

Who Cheats? Who Loots? Political Competition and Corruption in Japan, 1947–1993

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When do politicians resort to corrupt practices? This article distinguishes between two types of corruption by politicians: illegal acts for material gain (looting) and illegal acts for electoral gain (cheating). Looting generally involves a politician “selling” influence while cheating involves a politician “buying” votes. Individual-level analyses of new data on financial scandals and election law violations in Japan show that the determinants of cheating differ from the determinants of looting. Most notably, political experience and electoral security increase the probability of looting, but electoral insecurity combined with intraparty competition increases the probability of cheating.

In theory, competitive elections should curb corruption. If reelection is valued by political leaders, elections create a situation in which “avarice might be a guard upon avarice” (Federalist #72). Classic formal models have built on this intuition to show how retrospective voting can induce good behavior despite the moral hazard problem of delegation to elected politicians (Barro 1973; Ferejohn 1986), and subsequent scholars (e.g., Aidt 2003; Alt and Lassen 2003) have extended this logic to argue that political competition generally restrains corruption. Empirical studies also support the idea that lower levels of corruption are associated with greater electoral competition, lower barriers to politician entry, and desire for reelection to public office (Kunicová and Rose-Ackerman 2005; Lederman, Loayza, and Soares 2005; Persson, Tabellini, and Trebbi 2003; Tavits 2007). However, not all forms of corruption are driven by the same logic. One type of corruption may actually be promoted by electoral competition: attempts to undermine the electoral process.

Competitive elections produce incentives to win votes by any means necessary, irrespective of the law or democratic norms. For a politician balanced on the cusp

between defeat and victory, the choice may be between playing fair and losing or cheating and winning. Thus while electoral competition may inhibit the “grabbing hand” of elected officials who seek to use their position to improve their material well-being, it may actually encourage politicians to abuse their position to attempt to hold on to their office.

The analysis that follows explores the distinction between these two forms of corruption, which we label “cheating” and “looting.” When previous distinctions have been drawn among types of corruption, the purpose has usually been to evaluate the gravity of the offense (Heidenheimer 1993). Other distinctions are aimed at focusing attention on understudied aspects of corruption by including activities not previously defined as corruption (Warren 2006). This article explores the distinction between cheating and looting theoretically and demonstrates empirically how the determinants of these types of corruption vary. Most analyses of the determinants of corruption have used country-level data (see Seldadyo and De Haan 2006 for a review), while these analyses use candidate-level data. Previous analyses at the candidate level have most often focused on the effect of corruption

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charges on politicians' subsequent electoral fortunes (Alford et al. 1994; Jacobsen and Dimcock 1994; Peters and Welch 1980) or decisions to retire (Groseclose and Krehbiel 1994; Hall and Van Houweling 1995). Some recent work has considered the individual-level determinants of corruption, most notably work on Italy (e.g., Chang 2005; Chang and Golden 2007; Golden and Chang 2001), but this work does not test how different types of corruption may be driven by different incentives.

Cheating is defined here as the use of illicit means to enhance one's probability of being (re)elected. The core of cheating is thus "vote buying" though it also includes such activities as illegal campaign practices, electoral fraud, and voter intimidation. Though seldom studied systematically, such activities appear to be quite common in democratic elections (Donno and Roussias 2006; Lehoucq 2003; Schaffer 2007). In contrast, looting is defined as the abuse of public office for financial gain. The core of looting in most developed democracies is "influence peddling," which includes such activities as accepting a bribe to change one's vote on a specific bill and bid-rigging to ensure a particular company a public contract in return for a kickback (cf. Johnston 2005). We argue that electoral competition affects cheating and looting differently: marginal candidates are tempted to cheat but generally have little influence to sell, while safe and powerful candidates have the wherewithal to loot and little need to cheat.

This article relies on a newly collected dataset concerning election law violations and corruption scandals in Japan between 1947 and 1993. Japan is an excellent case for analyzing political corruption for a number of reasons. First of all, there have been many corrupt politicians in Japan; Japan has experienced severe corruption problems throughout the postwar years (Johnson 1986; Reed 1996). Second, while corruption is widespread around the world, the paucity of data and difficulty of tying corruption to individual actors in most countries make individual-level analyses difficult in all but a handful of cases. Finally, the Japanese electoral system and electoral history provide a great range of variation in the key factors identified as influencing the incentives for politicians to cheat and loot.

These analyses of corruption amongst Japanese politicians find that cheating is more likely by marginal candidates, those on the cusp between victory and defeat. Furthermore, while *intraparty* competition increases the probability of cheating, *interparty* competition does not, a result that echoes Golden and Chang's findings on corruption in Italy (Chang 2005; Golden and Chang 2001). However, the analysis of looting suggests that it is not marginal but experienced and secure candidates who tend to loot. Those who must worry about their reelec-

tion are constrained from looting by the fear of scandal, while those who are confident of retaining their position are better able to afford the electoral costs of a potential scandal. The determinants of cheating are not the determinants of looting: analyses that conflate the two forms of corruption are likely to miss this important point.

Cheating and Looting

The standard definition of political corruption is the abuse of public office for private gain (e.g., Jain 2001; Shleifer and Vishny 1993). This article distinguishes between two types of personal gain, cheating and looting. "Cheating" is the use of illicit means to enhance one's probability of being (re)elected. At first blush, this definition does not seem to fit easily into the traditional definition of corruption as abuse of public office for private gain. However, when one recognizes that (re)election is private gain for an individual politician, cheating fits well within more traditional conceptions of corruption, and it is even more clearly corruption in a broader sense, as cheating corrupts the democratic process by making elections less fair (cf. Warren 2004, 2006).

"Looting" is defined as the use of public office illicitly for private material gain. Looting more closely mirrors the traditional definition of corruption, but the type of private gain is more narrow, so as to distinguish it from cheating, which is motivated by political gain. The most headline-grabbing form of looting is the looting of public coffers—particularly political leaders directing public funds into private pockets or bank accounts, in extreme cases on the order of millions or billions of dollars. This occurs on a much smaller scale as well: there are myriad examples of small-town mayors taking their (private) business clients to lunch at the taxpayers' expense and other similar abuses.

Looting as defined here also includes the looting of private coffers. Public officials may change their behavior in the performance of their office in exchange for material resources from private actors. This may include officials engaging in extortion in the performance of their expected public office (an immigration official requiring a bribe to allow a legitimate immigrant to enter a country), officials accepting money or services for not doing their public office (a police officer taking a bribe not to write up a speeding ticket), or officials accepting money to change the manner in which they perform their office (a politician accepting money in exchange for changing his or her vote on a bill). Looting in this sense is an exchange of influence over political outcomes for material reward. Looting of both public and private coffers is driven by

the potential for private material gain, while cheating is driven by potential electoral reward.

The relationship between cheating and looting may be complex. Conceptually, they are distinct—corrupt behavior driven by two distinct motives (private material gain vs. electoral reward)—but there are many potential relationships between the two. On the one hand, there may be cases in which great opportunities to loot create greater incentives to cheat and opportunities to cheat allow greater opportunities to loot. On the other hand, at the level of the individual politician making a decision at a specific moment in time, the need to cheat to ensure reelection may signal a lesser capacity to loot (particularly looting private coffers). Similarly, secure, experienced politicians who have greater capacity to loot should have little incentive to cheat. This article cannot consider all of the possible relationships between cheating and looting that might potentially exist, as it appears that in Japan cheating and looting have been driven by very distinct factors.¹ Instead the focus is on showing how electoral competition influences these two types of corruption differently at the level of the individual politician in Japan.

Naturally, many of the factors the existing literature identifies as influencing corruption may affect both cheating and looting similarly. Greater freedom of the press, for example, should reduce both types of corruption by increasing the probability of any bad behavior being discovered and made public (Brunetti and Weder 2003), and stronger rule of law should limit all types of corruption by raising the costs of getting caught (Ades and Di Tella 1997; Damania, Fredriksson, and Mani 2004). However, some factors influence cheating and looting differently. Although competition may restrain corruption of both types by increasing the probability and cost of a potential scandal being discovered,² cheating, unlike looting, also increases the candidate's vote and thus enhances her probability of being (re-)elected. The incentives to cheat in order to win the current election may well outweigh the fear of paying a cost at the next election if the cheating

were to be discovered. Thus the effects of electoral competition on looting and cheating may be quite different.³

The goal of cheating is to win the current election, and thus one can theorize about cheating based on variance in the need to use illegal methods to gain that goal.⁴ Both the level and type of political competition provide variation in incentives to cheat. Candidates who think they need just a few more votes to put them over the top are more likely to risk arrest than those who need either no more votes or many more votes to ensure victory.⁵ The incentives to cheat in order to win the current election may well outweigh the fear of paying a cost at the next election if the cheating were to be discovered. Thus cheating is a form of electioneering and more marginal candidates have greater incentive to cheat. This leads to our first hypothesis, that candidates who are on the cusp between winning and losing are more likely to cheat than those who are either assured of victory or have no chance of winning.

H1 (Marginality): Candidates on the cusp between winning and losing are more likely to cheat.⁶

³Rose-Ackerman (1978, 27) notes that if the money derived from bribes can be used toward reelection (in our terminology: if it is cheating) rather than simply pocketed (looting), the effects of political competition on corruption may be mixed. However, this point has not been examined empirically previously as in this article.

⁴The basic logic of this argument can be presented more formally in a simple decision theoretic framework. The utility a politician derives from cheating is $U_C = (p_{w|c} - p_{w|nc})O - dq_c(p_{w|nc} - p_{w|cc})O - q_c J_c$. The positive utility is based on the overall benefit of being in office (O), multiplied by the net increase in the likelihood of being elected if a candidate cheats ($p_{w|c} - p_{w|nc}$). There is potentially a lower probability of winning the subsequent election if caught cheating in the current election (with probability q_c), thus future (discounted) office benefits might be lower, and there are potentially other (legal) costs if caught (J_c). Thus the logic is that the greater the marginal impact of cheating on the probability of winning ($p_{w|c} - p_{w|nc}$), the more likely a candidate is to cheat.

⁵Simpser (2005) distinguishes between competitive and anticompetitive electoral corruption, suggesting that candidates may also have an incentive to create an overwhelming margin of victory to deter competition through reputational and informational means. This would suggest that scholars may not always find a clear relationship between marginality and electoral corruption. This is an important line of research in cross-national analyses of corruption. However, at the level of individual candidate in a competitive electoral democracy, the reasoning of H1 still holds.

⁶A politician evaluates her likelihood of reelection based on an estimate of expected vote total (given cheating or not cheating), an expected "bar"—the number of votes she believes necessary to win—and an estimate of uncertainty or volatility. Any bell-shaped curve function for uncertainty around the subjective probability of election will result in the marginal impact of an increase in votes on probability of election being greatest around the cusp. Specifically, a candidate's subjective probability of winning is modeled as $p_w = \Phi [(v_e - b_e)/\sigma]$. That is to say, the probability of winning is a

¹In the dataset on corruption in Japan, there is almost no correlation (.02) at the individual level between cheating and looting, and as our analyses in subsequent sections show, the two forms of corruption appear to be driven by very distinct incentives. In some circumstances (perhaps in unstable countries where politicians have short time horizons), one might expect a stronger relationship between the two, but investigating that is beyond the scope of this article.

²To the extent that there are forms of corruption that would not incur the wrath of voters, they would not be influenced in the same manner by electoral competition.

It is important to realize that this hypothesis is based on a logic that is not simply about vote margin, but primarily about the impact of a marginal vote on the subjective probability of victory. Candidates for office have a subjective estimate of their vote margin, but they must also consider their uncertainty about this estimate. As voter volatility and thus uncertainty increase, all candidates' subjective evaluations of their probability of victory are more likely to include both the possibility of losing and winning and thus their subjective marginality increases. Lower volatility leads to candidates having greater confidence in whether they will win or lose, thus lowering subjective marginality and decreasing the value placed on each marginal vote. In other words, candidates who are less certain of their predicted margin are more likely to seek insurance through greater efforts in campaigning than those who are confident in their predictions.

Furthermore, it is not simply the value of each marginal vote that affects the likelihood of cheating, but the importance of cheating in order to garner that extra vote. Given a choice between two campaign practices equally effective and equally expensive but one illegal, a candidate is likely to choose the risk-free legal practice. However, when legal campaign practices are ineffective at garnering that crucial marginal vote, candidates will be more tempted to draw on illegal practices. Intraparty competition is less likely to involve competition over issues and government responsibility and more likely to involve pork-barrel politics and expensive personalistic appeals, increasing the demand for illegal campaign activities (Chang 2005; Katz 1986). This suggests a second hypothesis concerning cheating:

H2 (Type of Competition): Intraparty competition is more likely to generate cheating than interparty competition.

Interparty competition provides greater means for inexpensive differentiation amongst the candidates. For example, opposition candidates can always suggest that the incumbent government has performed inadequately while those in government can always try to trumpet their achievements. The range of differences candidates may

cumulative standard normal of the expected vote margin ($v_e - b_e$) standardized by dividing by uncertainty (σ). As the first derivative of a csn is standard normal, the impact of a marginal vote on probability of winning increases as $(v_e - b_e)$ approaches zero and as σ increases. Assuming cheating nets a limited increase in votes (e.g., candidates cannot cheat their way from no support to victory), the greater the impact of those votes on the probability of winning, the greater the likelihood of cheating. Thus marginal, uncertain candidates should be more likely to cheat.

use to compete with copartisans is more limited. Intraparty competition forces candidates to rely on a personal vote, which frequently evolves into an expensive "arms race" in developing personal vote-gathering organizations (on this in Japan, see Curtis 1971). In Italy, Golden and Chang find that "charges of malfeasance against DC Deputies . . . tend to be positively affected by intraparty competition and that they are uncorrelated with interparty competition" (2001, 610).

Alternatively, one might suggest that candidates may attempt to monitor each other's behavior, and thus more candidates and greater competition should serve as a deterrent to cheating (e.g., Kunicová and Rose-Ackerman 2005). However, even by this logic, it seems reasonable to expect that monitoring should be differential by the type of competition and that intraparty competition is more likely to generate cheating. Candidates are likely to have less incentive to identify and report malfeasance by copartisans because this may invite reprisals from within the party and/or negatively affect their own probability of election as there may be negative consequences for the party vote share as a whole in the district.

Thus marginality and intraparty competition should increase the probability of cheating. Although these hypotheses are listed separately, it is natural that they should interact. Regardless of the nature of competition, a candidate guaranteed victory has little incentive to cheat in order to gain the extra handful of votes because those votes will have no effect on her election. Similarly, a candidate who is marginal but has effective legal means of campaigning is unlikely to risk scandal by cheating.

While cheating has the potential of improving a candidate's electoral fortunes, the incentives for looting are financial. While there may be many factors that influence politicians' desire to enrich themselves, the systematic influences on looting evaluated in this article are not variation in how much politicians desire money, but in the potential opportunities for and costs of looting. While political competition should increase the likelihood of cheating, it should have the opposite consequences for looting. As one of the risks of looting is the potential loss of votes (and office) if discovered, looting should be more likely to occur by those who can most afford to lose votes.⁷ This suggests the third hypothesis:

⁷Following the prior notation, the basic logic for the impact of electoral competition on looting suggested is that $U_1 = L - q_1(p_{w|nl} - p_{w|dl}) * dO - q_1J_1$. That is to say, the net utility (U_1) from looting is the financial benefit of looting (L) minus the discounted (d) office benefit (O) multiplied by the risk of losing office ($p_{w|nl} - p_{w|dl}$) if caught looting (q_1) minus the potential other (legal) costs of being caught looting q_1J_1 . Assuming being caught looting costs a politician votes, those who are electorally secure are better able to pay the costs, because the same number of lost votes are less likely to

H3 (Security): Candidates who are more secure are more likely to loot.⁸

As with marginality, security should be seen as a function not just of the expected margin of victory, but also uncertainty and volatility.

While in general experienced politicians are more likely to be secure, it is not simply security that may allow senior politicians to be more corrupt. Looting is a crime of opportunity, and frequently requires access, influence, and experience. Generally speaking, only incumbents have the capacity to loot,⁹ but political influence is not distributed evenly amongst incumbent politicians, and those with greater political influence should have greater opportunity to loot (and may believe they are better able to get away with it). Thus

H4 (Influence): Candidates with more political influence are more likely to loot.

In the period examined in Japan, conservative politicians had greater political influence, as they represented wealthier (business) interest groups and were in government the entire period. Furthermore, it seems reasonable to suggest that influence grows with seniority, and that influence is substantially greater for cabinet members and major faction leaders.

Cheating and Looting in Japan

From 1947 to 1993, Japan used the single nontransferable vote in multimember districts to elect their House of Representatives. Most districts elected three, four, or five members of the Diet, although there was also a single-member district and a few two- and six-member districts. Each voter voted for a single candidate and the top M

change their probability of reelection ($p_{w|nl} - p_{w|cl}$ is low). Unlike for cheating, the potential office cost of being caught is not offset by an increase in likelihood of winning an election. Peters and Welch (1980) make a similar point about the effect of security on looting in the context of corruption charges in the U.S. Congress.

⁸Strictly speaking, it is not only the most secure politicians who can afford to lose votes, but also those politicians with very low chances of or interest in reelection. For politicians who believe they are unlikely to be reelected in any case, the potential costs of scandal or other actions that might alienate voters is potentially quite low. However, as there are no term limits in Japan, and retiring candidates generally seek to safeguard their seat for a handpicked successor, it is not necessary to consider this issue extensively, although it is important to note for future cross-national work.

⁹Although there are a few cases in the Japanese data of looting by nonincumbents, these appear to be outliers in which looting is either based on ties to the bureaucracy or on contingent promises based upon the likelihood of winning.

candidates were declared victors (where M is the district magnitude—the number of seats in the district). This system forced any party wishing to win a majority of the Diet to run more than one candidate per district. Like the Italian electoral system used from the end of the war until 1994, it forced candidates from the same party to compete against each other, reducing the role of issues and increasing the importance of the personal vote (Carey and Shugart 1995). Campaigning in Japan was extremely expensive and, like Italy, Japan experienced high levels of corruption.

Major corruption scandals affected the general elections of 1949, 1952, 1967, 1976, 1983, 1990, and 1993 (Reed 1996). Many implicated the political elite, including sitting, past, and future prime ministers. There was also a constant stream of allegations and arrests involving lesser lights. Much of this corruption clearly fits the looting definition. Kickbacks from construction companies, for example, appear to have been standard practice. Converting tax monies into slush funds using creative accounting techniques appears to have been the norm not only for politicians, local governments, and national bureaucrats but also the police.

Since much of the looting had become standard practice, politicians who could weather the electoral storm and win reelection could continue their careers almost as if nothing had happened. The standard way of dealing with a scandal was to resign from the party and official posts but run again in the next election. Scandal-tainted candidates did lose around 9,000 votes on average, even after running scared and campaigning with special intensity, but 63% were reelected. In the conservative camp, reelection was considered to be the equivalent of a democratic “absolution” (*misogi*) and the politician was allowed to resume her career. To take the most famous example, Tanaka Kakuei was arrested for taking bribes in the 1949 coal nationalization scandal. The coal industry paid him to change parties and vote against the coal nationalization bill. He resigned his post as Vice Minister of Justice (responsible for enforcing the law). He was convicted but the conviction had been reversed by the time of the next election. He was investigated again in connection with a construction scandal before the 1967 election but managed to avoid pressure to resign from his post as secretary-general of the party and easily won reelection. Tanaka became Prime Minister in 1972 but another scandal forced him to resign in 1974. He expected his resignation to be temporary but was arrested in the Lockheed scandal in 1976 (MacDougall 1988). He resigned from the party and did not serve in any formal posts thereafter but continued to head the largest faction within the LDP and was, in fact, the king maker who decided who would lead the

party and thus become Prime Minister (Johnson 1986). In 1983 he was convicted of bribery and sentenced, but appealed the conviction and continued to play a major role in Japanese politics until suffering a disabling stroke.

Tanaka's story is obviously not typical but many similar, if lesser, stories could easily be told. However, although there clearly has been a substantial amount of looting in Japan, much of the political corruption in Japan has centered on improving politicians' fortunes in electoral competition and did not necessarily serve to enrich politicians. There is little evidence of a class of "businessman politicians" such as those found in Italy (della Porta 1996), and much more evidence of politicians engaging in illegal fundraising and attempts at vote buying, which is not entirely surprising given the nature of political competition and the constraints on legal mechanisms for campaigning.

Japanese election laws are extremely detailed and restrictive (Curtis 1992). Many violations are thus relatively minor matters of putting up more posters or sending out more postcards than allowed by law. Many cases of "vote buying" involve handing out relatively inexpensive gifts embossed with the candidate's name, but other cases involve more money and are both more sinister and more effective. Outlawing door-to-door canvassing proved to be a good way to ensure that candidates would be tempted to break the law because the practice that has been outlawed is one of the most effective. Any organization that regularly visits its members, most notably agricultural cooperatives and religious groups, is able to skirt the law against canvassing by (illegally but undetectably) mentioning a candidate's name during the performance of their normal activities. On the other hand, there also appears to be a limit to how many votes can be bought. In 1976, for example, Shinki Kyuji set a record for money spent buying votes but finished with less than 5% of the vote (*Asahi Shinbun*, 26 January 1977). Other similar stories of marginal candidates spending excessive amounts of money but losing badly are not hard to find. Cheating may push a candidate over the top, turning a near-winner into a winner, but more than money is required to win a seat.

Strict campaign regulations tend to advantage incumbents over challengers. Incumbents have several years to advertise themselves and their positions while challengers have only a few weeks. Incumbents in Japan are well aware of this and have periodically tightened regulations regarding political finance and shortened the campaign period (McElwain 2008). The story of one "cheater" illustrates the point. In 1963 the president of a construction company, Inamura Sakonshirou, challenged the three conservative incumbents in rural Ishikawa sec-

ond district, becoming the fifth conservative candidate in this three-member district. Nine of his campaigners were arrested during the campaign for, among other violations, handing out towels and snacks to over 50 voters. After the election his wife was also arrested for vote buying and door-to-door canvassing. A total of 36 persons were investigated in his campaign, which proved successful by a little over 2,000 votes (1.2% of the total votes cast). The local newspaper reported his legal problems but also praised his "boundless energy" for breaking down the walls that protect incumbents from defeat (*Kitakuni Shinbun* 6–22 November 1963).

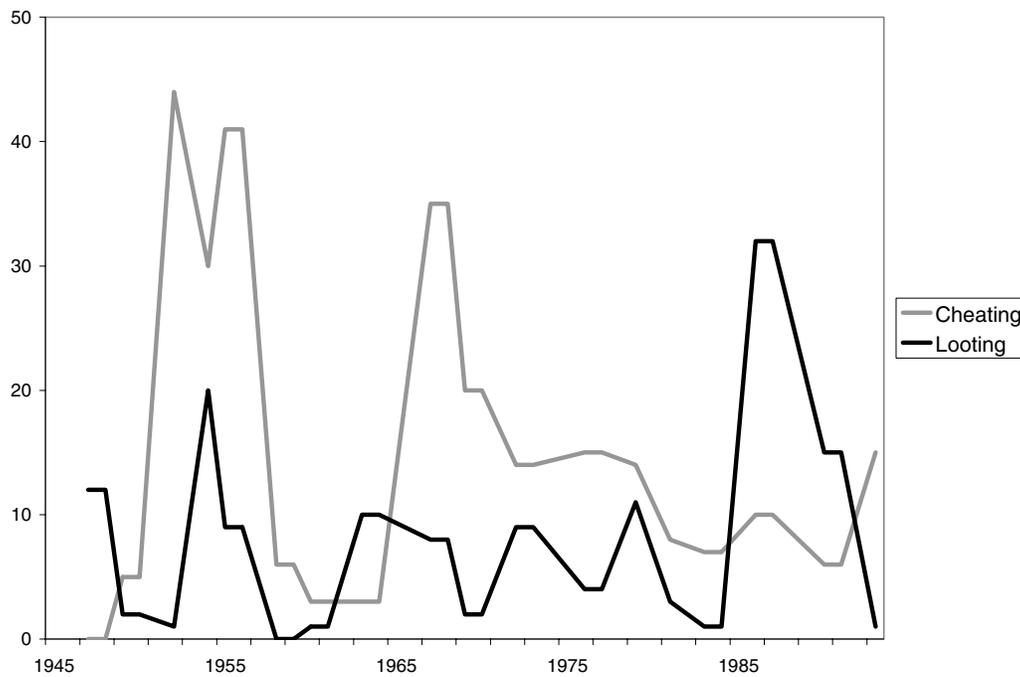
Politicians in postwar Japan have engaged extensively in both looting and cheating; the extent of corruption has been as great in Japan as in almost any other developed democracy. However, it seems unlikely that the moral fiber of Japanese politicians is dramatically different from that of politicians elsewhere. Rather, political corruption in Japan has been related to the competitive pressures and distribution of temptations that politicians faced.

Data

Reliable data on corruption are difficult to come by, and since we seek to analyze the incentives for looting and cheating at the candidate level, the major cross-national sources of data on corruption are not appropriate. Academic and newspaper articles provide information on the major corruption scandals in great detail, but data on the myriad minor scandals have yet to be collected. Data on the tens of thousands of potential election law violations which are investigated in Japan are even harder to analyze, as candidates are seldom investigated directly for election law violations. It is political secretaries and campaigners, not the candidates themselves, who are prosecuted, and nothing in the legal records allows a particular incident to be connected to a particular candidate.

Unable to rely on legal records, we have relied on newspapers (a tactic also used by Cox and Kousser 1981), performing a systematic search of the *Asahi Shinbun* CD-ROM. Cases of cheating are easy to code. Right after every election the newspapers report on the most notable cases of election law violations, clearly identifying them as such.¹⁰ Other corruption scandals are more diverse. There were a few sex scandals, some fraud, and a

¹⁰Another form of cheating would be "election night theft," when politicians use their influence with those involved in the counting of ballots to ensure their (re-)election. However, as there is little evidence that this sort of cheating has occurred in Japan (see Christensen and Colvin 2005), this article does not consider this type of cheating further.

FIGURE 1 Cheating and Looting in Japan, 1947–1993

Note: The data on cheating and looting are coded by the authors based on a systematic search of the *Asahi Shinbun* CD-ROM.

couple of abuse of power scandals, such as having the military band play to welcome the politician into his district (which are not included in this measure), but most cases fit neatly into the definition of looting. A scandal was coded as cheating if it was clearly related to illegal electoral competition (primarily vote buying). A scandal was coded as looting if it involved the illegal receipt of money which was not directly used for electoral competition. Other scandals were not included in the analyses. This method of collecting data allows consideration of cheating and looting by all candidates for the House of Representative elections for the entire 1947–1993 period. The dataset includes 16,623 observations (candidate elections), with 277 cases of newsworthy cheating (1.7% of candidates) and 186 cases of newsworthy looting (1.1% of all candidates, 1.8% of incumbents). The variation of cheating and looting over time is shown in Figure 1. As noted in the previous section, the incidence of cheating appears most widespread in the decade immediately following the end of the Occupation, with a small rise in the late 1960s as well. This measure thus captures the major trends in total election law violations quite well. Looting, on the other hand, shows little signs of a trend, except for the increase in the late 1980s with the Recruit Scandal.

These data on corruption are limited to scandals that are uncovered and merit reporting in newspapers. Lim-

iting the data to those cases that were discovered and were newsworthy enough to make the national newspapers may bias the sample but several control variables in the analyses may help account for this.¹¹ Any remaining biases in the data should be relatively minor, particularly given the novelty of providing individual-level analyses of both cheating and looting, and this issue is further considered in the discussion of the results.

The independent variables in the statistical analyses must capture marginality (H1), type of competition (H2), security (H3), and influence (H4), along with control variables that may help account for any bias in the measures.

One standard measure of marginality and security is vote margin. Since many of the analyses are of cheating during an election campaign, it is inappropriate to consider vote margin after an election as a factor that influences cheating during the campaign. Candidates do not know their actual vote totals and margins during the campaign; they must estimate these and choose whether

¹¹One might reasonably suggest that those with political experience and connections might be less likely to be caught cheating, for example, or that indiscretions by candidates from specific parties or of particular political persuasions are more likely to be overlooked. These and other control variables are included in the analyses.

or not to cheat in part based on the likely impact cheating will have on increasing their probability of victory.

In order to do this, we calculate a measure called *viability*, which incorporates data from the immediately prior two elections to establish a predicted vote margin for candidates and also incorporates an estimate of their uncertainty about the margin. A candidate's predicted vote is the average of her vote in the prior two elections (or her vote in the prior election if she has only run once).¹² To calculate vote margin, the expected vote of a candidate is compared to the votes of other candidates.¹³ When the candidate is predicted to win a seat (be one of the top M candidates), the vote margin is the difference between the candidate's predicted vote and that of the best loser (first runner-up), whereas if the candidate is predicted to lose, the vote margin is the difference between the candidate's predicted vote and that of the last winner.¹⁴

In order to capture the variance in uncertainty about the margin of victory, we suggest that if previous vote totals were a good predictor of votes in each district in prior elections (volatility was low), candidates are more certain of their estimated vote margin. To the extent that prior vote totals had been a poor predictor of vote totals in prior elections, candidates should be more uncertain about relying on prior vote totals to suggest their margin of victory, and more uncertain about the likelihood of election. Thus a candidate who expects to win by 1,000 votes in a district in which there has been little electoral volatility in the past has a higher certainty of election than a candidate who expects to win by 1,000 votes in a district that has recently had wild vote swings.¹⁵

¹²Statistical analysis using prior vote totals to predict subsequent vote totals suggested that averaging the vote totals of the prior two elections for a candidate was superior to relying on only one election and that factoring in additional previous elections does not significantly improve the accuracy of this measure.

¹³Mathematically, one could calculate a candidate's predicted vote relative to the Droop Quota ($1/(M+1)$), but there are strong reasons to believe that using the Droop Quota is setting the bar too high in multimember districts. Under SNTV in Japan nearly 75% of winning candidates' vote totals were under the Droop Quota. As most multimember districts are not in a Duvergerian equilibrium, the behavioral measure seems more appropriate in this case.

¹⁴To understand why this is the appropriate way to conceive of vote margin in a multimember district, consider the case of the last winner in a district. She may not need to get as many votes as she did in the prior election in order to be elected—she simply needs to garner more votes than any challenger. However, challengers must, at a minimum, knock off the weakest winner. Thus predicted winners measure their vote margin against the predicted vote of the best loser, whereas predicted losers measure their vote margin against the predicted weakest winner.

¹⁵It is not necessary to assess all the determinants of electoral uncertainty here. One simply can suggest that past volatility captures

Using the data from prior elections to estimate expected vote margin and uncertainty, a subjective probability of election for each candidate is calculated based on the assumption that candidates' estimation of their vote margin is normally distributed around a mean (the predicted vote margin) with a standard deviation that equals the standard deviation of vote prediction error (volatility) in a district over the prior two elections.¹⁶ This allows a simple transformation of the expected vote margin and prediction error into a measure of the subjective probability of election (*Viability*) ranging from 0 to 1.¹⁷ If a candidate expects that her vote total will be precisely the same as the bar, she will estimate her probability of election at 50%. As candidates are on the cusp of winning or losing (as the measure approaches 50%) the value of each marginal vote increases, whereas the value of a marginal vote to a candidate certain of winning or losing (with a subjective probability approaching 0 or 1) is close to zero, as it will barely change the probability of being elected. The analyses include both this basic probability (*Viability*) and its squared term (*Viability*²), since viability is expected to have a nonmonotonic effect.¹⁸

This method of estimating candidate viability relies on candidates' prior vote totals, requiring the exclusion candidates running for the first time in a district, as well as the first election in the sample (1947). More than 5,000 of the 16,000 candidates in the dataset are running for the first time, creating a substantial number of excluded observations, limiting the ability of the analyses to be generalized to understand corruption by new entrants into the political system. However, in the Japanese case, there is an opportunity to partially correct this problem, because in many cases candidates "inherit" a constituency. In multimember districts, candidates need not try to represent the whole district, or even half of it. Instead they must organize their own constituency by selecting specific geographical areas, organizations, and interests. This is true in similarly sized multimember districts in Ireland as well

a large component of present electoral uncertainty. Other factors not included here that may influence uncertainty are considered in the discussion of control variables.

¹⁶Actual prediction errors in the vote model are distributed in a bell-shaped curve that is close to normal, and given that normally distributed errors are fairly standard, it seemed the most natural functional form to assume.

¹⁷Thus, *Viability* is calculated based on the logic discussed in footnote 6. $Viability = \Phi[(v_e - b_e)/\sigma]$, where $v_e - b_e$ is the predicted vote margin and σ is the estimated volatility.

¹⁸Alternative specifications of the functional form give similar results. Replication materials, alternative specifications, and other robustness checks can be found online at <http://faculty.arts.ubc.ca/bnyblade/publications.html>.

(Carty 1981). In Japanese, these ad hoc constituencies are called *jiban*. Where we could confidently identify a retiree's successor, they were coded as belonging to the same *jiban*. In those cases in which only one candidate for a given party retired and only one new candidate from that party ran in the subsequent election, one can confidently assume that the latter succeeded the former and thus comes from the same *jiban*. This is the simplest case, analogous to assuming that the new Labour candidate in a district is the successor to the retiring Labour candidate in Britain's single-member district system. A similarly simple case occurs when a son (or sometimes a daughter) succeeds a retiring father, a common pattern in Japanese politics (Ishibashi and Reed 1992). Finally, newspapers often identify a new candidate as the successor to a retiring candidate. Using *jiban*, rather than the candidate, as the unit of analysis gives us many more cases to analyze.¹⁹ Thus the analyses include more than 12,500 candidates for whom the measure of electoral viability could be calculated.

To test Hypothesis 2 (Type of Competition), it is important to distinguish between intraparty and interparty competition, or more precisely in the case of Japan, intracamp and intercamp competition, in order to consider how the type of competition directly affects the probability of cheating. We use a relatively simple measure of the level of intracamp and intercamp competition: the number of competitors of each type divided by the number of seats in the district to normalize for the fact that district magnitude in Japan varies.²⁰ The four camps considered are the conservatives, socialists, communists, and Koumei. Although two of the four camps do at times include multiple parties, given the evolution of the party system from 1947 to 1993, distinguishing intra- and intercamp competition was more appropriate than simply distinguishing between intra- and interparty competition.²¹

¹⁹Excluding new candidates who inherit a *jiban* does not significantly alter the results. In addition, OLS regressions suggest that there is no statistically significant difference in the impact of the predicted vote measure on actual vote share between continuing candidates and new candidates inheriting a *jiban*. Examining the cases in which the vote measure produced serious prediction errors, most are easily explained as general phenomena, for example by the 1993 electoral earthquake; only in exceedingly rare cases might it have been tied to complications arising from *jiban* inheritance.

²⁰The results are robust to alternative specifications of competition, including using the raw number of same-camp and other-camp candidates and alternative means of normalization.

²¹Candidates frequently moved between parties within the same camp, and there were a number of splinters and mergers that make these four camps the locus of interparty competition, and competition within these camps faces the same constraints on intraparty

In order to capture political influence and assess Hypothesis 4 (Influence), five variables are included. Three dummy variables capture key aspects of political influence in Japan: one dummy variable captures whether the candidate was a conservative (*Conservative*) as conservatives were in power the entire period, one variable captures whether the politician had been in cabinet (*Cabinet Member*), and one dummy variable identifies faction leaders within the ruling Liberal Democratic Party (*Faction Leader*). Each of these is affiliated with progressively greater political influence, which is expected to be related positively to the probability of looting. More generally, seniority is an excellent indicator of influence in Japan and especially inside the LDP in the period being analyzed (Sato and Matsuzaki 1986). Thus the analyses include an interaction of the number of times a candidate has been elected (seniority) with the conservative dummy, creating *Conservative Seniority* and *Non-Conservative Seniority*.

Several other independent variables capture other relevant factors related to imperfections or biases in the measures. In the analyses of cheating, a dummy variable for incumbency (*Incumbent*) is included, which some might suggest could bias the extent to which corruption is actually reported, as is a dummy variable for whether the candidate is running for the first time (*New Candidate*), which might indicate greater than usual uncertainty. The number of times that a candidate from the same *jiban* has won in the district is included as a measure of the experience and success of the electoral machine in that district (*Jiban Wins*). District magnitude was also considered, but it was insignificant in all models and thus not included.²²

Certain district characteristics may also make cheating or looting more or less likely. In particular, electoral campaigning in urban and rural Japan has often been seen as different (e.g., Curtis 1971; Ramseyer and Rosenbluth

competition discussed earlier. The conservative camp is formed by the Liberal Democratic Party and its progenitors and splinters. The LDP was formed from the merger of the Liberal and Democratic parties after the 1955 election. The Liberals and the Democrats were both formed from a long list of splits, mergers, and name changes. The formation of the LDP ushered in a period of relative stability in Japanese politics, but the conservative camp also contained LDP candidates running as independents and splinters in 1976 and 1993. Similarly, the socialist camp consists of the Japan Socialist Party (JSP) and its progenitors, splinters, and successors. The Japan Communist Party (JCP) cooperated with the Socialists to some degree in the early postwar period but stopped cooperating in 1960. From 1960 onward, the JCP ran a candidate in every single district, refusing to step down in order to cooperate with the JSP. Koumei is a political party based upon a religious group. Although it also has been active in electoral cooperation (Christensen 2000), it draws upon a distinct electorate from the other camps.

²²This may in part be due to the fact that the number of candidates in each camp and the measures of electoral uncertainty capture most of this effect (cf. Crisp, Jensen, and Shomer 2007).

TABLE 1 Viability and Cheating (Rare-Events Logistic Regression)

	Model 1		Model 2		Model 3	
Actual Vote Ratio	0.71	(0.51)				
Actual Ratio ²	-0.10	(0.13)				
Viability	-0.20	(0.36)	0.68	(0.37)*	0.26	(0.33)
Viability ²	-1.94	(0.87)**	-1.95	(0.83)**	-1.43	(0.85)*
Incumbent			-0.41	(0.23)*	-0.31	(0.21)
Conservative			1.44	(0.29)**	0.98	(0.29)**
Urban-Rural			0.19	(0.07)**	0.19	(0.07)**
New Candidate			-0.14	(0.31)		
Jiban Wins			-0.03	(0.03)		
Cons Seniority			-0.07	(0.04)**	-0.08	(0.03)**
Non-Cons Seniority			-0.29	(0.15)*	-0.38	(0.17)**
Constant	-4.53	(0.43)**	-4.82	(0.39)**	-4.52	(0.35)**
N	12533		12533		10068	

Notes: Rare-events corrected logistic regression, standard errors in parentheses.

Models 1–2 were run on the full sample; Model 3 includes only conservative and socialist camps.

* $p < .10$, ** $p < .05$ (two-tailed tests).

1993; Scheiner 1999), as urban voters have been increasingly more volatile, and candidates in urban districts have been less secure. This suggests that there may be greater incentive for cheating by candidates in urban districts (given their greater uncertainty), and more looting by rural politicians (given their greater security). Thus a standard measure of population density (*Urban-Rural*) based on the *Asahi Shimbun* ordinal ranking is included in the analyses.

Finally, one might reasonably suggest that the electoral strategies of small parties that were not serious contenders for power did not face significant intracamp competition, and were often not even credible in many districts (communists, Koumei), may differ from larger camps that faced greater intracamp competition (conservatives, socialists). To ensure that the results are not driven by the inclusion of minor camp candidates, models showing the major results when limiting the sample to socialist and conservative candidates are also reported.

Statistical Analyses

Given that the dependent variable is a rare event—both scandals and cheating occur in fewer than 2% of the cases—we use rare-events corrected logit as the estimation technique (King and Zeng 2001).²³ The determinants of cheating and of looting are analyzed in turn.

²³Results are comparable using uncorrected logistic regression. All statistical results were run in Stata 9.2.

Table 1 shows the first results for considering the impact of candidate viability on the likelihood of cheating. Model 1 tests our preferred measures of marginality (*Viability* and *Viability*²) against the actual vote margin and its squared term (cf. Chang 2005). The vote margin measures are insignificant, but the squared term of viability is significant in the expected manner—candidates on the cusp of winning and losing are more likely to cheat.²⁴ When control variables are added in Model 2, the relationship between viability squared and cheating remains significant. Five variables are significant in the expected direction (*Incumbent*, *Conservative*, *Urban-Rural*, *Conservative Seniority* and *Non-Conservative Seniority*) and two are not (*New Candidate*, *Jiban Wins*). The latter two variables are excluded in subsequent models. The results are also robust to limiting the sample to conservative and socialist camps (Model 3). Overall, these results consistently support Hypothesis 1: marginality increases the probability of a candidate cheating in Japan.

Table 2 introduces the variables capturing intraparty and interparty competition and uncovers several complexities. Model 1 shows that as the level of intracamp competition increases, the likelihood of cheating also

²⁴These results do not change if actual vote margins are replaced with predicted vote margins—what is crucial is the transformation of functional form and incorporation of uncertainty. Also of note: to simplify interpretation of the squared term, the viability measure used in the analyses is rescaled: 0.5 subtracted from the predicted probability. Thus viability ranges from -0.5 to 0.5 and the squared term from 0 to 0.25. When a candidate is perfectly on the cusp, both viability and its square are 0; when certain of victory or defeat, the squared term is 0.25.

TABLE 2 Viability, Competition, and Cheating (Rare-Events Logistic Regression)

	Model 1		Model 2		Model 3		Model 4		Model 5	
Viability	-0.10	(0.25)	0.50	(0.32)	0.82	(0.50)	0.11	(0.76)	0.13	(0.62)
Viability ²	-1.62	(0.76)**	-1.77	(0.82)**	0.39	(1.59)	-1.42	(1.97)	2.01	(1.87)
IntraCamp Comp	0.63	(0.11)**	0.27	(0.15)*	0.50	(0.20)**	0.07	(0.04)*	0.13	(0.05)**
InterCamp Comp	-0.87	(0.22)**	-0.46	(0.26)*	-0.48	(0.26)*	-0.08	(0.07)	-0.11	(0.06)*
Intra * Viability					-0.32	(0.41)			0.09	(0.52)
Intra * Viability ²					-2.11	(1.37)*			-3.06	(1.61)*
Inter * Viability							0.41	(0.68)		
Inter * Viability ²							-0.26	(1.78)		
Incumbent			-0.33	(0.20)	-0.31	(0.21)	-0.32	(0.21)	-0.31	(0.21)
Conservative			1.01	(0.34)**	0.98	(0.36)**	0.98	(0.36)**	0.65	(0.35)*
Urban-Rural			0.25	(0.08)**	0.25	(0.08)**	0.24	(0.08)**	0.23	(0.08)**
Cons Seniority			-0.08	(0.03)**	-0.08	(0.03)**	-0.08	(0.03)**	-0.08	(0.03)**
Non-Cons Seniority			-0.32	(0.14)**	-0.33	(0.15)**	-0.34	(0.16)**	-0.37	(0.17)**
Constant	-3.65	(0.28)**	-4.60	(0.49)**	-4.84	(0.55)**	-4.72	(0.49)**	-4.50	(0.49)**
N	12533		12533		12533		12533		10068	

Notes: Rare-events corrected logistic regression, standard errors in parentheses.

Models 1–4 were run on the full sample; Model 5 includes only conservative and socialist camps.

*p < .10, **p < .05 (two-tailed tests).

increases significantly, consistent with Hypothesis 2 (Type of Competition). However, as the level of intercamp competition increases, the likelihood of cheating significantly decreases—suggesting that interparty competition may constrain cheating. Both of these results are robust to the inclusion of the other independent and control variables (Model 2).

The extent to which intraparty competition matters should also depend on the marginality of the candidate. Candidates with no chance of winning (or extremely unlikely to lose) should be less likely to cheat regardless of the level of intraparty competition. Thus an interaction between viability and intraparty competition is tested in Model 3, and there is clear support for the significance of the interaction. As the statistical significance and substantive importance of interactions are difficult to interpret from the raw results, Figure 2 reports simulations showing the effect of the subjective likelihood of winning on the probability of cheating when a candidate faces no intraparty competition and when a candidate faces high levels of intraparty competition.²⁵ The effects of viability and intraparty competition are dependent on each other. When intraparty competition is high, a candidate who is on the cusp of winning is more than twice as likely to

cheat as when intraparty competition is low or when the candidate is certain of winning or losing.

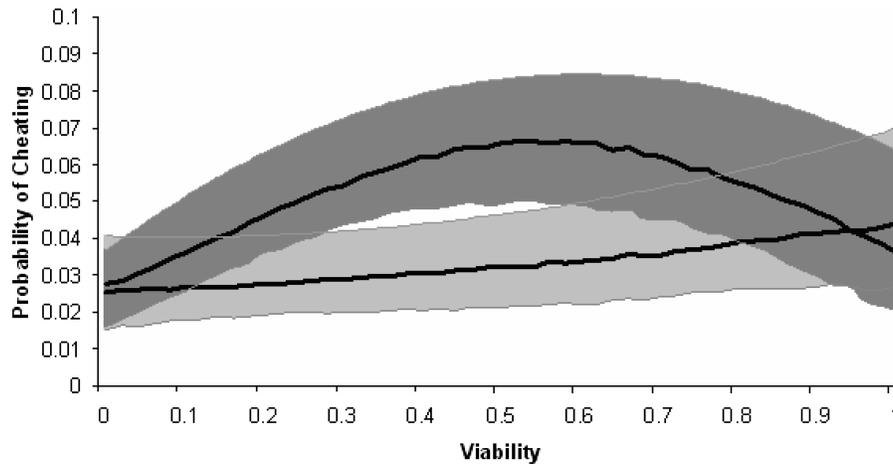
The final two models of Table 2 show that interparty competition does not in fact have the same interacted dependency on viability (Model 4), suggesting that interparty competition decreases cheating regardless of candidate viability.²⁶ Model 5 shows that the results are robust to limiting the sample to only conservatives and socialists. In fact, the results for the interaction of intraparty competition and candidate viability are strongest in Model 5, which should not be particularly surprising as including communist and Koumei candidates in an analysis of the effects of intraparty competition is likely to add little in the way of variation in intraparty competition and cheating.

The results in Tables 1 and 2 are consistent with expectations concerning cheating. Marginal candidates facing higher levels of intraparty competition are the most likely to cheat. Interparty competition, however, lowers the probability of cheating, although this result is not as robust. Experienced candidates, candidates with little chance of winning, candidates who are nearly certain of winning, and candidates facing low levels of intraparty competition are less likely to cheat. However, the analyses of looting find a different result.

²⁵In our dataset 21.7% of candidates face no intracamp competition while 4.7% of candidates in the sample face the level of intraparty competition (2.0) simulated in the figure. The simulations assume that all other independent variables take on their median value.

²⁶This may be consistent with the logic of Kunicova and Rose-Ackerman (2004) concerning how multicandidate competition may lead to increased monitoring of candidates' campaign behavior. This monitoring then may serve as a deterrent to all candidates.

FIGURE 2 The Impact of Viability and Intraparty Competition on the Likelihood of Cheating



Notes: The figure reports simulations of the impact of the interaction of viability and intraparty competition on probability of cheating based on Table 2 Model 3, with other variables held at their median values. The lower line with a light gray 95% confidence interval represents the probability of cheating as viability varies with no intraparty competition. The upper line with dark gray confidence intervals represents the probability of cheating with high levels of intraparty competition (six other candidates in the same camp).

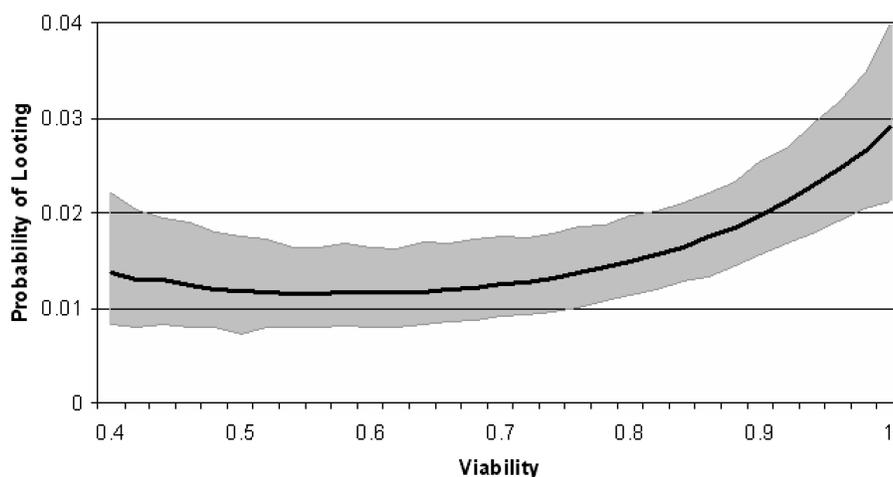
TABLE 3 Determinants of Looting (Rare-Events Logistic Regression)

	Model 1		Model 2		Model 3		Model 4	
Viability	-0.35	(0.83)	-0.79	(0.95)	-0.80	(0.96)	-0.71	(1.01)
Viability ²	6.18	(1.78)**	4.56	(1.95)**	4.32	(1.96)**	4.38	(2.03)**
Conservative			0.91	(0.43)**	0.97	(0.46)**	0.83	(0.51)*
Cons Seniority			0.06	(0.03)**	0.05	(0.03)*	0.05	(0.03)*
Non-Cons Seniority			0.09	(0.08)	0.08	(0.08)	0.05	(0.09)
Faction Leader			0.77	(0.33)**	0.75	(0.33)**	0.74	(0.33)**
Cabinet Member			0.77	(0.21)**	0.73	(0.21)**	0.73	(0.21)**
IntraCamp Comp					-0.61	(0.29)**	-0.62	(0.30)**
InterCamp Comp					-0.62	(0.36)*	-0.71	(0.37)**
Urban-Rural			0.07	(0.09)				
Constant	-4.79	(0.21)**	-5.73	(0.49)**	-4.41	(0.61)**	-4.23	(0.69)**
N	7508		7508		7508		6908	

Notes: Rare-events corrected logistic regression, standard errors in parentheses. Models 1–3 were run on the full sample; Model 4 includes only conservative and socialist camps. *p < .10, **p < .05 (two-tailed tests).

Table 3 reports statistical models that analyze how political competition and influence affect looting by incumbent politicians. Model 1, which includes only viability and viability squared, shows that the basic finding for the effect of candidate viability on looting is quite different from its effect on cheating. The squared term is significantly positive, rather than negative, suggesting that extremely secure incumbents are more likely to loot

than those just on the cusp of winning or losing. This result is robust to adding in variables that capture the effect of political influence and district characteristics (Model 2). Model 2 includes variables to test Hypothesis 4 (Influence), and the results are quite significant: conservative politicians, particularly senior conservative politicians, cabinet members, and faction leaders, are substantially more likely to loot.

FIGURE 3 The Impact of Viability on the Likelihood of Looting

Notes: The figure reports simulations of the impact of viability on the probability of looting based on Table 3 Model 2, with other variables held at their median values and the 95% confidence interval shown in gray.

The significance of the squared term might also suggest that politicians who are extremely likely to lose are also more likely to loot. This would be consistent with the idea that those who have no chance of reelection (along with those who are most secure) should be more likely to loot. However, one should be careful in extrapolating results based on functional form beyond the bounds of the existing data (King and Zeng 2006). Fewer than 5% of incumbents have a viability of less than 40%, and reasonable confidence intervals for predicted probabilities in this range of incumbent viability are extraordinarily broad. Figure 3 reports simulated results for the impact of viability on looting based on Model 2 for the range of viability for which one can be reasonably confident of the results. As viability approaches one and a candidate becomes almost certain of reelection, the probability of looting according to this model approaches 2.7%, more than double (and significantly different from) the 1.3% probability associated with a candidate with equal chances of winning and losing.

Model 3 reports the effects of including the level and type of political competition in the analysis of looting. Increasing the level of both intra- and interparty competition decreases the likelihood of a looting scandal at nearly identical rates, suggesting that the level but not the type of competition a politician faces significantly affects the probability of looting. All of the results are robust to limiting the sample to conservative and socialist candidates (Model 4). These results thus confirm that increased competition decreases the probability of looting while increased candidate security, experience, and influence increase it.

Are there more convincing alternative explanations for these results? While it is of course impossible to rule out all omitted variables or sources of bias, the idea that competition has differential effects on cheating and looting seems most reasonable given the results.

One worry in these analyses is in relying on newspaper reporting of corruption in Japan. Naturally, this is an inefficient measure—not all instances of corruption are exposed. If, however, the corruption captured in the data were a random sample of corruption in Japan, the results would still hold. The more serious worry is that the measure is biased. It may be that newspapers are biased toward more newsworthy scandals, and thus are more likely to report corruption by prominent politicians because it is a better story, leading to disproportionate reporting of corruption by powerful, influential politicians. On the other hand, it might be that newspapers in Japan have close ties to incumbent, experienced politicians and thus are less likely to report on their corrupt behavior. However, neither bias toward nor against experienced, connected politicians is a convincing alternative explanation of the results. Newspapers report that one form of corrupt behavior (looting) is more likely to involve experienced politicians, while another form of corruption (cheating) is more likely to involve new politicians. Moreover, both forms of corruption are more frequently observed amongst the most influential (conservative) politicians, suggesting that influential politicians are not shielded by their ties to newspapers. Furthermore, any sort of bias in newspaper reporting could not readily explain the finding of an interaction of the viability of a candidate and the type of competition, which holds even

when controlling for seniority and experience. Thus while there may be reporting bias in the dependent variable, it seems unlikely to drive the results on the differences between the determinants of cheating and looting.

Rather than bias in the reporting of the dependent variable, perhaps there is some omitted variable that would better explain the results? Various types of omitted variables could influence the analyses. For example, perhaps voters in certain districts are more permissive of corruption in ways that are not captured in the analyses, or perhaps newspapers were more likely to report corrupt behavior in certain elections, or the periodic attempts to increase the penalties for political corruption have had a substantial effect. While one cannot definitively rule out this sort of bias entirely, the findings are robust to the inclusion of district-level fixed effects and election year dummies, making us skeptical that omitted district-level variables or temporal interventions drive the results. It is more difficult to control for unobserved candidate differences, since the dependent variable is too rare to allow for candidate-level fixed effects, but again it seems unlikely that unobserved candidate-level factors explain the results for both cheating and looting, particularly the interaction between intraparty competition and marginality associated with cheating.²⁷

Conclusion

What causes corruption? How can corruption be controlled? This analysis suggests that one should not expect a single answer to either of these questions. Instead, the causal structure that produces corruption varies by the type of corruption under consideration. These empirical analyses show that the causes of looting differ from the causes of cheating in a manner consistent with theoretical expectations about the relationship between political competition and corruption.

Does political competition curb corruption? With respect to looting, these findings support the conclusion

that it does, thus agreeing with the great bulk of the literature. The idea that avarice (desire for reelection) may check avarice (desire to loot) appears to be a robust finding, supported by a wide variety of analyses across a wide variety of electoral and national contexts. With respect to cheating, however, our conclusions are more nuanced.

In analyzing cheating, the results suggest that it is important to distinguish not just amongst the types of corruption, but the types of competition. *Intraparty* competition does not curb cheating but, in fact, increases it. This finding is consistent with prior analyses of corruption in Italy (Chang 2005; Golden and Chang 2001) and consistent with long-held arguments about the effects of intraparty electoral competition (Katz 1986), although this prior work does not distinguish types of corruption as done here.

However, there is some indication of the opposite relationship between *interparty* competition and cheating. We are less certain this finding will prove as robust and generalizable across varying political contexts. Competition both produces incentives to cheat in order to win the current election and imposes risks of being subsequently caught and paying a price in a somewhat more distant future. The balance of costs and benefits appears to differ in cases of intense interparty competition and intense intraparty competition, but may vary along other dimensions as well. Other factors that future work may wish to investigate could include the time horizons of political actors and varying degrees of enforcement and other factors influencing the probability of being caught.

There remains a great deal of work to be done to improve our understanding of the determinants of political corruption in all its various guises. But the distinctions drawn in this article, and the findings linking different types of political competition and different forms of corruption, should help as we seek to improve our understanding of the causes of and potential remedies for political corruption.

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²⁷Ferraz and Finan (2005) suggest one form of unobserved individual-level factor that might influence analyses of corruption—an unobserved politician type (or level of 'competence'). This sort of unobserved competency may allow certain politicians to be more efficient in both electioneering and looting, causing analyses of the determinants of looting to incorrectly infer a relationship between political security and corruption. However, most of the major findings in this article seem unlikely to be driven by individual-level omitted variables. For example, it is difficult to come up with a compelling story for how this sort of unobserved competence explains the results for cheating, particularly the interaction of marginality and intraparty competition.

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