiences of corruption than others. Second, respondents in South Australia are less likely to see their politicians as being corrupt compared to the other states. They are also less likely to report personal experiences of corruption, although this fails to reach statistical significance. NSW and South Australia therefore appear to be the state outliers, reflecting their different histories and experiences of corruption, although the overall variations across the states are relatively minor.

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<sup>8</sup>The sample size in Tasmania ( $n = 46$ ), the Australian Capital Territory ( $n = 33$ ) and the Northern Territory ( $n = 20$ ) are insufficient for separate analysis.

**Table 2.** State variations in experiences and perceptions of corruption

	NSW	Vic	SA	Qld	WA
Personal experience (per cent often/occasionally)	6**	2	1	3	3
Politicians corrupt (per cent almost all/ a lot)	15	15	6**	16	12
Corruption increased (per cent a lot)	22	22	22	22	22
(N)	(657)	(506)	(151)	(402)	(206)

\* $p < .05$  based on one-way analysis of variance.

\*\* $p < .01$ .

Source: ANUpoll on Corruption, 2012.

### Patterns of confidence

In order to measure the public's confidence in political institutions, the survey respondents were asked to rate their level of confidence in the three levels of government – local, state and federal – as well as their confidence in the public service and political parties. For three of the institutions, comparable estimates are available in the 2001 and 2010 Australian Election Study surveys.<sup>9</sup> Among the five political institutions, confidence is highest in the public service, with 56 per cent of the survey respondents saying that they had a 'great deal' or 'quite a lot' of confidence. The three levels of government come next, with strongest confidence in local government, followed by the state government, and finally the federal government. This ranking, of course, reflects the degree of closeness that the citizen has to government, with local government being the most highly ranked. At the bottom of the scale, just 18 per cent of the respondents expressed confidence in political parties.

For three of the items – the public service, federal government and political parties – overtime estimates are also available in Table 3, going back to 2001.<sup>10</sup> The figures reveal a diverging trend, with confidence in the public service gradually increasing, and confidence in the federal government and political parties gradually declining. Indeed, confidence in the federal government in 2001, at 51 per cent, is exactly the same as confidence in local government in 2012. The decline in confidence in the federal government, particularly between 2010 and 2012, may reflect the publicity in the months just prior to the 2012 survey surrounding the alleged misuse of funds by the Health Services Union and its former national secretary (and since 2007 Labor MP) Craig Thomson.<sup>11</sup> This scandal will also undoubtedly have caused at least part of the rapid decline in public confidence in political parties, which almost halved between 2010 and 2012. There have, therefore, been significant changes in confidence in political institutions over the past decade.

Corruption has far-reaching consequences for the societies in which it is rife. Its effects are evident in its capacity to erode popular trust in government, and are

<sup>9</sup>These five items were part of a wider battery of questions, covering confidence in the armed forces, the legal system, the media, trade unions, the police, major Australian companies, and banks and financial institutions.

<sup>10</sup>See Bean (2005) for a longer perspective, going back for some institutions to 1985. The 2001–12 comparisons are used here as our interest is primarily in the past decade.

<sup>11</sup>The fieldwork for the survey was conducted between 20 August and 9 September 2012. In April 2012, the Australian Council of Trade Unions suspended the Health Services Union and the Labor Party suspended Craig Thomson. In May 2012 Fair Work Australia's report into the misuse of funds was tabled in parliament.



**Table 3.** Confidence in political institutions, 2001–12

	Per cent 'great deal' or 'quite a lot' of confidence			Change 2001–12
	2001	2010	2012	
Public service	35	42	56	+21
Local government	–	–	51	–
State government	–	–	36	–
Federal government	51	41	30	–21
Political parties	33	31	18	–15

The question was: 'I will now read out a list of organisations. For each one, could you please indicate how much confidence you have in them?' Question wording differs slightly between the surveys.

Sources: Australian Election Study, 2001 and 2010; ANUpoll on Corruption, 2012.

inextricably bound up with the state's ability to govern and to implement laws (Gilley 2009). Trust in government embodies the central principles of democracy, encompassing fairness and equality in treatment by public officials, and clear lines of accountability in order to redress grievances. The patterns revealed by the surveys largely confirm the assumption that public confidence in institutions is based on performance and therefore fluctuates overtime. The next section investigates how far confidence in institutions is related to perceptions and experiences of corruption.

### Corruption and views of political institutions

To what extent is confidence in political institutions influenced by the experience and perception of public corruption? In order to make these estimates, the three measures of corruption, together with a series of control variables, are used to predict confidence in political institutions.<sup>12</sup> The control variables are important, since prior research has indicated that a wide range of factors affect confidence in political institutions (Listhaug and Wiberg 1995; Newton and Norris 2000). Most important is interpersonal trust (sometimes called 'horizontal trust' – Bennett et al. 1999), which has its roots in social capital and in the network of associational and civil life that generates it. Uslaner (2002, 2008), for example, sees interpersonal or generalised trust as an optimistic view of the world that has its origins in parental socialisation. A second important control variable takes account of those who voted for the incumbent government, since they are more likely to have favourable views of the current system (Anderson and Tverdova 2003; Cook and Gronke 2005); the model therefore includes a variable for Labor support. The remaining control variables measure socio-economic status, including age, gender, birthplace, education, labour force status, income and religion.

By far the most important factor affecting confidence in political institutions is the perception that politicians are corrupt; Table 4 shows that for each of the five institutions, a belief that politicians are more likely to look after themselves significantly

<sup>12</sup>The five items are all correlated; the reliability coefficient of the five-item scale (Cronbach's alpha) is 0.69. Multivariate analyses using the five items separately did not reveal any significantly different patterns, and for parsimony it was decided to combine them.

**Table 4.** Corruption and confidence in political institutions

	Public service	Federal government	State government	Local government	Political parties
	b (SE)	b (SE)	b (SE)	b (SE)	b (SE)
<i>Exposure to bribery</i>	.01 (.04)	-.17** (.04)	.06 (.04)	.03 (.04)	.00 (.04)
<i>Perceptions of corruption</i>					
Politicians corrupt	-.06** (.02)	-.16** (.02)	-.17** (.02)	-.12** (.02)	-.12** (.02)
Corruption increasing	-.03 (.02)	-.05 (.02)	.00 (.02)	-.02 (.02)	-.05* (.02)
<i>Controls</i>					
Interpersonal trust	.14** (.02)	.06** (.02)	.06** (.02)	.14** (.02)	.06** (.02)
Labor voter	.15** (.04)	.74** (.04)	-.07 (.05)	.05 (.05)	.27** (.04)
Gender (male)	.13** (.04)	-.07 (.04)	-.03 (.04)	-.11** (.04)	-.05 (.03)
Age (decades)	-.06** (.01)	-.05** (.01)	.00 (.00)	-.05** (.01)	.00 (.00)
<i>Birthplace</i>					
English-speaking country	.02 (.06)	.19** (.06)	.13* (.07)	.06 (.07)	.08 (.06)
Non-English- speaking country	-.04 (.08)	.17* (.07)	.26** (.08)	.25** (.08)	.04 (.07)
University education	.09 (.04)	.08 (.04)	-.06 (.04)	-.04 (.05)	-.01 (.04)
Family income	.01 (.01)	.01 (.01)	.03** (.01)	-.01 (.01)	.01 (.01)
Constant	2.45	2.60	2.33	2.71	2.15
Adj $R^2$	.09	.28	.07	.07	.10

Note: Ordinary least squares regression, showing partial (b) coefficients and standard errors (SE) showing the probability of confidence in political institutions, using list-wise deletion.  $N = 1488$  respondents. See text for details of variables and scoring.

\*Statistically significant  $p < .05$ .

\*\*Statistically significant  $p < .01$ .

Source: ANUpoll on Corruption, 2012.

reduces confidence, net of a wide variety of other factors. By contrast, personal experience of bribery among public officials is relatively unimportant, with the sole exception of confidence in the federal government; in this case personal experience is about half as important as perception. A belief about whether corruption is increasing or decreasing is generally unimportant in shaping confidence in political institutions. A partial exception to this finding is confidence in political parties, where a belief that corruption is increasing reduces confidence in parties, other things being equal. The results, then, are unequivocal: personal experience of corruption matters little, if at all, in shaping public confidence in political institutions, while perceptions of corruption consistently predominate.

Among the control variables, interpersonal trust and partisanship are important predictors of confidence. Displaying interpersonal or generalised trust is important in all five equations, but is particularly important in shaping confidence in the public service and local government, two areas where citizens come into direct contact with government through public officials. As previous research has found, support for the incumbent party in government produces a more favourable view of political institutions; this is particularly important for confidence in the federal government, as we might expect. Younger respondents are generally more confident about political institutions than older respondents, a pattern that is especially notable

for the public service and local government. In general, migrants show more confidence than the Australia-born, and among migrants, those from non-English-speaking countries are more confident than those from English-speaking countries. This may reflect the fact that many migrants from non-English-speaking countries come from countries with authoritarian systems, for whom the relative openness and absence of corruption of the Australian political system is a welcome change.

The issue of corruption does, therefore, influence how citizens view political institutions, but perceptions matter much more than personal experience. Indeed, with the exception of confidence in the federal government, a citizen's personal experience of corruption does not influence her views of politics. Importantly, these results hold even after a wide range of other factors – including interpersonal trust and partisanship – are taken into account. It is also notable that perceptions of corruption have a direct influence on views of institutions. The results are broadly in line with those of other studies conducted in different regions of the world (Chang and Chu 2006; Mishler and Rose 2001) as well as globally (Clausen, Kraay, and Nyiri 2011).

## Conclusion

Corruption undermines the core principles of democratic government. This article has shed light on the process, by evaluating the impact of the public's perceptions and experiences of corruption on confidence in institutions. The results confirm the hypothesis and show that perceptions of corruption across the society as a whole matter much more than personal experience of corrupt public officials. In turn, perceptions of corruption have a major impact on confidence in institutions and ultimately question the state's legitimacy. In other words, what citizens believe about the extent of corruption in the society around them shapes performance measures of government. Beliefs about corruption therefore form an important component of citizens' overall judgements about how far government works to serve their interests, as other research has shown (Gilley 2009; Uslaner 2008).

Why do perceptions matter more than experiences of corruption? One possible explanation is the relatively few instances of bribery among public officials that citizens report. The results showed that less than 1 in 10 reported an instance of bribery that they or a family member had experienced in the past three years. Few, therefore, have any direct experience of bribery and correspondingly little opportunity for it to affect their views of government. A second explanation is that the public distinguishes between low-level and high-level corruption. Low-level corruption is mainly concerned with acts of bribery, and is something that few people in Australia have any experience of. By contrast, high-level corruption attracts considerable media scrutiny and discussion and is therefore much more visible across the population. Placed in this context, it is perhaps not surprising that citizens respond more to high-level corruption (which is based on perceptions), rather than on low-level corruption (which is based on experience) (Cadot 1987).

A third explanation for why perception matters more than experience stems from the economic voting and fear of crime literature. Studies of economic voting distinguish between personal (egocentric) and collective (sociotropic) economic judgements and experiences (Lewis-Beck and Stegmaier 2007). In general, it is collective rather than personal economic judgements that are more important in shaping political beliefs and behaviour. Similarly, a large literature shows it is the fear of crime, rather than the risk of experiencing it, which drives attitudes and behaviour (Ferraro

1995). This logic may also apply to corruption, so that individual experience matters less than beliefs (or fears) about its prevalence across the nation as a whole.

For policy-makers, such conclusions are sobering. A popular belief that corruption is widespread can inhibit the effectiveness of policy reform, and deter the recruitment of new generations of able public officials and politicians. Equally, sustained and effective measures to fight corruption can help to rebuild popular trust in government. However, the finding that perceived changes in corruption are of lesser importance than judgements about how widespread it is tends to suggest that anti-corruption measures can have only a limited role, at least as far as public opinion is concerned. The most effective way of tackling public opinion is perhaps in the way that corruption is reported by the media, and in the relative attention it receives in relation to other issues. Achieving that goal will be a much tougher task.

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