

Travesty of Justice: Evidence from Corruption Trials

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Motivation

- Negative correlation in GDP per capita and several corruption indices (CIPA,GCB etc.)
- Corruption leads to Economic inefficiencies, increased inequality, deterioration of trust, loss of property rights, deterioration of rule of law and even country's global reputation.
- Countries fight corruption and the intention behind these Anti-corruption campaigns are supposed to promote accountability, strengthen democracy, and establish the rule of law.
- under certain settings - these anti- corruption drives could - be hijacked by the incumbent to target opposition politicians, **undermining** the very accountability process

Corruption Witch-hunts

Some Anecdotes

- 1 On 4th November 2017, the Crown Prince of Saudi Arabia.
- 2 Arrested prominent saudi princes, to quash competition to the Saudi Crown (Wright, 2017).



Corruption Witch-hunts

Some Anecdotes

- 1 **Alexei Navalny** - Staunch opponent of President Vladimir Putin,
- 2 Jailed for corruption charges. Prevent him from participating in elections. He passed away in jail recently



Dichotomy of Public Perception

- Despite these anecdotes, anti-corruption campaigns continue to receive praise by international organizations and media outlets
- Most academics focus on positive impacts of corruption reduction:
 - How **information campaigns, auditing, and media exposure reduces corruption** (Ferraz and Finan, 2008; Ferraz and Finan, 2011; Avis et al., 2018)

Research Question

- Shift focus from **positive impacts** of anti-corruption efforts to:
 - How these **initiatives** themselves be **determined by political institutions** (elections) and can be used to **undermine the accountability**?
- I study **corruption efforts can be manipulated to persecute** political opponents.
- I inquire:
 - How do **political institutions** (elections) affect **legal institutions** (corruption convictions in courts)?
 - How does the **incumbency affect** corruption convictions?
 - Does it **crowd out** potentially legitimate corruption cases?
- **Mechanisms** that underlie this subversion of the accountability process?

The setting

- **Pakistan** - where the context provides an opportunity to test my hypothesis
- Can anti-corruption drives be hijacked by subverting judiciary?

Nawaz Sharif, Pakistan ex-PM, sent back to jail for corruption

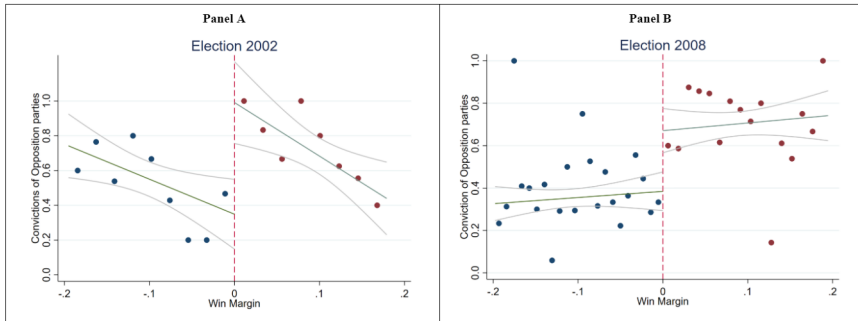
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Sample

- Dedicated court for corruption - National Accountability Bureau (NAB) data - Pakistan
- About 10,000 corruption cases
 - Both for Politicians and Non-politicians (Bureaucrats)
- About 2000 elections
 - For 3 National and State (local) Elections (2002, 2008, and 2013)
- Between 1996 and 2018

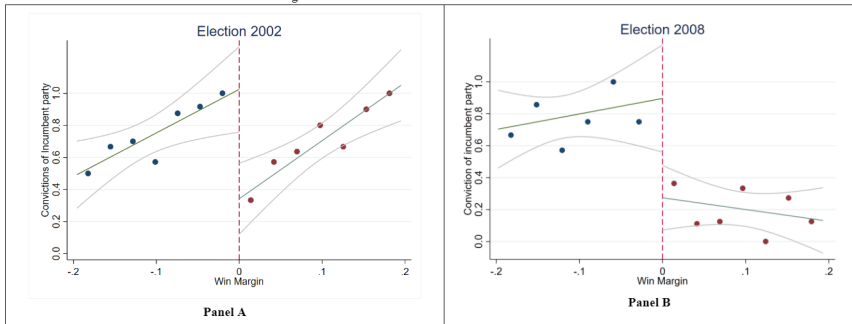
Main Result 1 - Political Opponents' Convictions



The regression discontinuity plots show the conviction probability of the marginal winners and losers of the 2002 (Panel A) and 2008 (Panel B) state and national elections for opposition candidates. Each dot on the graph represents quantile-spaced bins of the running variable (reported on the horizontal axis). The running variable is the win margin that represents the vote share difference between candidates measured in percentage points. The mean conviction rate (reported on the vertical axis) is the conviction probability of the opposition parties at that win margin (these opposition parties are all those who ran against the incumbent party Pakistan Muslim League Quaid (PML-Q party for 2002) and Pakistan Peoples Party (PPP for 2008)). The graph is truncated at 20 percentage points on the horizontal axis to accommodate for outliers. Linear fitted lines are shown on both sides of the threshold. 95% Confidence intervals are also reported.

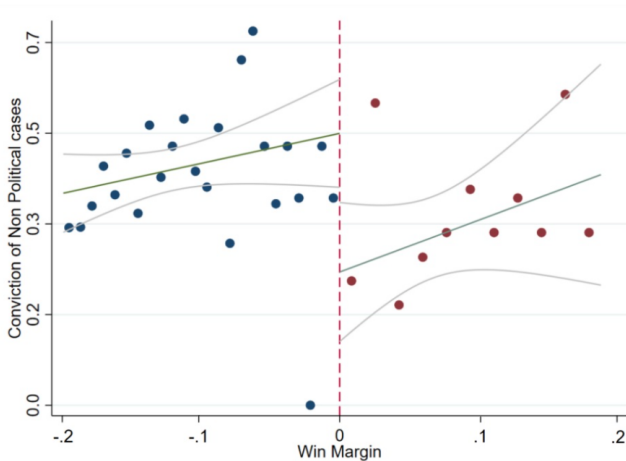
Main Result 2 - Incumbent Party Conviction

Figure 2: Electoral Wins on Convictions of Incumbents

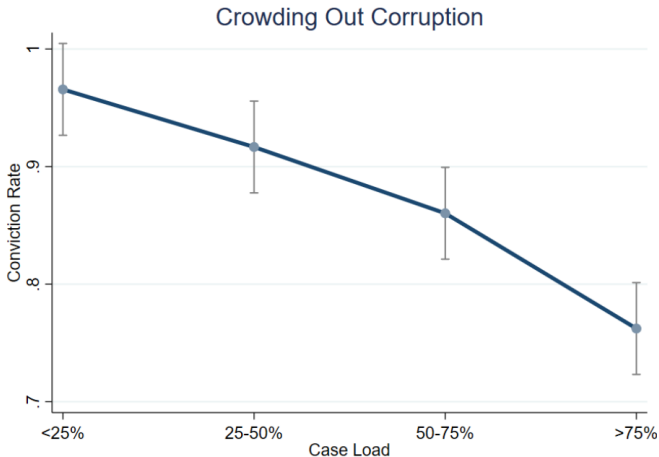


Note: The regression discontinuity plots show the conviction probability of the marginal winners and losers of the 2002 (Panel A) and 2008 (Panel B) state and national elections for incumbent candidates. Each dot on the graph represents quantile-spaced bins of the running variable (reported on the horizontal axis). The running variable is the win margin that represent the vote share difference between candidates measured in percentage points. The mean conviction rate (reported on the vertical axis) is the conviction probability of the incumbent party (Pakistan Muslim League Quaid (PML-Q) for the 2002 elections) and Pakistan Peoples Party (PPP) for the 2008 elections. Win Margin is the running variable (the vote share difference between candidates) is measured as percentage points. The graph is truncated at 20 percentage points on the horizontal axis to accommodate for outliers. Linear fitted lines are shown on both sides of the threshold. 95% Confidence intervals are also reported.

Additional Result 1 - Crowding out of Corruption in Opposition Districts



Additional Result 1.1 - Crowding out of Corruption in Opposition Districts



Thank You For Your Attention Questions?

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