Article

Party Politics

Party Politics
2015, Vol. 21(5) 686–698

DOI: 10.1177/1354068813491540
ppq.sagepub.com
SAGE

A case of valence competition in elections: Parties' emphasis on corruption in electoral manifestos

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Abstract
Despite a growing interest in investigating the causes of political corruption, far less attention has been devoted to analysing the conditions under which political actors have an incentive to highlight corruption in electoral competition. Do parties talk about corruption just as a reaction to exogenous factors (i.e. scandals reported in the press)? Or are there systematic patterns in the way parties emphasize this issue during campaigns? Assuming that corruption is a valence issue (i.e. an issue universally supported/disclaimed by electors), we put our investigation in the framework of a one-dimensional model and hypothesize that spatial considerations can affect parties' incentives to emphasize corruption issues. Empirical analysis based on CMP data shows that such an incentive exists for both cabinet and non-cabinet parties, and increases with proximity on the ideological scale.

Keywords
Party competition, political corruption, valence issues

Introduction

Political corruption, broadly defined as the use of political power for illegal personal gains, is a phenomenon that has been frequently investigated in the literature. Many researchers have attributed corruption to various causes.[1] Most of the works, for example, show that established democracies are greatly affected by political corruption, but to a lesser extent than non- or proto-democratic states, while rules and traditions matter in determining the level of political corruption. However, these studies do not identify conditions under which the phenomenon of political corruption can be expected to play a relevant role in political competition. Do parties talk about corruption just as a by-product of occasional exogenous factors (i.e. scandals reported in the press) or some systemic regularities can be envisaged leading them to do it? This is the research question that we try to answer in this article by making use of an intuitive model based on the spatial theory of voting.

Notoriously, spatial theory was launched by Anthony Downs in his now classic book (1957) and nowadays comprehends a voluminous literature. The examples Downs gives of party competition refer to conflicts of interest among groups of electors, as represented by their different positions in the policy space. On this basis, he proposes a model where each voter's utility decreases with the distance between her preferred programme (her ideal point) and the locations of parties' proposals, and shows that two vote-seeking parties competing on a single policy dimension make their spatial positions converge on the ideal point of the median voter.

However, policy or positional issues by no means exhaust all aspects relevant to electoral competition. This has been well established in the literature over the years, underlying the importance of factors such as 'party identification' (Budge et al., 1976; Campbell et al., 1964) and 'personalization of politics' (Kaase, 1994; Mughan, 2000). One way to

Paper submitted 06 January 2013; accepted for publication 27 April 2013

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manage the complexity of electoral competition is to point out that electors not only assess candidates and parties' positions in the policy space, but also judge candidates and parties' qualities (faults) corresponding to commonly shared values (disvalues). In Stokes (1963) a distinction is proposed between 'position issues' which 'involve advocacy of government actions from a set of alternatives over which a distribution of voter preferences is defined', and 'valence issues', defined as 'those that merely involve the linking of the parties with some condition that is positively or negatively valued by the electorate'. Among the examples Stokes considers to explain the meaning of valence issues, political corruption stands out as one of the most prominent (1963: 373). In particular, Stokes notes that the relevance of corruption as a valence issue comes from 'how closely the rival parties are linked with the universally approved symbol of honesty, and the universally disapproved symbol of dishonesty' (1992: 144).[2]

Twenty years later, Stokes' distinction was analysed more systematically by Enelow and Hinich, who define valence issues as those candidate characteristics about which all electors share the same (positive or negative) judgment (1982). Then they integrate that concept within the framework of the spatial theory of election, adding to voters' utility function a term independent of the programmatic/ideological preferences of voters and specific to parties and candidates.

From then on, the literature began to deal extensively with valence issues as defined above to explain aspects of party competition that cannot be dealt with considering policy competition alone. Some authors have undertaken empirical research (Abney et al., 2013; Clark, 2009; Green and Jennings, 2012; on the specific issue of political corruption: Chong et al., 2011; Chiru and Gherghina, 2012), while some others have variously extended their theoretical models – introducing multidimensional spaces, assuming a partial interest of parties in the policy programme realized, supposing that the median voter's ideal point is uncertain, etc. (Adams et al., 2005; Adams and Merrill, 2013; Ansolabehere and Snyder, 2000; Groseclose, 2001; Schofield and Sened, 2006).

In spite of inner differences, all models quoted so far share the view that candidates and parties do not directly compete on valence issues, but only react to external value inputs occasionally tied to the circumstances of each election that parties suppose may influence electors' choices. On the contrary, we assume that parties can invest in a valence competition, and we investigate whether parties' locations in the policy space could *regularly* induce them to emphasize or overlook the role of valence issues (such as corruption) in electoral contests. We then derive from standard assumptions a specific functional relation between inter-party distance (the independent variable) and valence competition (the dependent variable) that is valid for both bi- and multi-party systems.[3]

The content of the article is the following: in the next section the theoretical part and the research hypothesis; in the second we apply the model to the specific case of political corruption; a successful empirical control is carried out in the third and fourth sections on a large sample of countries, drawing the data from the Comparative Manifesto Project. A conclusion follows.

The spatial incentive behind valence competition

Before presenting the features of our model, let us explain the rather stylized scenario that we assume in this article for party competition. First, we suppose that party policy positions can be exhaustively summarized along a one-dimensional ideological space.[4] Secondly, we assume that all competitive moves by parties are either spatial displacements or moves concerning valence issues. Thirdly, since a party policy location in a one-dimensional space includes its whole ideology as a political organization fighting for a better society, it seems to us plausible that locations do not depend on the valence issues that parties decide to adopt as competitive moves in a given electoral setting. Then, we assume that a party may decide whether to adopt a valence competition or not only in the short run, when it is engaged in a specific political confrontation and is aware of its ideological position with respect to the others. Finally, and quite consequently, we suppose that valence competition is not characterized by a game theoretical interaction among parties, but by the single one-shot decision of a party to adopt a valence move. In spite of the whole set of these limiting assumptions, our model is able, as we will see below, to produce a straightforward and novel hypothesis that can be empirically tested.

Let us consider an electorate having policy preferences summarized along a portion of the left–right ideological space, $0 \leq z \leq 1$. Moreover, let us suppose that the electorate is evenly distributed on z, so that in every interval $\subseteq [0,1]$ voters' ideal points exist in proportion to the length of the interval. Furthermore, let us assume that all electors have single-peaked utility functions on the ideological variable z which are all identical apart from their ideal point, and neutral to risk, i.e. decreasing linearly as the distance from the ideal point increases. As to valence issues, we posit that electors' utility is given by a simple additive term, so that the overall utility of generic elector i with ideal point x_i with respect to a party proposing ideology j can be written $u_i = v_j - a|j - x_i|$, where v_j is the value endowment of the party (equally assessed by all electors) and a is the relative importance that all electors give to policy issues with respect to valence issues.[5]

First, we focus on two parties L and R that are acquainted with electors' preferences, and that present as ideal points x and y on the segment $[0,1]$. If both parties have equal value endowment, party L gets all votes from 0 (the extreme left) to the midpoint between x and y, while party R receives votes from this point to 1 (the extreme

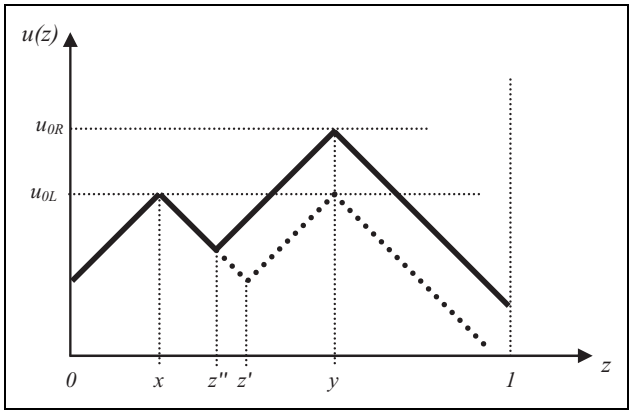

Figure 1. Valence superiority of party R ($u_{0R} - u_{0L}$) is responsible for its increased support ($z' - z''$).

right). We assume that the votes parties get is the only independent variable of their utility function, so that we can formally write $u_L = (x+y)/2$ and $u_R = 1-(x+y)/2$.

Let us now suppose that the two parties have different value endowments. As a result, the utility of voting for the party with valence superiority arises uniformly for all voters, so that it gains votes proportionate to the amount of its moral advantage, as shown in Figure 1 for the case of party R.[6] Thus, parties may differ not only *horizontally* on ideology, but also *vertically*, with respect to voters' perception of party attributes on socially shared values. However, both policy issues and valence issues affect parties' utility only through their impact on parties' votes.

Relaxing the restrictive assumption that parties' value endowment is exogenously determined, we conjecture that parties can decide to compete on valence issues, choosing to campaign on socially shared values. This means that a party tries to raise voters' utility to vote for itself (positive campaign) or to lessen voters' utility to vote for its competitor (negative campaign). In the framework introduced earlier, the question then arises whether there are spatial conditions influencing parties' incentives to invest in valence campaigns.

Figure 2 illustrates how the ideological distance between parties crucially impinges on their incentives to compete on values. Both sides of the figure show the same value predominance of party L, given by $u_L - u_R$. However, on the left, a large distance between parties' ideologies can be observed, while on the right the distance is much smaller. This implies very different consequences in vote competition: in the first case, party L obtains only a modest vote advantage ΔV_L, while in the second ΔV_L cannot be larger, as the entire electorate will vote for it.[7]

Let us now assume, quite reasonably, that a valence campaign (i.e. the ability to produce $u_L - u_R > 0$) is costly for a party, since financial and human resources are required to detect and highlight its own merits or its opponents' failures on shared values. Then it will be undertaken inasmuch as its expected benefits are substantial. That leads us to conjecture that in a two-party system there is an inverse relationship between a party's ideological distance from its rival and its incentive to engage in valence campaigning.[8]

To test this proposition from a comparative perspective, we extend it to multiparty scenarios. However, relaxing the two-party hypothesis involves some complications in our intuitive model. To see this, let us consider a system with three parties with ideological positions L, C and R, and let us first suppose that party L succeeds in positive campaigning on corruption, i.e. in persuading electors that it is superior than C and R with respect to its honesty or readiness to fight corruption.[9] Figure 3 shows that this valence advantage, measured by $u_{L2} - u_{L1}$, increases party L's electoral fortunes to the detriment of the ideologically closer party C while leaving party R's support unchanged.

Similar consequences follow from a successful negative campaigning by party L aimed at persuading voters that its rivals are somehow morally inferior. If L's negative campaigning is directed against R, the electoral benefit goes entirely to C (Figure 4, left), leaving to L only the costs of waging such a campaign. Symmetric results would be applicable to the other peripheral party R if it engages in a successful negative campaign against L. In contrast, the centre party C could profitably attack the moral stance of both its rivals (Figure 4, right).

If we now label *first nearest neighbours* (or simply *nearest neighbours*) two parties having no other party between their spatial locations, *second nearest neighbours* two parties with a single party between them, and generally *n-nearest-neighbours* two parties having $n-1$ parties located between their ideological positions, then, in spite of the obvious difference between positive and negative campaigning, we can conclude that a party's incentive to emphasize valence issues increases with its nearest neighbours' proximity on the ideological space, and is indifferent to the spatial location of the other parties.[10]

Political corruption in electoral programmes

We have now to formulate the inverse relationship posited in the preceding section between ideological positions and valence competition on corruption in a way that can be tested empirically. To do so, first we need data on when parties use political corruption in competitive electoral settings. We have chosen the Comparative Manifesto Project (CMP) dataset, which is well known to and widely used by political scientists. Parties address electors directly in their manifestos, without any interference by intermediaries and other contextual factors (Elmelund-Præstekær, 2010). Also, this choice allows us to circumvent the fact that rules governing campaigns (such as those concerning parties' access to electoral fundraising, advertising, leaders' debates, etc.) differ across countries (Plasser and Plasser, 2002).

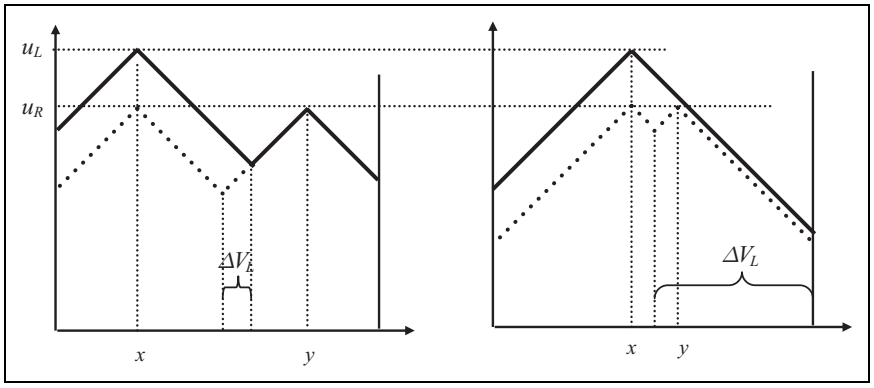

Figure 2. Greater importance (right) of valence issues on votes when party ideal points are close to each other.

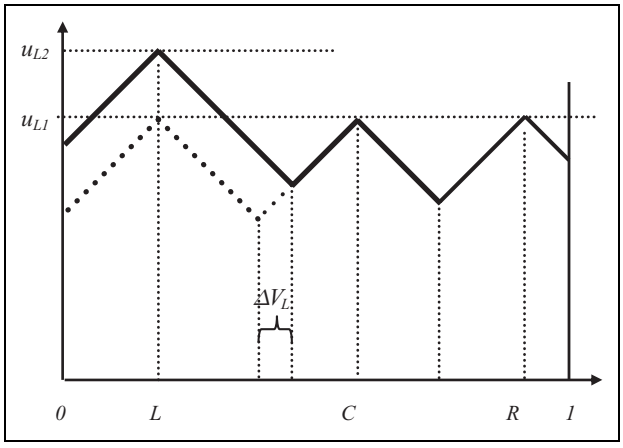

Figure 3. Party *L* positive valence campaigning on corruption issues increases its votes to the detriment of party *C*, leaving unchanged party *R* votes.

In the CMP dataset, electoral programmes are coded by content analysis, i.e. computing all occurrences of expressions with communicative meaning, chosen among a predetermined list of topics. More precisely, the coding procedure used by CMP involves sorting all politically meaningful expressions in each party's manifesto into a group of categories (welfare, defence, law and order, etc.), then taking the percentages in each category as a measure of the party's priorities (Budge et al., 2001). Among these categories, 'political corruption' (per304 following the CMP denominations) explicitly includes all references to the '*need to eliminate corruption and associated abuse in political and public life*'. Given that a party's leadership carefully considers which specific subjects and contents to incorporate in its manifesto, the (amount of) emphasis placed in the per304 category reveals the importance that the issue of political corruption would play for a party in the forthcoming electoral campaign. Thus the choice of CMP dataset suits our task, which attempts to examine the spatial incentive that motivates parties to invest resources highlighting political corruption in their campaigns.[11]

Note that with respect to the per304 category, one cannot distinguish between positive and negative judgments on corruption in the CMP data. According to the discussion in the preceding section, however, this does not represent a problem, as the relationship posited between valence competition and ideological position remains the same irrespective of whether a party is investing in negative or positive competition on corruption.

On the other hand, an important difference is apparent between cabinet and non-cabinet parties with regard to valence competition in multiparty systems. Indeed, while all parties may prefer to keep their ideological distinctiveness from their allies in government or opposition, as far as valence competition on political corruption is concerned, it seems reasonable to assume that a cabinet party cannot attack the moral standing of a fellow coalition member in its manifesto, or try to distinguish itself from its allies as being more honest, without serious consequences to the stability of the coalition. For analogous reasons, it is realistic to assume that a non-cabinet party would cast blame mainly on the moral shortcomings of one or more parties in the government coalition. Consequently, we assume that a party, when campaigning on political corruption, will mostly use it as a competitive move against parties on the other side of the government–opposition divide.[12]

Summing up, we are primarily interested in testing the theoretically derived inverse relationship between party distance and corruption emphasis on couples of parties belonging to different types, i.e. one in cabinet and the other outside the cabinet; we do not consider couples of parties where both are in government or opposition. In our study the concept of *n*-nearest neighbour ($n = 1, 2, 3, \ldots$) must be estimated consequently (see below). This leads us to the following hypothesis:

H): Spatial Incentive on Corruption Emphasis Hypothesis. Parties' incentive to highlight political corruption as a competitive tool exists for parties only against their first nearest neighbours of different type,

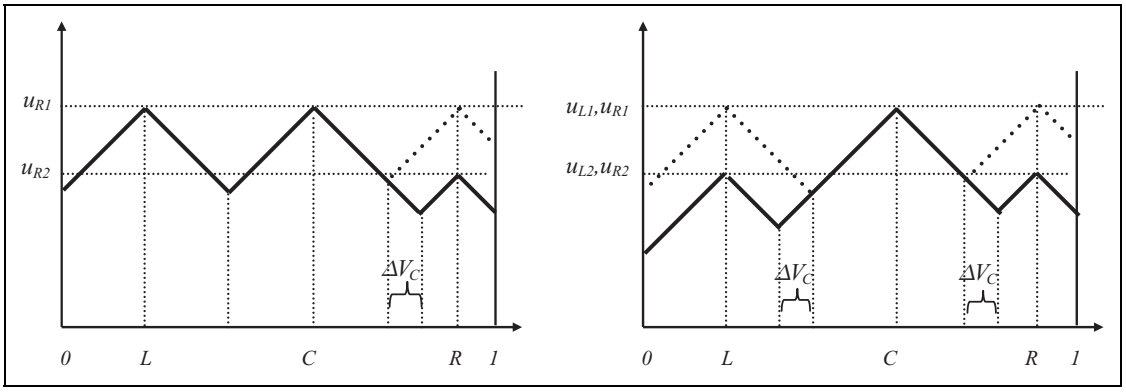

Figure 4. The effects of party *L* negative valence campaigning on corruption issues against party *R* (left) and of party *C* against its neighbours (right).

Table 1. Countries, number of elections and number of electoral manifestos included in the analysis.

Country	No. of elections	No. of observations
Australia	23	81
Austria	17	60
Belgium	18	142
Bulgaria	4	25
Canada	18	71
Cyprus	2	9
Czech Republic	3	18
Denmark	23	203
Estonia	2	13
Finland	16	123
France	16	92
Germany	16	66
Great Britain	16	60
Greece	8	31
Hungary	3	15
Iceland	18	84
Ireland	17	78
Israel	14	140
Italy	14	119
Japan	15	88
Latvia	2	13
Lithuania	2	14
Luxembourg	12	54
Malta	2	4
Netherlands	17	99
New Zealand	20	67
Norway	14	93
Poland	4	28
Portugal	10	57
Romania	1	5
Slovakia	3	25
Slovenia	2	15
Spain	9	94
Sweden	18	101
Switzerland	15	114
United States	22	45
Total	***416***	***2,346***

Source: CMP.

and increases with the proximity of those nearest neighbours in the ideological space.

Data and measurements

From the whole range of observations contained in the CMP dataset (Volkens et al., 2009),[13] our sample includes countries graded as 'free' by Freedom House in the year in which the manifesto was coded by the CMP. This subset of countries was chosen because we aim to examine the spatial incentives of parties under fair competitive contexts. This leaves us with 36 countries, covering on average 11.5 elections per country. The total number of observations (i.e. number of manifestos) included in our sample is 2,346 (see Table 1).

We take the per304 category in the CMP dataset as our dependent variable, which we have labelled CORRUPTION. Figure 5 reports the average emphasis that parties place on political corruption in each of the countries analysed. This emphasis is far from irrelevant. In our entire sample the overall average value of per304 is 0.012 (i.e. 1.12 percent of all quasi-sentences in manifestos are devoted to political corruption), a value that exceeds those recorded in other politically relevant categories such as Economic planning (per404) or Military (per105), and close to the average emphasis parties placed on the European Community/Union (per108). The per304 category appears most frequently in Japan, followed by Latvia, Greece and Malta.

We identify as cabinet parties members of the last non-caretaker government, while a non-cabinet party is simply a party that does not belong to the incumbent cabinet.[14] In our dataset, around 36 percent of parties (847 out of 2,346) can be considered cabinet parties according to our definition.[15]

The first step of our analysis is to estimate parties' positions along a common spatial dimension. In this regard we have adopted the so-called 'vanilla' method proposed in

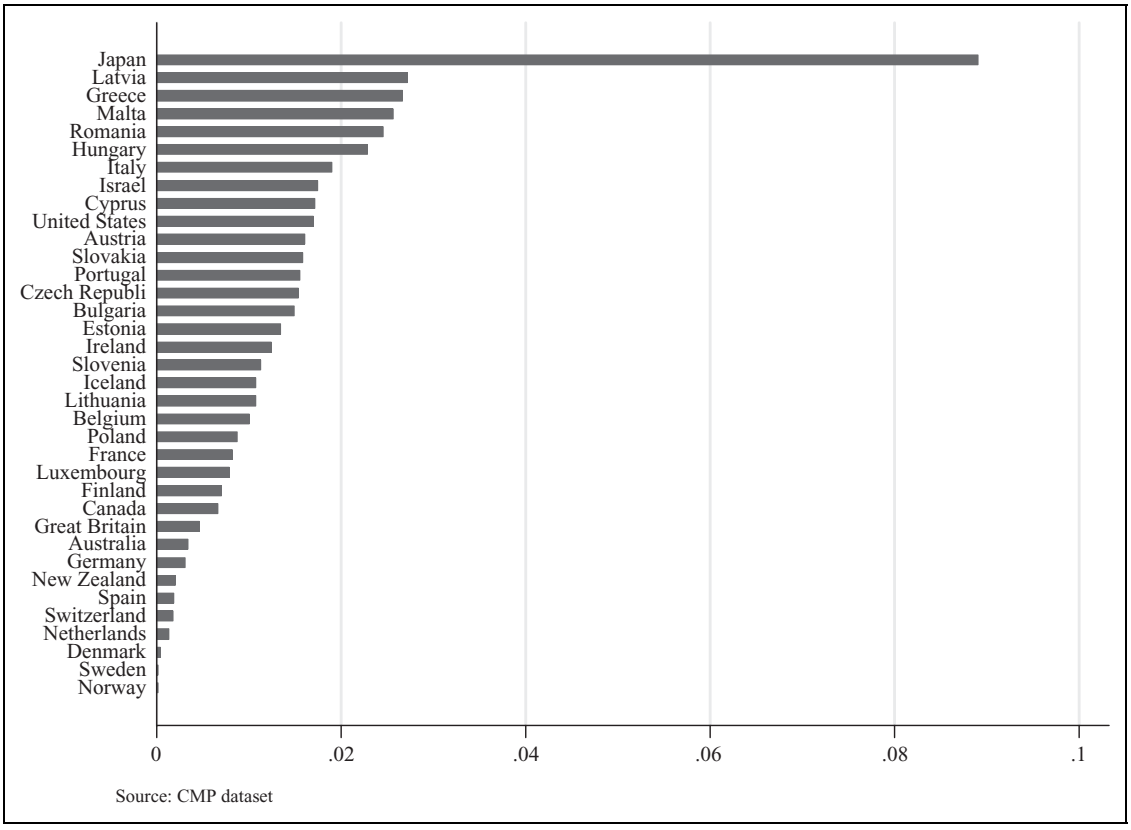

Figure 5. Average emphasis on political corruption category (per304) by country.

Gabel and Huber (2000). The authors have shown that this estimation method possesses greater face and convergent validity than other possible alternatives.[16] Gabel and Huber use factor analysis to extract the dimension that best accounts for the observed covariation across parties among all the categories in our dataset, and treat it as the effective ideological dimension along which parties compete. Of course, in this case we have dropped per304 category from the data-reduction analysis to avoid any endogeneity problems.

The second step is assessing neighbourhood and distance. Proceeding from parties' ideological scores, we introduced a variable called NEIGHBORHOOD: this assumes a value of 1 when, at a given election time t, at least one of a party's first nearest neighbours is a party of different type; assumes a value of 2 when none of its first nearest neighbours is a party of different type but at least one of its second nearest neighbours is a party of different type; and so on. Then we estimated the absolute difference between the ideological scores of each party and that party of different type presenting the lowest value of NEIGHBORHOOD, and labelled this variable DISTANCE.

This procedure is required by our theoretical premises. Indeed, the two concepts (DISTANCE and NEIGHBORHOOD) are connected in a lexicographic order, meaning that when analysing valence competition for any party, it is necessary to 'count' its NEIGHBORHOOD before measuring its DISTANCE. We illustrate this procedure with an example. In Figure 6 we report a hypothetical five-party system. Parties A, B and E are non-cabinet parties while parties C and D are in cabinet. Following our definition, parties B and E are coded 1 as their NEIGHBORHOOD value, while party A is coded 2, as between A and C we find another non-cabinet party. Conversely, cabinet parties C and D will get 1 as their NEIGHBORHOOD value, because one of their nearest neighbours is a non-cabinet party. Then, the corresponding value of DISTANCE is $|A-C|$ for party A, $|B-C|$ for party B, $|E-D|$ for party D, and so on.[17]

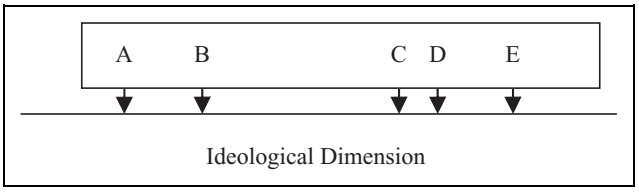

Figure 6. How to estimate the value of NEIGHBORHOOD and DISTANCE: a five-party system.

Our hypothesis will be satisfied if an inverse relationship between CORRUPTION and DISTANCE is found only in cases where NEIGHBORHOOD = 1 or, at least, if our analysis shows that this relationship is stronger when NEIGHBORHOOD = 1 than for other values of this variable.[18] More

Table 2. Determinants of the emphasis on CORRUPTION in party manifestos.

	Model 1	Model 2	Model 3 (with SCANDALS)	Model 4 (ext. definition of cabinet parties)	Model 5 (all pairs of parties)
DISTANCE	–0.042	–0.193*	–0.297**	–0.195**	–0.008
	(0.042)	(0.088)	(0.107)	(0.076)	(0.085)
NEIGHBORHOOD	–	–0.013	–0.051	–0.010	–
		(0.068)	(0.122)	(0.079)	
DISTANCE*NEIGHBORHOOD	–	0.044*	0.070*	0.044*	–
		(0.019)	(0.029)	(0.018)	
OTHERS' AVERAGE EMPHASIS	0.122**	0.119**	–	0.120**	0.123**
	(0.014)	(0.014)		(0.014)	(0.013)
SCANDALS	–	–	0.487**	–	–
			(0.188)		
CABINET PARTY	–0.577**	–0.576**	–0.657**	–0.534**	–0.558**
	(0.119)	(0.121)	(0.167)	(0.113)	(0.116)
CABINET CONTINUITY	0.068**	0.069**	0.038	0.069**	0.070**
	(0.018)	(0.018)	(0.026)	(0.017)	(0.018)
ENPP	0.127*	0.122*	0.038	0.111*	0.123*
	(0.050)	(0.050)	(0.103)	(0.051)	(0.048)
1940s	0.146	0.142	–	0.211	0.156
	(0.259)	(0.260)		(0.250)	(0.260)
1950s	0.323	0.325	–	0.326	0.329
	(0.242)	(0.239)		(0.239)	(0.244)
1960s	–0.047	–0.039	–	–0.039	–0.044
	(0.177)	(0.177)		(0.176)	(0.178)
1980s	–0.125	–0.149	0.238	–0.156	–0.132
	(0.140)	(0.142)	(0.359)	(0.141)	(0.140)
1990s	–0.373*	–0.374*	0.051	–0.353+	–0.362*
	(0.177)	(0.180)	(0.378)	(0.181)	(0.179)
2000s	–0.439*	–0.432*	–0.311	–0.444*	–0.435*
	(0.197)	(0.195)	(0.360)	(0.196)	(0.197)
Constant	–5.974**	–5.835**	–6.595**	–5.831**	–6.034**
	(0.511)	(0.522)	(0.700)	(0.523)	(0.511)
Observations	2346	2346	932	2326	2346
LL pseudo-likelihood	–98.478	–98.372	–30.233	–98.028	–98.501
F-test that all country effects = 0	337.88**	349.68**	2359.26**	339.65**	341.43**

+$p < 0.10$, *$p < 0.05$, **$p < 0.01$. Standard errors adjusted for clusters in party-programme in parentheses.
Country fixed effects suppressed to conserve space (available on request).

formally, we expect $\partial(CORRUPTION)/\partial(DISTANCE)$ to be negative but decreasing as NEIGHBOURHOOD increases. In our sample, the average values of DISTANCE and NEIGHBORHOOD are respectively 1.13 (st.dev. 1.09) and 1.69 (st.dev. 1.16).

Parties' incentive to stress political corruption may be influenced by factors other than spatial considerations. First of all, this incentive might depend on the opportunities in the external environment (e.g. scandals that attract public attention when manifestoes are being drafted). The more such opportunities are present, the greater the incentive should be. Accordingly, we employed two alternative variables. First, we included a dummy labelled SCANDALS that takes the value of 1 every time a corruption or financial misconduct scandal involving political actors featured during an election campaign. The data for constructing this variable derive from Kumlin and Esaiasson's analysis (2012).[19] The problem with this measurement is that it is available only for a limited sample of countries (only Western European democracies) and for a short time span (since 1977), while our dataset includes both more countries and more elections.

Therefore, as a possible proxy for the impact of environmental events on parties' campaigning on political corruption, we estimated a variable named OTHERS AVERAGE EMPHASIS that measures for each party *i* at election time *t* the average emphasis on the category per304 placed by all other parties competing in the same election. There is a high correlation between this new variable and SCANDALS within the period when they overlap (r : 0.40, *p*-value: 0.000). This reassures us about the validity of OTHERS AVERAGE EMPHASIS as a measure of the influence of external environment on the relationship proposed in our hypothesis.

Second, it can be argued that a party's opportunities to campaign on corruption issues are not independent of its

being in government or opposition. Specifically, cabinet parties, being able to control the public economy and influence the distribution of property rights, are more likely exposed to the blame of being corrupt.[20] We are therefore inclined to assume that non-cabinet parties would talk more about political corruption than governing parties, ceteris paribus. In this respect, we included a dummy variable labelled CABINET PARTY that assumes the value 1 for governing parties and 0 otherwise.

Third, within each country we counted the number of consecutive legislatures during which a major party was present in cabinet and called this number CABINET CONTINUITY. CABINET CONTINUITY starts with the value 1 and increases to 2 if at election time *t* the major cabinet party does not change between times *t−1* and *t*. Similarly, it increases to 3 if there is no change in its cabinet membership during *t−2* and *t−1* and *t−1* and *t*. We expect that as CABINET CONTINUITY increases the incentive to emphasize political corruption increases within the party system as a whole, as fewer alternations in office often mean greater opportunities for political–business connections, thus attracting people who seek privileged treatment by the state (Chang, 2005). Corruption issues should be more prominent in such political systems irrespective of other considerations.

Fourth, to control for the possible impact of different party system formats across time and countries, we include as a variable the effective number of parliamentary parties in each election *t* (variable name: ENPP).[21]

Fifth, to take into account any possible period effects, we introduce a dummy for each decade analysed, from the 1940s until the 2000s. We take the 1970s as our baseline category, as the importance of the Lockheed affair scandal affected several countries during that decade (Sampson, 1977).[22]

Finally, we have included a dummy for each country in our sample to control for all the remaining relevant aspects that are idiosyncratic to our statistical units. This is an advisable research strategy given the considerable differences among countries shown in Figure 5.

The statistical analysis

Our dependent variable CORRUPTION is a fractional response data bounded between 0 (a party makes no reference to this category) and 1 (the entire manifesto is dedicated to this topic). Using standard linear models may risk problems such as heteroscedasticity and non-normality in the distribution of errors (Wooldridge, 2002). Thus, we prefer to follow Papke and Wooldridge (1996, 2008), who propose a fractional logit model.[23] We also clustered the standard errors on party programmes to obtain heteroscedasticity and autocorrelation consistent standard error. Table 2 reports the five models we have estimated.

Model 1 tests the simple hypothesis that the incentive of parties to wage a valence campaign centred on CORRUPTION is affected only by DISTANCE, without any reference to NEIGHBORHOOD. Under this assumption, the coefficient for DISTANCE is not significant. This is not surprising given our theoretical premises. The result changes dramatically when NEIGHBORHOOD and an interaction term between DISTANCE and NEIGHBORHOOD is introduced in Model 2. In this case, the average marginal effect of DISTANCE on the predicted value of CORRUPTION becomes significant at 95 percent confidence intervals, but only when the value of NEIGHBORHOOD is 1 (see Figure 7). This produces an expected average reduction of around 14 percent in the emphasis that a party places on CORRUPTION in its manifesto.[24] This suggests that the impact of spatial considerations on parties' incentives to invest in valence competition centring on corruption is far from negligible.[25]

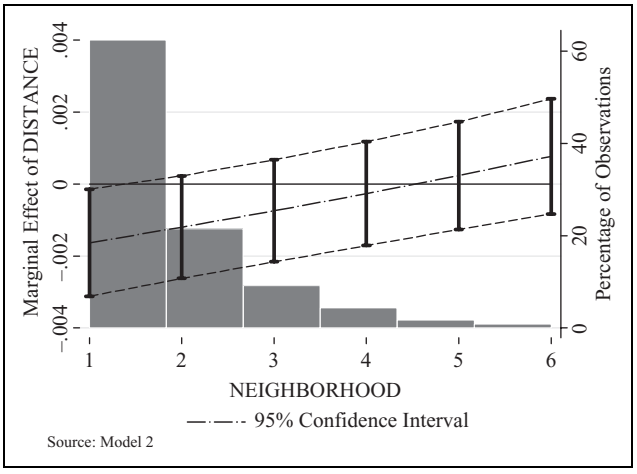

Figure 7. The marginal effect of DISTANCE on CORRUPTION as NEIGHBORHOOD changes – from Model 2 (delta method applied).

With respect to our control variables, the emphasis that a party places on political corruption increases as corruption scandals arising from the external environment weigh more heavily on the minds of all parties, as evidenced by the positive and significant sign of OTHERS' AVERAGE EMPHASIS. At the same time, the fact that the marginal impact of DISTANCE remains significant despite the relevant role of OTHERS' AVERAGE EMPHASIS shows that the relationship between the incentive to campaign on corruption issues and the spatial attributes highlighted by *H)* is an underlying feature of party competition that is not annulled by extemporaneous exogenous shocks.[26]

In Model 3 we replaced the OTHERS' AVERAGE EMPHASIS variable with our direct measure of political scandals related to corruption (i.e. SCANDALS). The presence of a major scandal in the period preceding an election actually increases the average emphasis a party places on CORRUPTION by more than 50 percent (from 0.06 percent to 1.0 percent). Once again, however, and despite the much reduced number of observations included in Model 3 (from 2,346 manifestos included in Models 1–3 to 932), our hypothesis still finds robust empirical

corroboration, producing a marginal impact of DISTANCE comparable to the one estimated in Model 2.[27]

In Model 4 we investigated the consequences of adopting a definition of cabinet (and non-cabinet) parties' alternative to that previously introduced. Specifically, we assumed that non-cabinet parties are those that have not been members of any cabinet during the legislative term preceding an observed election. Compared with our previous definition, this (more stringent) definition reduces the number of parties in the non-cabinet category by 5 percent.[28] This alternative allows us to check whether the experience of being associated with the government during the previous legislature is enough to change a party's incentives to campaign on political corruption. The results show that the difference in the marginal effects of DISTANCE when NEIGHBORHOOD = 1 between Model 2 and Model 4 is trivial, however.

Regarding the remaining control variables, CABINET PARTY significantly affects the emphasis on CORRUPTION, reducing it by more than 70 percent across all models. On the other hand, CORRUPTION increases with both CABINET CONTINUITY as well as ENPP (but not in Model 3), while, compared to the 1970s (our omitted temporal category), in subsequent decades parties tended to devote less attention to political corruption in their manifestos, albeit not always in a significant way. Finally, country dummies always appear highly relevant (as can be seen from the results of the F-test reported in Table 2), pointing to the utility of including them in the analysis in order to get more efficient estimators.

In the last model reported in Table 2, we conduct a counterfactual experiment with respect to *H)*. Specifically, in Model 5 we extend the hypothesis of an inverse relationship between CORRUPTION and DISTANCE to all couples of parties, *irrespective* of their type. Therefore we estimated as DISTANCE the pairwise distances between each party and its nearest neighbour regardless of their governing or opposition party status. This implies the elimination of NEIGHBORHOOD because DISTANCE is now always between the nearest neighbours (i.e. NEIGHBORHOOD = 1 for all pairs). As can be seen, the relationship between DISTANCE and CORRUPTION, while bearing the expected negative sign, fails to reach a conventional statistical significance. This seems to confirm our initial assumption that valence competition on corruption is effective between couples of different type of parties, but not between couples of the same type. This does not preclude the possibility that, when considering issues other than corruption, the incentives created by spatial proximity on valence competition would apply equally to all pairs of parties, irrespective of their type. We leave this point for future analysis.

Conclusions

In recent years there has been increasing attention given to the phenomenon of political corruption in the political science literature. Similarly, there is growing interest in analysing the role of valence issues in political competition, especially within the framework of spatial theory. However, no direct linkage between these two topics has been proposed yet. The former works focus on various institutional determinants of the level of political corruption in different countries, overlooking its possible usage as a competitive campaign issue. The latter deal with valence issues as independent variables that help to explain the vote-share of parties or their spatial locations in equilibrium. In the present article we have reversed the direction of this relationship, as we were interested in exploring spatial reasons that may prompt parties to highlight political corruption issues during their confrontation.

Starting with a one-dimensional spatial framework involving two-party competition, we deduced that the more parties resemble each other ideologically, the greater their incentive to make use of socially shared values (such as corruption) as a competitive strategy, given that the possibility of obtaining larg(er) vote-shares through a successful valence campaign increases with the proximity between parties' ideological positions. We then extended our theoretical finding to systems with any number of parties, and developed the hypothesis that only spatially adjacent (nearest neighbour) parties of different types show an inverse relationship between their mutual distance and their likelihood to campaign on corruption. This extension to multiparty systems reveals the existence of a new spatial quality of party systems – party neighbourhood – that would remain hidden in cases of two-party systems and that seems to play an important role in party competition.

Besides being original with respect to the literature on valence issues, our findings are also new to well-established theorizing on parties and party systems. As for the celebrated and intriguing proposal of party structure evolution toward the so-called cartel party, for instance, Katz and Mair (1995) suggest that in contemporary party systems, parties' common interest for being financed and otherwise benefited by the state leads them to collude as a cartel, eventually directing the residual party competition, given also a substantial ideological convergence of parties, to focus mainly on efficient and effective management. However, we have shown that, once taken valence issues into account, when ideological competition decreases parties' incentive for campaigning on commonly shared values increases, by no means lessening the total latitude of electoral confrontation for voters' consensus. The evolution toward cartel party may therefore induce consequences that, contrary to cartel party thesis, do not necessarily determine collusion and limited political competition (on this point, see also Krouwel, 2012).

Our analysis has also some noteworthy implications for corruption studies in general. If we assume that the perceived level of corruption in a given context is partly affected by how much parties talk about such issues, then

the validity of well-known (and widely used) corruption indices based on perceptions, such as the Transparency International's Corruption Perceptions or the World Bank Control of Corruption, can be questioned, precisely because the amount of emphasis placed by political actors on corruption can be seen (at least partly) as an endogenous by-product of spatial conditions unrelated to real levels of corruption.

Moreover, while our interest is limited to the issue of political corruption, our findings have wider implications for potentially all cases of valence issues in electoral contests, such as political competence, moral integrity, etc. Besides, electoral phenomena such as personalization, which can be considered as a valence issue, may be treated within the same analytical framework. However, this would require a larger set of data that go beyond party manifestos to include other information on the characteristics of parties' campaigns, such as published and broadcasted interviews with party leaders. This seems a promising path for future research, as it may also allow collecting information on the evolution of parties' mutual responses with respect to their valence (and possibly ideological) moves during electoral campaigns, a *conditio sine qua non* for developing and testing models that seeks to add a dynamic flavour to the framework that we have developed here.

Acknowledgements

An earlier version of this article was presented at the GLOPE2 Tuesday Seminars, Waseda University (Tokyo), 2012. We acknowledge helpful comments from the seminar's participants and from three referees.

Funding

Curini's work was supported by the Japan Society for the Promotion of Science, grant number S-12123, and by the Italian Ministry for Research and Higher Education, Prin 2009 – prot. 2009 TPW4NL_002.

Notes

1. For example (lack of), institutions such as parliaments, freedom of the press, a free economy (Bohara et al., 2004; Gerring and Thacker, 2004), electoral rules (Chang, 2005; Kunicova and Rose-Ackerman, 2005), party systems (Davis et al., 2004), openness to political competition (Alt and Lassen, 2003), political culture and level of economic development (Lipset and Lenz, 2000; Montinola and Jackman, 2002).
2. Stokes' idea that political corruption epitomizes valence issues could be challenged, claiming that voters in some cases make corrupt politicians prevail in elections (Manzetti and Wilson, 2007). This does not imply, though, that a majority of voters prefer corrupt politicians to honest ones. It rather means that voters generally compare candidates and parties not only on corruption (as well as on other valence issues, such as competence or charisma) but also on their proposed policy programme. And it may well happen that occasionally a majority chooses a corrupt politician if a more honest one supports political ideas that are too far from its policy interests. In other words, the usual clause *ceteris paribus* has to be applied to the assertion of the universal preference for honest candidates. This appears in a more analytic fashion in the next section.
3. The hypothesis that candidates and parties can intentionally take advantage of valence issues in electoral contests is adopted also by other authors (see, for example, Ashworth and Bueno de Mesquita, 2009; Meirowitz, 2008; Schofield, 2003; Zakharov, 2009). However, their research question is notably different from ours, as they aim to determine the impact of valence issues on parties' strategic choices (in game theoretical terms, their Nash equilibrium in both policy locations and quantity of valence adopted). Moreover, they restrict the theoretical investigation to bipartisan systems (but see a quick mention in Zakharov, 2005), so that their contribution to empirical research is severely limited.
4. Albeit a simplification for some countries, the assumption that party competition *at the time of each election* takes place along a single dimension is adopted in a majority of models (Cox, 1990; McDonald and Budge, 2005; Budge et al., 2001).
5. In all figures will be invariably $a = 1$, so that electors give the same importance to policy and valence issues. However, both the theoretical and the empirical parts of the article are unaffected by this choice.
6. For a similar representation, see Groseclose (2001).
7. The figure illustrates that voters' preference for parties endowed with a better value reputation can be at the same time universal but not unconditioned. Indeed, in the left side we can see that, although all voters share the same valence preference for party L, only those with ideal point within the segment ΔV_L change their vote for valence reasons. This is why cases of corrupted politicians prevailing in elections do not contradict the universal preference for honesty (see note 2 above). Only exceptionally, when the valence prevalence is very large – as in the right side of the figure – may the preference induced by valence issues become (universal and) unconditioned.
8. For a similar conclusion, based on a game-theoretical analysis, see Ashworth and Bueno de Mesquita (2009).
9. Although illustrated in the case of a three-party system, this discussion is valid for any number of parties.
10. The relationship between spatial proximity and the incentives of parties to highlight valence issues in their political confrontation has been recently considered in the literature, in particular with respect to the negative side of valence competition (see Curini and Martelli, 2010; Curini, 2011; Walter, 2012; Green, 2007), Green (2007)). However, the distinction between 'distance' and 'neighbourhood' and its consequences is still a largely overlooked topic.
11. Accordingly, we are analysing only campaigns put forward by parties with respect to 'grand corruption' – that is, corruption involving politicians and political parties. Unfortunately, CMP data do not allow us to distinguish between 'grand' and 'petty' bureaucratic corruption cases, so that this difference, possibly important in some cases, is inevitably overlooked in our analysis.

12. This does not mean, of course, that a party cannot occasionally hurt allies in government or opposition by making use of corruption issues, but this is not the usual method of valence competition.
13. Data and documentation can be downloaded here: http://www.wzb.eu/en/research/civil-society-conflicts-and-democracy/democracy.
14. The data used to identify cabinet and non-cabinet parties as well as caretaker cabinets come from Woldendorp et al. (2000) and Keefer (2010).
15. We distinguish between cabinet and non-cabinet parties, rather than between majority and opposition parties, because we do not discard the possibility that non-cabinet parties, albeit possibly supporting the cabinet in a more or less consistent way during the legislature, may decide to invest in a valence competition on corruption against some cabinet members.
16. In their seminal article, Gabel and Huber (2000) limit their analysis to the CMP data available in Budge et al. (2001). Given that in our sample we have more temporal observations as well as more countries than in Gabel and Huber's analysis, we compared the estimates derived by using the vanilla method with three expert surveys that cover different temporal periods (respectively, Castles and Mair, 1984; Huber and Inglehart, 1995; Benoit and Laver, 2006) by employing other methods to estimate left–right positions from CMP data (i.e., Laver and Budge, 1992; Laver and Garry, 2000; Lowe et al. 2011). The average correlation between parties' scores according to the vanilla method and the expert surveys is around 0.7, which is higher than the correlation shown by the other three methods (data available upon request).
17. In the few cases (15 percent of the total) where a party has two first-nearest neighbours (on both left and right), we estimate DISTANCE by considering the position of its closer first-nearest neighbour. This procedure does not affect any of our findings.
18. The last less assertive sentence is motivated by possible errors due to the uncertainties surrounding the estimates of parties' positions. On the issue of uncertainty related to CMP data, see Benoit et al. (2009).
19. More on details, the authors' dataset on scandals is drawn from an analysis of the election reports published in two journals (*West European Politics* and *Electoral Studies*). For each election they checked for mentions of scandals defined as 'a sequence of events in which significant public attention is focused on alleged illegal, immoral or otherwise inappropriate conduct by identifiable politicians or high-rank officials' (Kumlin and Esaiasson, 2012: 271). Of the entire set on scandals, we focused on the subset involving only corruption and financial scandals that were mentioned by both journals (therefore capturing only major scandals).
20. On this point, see Kunicova and Rose-Ackerman (2005) and Morlino and Tarchi (1996).
21. Data source: Gallagher and Mitchell (2008).
22. Note that the inclusion of temporal-fixed effects allows us to take into account developments in the media sector over time and their possible impact on the media's role in revealing political scandals (see, e.g., Thompson, 2000).
23. A fractional logit estimation models directly for the conditional mean of the fractional response through a logistic form that allows us to keep the predicted values in the unit interval.
24. That is, 1–[(0.0112–0.0015)/0.0112], where 0.0112 is the average value of CORRUPTION and |0.0015| is the marginal effect of a one-unit change of DISTANCE when NEIGHBORHOOD is 1.
25. In contrast, the marginal impact of NEIGHBORHOOD is rarely significant in the entire distribution of the sample.
26. OTHERS' AVERAGE EMPHASIS, being the average of other parties' (other than party *i*) choices, places the left-hand side of some observations on the right-hand side of others. To deal with the possible risk of simultaneity bias, we have replicated Model 2 by using a spatial lag model (see Franzese and Hays, 2007). All of our conclusions hold intact also in this replication. Data available upon request.
27. In a further testing, we replicated our analysis excluding Japan from our sample, given its large value on CORRUPTION (see Figure 5). Our results still hold intact. We have also controlled for three further variables: (a) the general level of corruption in a political system as perceived by experts (source: Transparency International's Corruption Perceptions); (b) the fact whether a party is a populist party or not (given that the fight against corruption is commonly used as a standard rhetorical tool by any populist party); and (c) the fact whether a country is/was a prospective EU member state (given that the EU made effective measures against corruption a key condition for accession and this could have an effect on party systems). Once again, our conclusions remain unaffected with respect to our main hypothesis. Data available upon request.
28. Note that in Model 4 we have 20 fewer observations than in previous models. This is because, given the definition of cabinet parties employed in Model 4, on some occasions all contenders in an election at time *t* are codified as cabinet parties (for example, in the 1969 German election the three parties included in the CMP dataset, i.e., SPD, FDP and CDU/CSU, have all been part of a cabinet during the previous legislature). When this happens, all observations for election *t* are dropped from the analysis.

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