
29. Political institutions and the corruption of politics¹

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INTRODUCTION

Corruption is widely recognized as one of the key factors undermining the credibility and efficiency of political institutions. In this chapter, we discuss the corruption of politics and polity exploring how it can occur through interactions among a wide range of players, often taking forms that are not clearly illegal, and sometimes even operating within the bounds of legality. Therefore, we acknowledge that corruption encompasses not only overtly criminal behaviours but also extends beyond the confines of the political arena. This is so because players in other arenas – such as markets, the media or law enforcement – can engage in interactions with those situated in the political arena to sustain or, in other cases, to condemn corruption.

Our main assumption is that all political systems offer legal and illegal ways of influencing policy and politics in different arenas. The challenge to democracy arises when actors situated in one or more arenas seek to exploit these opportunities, usually at the expense of less powerful actors. This is a relevant aspect because, as we will show, in these cases corruption creates a distortion in the representation of political institutions. We follow Warren's (2004, 2006) perspective, rooted in the principle of democratic equality. According to Warren (2006, p. 804), corruption violates the norm of equal inclusion, asserting that every individual affected by a collective decision should possess a proportional opportunity to influence that decision, considering their stake in the outcome (see Warren, 2004).

The chapter is divided into five sections. First, the definition of corruption is contextualized within the broad landscape of concepts. Second, we introduce the role of players and arenas to better understand corruption's impact on the representation of political institutions in order to subsequently review the effects of political institutions on decision-making more generally. In the third section, we compare how selected forms of influence are associated with legitimate representation but may also manifest as undue influence that serves the private or political interests of a select few. We examine five forms of influence that are closely linked to corruption risks in politics: political finance, lobbying, revolving doors, personal ties, and media capture. We offer examples for each type of influence to illustrate their potential to erode the democratic representational functions of political institutions, transforming into undue influence while still operating within legal bounds. Finally, we present cases of corruption in its institutionalized form at different stages of a political cycle by discussing the impact of corruption on political institutions.

DEFINING POLITICAL CORRUPTION THROUGH INSTITUTIONAL LENSES

The definition of institution has been subject to endless disputes (Hodgson, 2006). As research on corruption is highly interdisciplinary, the definition of institutions is widespread in two main traditions, depending on the respective field of study. For example, the economist North (1990) differentiates institutions, defined as ‘rules of the game’, from organizations, which are often named ‘institutions’ by political theorists (e.g., Thompson, 2018). Or, as Mungiu-Pippidi and Heywood (2020, p. 3) put it: ‘Thompson’s “institutions” are North’s “organizations”, underlining that scholars who study corruption, as in Oscar Wilde’s aphorism, can remain divided by a common language’. In this chapter, we follow Thompson’s nomenclature.

Political systems, in turn, are understood as the broader framework or arrangement through which political power is organized and exercised in society, in line with Almond and Powell’s (1966) approach when noting the importance of assessing political structures and functions performed by them. Political systems encompass the entire set of political institutions, defined here as organizations that shape and govern political behaviour and decision-making within a society (Thompson, 2018).

In the context where individual or collective actors engage in corrupt practices that impact the core components of a democratic political system, we speak of corruption of politics and political institutions, termed here as ‘political corruption’. Our understanding of political corruption in this chapter is closely linked to what Lessig (2013, p. 553) named ‘institutional corruption’ when describing the ‘systemic and strategic influence, which is legal, or even currently ethical’, that undermines ‘the institution’s effectiveness by diverting it from its purpose or weakening its ability to achieve its purpose’. Political corruption weakens both public trust in institutions and institutions’ inherent trustworthiness. Whenever an institution’s rules, norms, or values are compromised or undermined in a way that benefits certain individuals or groups at the expense of others, political corruption occurs, manifesting in various ways, such as conflicts of interest, undue influence, or the abuse of power.

Defining corruption through institutional lenses diverges in at least three ways from the conventional understanding. First, it goes beyond the individual-centric understanding of corruption as a deviant behaviour of a person. Corruption, as the misuse of entrusted power for private gain, has been analysed for a long time, mainly by economists with a strong focus on the individual actors’ behaviour (Klitgaard, 1988). This focus on an individual’s rational incentives and constraints has been maintained when explaining the causes of corruption and searching for remedies. The institutional perspective on corruption considers a more complex picture: it recognizes that individual and collective actors are subject to structural constraints and, thus, corrupted formal and informal rules also corrupt benevolent individuals.

Second, the institutional lenses suggest that corruption is not limited to the formal boundaries of criminal law but also includes legal practices. As Dincer and Johnston (2020, p. 221) note, definitions of corruption that are based on legal standards ‘omit many kinds of activities that, while legal (or not clearly illegal) capitalize on abuses of public trust and official powers to produce outcomes regarded widely as unjust’. In this chapter, we consider corruption in all conduct and actions, independently of being illegal or not, that undermine the values, goals, and mission of political institutions (see also Maciel & de Sousa, 2017).

Third, and finally, the gains of corruption and its effects go far beyond individuals’ material gain. Rather, they also encompass political gain that skews democratic competition and

undermines trust and legitimacy. Following the principle that democracy ‘must operate under some basic shared understanding about the common good’ (Etzioni, 2014), individuals must have equal opportunity to affect collective decisions. Warren (2004, p. 328) argues that corruption in a democracy involves ‘duplicious violations of the democratic norm of inclusion’. While Warren (2004, p. 333) still sees corruption as the inappropriate use of common power and authority for purposes of individual or group gain at the collective expense, he states that ‘corruption resides not in the greed per se but in serving this greed by excluding those affected from the processes of collective decision making’.

This approach to corruption is sufficiently broad to encompass not only state actors but also individuals and groups entrusted with collective decisions or actions. It also accommodates various forms of corruption and undue influences that may not be inherently unlawful but still embody a breach of trust and exclusion within democratic politics. Important voices in corruption studies started calling attention to the relevance of corruption emerging in grey areas – denoted as, e.g., ‘legal corruption’ (Dincer & Johnston, 2020; Kaufmann & Vicente, 2011; Maciel & de Sousa, 2017) and, more recently, ‘strategic corruption’ (Huss & Pozsgai-Alvarez, 2022) – and how they pose as enemies of democracy. However, we still lack systematic research, and our understanding is limited regarding the intricate connections between various forms of legitimate political influence and institutional corruption.

A ‘PLAYERS AND ARENAS’ FRAMEWORK TO UNDERSTAND POLITICAL CORRUPTION

To understand the multifaceted relationship between corruption and political institutions, it is essential to employ an analytical framework that takes into account the relational dimension of both elements. The ‘players and arenas’ framework attempts to bridge gaps between structural and agency approaches and to remain sensitive to the strategic choices made by actors and their objectives (Elliott-Negri et al., 2021; Jasper, 2006, 2021; Jasper & Duyvendak, 2015; Rone, 2021). Although this analytical framework was originally developed to understand how grassroots political actors engage in collective action to pursue their goals through recurrent interactions across various societal spheres, it is flexible enough to accommodate other forms of action. This includes individual and collective actions perpetuating corruption, and their dynamic interplay with specific arenas, particularly in the realm of institutional politics. Institutions consist of multiple institutional arenas (Taylor & Zald, 2010), forming an intricate framework of roles, norms, and practices centred around specific societal objects or behavioural domains. Following this structural-functional perspective, conflicts can arise within the ‘shared cultural understandings’ that define an institution regarding how values and roles are enacted (Taylor & Zald, 2010, p. 307). This perspective suggests that viewing institutions as separate entities might be circular reasoning. Instead, it could be more beneficial to directly observe the arenas themselves rather than assuming the existence of some elusive entity behind them.

According to the ‘players and arenas’ framework, arenas are defined as moments and/or spaces with a set of (formal and informal) rules and resources that allow or encourage certain types of interactions. Actors can take the form of individuals, groups, and/or organizations making strategic choices, responding to others, and arriving at decisions through formal and

informal processes. In considering political corruption, we suggest that it unfolds in at least five arenas in which different types of actors interact, as follows.

First, the *policy arena* serves as the arena where policy preferences are formed, decisions are designed, approved, and ultimately implemented. It involves elected and appointed officials, as well as a range of collective actors, such as government agencies, and specific political institutions such as parliaments, which influence the course of governance and determine the outcomes of political processes. In the policy arena, elected and appointed public officials largely determine the decision-making process. They play a key role in representing and advocating for the interests of their constituents, deliberating on policy proposals, and ultimately moulding the laws and regulations that govern society.

Second, the *law enforcement arena*, where individuals, institutions, and entities are subject to the same legal norms, ensures accountability and upholds the principle of rule of law. Among other actors in this arena, law enforcement institutions such as anti-corruption agencies, police forces, investigative bodies, and judicial systems are in charge of upholding and implementing legal norms. These institutions interact with other actors to prevent and respond to violations of the law, maintain public order, and protect the rights and security of citizens. In this arena, laws are expected to be enforced impartially, providing a behavioural framework for both citizens and public authorities.

Third, in the *media arena*, we find established and emerging media organizations, a wide range of media professionals, as well as technologies. The media arena has a relevant role in access to, as well as the creation, production, and dissemination of media content. While traditional mass media (e.g., newspapers, television, and radio) have historically held pivotal roles in the media arena, non-traditional communication channels like social media platforms and online-only news outlets have risen in significance. These platforms empower citizens to actively engage in co-creating and disseminating content, leading to a more decentralized process of media content production and circulation.

Fourth, the *civil society arena* is where citizens, often represented by non-governmental and non-profit organizations, come together to identify common concerns, prioritize needs, and advocate for change. Individuals and groups actively engage with other actors to address societal challenges and advance their collective interests, often outside formal state structures and through various organized efforts (e.g., advocacy campaigns, monitoring initiatives, and contentious protests). Civil society actors assume a pivotal role when they effect change in diverse arenas. This includes shaping public policy upon entering the political sphere and exerting influence over decision-making processes on contentious issues.

As a fifth and final relevant arena, we identify the *market arena*, where firms operate as private profit-seeking actors. Businesses compete for resources, including contracts, subsidies, tax incentives, and other economic benefits, and participate in economic activities to pursue profitability and maximize their financial gains. Through competition, companies seek to attract customers, increase their market share, and generate revenue. This often leads to innovation, efficiency gains, and the allocation of resources in response to market demand. In addition to the pursuit of private profit, companies operating in the market can contribute to the creation of material and public goods.

Accounting for this constellation of players and their interactions in the respective arenas allows for a better understanding of corruption. Indeed, there are several types of interactions deployed in the five arenas, with the aim of establishing or altering laws and regulations, securing public funds and goods, obtaining benefits, and responding to political corruption.

The five arenas should not be considered in isolation from each other, as players ‘juggle their commitments’ between the most promising arenas (Jasper et al., 2022, p. 26) and transfer their capacities, resources, and reputations as well as their knowledge and ideas from one arena to another (Walzer, 1983). Players in the five arenas might interact within and across arenas to sustain political corruption as well. For example, when looking at partisan favouritism in public procurement, Dávid-Barrett and Fazekas (2020) found that elites seeking to extract rents strategically opt to capture different elements of the control framework. Consequently, they engage in interactions across multiple arenas simultaneously to circumvent particular regulations, policy implementations, and monitoring institutions.

Overall, each arena includes both players that interact to reduce corruption and players that engage in behaviours that, ultimately, can be tied to corruption. The relational links established between individuals in different arenas shape perceptions and understandings of corruption, anti-corruption, and integrity. These links facilitate the exchange of knowledge and experience between actors within specific arenas as well as at the intersections of different arenas. Shared social norms influence individual preferences when making decisions about engaging in or resisting corrupt transactions. The ‘players and arenas’ framework therefore emphasizes the importance of understanding corruption as a product of interactions between various players, operating in different institutional domains. These interactions shape the development and diffusion of norms surrounding corruption, influencing actors’ behaviours and perceptions. For example, the relationship between political leaders and business elites might create a normative environment that either fosters or discourages corrupt practices. If collusion and bribery become accepted practices within these interactions, it can perpetuate corruption within political institutions. Conversely, if transparency, accountability, and ethical conduct are promoted, it might contribute to building a culture of integrity and reduced corrupt behaviour.

In short, seen through the lenses of the ‘players and arenas’ framework, corruption goes beyond rational incentives and legal constraints, but also involves the construction of relational norms that shape actors’ attitudes and perceptions towards corruption and integrity. In essence, the proposed analytical framework incorporates a constructivist perspective on the intersections between arenas, going beyond a focus solely on capacities and resources while acknowledging the strategic aspects of actors’ interactions and the structural constraints they face. Hence, it allows for a nuanced exploration of the processes and mechanisms underlying political corruption, providing insights for its effective detection, prevention, and mitigation.

POLITICAL INSTITUTIONS, DECISION-MAKING CHOICES, AND POLITICAL CORRUPTION

The core of politics lies in decision-making processes. We assume that all political systems offer different legal and illegal routes to influence policy and politics in different arenas. The challenge to democracy occurs when different players placed in one or more arenas try to take advantage of these routes, often at the expense of less powerful actors. When certain stakeholders consistently and exclusively benefit from privileged access, it can lead to the erosion of public trust in policymakers, enforcers, and decision-making. This is because, at least in democratic systems, the resolution of political conflicts is expected to occur through practices that emphasize openness, publicity, and inclusivity.

According to Warren (2006, p. 803), James Madison (1751–1836) was one of the early proponents who recognized the potential alignment of public officials' interests with the common good. Madison advocated for creating institutions incorporating checks and balances, effectively dividing and sharing decision-making powers. This constitutional design empowers officials to actively counter actions against the public interest by equipping them with the incentives and capabilities to take action. While administrative officials entrusted with public office are expected to act impartially in the public's best interest, preferably insulated from political pressures, the role of democratic representatives such as members of parliament or executive leaders can sometimes blur the lines of impartiality and inclusivity (Warren, 2006).

Therefore, the design of institutions can be seen as instrumental in promoting increased levels of accountability, openness, publicity, and inclusivity, increasing the chances to accommodate diverse interests and preferences among players and arenas. This design can either facilitate or restrict the interactions among different stakeholders and their respective arenas in the decision-making process – or at least curb those who control resources, preventing them achieving gains at the cost of those excluded from collective decision-making and/or collective action. As an illustration, institutions have been improving their capacity to provide opportunities for ordinary citizens and underprivileged interest groups with limited resources to shape decision-making processes more efficiently, equipped with both 'voice and teeth' (Peixoto & Fox, 2016, p. 23). This can be exemplified through public hearings, participatory budgeting, and popular initiatives.

Nevertheless, novel forms of democratic participation remain scattered and confined to specific subject matters. Decision-making procedures still involve limited access and provide little advocacy opportunity for the less privileged, particularly when they are conducted discreetly to deliberately exclude individuals with legitimate claims for inclusion (Warren, 2006, p. 804). As a result, even though interactions occur within the boundaries of legality and sometimes even transparency (Maciel & de Sousa, 2017), there can still be deficiencies within these legitimate practices. In this sense, certain interactions among players become means of corruption when they succeed in bypassing or skewing any of the key phases of the policy cycle, i.e., (1) the *input stage*, when actors aim to have their demands and concerns heard; (2) the *throughput stage*, when laws, regulations, and policies are formulated, discussed, and enacted; or (3) the *output stage*, when legislation is enforced, policies are implemented, and public goods, services, and subsidies allocated.

Following Maciel and de Sousa (2017, p. 656), it is 'hard to conceive an unbiased and independent authoritative allocation of decisional goods at the output level' if access is selective at the input level and the process is embedded with secrecy and inconsistencies at the throughput level. Although we agree with this understanding, we expand on it and consider that selectiveness is not limited to the input phase. Privileged access is also sought by various actors from different arenas seeking benefits in other phases of the policy cycle, such as influencing legislation and regulation (throughput), as well as securing contracts or services (output). The privileged access to policymakers is not a new phenomenon, and this realist view of democracy has attracted academic analyses for a long time, albeit still scant. For example, Schattschneider noted, when criticizing United States (US) elite pluralism in the 1960s, that the 'pressure system gets results by being selective and biased' (Schattschneider, 1960, p. 35). To him, the issue seemed to be structural not only because 'pressure politics is a selective process ill-designed to serve diffuse interests', but also because business and upper-class groups were more likely to, for example, contact their congressmen (Schattschneider, 1960,

pp. 34–5). Still, we believe that even if the system is designed to increase access to politics towards its universalization, political corruption can still be a disruptive force. Political corruption favours those more organized and able to (mis)influence public officials and their decisions, which should, instead, balance the power of contending groups.

The distinctions in privileged access, rooted in factors such as, but not limited to, the structural design of the system benefitting powerful businesses and upper-class members, the pressuring efforts of those with a higher capacity to articulate their interests and allocate substantial resources towards influencing decision-makers, and the abuse of power shaping decisions at the exchange of private benefits, become discernible in the varying degrees and practices of preferential treatment and influence that certain actors enjoy in the input, throughput, and output stages of the policy cycle. These disparities underscore the difficulties in establishing a fair and equitable environment, emphasizing the importance of ensuring that policy decisions prioritize the public interest over being unduly swayed by specific entities or interests. Next, we focus on five forms of access and influence often used as channels to establish or maintain all types of interference in different phases of the policy cycle.

FIVE FORMS OF CORRUPTION IN POLITICAL INSTITUTIONS

Political institutions have channels to establish or maintain all types of interference in different phases of the policy cycle. By examining the arenas and players' strategies and interactions to pursue their preferences, one can identify how legitimate practices can be corruptible, ultimately resulting in susceptible decision-making. On this matter, five forms of influence are prominent: political finance, lobbying, revolving doors, personal ties, and media capture. While regulation may vary across the globe, they all play a crucial role in democratic governance, even though research that explores their correlation with decision-making biases and corruption is still scarce.

Democracy has legitimate costs that involve, for example, funding politicians or sponsoring political parties and elections. Therefore, political financing is often a needed, and rightful, practice in politics. Nonetheless, employing public and private funds, along with in-kind contributions, entails the inherent risk of corruption and state capture. Such resources can be used to exchange influence and align officeholders more closely with the agendas of donors, potentially undermining the integrity of decision-making processes. There has been an increasing academic interest in political financing regimes (Lipcean, 2022), including attempts to identify the impact of both state subsidies and private funding on political corruption (Evertsson, 2013; Power, 2020). Literature has also advanced in linking political campaign donations to partisan and political favouritism in government contracting (e.g., Dávid-Barrett & Fazekas, 2020; Fazekas & Cingolani, 2017). In addition, there is empirical evidence suggesting that businesses providing financial contributions expect reciprocity. Research conducted in countries such as Australia and Canada showed that donors anticipate receiving special considerations from politicians and parties in exchange for certain financial benefits (McMenamin, 2013).

Another form of influence is lobbying, which, often only loosely regulated, may result in unfair competition, rent-seeking, and undue influence, compromising integrity levels and democratic quality. Although advocacy action can be a positive force in democracies for promoting beneficial changes and inclusion, it has been used by powerful interest groups and/or businesses to gain access and to influence legislation at the expense of the public interest.

Literature has been treating lobbying and corruption (mainly bribery) as two different means to achieve similar goals. As Harstad and Svensson (2011, p. 46) put it, ‘when faced with a regulatory constraint, firms can either comply, bribe the regulator to get around the rule or lobby the government to relax it’ (see Campos & Giovannoni, 2007, 2017; Harstad & Svensson, 2011 for empirical evidence and theoretical discussion supporting such substitutability). De Francesco and Trein (2020) noted that researchers also discussed the presence of lobby registers, looking at it from different angles: as a way to reduce information asymmetry between legislators and industries and limit undue interest group influence (Ainsworth, 1993); to level the playing field for politically active interest groups and to avoid a situation where larger groups with more resources have an advantage (Flavin, 2015); or to give citizens transparent information on who is lobbying government, who is keeping contacts with lobbyists, and what the lobby is about (Murphy, 2017).

Individuals may also switch between the public and private sectors, in either direction, or may play concomitant public and private roles (e.g., elected officials with direct or indirect ownership in firms). In this regard, the form of influence under scrutiny is the one of revolving doors. On the one hand, public officials might benefit from private interests because of their previous (or current) private jobs or due to the expectation of future jobs. On the other hand, former officeholders have insider knowledge and networks that can open many doors to benefit the interests of their private jobs. It is important to note that personal connections do not exclusively revolve around revolving doors; they can also play a significant role in enabling access, identifying solutions, and benefitting individuals who share common backgrounds, such as attending the same school. Much debate has surrounded the issue of revolving doors and personal ties, but as Coen and Vannoni (2016) stress, the empirical research on efforts of the private sector to hire managers is still scarce and geographically more focused on the US.² Historical evidence from both the US and the United Kingdom (UK) indicates that the practice of having individuals with corporate ties in government is not a recent phenomenon. Between 1897 and 1973, an average of 76 per cent of US cabinet members had connections to corporations and, in the UK, during the period from 1918 to 1935, 37 per cent of the members of the British House of Commons came from corporate backgrounds (Kowalewski et al., 1991; see Pons-Hernández, 2022). More recently, revolving doors have been portrayed as a corrupt practice in the nexus between a wide range of economic sectors, including big tech, pharmaceuticals, fossil fuels, food, defence, and public positions endowed with the authority to regulate, enforce, and financially support corporations (Pons-Hernández, 2022, p. 306; Rawlinson, 2017).

Finally, there is a form of influence entitled media capture. Media is considered an effective anti-corruption tool, but at the same time it has been targeted by undue interferences (Berti et al., 2020; Schauseil, 2019). When the media loses its freedom to report independently, it can transform into a vehicle for advancing government and corporate agendas, potentially leading to abuses of power and corruption (Dyck et al., 2013; McChesney, 2003; Schiffrin, 2017). In extreme cases, ‘media capture’ encompasses direct in-kind donations, extortion, or cash, for example, for journalists and editors to influence (non-)coverage (see Schauseil, 2019). As Campello et al. (2020) note, the term ‘media capture’ is still more used for defining the close ties among corporate media owners, government officials, and/or ruling parties. However, different media channels, including social media networks, can also cover up or create confusion around malfeasance, clientelism, and embezzlement (Schauseil, 2019). Falsehoods associated with fake news, misinformation, and deception have also been increasingly used – sometimes

orchestrated by companies that produce and spread misinformation and disinformation – to mislead public opinion, convince politicians, attract voters, and attack opponent voices.

These five forms of influence can happen in all phases of the policy cycle, ranging from single transactions to a regular, highly institutionalized basis to benefit private individuals, organizations, networks, or even other governments, as illustrated in Figure 29.1. It is important to note that influence can be established and maintained through multiple channels that typically involve exchanging favours and/or payments. Corruption would configure practices in which decision-making would benefit individuals or single sectors/classes of actors due to particularistic favours, which may be one-off or repeated. Susceptible decision-making choices, prone to pressure and diluted influence, are crucial for understanding and measuring corruption in this field. Corrupt networks focus on high-value areas of government activity to extract rents. This encompasses interfering in law-making and law enforcement procedures, the distribution of contracts and subsidies, revenue generation (e.g., taxes and fees), and the selling and renting of public assets such as concessions.

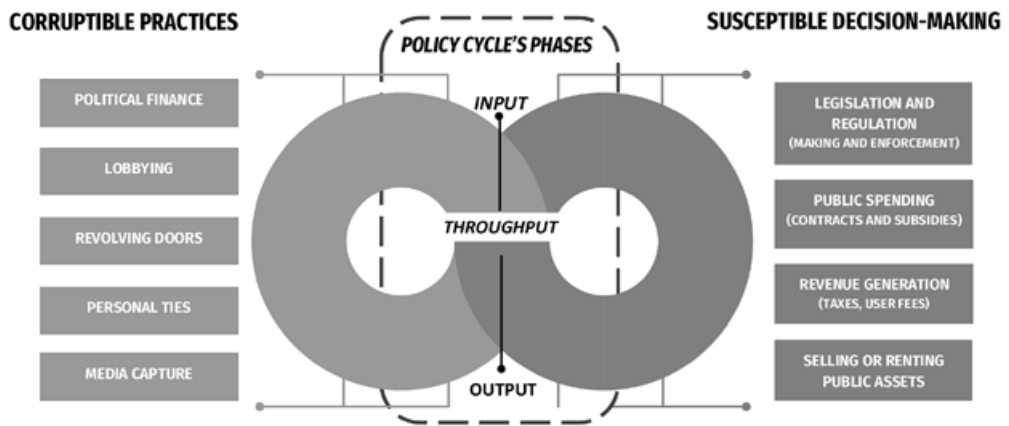


Figure 29.1 Linking corruptible practices and susceptible decision-making choices in the policy cycle

Among a range of government functions from which corrupt rents can be extracted, two stand out as both centrally important for democracy and ripe for research innovation: political corruption in legislatures and regulatory bodies; and high-level corruption in public spending. These two areas are highly intertwined, as a systematic manipulation of the legislative framework can enable impunity for the corrupt when extracting rents from public spending (Dávid-Barrett & Fazekas, 2020). Public spending includes awarding public procurement contracts, granting public subsidies, guarantees, and incentives. By contrast, corrupting legislation and regulations involve setting conditions for market competition, such as market entry or product standards. Capturing national and supranational parliaments as well as powerful regulatory agencies constitute a central goal for political corruption. While legislative and regulatory data have not been collected and assessed in depth yet, Europe-wide procurement indicators have successfully exploited structured information such as the number of bidders or

procedure type (Dávid-Barrett & Fazekas, 2020; Fazekas & Cingolani, 2017; Fazekas et al., 2016).

Although research on these subjects is still limited, these practices and their connections with corruption and undue influence frequently garner media attention. Notably, lobbying, political finance, revolving doors, personal ties, and media capture have been used to manipulate policymaking processes for personal gain, thereby misleading the intended public interest. In the UK, the Greensill lobbying scandal brought to the public eye how former prime minister David Cameron used private channels, including WhatsApp messages and emails, to lobby ministers and former colleagues to benefit the Australian company Greensill (Walker, 2021). Cameron has received a salary of £720,000 a year as a part-time adviser (BBC, 2021). While the former prime minister was accused of ‘a significant lack of judgement’ (BBC, 2021) in lobbying the government on behalf of the company, the Treasury Committee’s report on the matter clarified that he did not violate any regulations despite bombarding ministers with messages – but only because the rules are too weak (Neate, 2021).

In 2016, the case of a revolving door at the European Union (EU) level motivated a joint e-petition set up by the Alliance for Lobbying Transparency and Ethics Regulation and WeMove.EU, signed by around 30,000 people from Europe. José Manuel Barroso, the former president of the EU, was appointed as the chairman and adviser of Goldman Sachs (Ariès, 2016). Although the case reignited discussions in the EU regarding potential conflicts of interest when high-ranking Commission officials transitioned to the private sector, this did not prevent Barroso from securing the new position. Both cases illustrate how market arenas not only encroach upon the policy arena, but also attract former participants to facilitate interactions, creating a blurred boundary between politics and business. Consequently, doubts concerning the integrity of democratic politics are nurtured. In both cases, the civil society and media arenas expressed their opposition through public protests and demonstrations, but these efforts did not yield the desired outcome apart from raising awareness.

CONSEQUENCES OF CORRUPTION FOR POLITICAL INSTITUTIONS

In contrast to the salient economic effects of corruption, such as bureaucratic inefficiency, poor investment climate, and low economic growth (Dimant & Tosato, 2018), the consequences for political institutions and democracy are still poorly explored. A solid body of literature indicates that corruption undermines trust and exacerbates actual and perceived societal inequality (see Rothstein, 2011). These consequences of low institutional trust and social inequality provide the basis to theorize and empirically test mechanisms of how political corruption fuels populism (Daniele et al., 2023; Klitgaard, 2016). Additionally, it can reinforce authoritarian tendencies (Huss, 2020) or undermine national security (Chayes, 2015).

Regarding populism, Daniele et al. (2023) indicate that first-time voters exposed to corruption scandals maintain low trust towards political institutions over time. Moreover, they are more likely to elect populist political parties than non-first-time voters. Conversely, recent experimental research shows robust results that the quality of institutions, operationalized in terms of their ability to prevent corrupt behaviour, has causal effects on trust (Martinangeli et al., 2024). Importantly, this effect is generated by mere assumptions about potential corrupt behaviour and not by the knowledge about the facts of corruption. These findings indicate the

importance of merging corruption prevention, situated mainly in the policy and law enforcement arenas, with the corresponding communication in the media arena. These findings indicate the importance of merging corruption prevention, situated mainly in the policy and law enforcement arenas, with the corresponding communication in the media arena and an increased access and participation of civil society actors in the policy arena, for restoring trust in democratic institutions.

So-called social forms of corruption, such as patronage and clientelism, create favourable relations between players in policy and the market arenas. Favouritism is often nourished in the grey zones of legitimate (and necessary) practices, such as political finance and lobbying. Even if it is legal, businesspeople, for example, are interested in donating more money to political parties and politicians who are expected to support their private interests, or in sponsoring advertisements in media outlets that promote their interests without compromising their reputation. These relations can increasingly marginalize citizen representation and perpetuate the concentration of power among a limited few individuals or groups. This can occur even in the presence of free and democratic elections, as pre-election advantages like privileged media access and disproportionate campaign funding can influence the outcome (Levitsky & Way, 2020). Under conditions of this uneven playing field, anti-corruption institutions can be misused to serve authoritarian rule just as corruption does (Carothers, 2022).

Political corruption also affects national security. Through the dense international networks, corruption nourishes organized crime, and key enablers of these transactions often operate from democratic states (Cooley et al., 2018). Moreover, corruption is increasingly weaponized by kleptocracies to pursue their geopolitical goals in democratic states (Zelikow et al., 2020). Through international trade and economic relations, individual instances of corruption can transform into political corruption if applied strategically. When trapped within such imbalanced economic dynamics, political corruption can curtail a country's capacity to engage internationally in its own best interests (Huss & Pozsgai-Alvarez, 2022).

Although the empirical evidence is still scarce, some puzzling empirical tendencies and niche research indicate growing concerns. Trust democracy is at a low point, and illiberal democracies are on the rise in many countries, including the EU which, according to some, may be facing its own wave of autocratization (Cooley et al., 2018). One of the reasons for the increasing dissatisfaction of citizens with democratic institutions is the presence of political corruption – whether real or perceived (e.g., De Vries & Solaz, 2017; Klitgaard, 2016; Wedel, 2012; Zmerli & van der Meer, 2017). Political corruption seems to be sticky, despite the high number of regulations and reforms introduced in the past two decades (Eurobarometer, 2024; Transparency International, 2021).

The 'players and arenas' framework helps to assess some of the consequences of corruption for political institutions in at least two ways. First, paying attention to the interplay of different arenas allows a more complex analysis of the effects of political corruption. For example, the simultaneous look at individual instances of corruption in the policy, market, and law enforcement arenas opens new possibilities to analyse the weaponization corruption for geostrategic purposes by autocratic countries like Russia or China. Second, the framework highlights the role of norms and perceptions that circulate between arenas and shape institutions. For example, by examining both the civil society and policy arenas, we can potentially elucidate the reasons behind the divergent criminalization of certain forms of corruption in one country compared to their legality in others. This approach may also offer insights into why specific practices are deemed corrupt at a particular juncture, even if they were previously considered

unproblematic. Examining the interplay of policy, law enforcement, media, market, and civil society arenas may also explain why comparable legitimacy crises sparked by corruption can result in the reinforcement of democratic institutions in one society while in another society such crises may drive a decline into authoritarianism.

CONCLUSION

By studying forms of political influence, such as political financing, lobbying, revolving doors, personal ties, and media capture, we believe it is possible to gain a more comprehensive understanding of the mechanisms and processes of political corruption. This is important because ‘political corruption is the Trojan horse that threatens the working of public institutions’ (Ceva & Ferretti, 2023, p. 242), no matter how well designed regulatory interventions and formal norms may be (see Wickberg, 2021). Therefore, these forms of political influence deserve more attention, and their connections with political corruption should be explored in depth because they often serve the interests of both private and public actors as well as domestic and foreign governments.

The ‘players and arenas’ framework presents itself as a valuable analytical approach to address the demand for both empirical and conceptual insights into the interconnections of influence channels and biases in law-making, enforcement, and various forms of public spending, including subsidies and tax incentives. As a dynamic and adaptable analytical framework, it holds the potential to also assess other critical issues, such as the cross-border dimension of corruption. Therefore, new avenues for research could include assessing, for example, cases of revolving doors and personal connections within entities like European companies and their marketplaces, as well as financial practices involving money flows to tax havens and contributions from authoritarian regimes supporting anti-democratic political parties and movements.

In datafied societies, interactions of players and arenas are also increasingly influenced by novel technologies, which may facilitate new forms of corruption while also offering new tools for mitigating its impact, thereby warranting further academic attention. Moreover, the various roles traditional, alternative, and social media play in different arenas should be further explored. On the one hand, media serve to monitor and expose corruption and, hence, generate public awareness. In this sense, media work as an ally for civil society organizations and anti-corruption activists to spread the news on corruption, give visibility to their anti-corruption efforts, and mobilize supporters (Mattoni, 2021). On the other hand, media outlets and social media companies are also part of the market arena and have their interests, such as securing broadcast licenses and influencing regulations or the distribution of state advertisement spending, and can be employed to silence adversaries, bolster allies, and manipulate public opinion by disseminating disinformation or deliberately omitting certain topics from news coverage.

As we navigate the complexities of current political landscapes, a comprehensive understanding of interactions amongst players within and across different arenas is crucial for preserving the integrity of political institutions and, ultimately, protecting democratic processes. In sum, it is by delving deeper into the relational dynamics of corruption in politics and political institutions that we can foster a more nuanced understanding of the challenges at hand and work towards effective solutions to address corruption in all its manifestations.

NOTES

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2. For exceptions looking at European countries see, e.g., Coen and Vannoni (2020), Di Mascio and Piattoni (2020), Gebhardt and Saz-Carranza (2018), and Viñas et al. (2016). For studies dealing with China see, e.g., Firth et al. (2007) and Li (2023).

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