



**WORKING PAPER**

# **FOR THE COMMON GOOD OR PRIVATE INTERESTS?**

**People's views of political integrity  
in the European Union**

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Working paper

## **For the common good or private interests?**

People's views of political integrity in the European Union

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# EXECUTIVE SUMMARY

Political corruption scandals, particularly during the COVID-19 pandemic, have shown that decision-makers and corporate interests often collude at the expense of ordinary people in the European Union (EU). This collusion leads to poorer services for citizens and decisions that go against public interest on issues ranging from climate change to education and taxation.

While this complicity and undue influence may happen behind closed doors and in subtle forms, ordinary citizens can see when resources and outcomes are skewed in favour of certain groups. This leads to lower levels of trust and the perception that the system lacks political integrity.

Political integrity means exercising power consistently in the common good, rather than to sustain private interests or the wealth or position of powerful individuals.

This working paper introduces a new measure, People's Perceptions of Political Integrity (PPPI), in order to understand how different countries in the EU are faring and to identify the main factors that affect these perceptions. The PPPI is based on five survey questions asked as part of the *Global Corruption Barometer (GCB) – EU 2021* survey.

The PPPI shows that people in the EU perceive a widespread and systemic lack of political integrity. The average country score on the PPPI is 48 out of 100, where 0 is the lowest and 100 is the highest possible score. Even the top-performing countries sharing first place, Finland and Sweden, score only 67 points out of 100, despite excellent performance on the *Corruption Perceptions Index 2020*. This suggests that promoting political integrity requires much more than fighting public-sector corruption.

To better understand which factors shape political integrity perceptions, this working paper uses statistical analysis, including a multi-level regression

based on 40,000 individual responses from the GCB survey, as well as country-level variables such as measures of democracy and wealth inequality. To better isolate country-specific factors, 27 further multivariate regressions were run for each EU member state.

The findings show that living in a more democratic and more equal country which is making progress towards fulfilling the Sustainable Development Goals (SDGs) is associated with substantially higher perceptions of political integrity. This key finding supports the idea that citizens associate political integrity with a governance structure which is open and rules-based, and which delivers results and policies for the common good.

The analysis also shows that economic disenfranchisement and a feeling that corporate interests get away with not paying their fair share greatly contribute to negative evaluations of the integrity of the political system.

Political culture plays a key role in shaping political integrity perceptions. For example, holding Eurosceptical views is strongly associated with lower perceptions of political integrity. In a few EU member states, people who receive news on social media are associated with much lower political integrity perceptions. We also found that in at least seven EU member states, strong identification with right-wing or left-wing politics determines people's perceptions of political integrity, usually based on whether their party is in government or opposition, indicating a highly polarised political environment.

However, across the EU and in almost all member states, those who believe that ordinary citizens can make a difference in the fight against corruption are more likely to perceive higher political integrity. All these issues point to a need for deep reform of democratic processes in the EU.

## Key recommendations

1. Embed citizen participation and consultation at all levels of decision-making.
2. Establish or strengthen independent ethics and oversight bodies mandated to regulate political finance, lobbying activities and the financial interests of public officials.
3. Revise regulations on unethical interactions between public officials and private companies, and improve enforcement.
4. Conduct a review and action plan, at national and EU levels, to identify and reduce undue influence from narrow groups across all 17 SDGs, with a focus on key areas of public policy, including taxation, education, health care and climate policy.

# A MEASURE OF POLITICAL INTEGRITY PERCEPTIONS

Political integrity describes a governance system in which political decision-makers consistently use their power for the common good, not to sustain their private interests, wealth or position.<sup>1</sup> The concept targets those “who make the rules” and requires consistency across three interrelated dimensions: access to power, exercise of power and accountability. We have picked questions from the *Global Corruption Barometer* (GCB) survey as components for the measure of People’s Perceptions of Political Integrity (PPPI).

Integrity in access to power refers to the level playing field in the contestation for political office. Public conversations about the involvement of businesspeople in elections through campaign contributions, or in appointments through “revolving doors”, arguably shape perceptions of

political integrity. It is for this reason that we also include in our measure perceptions of whether the government is run by a few big interests looking out for themselves.<sup>2</sup>

Integrity in exercise of power may be judged by its public policy outcomes (who wins or loses and to what extent) or by assessing whether all who will be affected by the policy outcomes are given the same opportunities to influence laws, plans or spending. The GCB survey offers two measures of the latter. We select questions that capture both the narrow and broader notions of influence on rulemaking. On one hand, we select perceptions of corrupt involvement by both legislators and the head of government office,<sup>3</sup> and on the other, of how citizen views are taken into account in decision-making.<sup>4</sup>

**Table 1: Components of People’s Perceptions of Political Integrity**

GCB EU 2021 variable used	Political integrity dimensions
1. The Government in [COUNTRY] is pretty much run by a few big interests looking out for themselves. (Agree, Neither Agree nor Disagree, Disagree)	+ Exercise of power + Access to power
2. How many of the following people in [COUNTRY] do you think are involved in corruption? A) The President and officials in his/her office; B) The Prime Minister and officials in his/her office (either A or B depending on country)	+ Exercise of power + Access to power
3. How many of the following people in [COUNTRY] do you think are involved in corruption? C) Members of Parliament	+ Exercise of power + Access to power
4. The government takes the views of people like me into account when making decisions. (Agree, Neither Agree nor Disagree, Disagree)	+ Exercise of power
5. How often do you think the following situations happen in [COUNTRY]? C) Appropriate actions being taken against officials who engage in corruption.” (Never, Rarely, Occasionally, Often or Very Often)	+ Accountability

We measure the dimension of accountability through responses to a question on whether officials face appropriate action if they engage in corruption.<sup>5</sup>

The simple unweighted average of these five questions is used to calculate a unique PPPI score for each of the 40,000 respondents in the GCB survey.<sup>6</sup> These individual scores are used in multivariate regression analyses to explain drivers of political integrity perceptions within the EU. We gain further leverage in our analysis by aggregating the PPPI score at the country level for each of the 27 EU member states; these country-level scores allow us to make country-level comparisons. Principal

component factor analysis shows that the five questions that make up the PPPI measure, do indeed capture a latent variable, which suggests the measure is conceptually and statistically sound.<sup>7</sup>

As with any composite measure, there are potential limitations with the measurement of PPPI as described. The key limitation of the PPPI is that the underlying variables are based on questions which contain concepts that can be interpreted differently in different contexts, cultures and languages. Therefore, direct comparison between the PPPI country scores and ranks should take these factors into account.

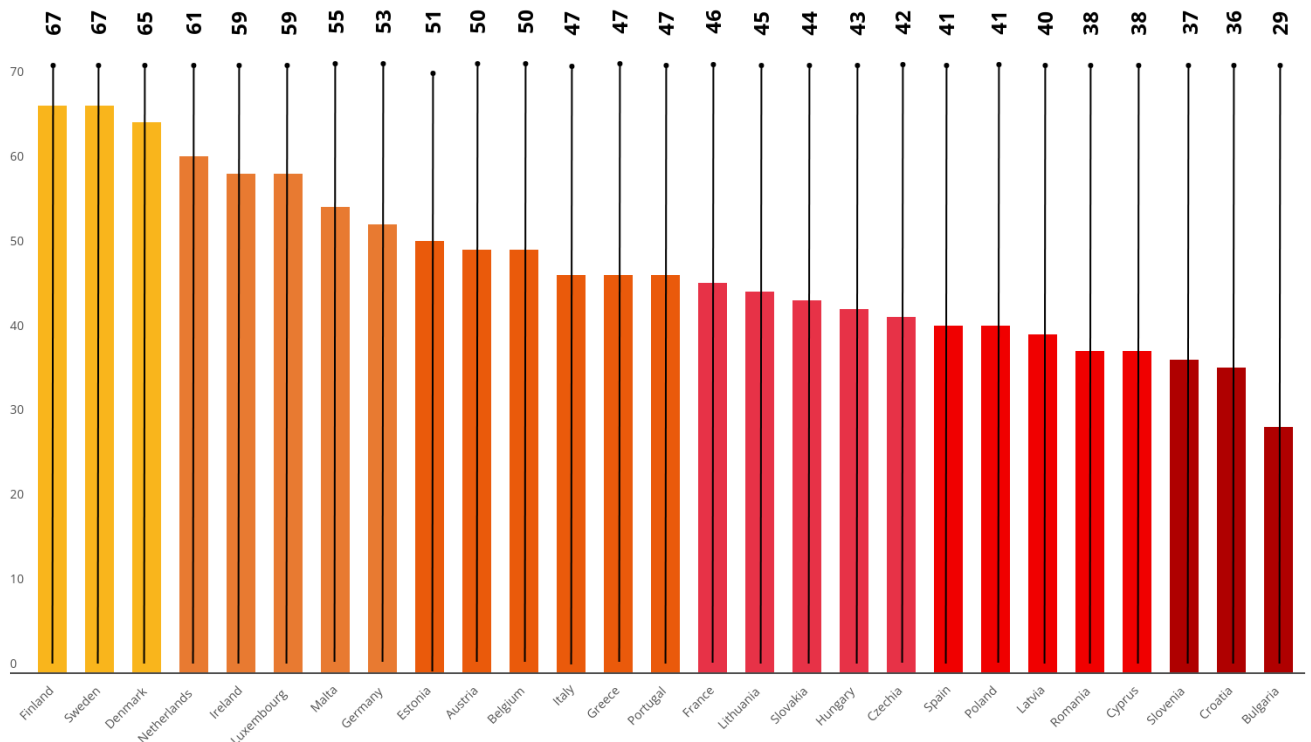
# POLITICAL INTEGRITY PERCEPTIONS IN THE EU

The PPPI scores can tell us a great deal about how citizens themselves evaluate the integrity of their political decision-makers.

Sweden (67/100), Finland (67/100), Denmark (65/100) and the Netherlands (61/100) top the league table, each scoring higher than 60 out of 100.

Despite ranking top, all these countries are far from the perfect score. While full marks in public opinion surveys or composite indicators based on them are nearly unheard of, a top score of 67 out of 100 shows that all EU countries have much work to do to improve perceptions of political integrity.

**Figure 1: People's perceptions of political integrity in the European Union, by country**



## GOVERNMENT RUN BY A FEW BIG INTERESTS LOOKING OUT FOR THEMSELVES

While only a relatively small proportion of citizens in Denmark (25 per cent), Finland (28 per cent) and Sweden (20 per cent) think that the government is run by a few big interests looking out for themselves, in the Netherlands 42 per cent hold this opinion. With 17 per cent being undecided, only 39 per cent of Dutch people disagree with that statement. This shows that even in established democracies, the thin line between business and politics is becoming apparent to everyday citizens.

Among the lowest performers in the PPPI, an overwhelming majority of citizens in Slovenia (70 per cent), Bulgaria (68 per cent) and Croatia (66 per cent) think that the government is run by a few big interests.

This general sentiment of exclusion is corroborated by the low numbers of citizens who think that their views are taken into account by governments.

## ARE CITIZEN VIEWS TAKEN INTO ACCOUNT?

In addition to the perception that the government is run by a few big interests, the opinion that citizens' views are not taken into account contributes to low perceptions of political integrity. In Denmark, the Netherlands and Sweden, a key reason for the imperfect PPPI score is the degree to which citizens think that their views are taken into account by their respective governments. In all these countries, less than half of people think this is the case. Only in Finland does a majority (62 per cent) of citizens think that their views are considered by the government before arriving at decisions.

When citizen views are not taken into account, the only other constituency that can influence decision-making is private interests. Political integrity requires a balancing act between different interest groups, where ordinary citizens have as much opportunity to participate in decision-making as private companies and other stakeholders.

## IS APPROPRIATE ACTION TAKEN AGAINST OFFICIALS?

The one clear, comparative strength that the countries at the top of the table have with regards

to political integrity is a relatively robust culture of no impunity – at least, in the view of most citizens. When asked how often they think that appropriate action is taken against corrupt officials, only around a third of citizens in Denmark (34 per cent), Finland (34 per cent), the Netherlands (30 per cent) and Sweden (30 per cent) said that this never or rarely occurs.

Conversely, an overwhelming majority of citizens think that appropriate action is rarely or never taken against corrupt officials in countries at the bottom of the PPPI table. These include Bulgaria (67 per cent), Croatia (56 per cent) and Slovenia (73 per cent).

Appropriate actions, whether administrative or penal, are an important piece of the political integrity puzzle. In many countries, political decision-makers hide behind judicial immunity and parliamentary privileges, which shield them from accountability. In other cases, oversight institutions lack the mandate, capacity or independence to sanction corrupt behaviour.

## CORRUPTION AMONG HIGH-LEVEL DECISION-MAKERS

The two remaining components of the PPPI are questions which ask people to assess how many Members of Parliament (MPs) and how many among the head of government and those working in their office are involved in corruption. Across the EU, 28 per cent of citizens think that most or all MPs are involved in corruption and 23 per cent think that the head of government and most or all officials in their office are involved in corruption.

Among the top PPPI performers, these components range mostly in the single-digit percentages. Denmark scores 6 and 7 per cent for the head of government and MPs respectively; the Netherlands, 7 and 6 per cent; Sweden, 6 per cent for both, and Finland, 5 per cent for the head of government and 13 per cent for MPs. These two variables in the PPPI together form one of the strongest reasons for the high ranking of the Scandinavian countries, despite their shortcomings in other components.

There is one apparent contradiction here. Although very few citizens in these top-performing countries think that high-level decision-makers are involved in corruption, a substantial proportion think that the government is run by a few big interests looking out for themselves. One reason for this may be that



many people do not directly associate the undue influence of money in politics with corruption. The answer may lie in the legal status of these two activities, where undue influence may in some cases be conducted within the margins of the law, Conversely, in countries with a low PPPI score, a large proportion of citizens see all or almost all of their MPs as involved in corruption – for example, in Bulgaria, 67 per cent or Croatia, 48 per cent.

To shed more light on the intersection of money and politics and to increase the scrutiny of public decisions and what influences them, it is crucial for conflicts of interest laws to be brought up to date, and for the relevant ethics and oversight institutions to be empowered with the right mandate, capacity and independence to identify and counter abuse.

whereas corruption is in most cases illegal. Further research on the use of these terms by people themselves would shed more light on this apparent contradiction.

Civil society and the media also need access to detailed and timely information about the assets and interests of public officials, as well as political finance donations and lobbying activities. The verification of data by the relevant institutions before disclosure and sanctioning non-compliance and attempts to hide information is crucial. Without this data, citizens remain in the dark about who is influencing public policies and decisions. This can lead to even lower levels of trust and expose countries to disinformation attempts from malign actors.

# CAUSES OF POLITICAL INTEGRITY PERCEPTIONS

Having constructed the PPPI measure and summarised how some EU countries fare across the components of the PPPI, we now turn to an analysis of factors that may contribute to varying levels of political integrity perceptions. This section starts by surveying the existing literature on political integrity, trust and corruption, in order to select relevant variables to be used in regression analysis to explain variation in the PPPI. To account for country variation, we ran a multi-level analysis using variables at both individual and country levels. In addition to running the regression analysis including nearly 40,000 responses from across the EU, we also ran 27 regressions for the 27 countries, to ensure that national differences are accounted for.

## POLITICAL INTEGRITY, TRUST AND CORRUPTION

As political integrity is an under-theorised concept, there is a lack of evidence on the factors that hinder or contribute to popular perceptions of it. However, concepts similar and related to political integrity, corruption and trust in government have been more exhaustively studied. While the literature explaining variation in perceptions of corruption is a good start, political integrity is more than simply absence of corruption. It also denotes practices and behaviour that actively contribute to the common good. Therefore, to understand drivers of perceptions of political integrity, determinants of trust in government can provide a good complement to perceptions of corruption, together forming a tentative list of potential drivers of perceptions of political integrity.

In a comparative study of corruption perceptions based on survey data, Nicholas Charron groups potential drivers of citizen perceptions into three

categories: 1) structural economic factors, such as purchasing power parity per capita, unemployment, economic inequality and gender inequality 2) political factors such as democracy, press freedom and corruption measures such as the *Corruption Perceptions Index* (CPI) 3) demographic factors, including population density, ethno-linguistic divisions and life expectancy.

Another study by Natalia Melgar, Maximo Rossi and Tomi W. Smith also shows that individual characteristics such as gender, marital status, employment and education play a role in corruption perceptions.<sup>8</sup> The study suggests that citizen perceptions may vary based not only on knowledge and experience of breaches of political integrity, but also on the local understanding of rules and what constitutes deviation.

According to Alina Mungiu Pippidi, people understand a corrupt regime as one which produces outcomes resulting in an uneven allocation of public benefits.<sup>9</sup> The Transparency International 2021-2030 Strategy, *Holding Power to Account* (Transparency International, 2021) recognises that the ultimate purpose of ensuring accountability is to enable the delivery of policy outcomes in the common good. The even allocation of public benefits is also closely aligned with a core concept within political integrity, which posits that decision-makers should act in the common good, rather than to maintain or further their power or interests. To this end, the regression analysis includes a measure which captures the degree of fulfilment of the Sustainable Development Goals (SDGs).

A 2018 OECD meta-analysis on determinants of citizen trust in government finds that at the societal level, perceptions of social mobility and financial security, as well as satisfaction with the provision of

public services are prominent among factors with a high impact on trust in government. Social mobility and financial security can be captured to some extent by the self-reported income of citizens, as well as by tertiary education – both variables present in the regression analysis below. Additionally, satisfaction with the provision of public services is to some extent captured by whether a citizen has had to pay a bribe to access these services.<sup>10</sup> According to Mungiu-Pippidi, many citizens see bribes as an additional tax on services, especially if others receive similar services due to personal connections.<sup>11</sup>

The economic argument for individual-level perceptions of corruption and trust is also highlighted by various scholars. According to Donatella della Porta, the protest movements since 2011 which have used corruption as an umbrella term and rallying cry have been spurred by the weakening of social protection and a crisis of government responsiveness.<sup>12</sup> She adds that the crisis of responsiveness is driven by state intervention in support for corporate and financial interests, rather than for ordinary citizens, as well as the related stripping of civic, political and social rights.

Ordinary people can trace many of their current economic difficulties to the policy responses to the 2008 global financial crisis and the European Sovereign Debt crisis in the EU since 2009. Francis Fukuyama argues that elite policies produced economic downturns, massive levels of unemployment and falling incomes for millions of ordinary workers around the world.<sup>13</sup> Across the Atlantic in a similar setting, Janine Wedel finds that divergent political groups, from the Tea Party to Occupy Wall Street, were united by outrage over a system of power and influence that they felt had stolen their livelihoods and liberties.<sup>14</sup> Similarly, Joseph Stiglitz argues that disillusionment with the global economic system therefore extended to the functioning of political systems in many Western democracies.<sup>15</sup>

More recently, the COVID-19 crisis has shown that even in the middle of a deadly global emergency, government decisions are susceptible to undue influence from private interests. From abuses with medical and protective equipment contracts, to the irregular disbursement of economic stimuli, opportunities for corruption and collusion have been extensive. In one of the first examinations of

the political economy of the coronavirus pandemic, Grace Blakeley argues that the legacy of the COVID-19 crash will be further concentration of economic and political power in the hands of the few.<sup>16</sup> She concludes that when the crisis subsides, the challenge will be to wrest back control from those who have taken advantage of this moment.

## REGRESSION MODEL FINDINGS

The regression model below uses the PPPI as the dependent variable which it aims to explain. The explanatory variables are based on the above literature review, with 13 of them being at the individual level and an additional three used as country-level controls. These three country-level control variables were split across two models, as shown in the table below, one containing democracy and income inequality, and the other containing the fulfilment of the SDGs. Statistical tests show that the model specification is sound and robust.<sup>17</sup>

### Socio-economic issues matter

The model suggests that political integrity perceptions are shaped by two groups of factors: socio-economic issues and issues related to political culture. The results show that having lower income<sup>18</sup>, having paid a bribe<sup>19</sup>, and the perception that companies avoid taxes<sup>20</sup> all contribute toward lower perceptions of political integrity (as indicated by the significant and negative coefficients associated with each variable in table 2 below. At the individual level, having a lower income, having paid a bribe for a public service and the perception that companies avoid taxes are all factors that contribute towards lower perceptions of political integrity. When people are struggling to make ends meet and in addition have to pay bribes for the most basic services, such as access to health care and education, it is only natural that they perceive the political system as lacking integrity. People who have paid bribes are associated with perceptions of political integrity on average five to eight points lower on a scale of 0 to 100 than those who have not.

The variable used to capture income in the *GCB – European Union 2021* asks citizens to self-report their households' financial situation on a five-point scale, ranging from a minimum of "can't buy what you need" to a maximum of "you have enough to buy

what you need".<sup>21</sup> While the effect of income in the regression table looks modest, considering the structure of the variable, the findings show that all else being equal, members of the most well-off

households hold perceptions of political integrity 8 to 14 points higher than members of the worst-off households on a scale from 0 to 100.

**Table 2: Multilevel multivariate regression for all EU**

*Individual respondent level*

Paid a bribe	-4.95***	-7.78***
Avoid taxes	-7.48***	-7.25***
Income	2.14***	3.50***
Unemployment	0.51	0.80
Tertiary Education	1.8**	1.88*
Euroscpticism	-10.5***	-11.0***
Citizens Make a Difference	7.72***	8.81***
Social Media News Consumption	-0.99	-0.55
Strong left-wing identification	-1.72	-2.04
Strong right-wing identification	5.03	3.37
Age	0.12***	0.13***
Female	-0.29	-0.31
Urban	-0.05	-0.8

*Country-level*

Top 10 Income Share	-0.57*	
Democracy Index	8.27***	
SDGs		1.28**
Constant	-17.3	-74.6**
N	37296	37296
F	179.69	93.52
Prob>F	0.000	0.000
R-squared	0.263	0.204

\*\*\* p < 0.001; \*\* p < 0.01; \* p < 0.05

Continuous reports and allegations that large companies get away with effectively paying no taxes exacerbate a sense of injustice in citizens' eyes. Our model finds that those who think that big companies often avoid paying their taxes (around 52 per cent of Europeans) are associated with perceptions of political integrity seven points lower than the rest.

One of the main outcomes of political integrity is good governance and the delivery of better policies and services for the common good. Therefore, it is not surprising that one of the key country-level explanatory variables of perceptions of political

integrity is the degree of progress towards the SDGs. For every one-point increase in the SDG index (ranging from 0 to 100), we find a 1.3-point increase in perceptions of political integrity.<sup>22</sup> This is a substantial effect, considering that the SDG index is measured on a 0-100 scale.

As expected, another significant factor at the country level is income inequality. The findings show that higher concentrations of income in the top 10 per cent of earners are associated with lower perceptions of political integrity. However, this effect is small and on the threshold of statistical significance.

## Political culture also matters

The model shows that some elements of political culture also influence the formation of political integrity perceptions among EU citizens. When considering all 40,000 respondents across the EU, we find that Euroscepticism<sup>23</sup> is one of the clearest attributes associated with lower perceptions of political integrity – on average 11 points lower than others on a scale of 0 to 100. Country-level regression shows that this reverse association holds in 23 out of 27 EU member states. However, the causal effect may run in both directions, meaning that lower perceptions of political integrity may also lead to higher Euroscepticism, as much as Euroscepticism may lead to lower perceptions of integrity. However, this could mean that improved trust in EU institutions may lead to positive self-reinforcing cycles of higher perceptions of political integrity and potentially more trust in the EU, and so on.

Another very strong predictor of perceptions of political integrity across the EU is the belief among individuals that ordinary citizens like themselves can make a difference in the fight against corruption.<sup>24</sup> This belief is associated with perceptions of political integrity eight to nine points higher, on a scale ranging from 0 to 100, and suggests that citizens associate opportunities to effect change with higher political integrity. The implications of this finding are clear for governments: to win back trust and positive perceptions of political integrity, they must give citizens appropriate channels to make a difference in anti-corruption processes, but also more broadly in policy formulation.

At country level, the factor that makes the biggest difference in perceptions of political integrity is the quality of democracy.<sup>25</sup> For every one-point change in the quality of democracy (on a scale of 1-10), we found a change in perceptions of political integrity of more than eight points. As most EU countries are either “Flawed” or “Full” democracies according to the EIU Democracy Index, this means that the move from a flawed democracy to a full democracy (approximately two points) would be associated with a 16-point jump in the score of perceptions of political integrity.

## Prosperity for the few – the case of Germany

Germany is a leading democracy, the economic engine of the EU and a global promoter of good governance, democracy and human rights. However, in our recent poll we found that 62 per cent of Germans think that the government is run by a few private interests looking out for themselves.

Germany only scored 53 out of 100 points in the PPPI measure, albeit ranking relatively well in comparison to other EU states (eighth place). As in much of the rest of the EU, socio-economic and political issues drive this result. Having lower income, having paid a bribe to get basic services and the view that companies often avoid taxes are all variables associated with lower perceptions of political integrity in Germany – as in most EU countries. It is worth noting that despite the fact that having paid a bribe appears a significant factor in perceptions of political integrity, the overall bribery rate in Germany is only 3 per cent and is therefore not likely to affect large parts of the population.

Despite its wealth, Germany is the most unequal country in the Eurozone with regards to the share of income concentrated in the top 10 per cent and the top 1 per cent of earners.<sup>26</sup> One in five German children still grows up in poverty,<sup>27</sup> with the gap between rich and poor further widening. Since 2005, the top 10 per cent earn more than the bottom 50 per cent in Germany.<sup>28</sup> This highlights that not everyone is sharing the country's prosperity, raising questions over whether the government does prioritise corporate interests over the common good.

In 2017, Germans discovered that a corporate tax fraud scheme had cost their treasury €31.8 billion.<sup>29</sup> It is therefore not surprising that 66 per cent of Germans think that big companies avoid paying their taxes. This is significantly higher than the European average of 52 per cent. Our analysis shows that in Germany, as in the rest of the EU, people who hold this view have perceptions of political integrity seven points lower than those who do not think that big companies often avoid taxes.<sup>30</sup>

The tax fraud scandal was made worse in the eyes of the public after allegations surfaced that the fraudsters had used legal loopholes that seemed to have been pushed for by lobbyists. In Germany it is legal for MPs to act as paid lobbyists and there is no central register of MPs' additional incomes.

The country's incoming first lobbying law calls only for transparency by lobbyists, not the politicians they deal with, and will not require legislative footprints which capture and make public all interactions between lobbyists and policymakers.<sup>31</sup> Another law passed in June 2021 will prohibit all paid lobbying activities by MPs. However, as it has not yet been enacted, how well it is implemented remains to be seen.<sup>32</sup>

To win back citizens' trust in the political integrity of their country, and to be able to refute allegations of cosyng up to business, the German government should make political decisions more transparent and accessible through tighter lobbying regulations.

Conversely, the belief that ordinary citizens can make a difference in the fight against corruption is associated with much higher perceptions of political integrity. Germans, like most other EU citizens, tend to evaluate the political system as cleaner and with more integrity if they see that there are opportunities for them to effect change. However, Germany has the EU's second-lowest rate of citizens who think they can make a difference (47 per cent).

To improve trust, channels for citizen participation and a strengthened access to information regime are crucial. To that end, the government should strive for disclosure of more accessible and transparent data on political decisions, to enable civil society to hold power to account for the common good. This is especially true for public procurement, which is very opaque in Germany. To tackle this issue and comply with the Open Government Partnership process, the government should implement the Open Contracting Data Standard throughout any public procurement process, make all contracts open by default and publish them in a single online registry.<sup>33</sup>

**Table 3: Multivariate regression for Germany**

(Intercept)	41.19 ***
Paid a bribe	-6.46 ***
Companies avoid taxes	-7.72 ***
Income	2.45 ***
Unemployment	0.52
Tertiary Education	4.09 ***
Euroskepticism	-17.76 ***
Citizens make a difference	5.88 ***
Social Media News Consumption	-3.30
Strong left-wing identification	-2.27
Strong right-wing identification	-6.61
Age	0.08 ***
Female	-1.16
Urban	0.48
N	4520
R2	0.21

\*\*\* p < 0.001; \*\* p < 0.01; \* p < 0.05

# HOW POLITICAL INTEGRITY PERCEPTIONS IMPACT ON TRUST AND DEMOCRACY

If living in a democratic country generally shapes perceptions of political integrity positively, would low assessment of integrity in politics pose a risk to democracy? Integrity may shape trust in government, and democracy thrives on trust. Democratic institutions provide for fair access to office through competitive elections, effective checks on government policy, and the instruments to prevent and punish corruption. These are all features of a pluralistic society, where rulers face constraints on the exercise of power, and that power is diffused across institutions and society. Acemoglu and Robinson have made the convincing case that pluralism, and the free media and rule of law that it implies, create a positive feedback loop whose inherent logic provides the foundation for inclusive economic institutions that contribute to the common good.<sup>34</sup>

These checks and balances which ensure that officials discharge their duties with integrity also provide channels for groups to organise themselves against abuse, encroachments and threats to these institutions.<sup>35</sup> The regression analysis conducted for this working paper shows that the belief that citizens can make a difference – a trait of democratic pluralism – shapes perceptions of integrity in politics positively. However, these perceptions deteriorate in individuals who have direct experience with bribery, strongly associate with opposition parties, or are well-informed and take note of high-profile conflicts of interest, embezzlement or any sort of scandal involving elected officials.

The formation of such critical assessments by these individuals is not necessarily bad news for democracy. Some studies on trust – an issue that

has received more attention than corruption in research – posit that a degree of distrust may actually be healthy for democratic legitimacy. “Critical citizens” or “critical trusters” who hold nuanced assessments of government performance are found in higher proportions in established democracies<sup>36</sup> like most of those in the EU.

Negative perceptions can be exploited at certain junctures, such as an election, a pandemic or an economic downturn. If exacerbated or diffused, low-trust constituencies mobilise to join protests<sup>37</sup> or support anti-system or extreme leaders.<sup>38</sup> Although both are forms of political participation upheld in a democratic society, they can also signal discontent with democracy, rather than an expression of its workings.

Low perceptions of political integrity and increased polarisation corrode institutional quality, as people identify with and trust individuals, rather than institutions. Further country-level analysis of the GCB data shows that in 16 out of the 27 EU member states, strong identification with right-wing political views is a statistically significant predictor of perceptions of political integrity, while in 14 countries the same applies for strong identification with left-wing views. In Bulgaria, Finland, Greece, Hungary, Slovakia, Slovenia, and Spain, both strong identification with left-wing and right-wing politics are statistically significant predictors of perceptions of political integrity, but in opposite directions.

In Hungary and Slovenia, for example – both countries with right-wing governments – those who strongly identify as right-wing have perceptions of political integrity 22 points higher than the rest, whereas those who strongly identify with the left

have perceptions of political integrity eight points lower than the rest. The same trend, but with a different effect in terms of size, applies in Bulgaria, Finland, Greece, Slovakia and Spain. Interestingly, Finland is the only country with a left-wing government where clear political camps appear in terms of perceptions of political integrity. This suggests that across the EU, there are countries where political poles have formed and partisanship affects the way people view the performance and integrity of their national institutions. According to Steven Levitsky and Daniel Ziblatt, democracies require two particular political norms to function well: mutual toleration for political opponents, and forbearance or refraining from actions that may imperil the system, despite being legal.<sup>39</sup> Therefore this polarisation constitutes a dangerous development, as it risks undermining the norm of mutual toleration.

Significant low perceptions of integrity in the political system can have seriously negative effects on democracies. Polarising political discourse that taps “critical citizen” attitudes can blur any nuanced assessments of institutional performance, and boost negative perceptions attributed to the system as a whole, rather than to the individuals that generated them.<sup>40</sup> Polarisation undoes pluralistic societies, playing directly into the hands of would-be authoritarians.

The current wave of autocratisation seen across the world and the EU itself almost invariably entails the unravelling of pluralism through polarisation. Most often it unfolds deceptively through seemingly legitimate steps, rather than old-fashioned coups. Would-be authoritarians undermine political pluralism by polarising public discourse and discrediting their opponents – not least spreading disinformation – often under the veneer of the fight against corruption or protection against a foreign threat.<sup>41</sup> Having lost what Levitsky and Ziblatt call “forbearance”, autocrats go on to weakening or even subverting formal institutions such as elections and democratic checks and balances by the legislature and the judiciary.

### Assaults on democracy – the case of Slovenia

Expert assessments regard Slovenia as a consolidated democracy<sup>42</sup> and the 35<sup>th</sup> least-corrupt country in the world,<sup>43</sup> ahead not only of all the former Yugoslav republics, but of most of the former Eastern-bloc countries. The *GCB – European Union 2021* finds that only 4 per cent of those who

came into contact with public services paid a bribe in the past 12 months.<sup>44</sup>

Yet less than two in five Slovenians think the government takes their views into account when making decisions and 70 per cent think the government is run by a few big interests looking out for themselves.<sup>45</sup> Our PPPI gives Slovenia 37 out of 100, the third-lowest score in the whole of the EU, 11 points below the EU average of 48.

What is happening in Slovenia? A new right-wing government formed during the pandemic has been plagued by a series of scandals. Several high-level officials, including a minister, face investigation for wrongdoing in procurement, related to medical equipment needed in the COVID-19 pandemic.<sup>46</sup> The prime minister himself had been sentenced to prison on corruption charges years before with the sentence later overturned and the case dropped under statutes of limitation<sup>47</sup> and a minister allegedly found to have accepted a gift in violation of ethical rules resigned hours before parliament was due to remove her.<sup>48</sup>

Despite these factors, our findings show that those who strongly identify with the right wing in Slovenia have perceptions of political integrity around 22 percentage points higher than the rest. The opposite holds true for those who strongly identify as left-wing, who have political integrity perceptions around eight points lower than the rest. This polarisation is not surprising, particularly in light of the government and many of its members, not least the prime minister, using an increasingly divisive rhetoric.<sup>49</sup> At the same time, this polarisation can lead to a hollowing out of trust in institutions and democracy, paving the way for political leaders to undermine checks and balances even further.

While the right-wing government enjoys strong support from its base, it has been quietly attempting to amass more control and influence over institutions providing checks and balances, and the media. The government has been accused of targeting judges and exerting “inadmissible pressure on prosecutors”.<sup>50</sup> The prime minister has also not spared the media, calling the Slovenia Press Agency a “national disgrace” with the government cutting its funding and driving the agency to the point where it could be forced to stop its operations soon.<sup>51,52</sup>

A continued situation of corruption and low political integrity is only likely to keep Slovenia locked in a cycle of increasing polarisation and further attacks on independent institutions.



# RECOMMENDATIONS

To improve political integrity, societies need to ensure that access to power, the exercise of power and accountability for decision-making are all free from undue influence, and enable a governance system that delivers for the common good.

## 1. Embed citizen participation and consultation at all levels of decision-making

- + Inclusive democratic processes, such as citizen assemblies and deliberative polls, should become standard features of government decision-making.
- + All relevant government decisions should be published proactively to open-data platforms to allow for citizen engagement and feedback.
- + Clear and user-friendly channels for citizen feedback should be rolled out at all levels of government.

## 2. Establish or strengthen independent ethics and oversight bodies mandated to regulate political finance, lobbying activities and the financial interests of public officials

- + All legislation pertaining to financial disclosure, political finance and lobbying activities should be harmonised and unified.
- + Relevant authorities should be given the mandate and capacity to collect, verify and disclose electronic and open data on financial disclosure, political finance and lobbying activities.
- + A mandatory legislative footprint which captures all interactions between lobbyists and policymakers, including legislative files discussed, should be published in a timely manner.

## 3. Revise regulations on unethical interaction between public officials and private companies, and improve enforcement

- + Codes of ethics for MPs, ministers and other high-level public officials should be adopted, and enforcement mechanisms should be set up to sanction non-compliance.
- + Immunity legislation should be reduced to a minimum, to allow public officials to discharge their duties, but not to serve as a shield from accountability.
- + Law enforcement units should also intensify their efforts to detect and counter instances of “policy for sale” and influence peddling.

## 4. Conduct a review at national and EU levels to identify and reduce undue influence from narrow groups across all 17 SDGs, with a focus on key areas of public policy, including taxation, education, health care and climate policy.

# ENDNOTES

<sup>1</sup>Transparency International, "Holding Power to Account. A Global Strategy Against Corruption 2021-2030", January 2021, p.22.

<sup>2</sup> GCB EU 2021 Question 19: "For each of the following statements, please tell me whether you disagree, agree or neither agree nor disagree: The Government in [INSERT COUNTRY NAME] is pretty much run by a few big interests looking out for themselves."

<sup>3</sup> GCB EU 2021 Question 5: "How many of the following people in [INSERT COUNTRY NAME] do you think are involved in corruption? Please tell me if you think it is none of them, some of them, most of them, or all of them," for (...) "A) The President and officials in his/her office; B) The Prime Minister and officials in his/her office" (either A or B depending on each country); "(...) C) Members of Parliament."

<sup>4</sup> GCB EU 2021 Question 19C: "For each of the following statements, please tell me whether you disagree, agree or neither agree nor disagree... C) The government takes the views of people like me into account when making decisions".

<sup>5</sup> GCB EU 2021 Question 20: "How often do you think the following situations happen in [INSERT COUNTRY NAME]? Please tell me if you think they happen never, rarely, occasionally, often or very often." (...) "C) Appropriate actions being taken against officials who engage in corruption."

<sup>6</sup> To produce the average score for PPPI, we first transformed the component variables onto a 0 to 1 scale using min-max standardisation, then multiplied by 100. In the cases where there was one missing value from the five components, an average of the other four was calculated. If two values or more were missing per person, the observation was dropped. This resulted in 2,832 observations dropped (7 per cent).

<sup>7</sup> Factor analysis formed a single factor with an eigen value well over the 1.0 threshold (2.26). This result supports the notion that these variables are in fact measuring the same latent concept. It is therefore valid to use them in combination to make an index. The PPPI measure obtained through the simple unweighted average of the five components is highly and significantly correlated (p-value: <0.000) with the factor PPPI. The correlation between the factor analysis coefficients and the averaged PPPI measure is 0.98. For this reason and for ease of communication, the averaged PPPI value will be used instead of the factor analysis coefficient.

<sup>8</sup> Natalia Melgar, Maximo Rossi, Tom W. Smith, "The perception of corruption", *International Journal of Public Opinion Research* 22 (April 2016): 120-131, <https://doi.org/10.1093/ijpor/edp058>

<sup>9</sup> Alina Mungiu-Pippidi, *The Quest for Good Governance. How Societies Develop Control of Corruption*. (Cambridge: Cambridge University Press, 2015), <https://doi.org/10.1017/CBO9781316286937>

<sup>10</sup> Fabrice Murtini et al., "Trust and its determinants: Evidence from the Trustlab experiment", *OECD Statistics Working Papers*, No. (June 2018), <https://doi.org/10.1787/869ef2ec-en>

<sup>11</sup> Alina Mungiu-Pippidi, *The Quest for Good Governance. How Societies Develop Control of Corruption*. (Cambridge: Cambridge University Press, 2015), <https://doi.org/10.1017/CBO9781316286937>

<sup>12</sup> Donatella Della Porta, *Social movements in times of austerity: bringing capitalism back into protest analysis*, (Cambridge: Polity Press, 2015).

<sup>13</sup> Francis Fukuyama, *Identity: the demand for dignity and the politics of resentment*, (London: Profile Books Ltd, 2018).

<sup>14</sup> Janine R. Wedel, *Unaccountable: How elite power brokers corrupt our finances, freedom, and security*, (New York: Pegasus Books, 2014).

<sup>15</sup> Joseph E. Stiglitz, *The Price of Inequality* (London: Penguin Books, 2012).

<sup>16</sup> Grace Blakeley, *The Corona Crash: How the Pandemic will change Capitalism* (London: Verso, 2020).

<sup>17</sup> The individual level variables as displayed in the regression table 1 on p.11 were taken from the GCB survey, the same instrument that contains the variables that make up the PPPI. The country-level variables selected were the 2020 Economist Intelligence Unit Democracy Index, the income share of the top 10 per cent income earners (last available year) taken from the World Bank World Development Indicators (WDI) and the SDG index, taken from the Bertelsman Stiftung and SDSN. Other multi-country variables were used in other models for robustness checks, including the CPI for 2020; GDP per capita (current US\$) for 2020, from the World Bank's WDI; GINI data (showing distribution of income across a population) for most recent date available, from the World Bank's WDI; the Freedom House measure of democracy (average of political rights and civil liberties scores), 2021. There were no missing observations (countries) for any of this data, which was an additional criterion used to select these variables. By including the country-level variables, the estimated R-squared of these models increased from 0.17, with only individual variables to 0.2 or above, suggesting that these variables help improve the fit of the model. Most of the key explanatory variables remained significant across model specifications, indicating a robustness. Variables significant across

different specifications include experience with bribery, income, euroscepticism, believing that citizens can make a difference in the fight against corruption, believing that companies avoid taxes, and age.

<sup>18</sup> GCB EU 2021 Question 27: "Thinking about the income your household earns, would you say that in your household... (1) You can't buy at all what you would need; (2) You need to borrow or spend savings to buy things you need; (3) You can manage with difficulties; (4) You have just enough to buy what is needed; (5) You have enough to buy what you want?"

<sup>19</sup> GCB EU 2021 Question 9: "Now thinking about the same services mentioned before, how often, if ever, did you have to pay a bribe, give a gift, or do a favour in order to get the assistance or services you needed from: (a) a public school; (b) a public clinic or hospital; (c) a government office issuing official documents; (d) a government office issuing unemployment or other social security benefits; (e) the police, (f) the courts." Respondents were coded 1 if they responded "once or twice" to at least one of the (a-e) services.

<sup>20</sup> GCB EU 2021 Question 20: "How often do you think the following situations happen in [INSERT COUNTRY NAME]? Please tell me if you think they happen never, rarely, occasionally, often or very often: Big companies avoid paying their taxes."

<sup>21</sup> GCB EU 2021 Question 27: Thinking about the income your household earns, would you say that in your household... (1) You can't buy at all what you would need; (2) You need to borrow or spend savings to buy things you need; (3) You can manage with difficulties; (4) You have just enough to buy what is needed; (5) You have enough to buy what you want?"

<sup>22</sup> "Sustainable Development Report 2021", Bertelsmann Stiftung; Cambridge University; Sustainable Development Solutions Network, accessed 10 July 2021, <https://dashboards.sdgindex.org/downloads>.

<sup>23</sup> The proxy for euroscepticism is built as a dichotomous variable, where a 1 is assigned to all GCB EU 2021 survey respondents who said that they have no trust at all in the European Union Institutions and 0 is assigned to all others (not very much trust, a fair amount of trust, a great deal of trust).

<sup>24</sup> GCB EU 2021, Question 19: "For each of the following statements, please tell me whether you disagree, agree or neither agree nor disagree... Citizens can make a difference in the fight against corruption."

<sup>25</sup> The variable used to measure the quality of democracy is the Economist Intelligence Unit Democracy Index. This variable is made up of five pillars: electoral process, functioning of government, political participation, political culture and civil liberties. For robustness, the model was also run with the Freedom House combined average of civil and political rights, with very similar coefficients and statistical significance, <https://www.eiu.com/n/campaigns/democracy-index-2020/>.

<sup>26</sup> "World Inequality Database", accessed 16 July 2021, <https://wid.world/data>

<sup>27</sup> Deutsche Welle, "1 in 5 children in Germany grow up in poverty", 2020, <https://www.dw.com/en/1-in-5-children-in-germany-grow-up-in-poverty/a-54260165>.

<sup>28</sup> "World Inequality Database", accessed 16 July 2021, <https://wid.world/data>

<sup>29</sup> Deutsche Welle, "Cum-ex tax scandal cost European treasuries €55 billion", 2018, <https://www.dw.com/en/cum-ex-tax-scandal-cost-european-treasuries-55-billion/a-45935370>

<sup>30</sup> Further analysis at the country level here refers to multivariate regression using only the German sample (4,520 cases). The independent variables are the same as the individual-level variables used for the main model (table 1 on page 11).

<sup>31</sup> Anna-Maija Mertens, "Das Lobbyregister kommt-kann aber nur ein erster Schritt sein", *Observer Gesundheit*. (2021), <https://observer-gesundheit.de/das-lobbyregister-kommt-kann-aber-nur-ein-erster-schritt-sein/>. Last accessed on 18 May 2021.

<sup>32</sup> Deutscher Bundestag, Erweiterte Transparenzregeln für Abgeordnete beschlossen, 2021, <https://www.bundestag.de/dokumente/textarchiv/2021/kw23-de-abgeordnetengesetz-843526>

<sup>33</sup> Open Contracting Partnership, Open Contracting Data Standard, <https://standard.open-contracting.org/latest/en/>

<sup>34</sup> Darren Acemoglu and James Robinson, *Why Nations Fail. The Origins of Power, Prosperity, and Poverty*. pp.309-332. (London, Profile Books: 2013).

<sup>35</sup> Acemoglu and Robinson, *Why Nations Fail*, p.309.

<sup>36</sup> Wu C, Wilkes R. "Finding critical trusters: A response pattern model of political trust". *International Journal of Comparative Sociology*. 2018;59(2):110-138. doi:10.1177/0020715218761520.

<sup>37</sup> Braun, D. and S. Hutter (2016) "Political Trust, Extra-Representational Participation and the Openness of Political Systems", *International Political Science Review* 37:2, 151-65, DOI: 10.1177/0192512114559108.

<sup>38</sup> Ziller, C. and Schübel, T. (2015) "'The Pure People' versus 'the Corrupt Elite'? Political Corruption, Political Trust and the Success of Radical Right Parties in Europe", *Journal of Elections, Public Opinion and Parties*, 25:3, 368-386, DOI: 10.1080/17457289.2014.1002792.

<sup>39</sup> Steven Levitsky and Daniel Ziblatt, *How Democracies Die: What History Reveals About Our Future*, (New York: Penguin Random House, 2018).

<sup>40</sup> Assessments of how clean the executive lead strongly on the overall PPPI scores at both individual and country levels. This may indicate that people may not meaningfully distinguish between their assessment of elected officials' integrity (both in terms of their individual honesty and policy outcomes for the common good) and that of the government as institution.

<sup>41</sup> V-Dem Institute, "Autocratization Turns Viral. Democracy Report 2021", p.22. <https://www.v-dem.net/files/25/DR%202021.pdf>

<sup>42</sup> Freedom House, Nations in Transit 2021 Slovenia Country Profile, <https://freedomhouse.org/country/slovenia/nations-transit/2021>.

<sup>43</sup> Transparency International, Corruption Perceptions Index 2020, <https://www.transparency.org/research/cpi/overview>.

<sup>44</sup> Transparency International 2021, "Citizens' views and experiences of corruption", p.19, [https://images.transparencycdn.org/images/TI\\_GCB\\_EU\\_2021\\_web.pdf](https://images.transparencycdn.org/images/TI_GCB_EU_2021_web.pdf).

<sup>45</sup> Transparency International 2021, "Citizens' views and experiences of corruption", p.29.

<sup>46</sup> "Anti-graft commission launches probe against eight over PPE purchases", Slovenia Press Agency (STA), 15 December 2020, <https://english.sta.si/2844192/anti-graft-commission-launches-probe-against-eight-over-ppe-purchases>.

<sup>47</sup> "After 26 years, Janša in prison again", *The Slovenia Times*, 21 June 2014, <https://sloveniatimes.com/after-26-years-jansa-in-prison-again/>.

<sup>48</sup> "Anti-graft commission launches probe against eight over PPE purchases", Slovenia Press Agency (STA), 15 December 2020, <https://english.sta.si/2844192/anti-graft-commission-launches-probe-against-eight-over-ppe-purchases>.

<sup>49</sup> "Janša pushes gripes with Brussels as Slovenia takes EU presidency", David Herszenhorn, *Politico*, 2 July 2021, <https://www.politico.eu/article/slovenian-prime-minister-janez-jansa-battles-eu-slovenia-european-council-presidency/>.

<sup>50</sup> European Parliament, *The Situation of Democracy, the Rule of Law and Fundamental Rights in Slovenia*, 25 March 2021, [https://www.europarl.europa.eu/cmsdata/231906/SLOVENIA\\_per\\_cent20IDA\\_per\\_cent20DRFMG.update.pdf](https://www.europarl.europa.eu/cmsdata/231906/SLOVENIA_per_cent20IDA_per_cent20DRFMG.update.pdf).

<sup>51</sup> "STA appalled at prime minister's Twitter post", STA 15 October 2020, <https://english.sta.si/2819874/sta-appalled-at-prime-ministers-twitter-post>.

<sup>52</sup> The National Broadcaster wrote at the end of August 2021 that the Slovenia Press Agency only has enough funds for two more months of operations " STA: Zaradi nelikvidnosti bi se lahko poslovili že čez dva meseca", RTV Slo, 31 August 2021, <https://www.rtvlo.si/slovenija/sta-zaradi-nelikvidnosti-bi-se-lahko-poslovili-ze-cez-dva-meseca/592402>

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