

Working Paper

The relationship between Transitional Justice and Corruption: A Cross-National Analysis

Dilan Gunes¹

Francisca Castro²

¹Department of Sociology and Political Science, NTNU

² Department of Social Sciences, Humboldt Universität zu Berlin

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Abstract

Transitional justice (TJ) procedures are at the center of atonement efforts after critical periods of conflict and violations of political, civic, or human rights. Despite their relevance, there has not yet been an assessment of the effect of the application of TJ procedures on citizens' perceptions of their government and the political system. In this research, we aim to examine the relationship between TJ and corruption. We ask whether the existence of TJ procedures decreases the perception that individuals have of corruption in their country. Additionally, we examine if there is a differentiated effect on corruption, depending on the type of TJ procedure, such as amnesties, reparations, and truth commissions, among others. Using linear models and difference-in-difference methods, we find that implementing TJ procedures contributes to lowering country-level corruption of the countries that have experienced conflicts or regime transitions. However, we do not find evidence that supports that specific types of TJ mechanisms have a differentiated effect on corruption.

Keywords: transitional justice, corruption, human rights, conflict, time-series cross-sectional analysis

1 Introduction

Systematic violations of human rights are still a global concern. With countries such as Nepal, Ivory Coast, and Tunisia successfully transitioning to democratic regimes, and others such as Thailand or Libya greatly struggling to achieve liberalization, the examination of which factors help us explain the achievement and maintenance of democracy is highly relevant. In this regard, the presence or absence of transitional justice (TJ) procedures play a significant role, not only because they address reparations that occurred in periods of political unrest, but also because they can influence other elements that directly affect democratic development, such as corruption or economic growth. Yet, we know relatively little about how TJ procedures affect perceptions of corruption, and in which way this relationship may affect the quality of democracy and government. If there are no transitional justice efforts after human rights violations, can this affect perceptions of corruption and, subsequently, the quality of democracy?

Corruption can affect democratic development in multiple ways. On the one hand, corruption divests societies of resources that could alternatively be used to supply basic public goods like education, infrastructure, healthcare, or security. The cost of corruption is estimated to be 5 percent of the global GDP, and individuals and businesses pay around 1 trillion dollars in bribes each year (United Nations 2017; 2018). Corruption can reduce foreign investment (Wei 1999) and economic growth rates (Mauro 1995; 1996). Regarding basic services, high corruption can cause an increase of power disruption, water losses and failures in telecommunication, and reduced quality of infrastructure (Wei 1999). Studies suggest that high corruption increases poverty and income inequality (Rose-Ackerman 1997; Gupta 1998) all of which are important dimensions of economic development. On the other hand, corruption negatively affects the functioning of state institutions, especially the organs ensuring the rule of law and administration of justice (United Nations 2017). Therefore, corruption fosters a culture of distrust towards public institutions (Melgar et al. 2010).

Can the absence of TJ procedures after periods of political unrest impact negatively

on corruption and perceptions of citizens regarding how corrupt their country is? The literature suggests that, after a war or a repressive regime, emerging countries struggle with economic concerns and pending human rights violations (Carranza 2008). To rebuild the trust in transitional countries and address corruption and economic crimes, TJ procedures such as trials, truth commissions, reparations, and vetting/lustration are appropriate and efficient (Pesek 2014; Hecht and Michalowski 2012). Given that political elites may pursue TJ strategically, and that constituents' demands regarding TJ may vary (Grodsky 2015), implementing specific TJ procedures, such as lustration, might indicate the presence of government corruption (Lynch and Marchesi 2015). Unfortunately, there are not, to our knowledge, empirical studies that link TJ to corruption within the context of economic development, nor with individual perceptions of corruption within one's own country. Even when previous research has already stated the importance of assessing the connection between corruption and transitional governance (Urueña and Prada-Urbe 2018), these studies have been mostly related to economic crimes and their role in facilitating the perpetration of war crimes (Mani 2008).

With this study, we aim to touch upon the less explored relationship between contextual corruption¹, and individual perceptions of corruption², and how they are both affected by the implementation of TJ procedures. We hypothesize that TJ procedures can affect corruption in a two-folded way: (1) when addressing economic crimes in post-conflict and post-authoritarian countries, TJ procedures diminish the levels of contextual corruption, and (2) when addressing other types of violations, engaging in reparations of civil and political rights, TJ procedures increase trust in the government and the political system, decreasing individual perceptions of the level of corruption within one's own country. The first hypothesized relationship between TJ

1. That is, perception-based measures of corruption like Transparency International and CPI, which contribute to the empirical corruption research and assess levels of corruption at a national level. For more discussion, see Pelizzo et al. (2017).

2. That is, individual declarations on the level of corruption within their country. Unlike contextual corruption that assesses corruption at the country level through general indexes constructed by experts, individual perceptions of corruption are assessed via surveys

procedures and corruption is direct, whereas the second one is mediated by governmental trust. With this, we recognize that TJ can engage with civil and political rights, as well as economic and social rights (De Greiff and Duthie 2009), and when TJ ignores corruption and economic crimes, it may cause an impunity gap (Carranza 2008).

To test whether TJ procedures have an impact on the level of contextual and individual-perceived corruption, we constructed and analyzed a comprehensive dataset that includes both post-conflict countries from the Post-Conflict Justice (PCJ) Dataset (Binningsbø et al. 2012) and democratic transitions from the Transitional Justice Research Collaborative (Dancy et al. 2019), along with their TJ procedures or the absence of them, from years 1946 to 2019. Additionally, we use contextual data on corruption from Transparency International, and individual perceptions from public opinion surveys on corruption and governmental trust. We estimate panel linear models with fixed effects, and difference-in-differences using the time-series cross-sectional structure of the data.

2 Theory

2.1 The association between Transitional Justice and Corruption

TJ contributes to the achievement of several sustainable development goals, one being the fight against corruption (International Center of Transitional Justice 2019). The link between TJ and corruption has been examined mostly through TJ procedures that address illegal economic activities that occurred during periods of conflict, such as market distortions, money laundering, rent-seeking, and exploitation of natural resources (De Greiff and Duthie 2009; Addison 2009). Unfortunately, we do not know if the procedures that specifically address economic crimes have an impact on national measures of corruption, or how individuals perceive corruption within their country. The same applies to whether specific procedures of TJ, such as trials, truth

commissions, or reparations, have a differentiated effect on corruption: we do not know yet if some TJ procedures are more effective than others in terms of increasing governmental trust and lowering perceptions of corruption. By theorizing the potential effect of TJ procedures on contextual corruption and individual perceptions of corruption, on the one hand, and the role of governmental trust as a mediating variable and possible differentiated effects of TJ mechanisms on corruption, on the other, we aim to touch upon this understudied field.

2.1.1 TJ, economic crimes, and country-level corruption

Many countries that have TJ initiatives that focus on political and civil rights struggle with socio-economic concerns. One of those concerns is large-scale corruption³, which is part of the discussion of economic violence, including distributive justice (Robinson 2015). The exclusion of economic crimes and large-scale corruption from the TJ agenda can make it difficult to construct a sense of ownership and private property in many transitional countries that are struggling with mass poverty and socioeconomic concerns (Carranza 2008). There are contrasting arguments on corruption being a part of TJ agenda: from a human rights perspective, political and civil rights are both justiciable and redressible by TJ procedures, while social and economic rights are non-justifiable, and therefore, development programs are better at addressing them (Carranza 2008).

Those who believe that the traditional definition of TJ should develop into a more comprehensive definition that also includes socio-economic concerns, poverty, and the needs of victims with the aim of justice, also argue in favor that corruption is an essential part that needs to be addressed because it causes structural violence (Carranza 2008). Duthie (2014) argues that the most important effect that TJ may have on economic violence is to help shape “the broader narrative in public discourse, which may have a long-term impact on development” (p. 198). Sharp (2012) suggests that TJ should have

3. The scale of corruption depends on the amount of resources extracted, the number of people involved, and the frequency of such actions. The concept of large-scale corruption simply means a system where sets of corrupt individuals support each other and involve their supervisors or set up a relationship with their victims to maintain their position. Also, it generates immense resources that allow growth and protection. For further definitions, causes and cures, see Carvajal (1999).

a “broader transition to positive peace, in which justice for both physical and economic violence receives equal pride of place” (p. 784). Not including economic violence in TJ leads to a one-dimensional narrative of conflict (Miller 2008).

But even when some scholars argue that TJ should diverge from a narrow context to a broader one, the primary argument against it is that TJ processes are functionally incapable of addressing structural dilemmas such as poverty and inequality (Robinson 2015). According to Waldorf (2012), “transitional justice is inherently short-term, legalistic and corrective” and therefore does not suit functionally and practically to address “historically constructed socio-economic inequalities” (p. 171). Another concern is the potential of overburdening TJ procedures given the limits of financial and human resources, along with the fact that most trials and truth commissions are already overburdened with their mandates (Roht-Arriaza 2005). The Freedom House report states it is a risk to expand TJ to include corruption, when the TJ efforts are “over-stretched, under-staffed, and under-funded” (Pesek 2014, p. 4). TJ procedures may be inadequately equipped to investigate corruption because they are temporary bodies with limited scope (Pesek 2014). There is also fear that tackling corruption would divert attention away from serious human rights abuses (De Greiff and Duthie 2009).

Despite the arguments that expanding TJ is risky and inadequate to address corruption, other scholars contend that in many transition contexts, it is convenient and adequate to address economic crimes and corruption (Pesek 2014). Some economic crimes and acts of corruption, such as embezzlement of state funds, confiscation of property, or exploitation of resources, can be judicable as war crimes (Pesek 2014). Albin-Lackey (2014) points that advocates of anti-corruption believe that the relationship between human rights and corruption provides a strong way to emphasize the effect of corruption in human terms. Hecht and Michalowski (2012) suggest that TJ mechanisms have the potential to address corruption, encouraging TJ procedures to link its aims with anti-corruption efforts. However, economic crimes have gotten little attention in previous TJ initiatives. Only a few of the 34 truth commissions formed

globally between 1974 and 2004 (Sikkink and Walling 2006) have explicitly tackled economic crimes (Carranza 2008).

Theoretically, scholars have suggested that engagement with economic crimes and corruption would strengthen TJ procedures because they confront the impunity problem. Impunity for economic crimes triggers impunity for human rights violations, which may cause a so-called impunity gap (Carranza 2008; Pesek 2014). Because of this, many transitional countries encounter the consequences of unresolved economic crimes that have been neglected by TJ procedures, hindering their importance for overcoming impunity (Carranza 2008). Countries like Sierra Leone, Peru, East Timor, Chad, the Philippines, and Liberia show that engagement with accountability for economic crimes and corruption may strengthen TJ measures and confront impunity effectively (Carranza 2008).

Combating corruption may also have financial advantages if stolen funds are recovered and used to ease some of the financial problems with TJ processes (Carranza 2008). In Peru, for instance, the funds recovered from former President Fujimori were deposited and used for anti-corruption and truth-seeking efforts (Navarro 2006). Carranza (2020) summarizes the advantages of combating corruption through TJ as (1) ending the impunity gap, (2) addressing past abuses, (3) financing reparations, and (4) opening a discussion on the accountability of economic actors during conflict or dictatorship. Based on the literature, we theorize that when TJ addresses corruption through economic crimes, the existence of these procedures can decrease citizens' perceptions of impunity and corruption.

Hypothesis 1 *Transitional Justice procedures that address crimes committed in periods of civic and political unrest, decrease country-levels of corruption.*

2.1.2 Can TJ improve trust and decrease perceptions of corruption?

Countries can have patterns of mutual reinforcement that prioritize accountability for political and civil rights violations, over “an approach that engages with both this narrow set of human rights and economic crimes” (Carranza 2008, p. 303). For instance, in

post-apartheid South Africa, the Truth and Reconciliation Commission did not focus on corruption because it was out of its coverage, although the apartheid regime was at its most oppressive and corrupt when it was at its most repressive (Van Vuuren 2006). The impunity of the corrupt gives the public the impression that state mechanisms are incapable of dealing with the powerful. In transitional regimes, often-weak institutions are rarely successful in challenging powerful and well-connected corrupt elites. According to studies conducted in Latin America, such perception of corruption has a distinct and destructive consequence because it fosters a culture of distrust towards public institutions Melgar et al. (2010).

TJ processes seek to consolidate civic trust in the new regime by exposing the truth about high-level corruption (Robinson 2015). It is important to address elite corruption during transitions because it prevents the culture of corruption from undermining the success of the new regime (Ghione 2012). Many former leaders of authoritarian regimes such as Marcos in the Philippines, Pinochet in Chile, and Suharto in Indonesia, by using ill-gotten assets, escaped from accountability for their mass human rights violations, using their assets to delay trials, finance destabilization, and sponsor political agents (Carranza 2008; Pesek 2014). Because of this, trials failed to convict corrupt leaders such as Taylor of Liberia and Fujimori of Peru. Also, failure to target corrupt individuals and businesses in Milosevic's regime limited the impact of TJ in Serbia (Pesek 2014). Additionally, corruption not only triggers and perpetuates inequalities that lead to fragility, violence, and therefore conflict, but also damages trust in government and weakens the social contract (World Bank 2020): corruption lowers the trust in rule of law, impairs the quality of life, including education, healthcare, and infrastructure. Overall, high levels of corruption and economic inequality contribute to an environment of low institutional and interpersonal trust (Uslaner 2008), decreasing citizens' trust in their government (Horne 2012).

Some studies relate TJ procedures with a reduction of criminal violence, human rights violations, conflict recurrence, and repression (Olsen et al. 2010; Kim and Sikkink 2010; Trejo et al. 2018; Lie et al. 2007). This can ultimately increase trust in government

since one goal of TJ is to rebuild civic trust in the state and its institutions, therefore, addressing corruption may contribute to this long-term aim (Robinson 2015). Even when it is challenging to measure the impact of corruption on civic trust, empirical studies show that corruption harms the state and its institutions. A study on Latin America concluded that corruption deteriorates trust in institutions and public opinion is against corruption and embezzlement (Cavallaro and Albuja 2008). Revealing the truth about corruption may expose the previous regime, develop democratic norms, and build up the trust between the society and the institutions (Andrieu 2012). Therefore, we theorize that through TJ procedures, trust in the government may increase, reducing citizens' perceptions of corruption.

Hypothesis 2 *Transitional justice procedures improve civic trust, which lowers the level of perceived corruption that individuals have of their country.*

2.1.3 Different TJ procedures, different effects?

In the previous sections, we argued that corruption, as a part of economic crimes, should be on the TJ agenda and that TJ has the potential to lower the perception of corruption along with impunity. Also, we theorized that TJ helps transitional countries to rebuild their civic trust and improve the credibility of their institutions, which may result in a lower individual perception of corruption. However, specific types of TJ procedures may have different levels of effectiveness when combating corruption, resulting in different consequences regarding the country-level and perceived corruption. Accordingly, we take on a more detailed approach to the relationship between particular TJ procedures and corruption.

Truth commissions play a significant role in paving the way for governments and courts to address corruption. They are an essential discursive instrument and may help shape the public narrative concerning past and present abuses (Duthie 2009). Truth commissions are frequently used as the centerpiece of TJ initiatives because they identify reform priorities, but they have several significant constraints that influence their ability to respond to corruption. Truth commissions rely on the leadership and integrity of

their commissioners and are subject to a lack of political will, especially when it comes to implementing their recommendations (Robinson 2015). However, it is equally critical that commissions have widespread public support to put pressure on governments and legal systems to act. For instance, the Tunisian commission's strategy of opening its doors to the public was appropriate in this regard (Ghione 2012). According to this, we predict that TCs may have a positive impact on lowering the perception of corruption.

Hypothesis 3a *Through the promotion of transparency about violations that occurred in periods of civic and political unrest, truth commissions are the TJ procedure that has the biggest impact on improving trust between individuals and institutions.*

Ghione (2012) highlights lessons to be learned when TJ procedures address corruption. He argues that only credible judgments rendered under the rule of law may contribute significantly to justice in times of change, and only trustworthy verdicts can restore faith in the legal system and provide an authoritative legal denunciation of past crimes. However, credible judgments need credible courts and open processes. This can be done through visible trials of former strong elites. For instance, in Peru, the support for Fujimori was perhaps the motivation for the government and the court to assure an honest process (Noboa 2008). The Fujimori-Trial in Peru is regarded as a success story in which the classic dilemma of victor's justice was overcome (Mistry 2012). Trials seem to be an effective TJ procedure when combating corruption, especially because they eliminate the impunity gap by holding corrupt individuals accountable for their economic crimes. However, they can have a detrimental effect when they do not carry the expected result. In this regard, we hypothesize the following:

Hypothesis 3b *Trials decrease individual perceptions of corruption by closing the impunity gap, but only under specific results, such as the conviction of the perpetrators.*

Since vetting is more administrative than criminal, given that it aims to assess the suitability for specific employments and to exclude persons with serious integrity deficits from the public service (United Nations 2006), it is arguably more efficient than criminal

trials as forms of redress for certain types of abuses, because it can make use of evidentiary and procedural rules (Mayer et al. 2007). Those types of abuses may include economic crimes and corrupt acts such as illicit enrichment or money laundering. Furthermore, vetting can generate trust, not only by changing the people in the institutions but also by demonstrating a commitment to the prevention of corruption through the avoidance of specific behaviors (e.g. cronyism) (Greiff 2007). Institutional reform through vetting excludes official employees who abused their positions of authority, and vetting can promote trust in how citizens can relate to one another and the authorities as equals (Greiff 2009). Overall, lustration has proven to be a significant predictor of more trust in social institutions (Horne 2014; 2012).

Hypothesis 3c *Vetting and lustration have the strongest impact on perception of corruption since they directly and publicly address perpetrators in public institutions.*

According to Chene (2019), amnesties can protect a person from civil or criminal accountability for past offenses. Using amnesties for economic crimes, especially for corruption, often encounters resistance, since amnesties are considered as politically sensitive, exceptional, and controversial (Chene 2019). Even though amnesties restrict overburdening the courts, allowing that the resources are to be diverted on more serious violations (Chene 2019), they may affect the perception of corruption among the citizens. Therefore, unlike the other TJ procedures, we theorize that amnesties will increase the negative perception of corruption and deepen the distrust between individuals, institutions, and the government. In this regard, our hypothesis is:

Hypothesis 3d *Amnesties increase the perception of corruption in post-conflict countries since they negatively impact the (civic) trust between society, institutions, and the government.*

3 Research Design

3.1 Variables and Measurement

To address whether the development of TJ procedures affects the level of corruption, we constructed a cross-sectional database encompassing countries that went through democratic transitions or conflicts. Since we are interested in how TJ procedures affect both national evaluations of corruption and the perceptions that individuals have regarding corruption within their own country, we estimated different models for each dependent variable. Our first dependent variable, *country-level corruption*, was obtained through Transparency International CPI index⁴. The second dependent variable, *individual perceptions of corruption*, was constructed using public opinion data from the World Values Survey. We consider the means of perception of corruption for each country, for each year of the survey. Additionally, we considered information regarding the type of regime using Polity2 index, which allowed us to classify each country according to their status as a democracy, autocracy, or anocracy, along with regime changes.

Secondly, for our main independent variable, *transitional justice*, we used two sources of information: the Transitional Justice Research Collaborative (TJRC) database (Dancy et al. 2019), and the Post-Conflict Justice (PCJ) dataset (Binningsbø et al. 2012). The TJRC compiles global TJ mechanisms, specifically prosecutions, amnesties, truth commissions, and reparations policies in a country (Dancy et al. 2019). It includes countries that went through democratic transitions between 1970 and 2019⁵. On the other hand, the PCJ dataset offers an overview of post-conflict countries and their TJ mechanisms associated with previous armed conflict, focusing only on the wrongdoings that are implemented following and relating to a given armed conflict, whether it is extra-systemic, internationalized internal, or internal, between

4. Transparency International elaborates its CPI index using different data sources and indicators, which aim to quantify perceptions of corruption in the public sector.

5. The data that is available online only goes to 2010. We received an updated version directly from the TJRC team.

the years 1946 and 2006. These efforts include trials, truth commissions, reparations, amnesties, purges, and exiles. We ended up with a merged database of 199 countries. Table 1 offers the distribution of countries according to their status regarding regime change, conflict, or both.

Table 1: Distribution of countries

	Democratization	Liberalization	Reversal	Total Countries
Regime Change (RC)	73	71	66	115
Conflict + RC	17	28	39	109
Conflict without RC				55
N Countries				199
Years		1946-2020		

For each country, we appended political and macroeconomic variables, corresponding to the period under examination for each country. We included the variables GDP and growth, obtained from the World Bank. Given that the data set is unbalanced, we have to impute missing values for continuous variables. We use `mice` package on R to diminish missing values through multiple imputations. Thanks to this method, we are able to obtain predicted responses that allow us to robust the panel.

3.2 Methods and Estimation

The conducted estimations are two folded, to take advantage of the time-series cross sectional (TSCS) structure of the data. On the one hand, linear models were estimated, following Acemoglu et al. (2019) approach to assess the relationship between country level variables (TJ mechanisms as the main independent variable, and the two specifications of our dependent variable –country-level corruption, and individual perceptions of corruption).

3.2.1 Linear model with fixed effects

We base our estimation in the following linear regression model:

$$Y_{it} = \alpha_i + \gamma_t + \beta X_{it} + \sum_{t=1}^{79} Z_{it} + \epsilon_{it} \quad (1)$$

where Y is the dependent variable *perception of corruption* at the individual level, taken to the annual average, $i = 1, \dots, 199$ as the number of countries, $t = 1946, \dots, 2019$ as years, X_{it} represents the indicator that accounts for the existence of TJ mechanisms, which is 0 if the country did not present TJ mechanisms linked to a conflict of transition, and 1 otherwise. Equation (1) also includes covariates for macroeconomic indicators, Z_{it} for the years considered.

3.2.2 Difference-in-Differences

With the matched set, we can estimate the average treatment effect for the treated group (ATT) which is defined in the following equation:

$$\delta(F, L) = E[Y_{i,t+F}(X_{it} = 0, X_{i,t-1} = 0, X_{i,t-2}, \dots, X_{i,t-L})] \quad (2)$$

where, for each treated observation (i, t) , we estimate the counterfactual outcome $Y_{i,t+F}$ ($X_{it} = 0, X_{i,t-1} = 0, X_{i,t-2}, \dots, X_{i,t-L}$, using the weighted average of the control units in the refined matched set, as suggested by Imai et al. (2020). Then, we compute the difference-in-differences estimates of the ATT for each treated observation, and then average it across all treated observations.

To estimate the ATT, we first constrain the matched set for each treated observation (i, t) so that the matched control units do not receive the treatment after at least after time $t + F$. We then apply the DiD estimator to obtain an estimate of the long term ATT under the specified treatment sequence (Imai et al. 2020).

4 Results

4.1 Descriptive Statistics

The first data exploration was to assess the means of our three main dependent variables (confidence in government, perceived corruptions by individuals, and contextual corruption) according to whether or not the countries had TJ procedures. We divided the sample between those countries who experienced a conflict or not and those who experienced regime transition. Table 1 shows that there is no obvious pattern regarding levels of confidence and corruption according to whether or not a country implemented TJ procedures, which also occurs when we consider the existence of conflict or regime change.

Table 2: Means of Confidence in Government and Corruption

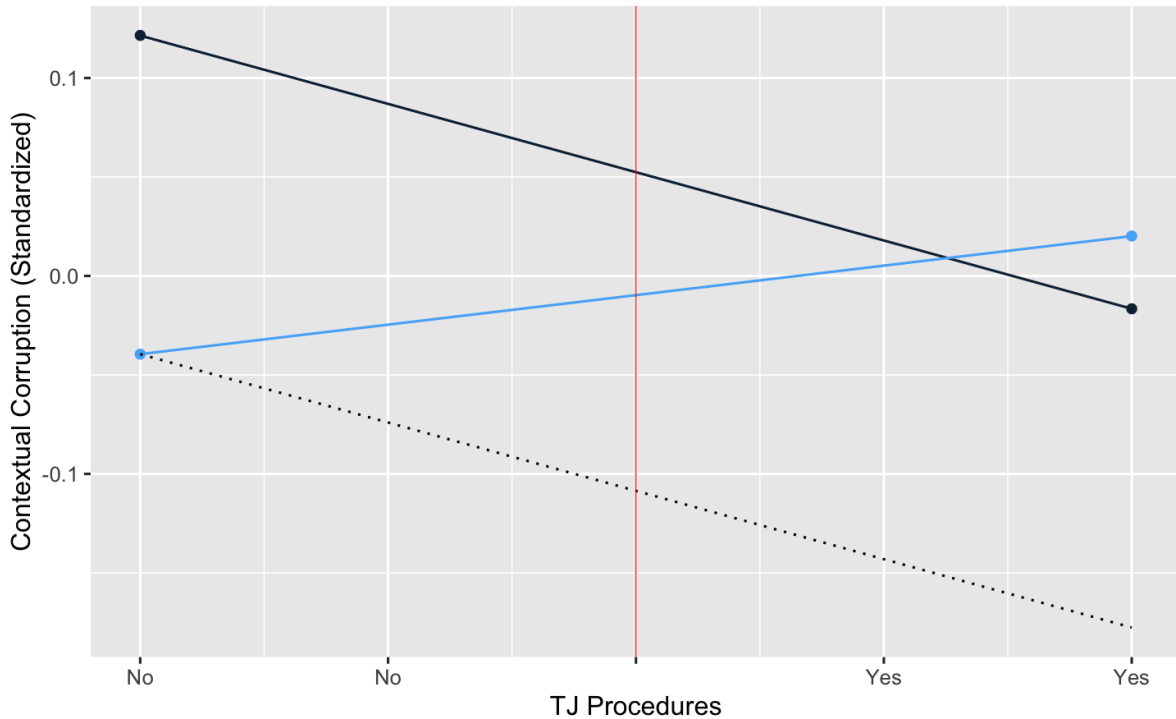
	TJ Procedures	Confidence Government	Perceived Corruption	Contextual Corruption
No Conflict	No	2.51	3.76	39.5
No Conflict	Yes	2.41	4.02	37.7
Conflict	No	2.43	4.21	37.4
Conflict	Yes	2.42	3.99	38.6
No Regime Change	No	2.44	4.14	38.5
No Regime Change	Yes	2.42	4.18	37.97
Regime Change	No	2.45	4.01	36.2
Regime Change	Yes	2.39	4.13	37.2

However, we are interested in the co-occurrence of conflict and regime changes, and how the absence or presence of TJ procedures could have affected citizens' confidence in their government and their perceptions of corruption in countries that experienced conflict and/or regime changes, and countries that did not experience these phenomena during the selected years. Therefore, we constructed an additional binary variable that considers whether or not a country experienced conflict and/or regime changes.

4.2 Model Estimation

Considering countries that experienced conflict and/or regime change as part of the same group, we estimated the treatment effect of conducting TJ procedures. Figure 1 shows the result of this estimation. We see that those countries that experienced conflict/regime change (light blue line) have worse levels of contextual corruption in their standardized version⁶, compared to those countries that did not experience such events. However, after the application of TJ procedures (red line) we see an improvement in the levels of contextual corruption. Additionally, if these countries would have not implemented TJ procedures after periods of conflict or regime change, their levels of contextual corruption would have been significantly affected (dotted line).

Figure 1: Treatment Effect of TJ Procedures



Note: The dark blue line represents countries that did not experienced events of conflict and/or regime change, whereas the light blue line represents countries that did experienced such events. The dotted line represents the counterfactual for those countries that experienced conflict and/or regime change, in the case that they would have not conducted TJ procedures.

6. Since this variable is now standardized, values under zero represent higher levels of contextual corruption, whereas values above zero represent lower levels of contextual corruption.

Finally, those countries that did not experience conflict nor regime transitions, but conducted TJ procedures, suffer a worsening in their contextual corruption levels. This result could be explained by the type of countries included in this group: mostly developed, democratic countries, addressing events that happened overseas (e.g. France during their colonial period), or consistent authoritarian countries that did not experience regime change or conflict during the period, but that are addressing faults committed by public officials.

To assess whether this relationship sustains when controlling for other variables, we estimated three OLS models. Model 1 is the baseline model that assimilates to Figure 1, whereas Model 2 controls for the type of regime, and Model 3 for macroeconomic variables. Model 1 reinforces the negative relationship between experiencing conflict/regime change, and contextual corruption: those countries that experienced conflict/regime change experience a reduction by 0.16 standard deviations of contextual corruption compared with those that did not experience any of these events. Additionally, the existence of TJ procedures also worsens the levels of contextual corruption; nevertheless, when that variable is interacting with conflict/regime change, we see a positive effect, improving⁷ the levels of contextual corruption.

The coefficients are consistent with Model 2 as well. However, in Model 3, where macroeconomic variables such as GDP and growth are included, the main explanatory variables (the treatment effect of TJ procedures and its interaction with conflict/regime change) are not statistically significant. In turn, GDP takes most of the explanatory power, which points to the strong relationship between a country's wealth and its levels of contextual corruption. With these results, we can conclude that Hypothesis 1 is partially confirmed: when only considering regime-type variables and the treatment, transitional justice procedures indeed decrease country-levels of corruption. However, when including macroeconomic variables, this effect disappears.

7. Since all the coefficients are standardized, an improvement means values higher than zero, which in turn are lower levels of contextual corruption on its original scale from 0 to 100, where higher levels are less corrupted countries, and lower level are highly corrupted countries.

Table 3: OLS Models for Contextual Corruption

	Model 1	Model 2	Model 3
Conflict/RC	-0.161** (0.063)	-0.083 (0.063)	-0.002 (0.079)
TJ Procedures (Treatment)	-0.138** (0.055)	-0.127** (0.054)	-0.071 (0.063)
Democracy		0.198*** (0.042)	
Anocracy		-0.051 (0.043)	
GDP			0.239*** (0.019)
Growth			0.004 (0.019)
Conflict/RC * TJ	0.198** (0.077)	0.162** (0.077)	0.083 (0.092)
Constant	0.122** (0.050)	0.023 (0.058)	0.081 (0.058)
Observations	3,823	3,823	2,782
R ²	0.002	0.014	0.058
Adjusted R ²	0.001	0.013	0.056
Residual Std. Error	0.999 (df = 3819)	0.993 (df = 3817)	0.964 (df = 2776)
F Statistic	2.611** (df=3;3819)	11.039*** (df=5;3817)	34.064*** (df=5;2776)

Notes: *p<0.1; **p<0.05; ***p<0.01
All coefficients are standardized

We tested Hypothesis 2 (TJ procedures improve civic trust, which lowers the level of perceived corruption) by estimating Table 3 models. Model 4 uses confidence in government as the dependent variable. We see that TJ procedures, measured continuously (that is, as the total number of procedures conducted in a given year) lightly decreases individuals' confidence in their government. Model 5 includes confidence in government as an explanatory variable of perceived corruption. This dependent variable is different from the one presented in the previous models since it is the individuals' perception of how corrupted is their government measured through the World Values Survey, not a country-measurement of corruption such as the one provided by Transparency International.

Table 4: OLS Models for Confidence and Perceived Corruption

	Model 4	Model 5
	DV: Confidence	DV: Perceived Corruption
TJ (Number of procedures)	−0.008** (0.003)	−0.002 (0.003)
Democracy	0.051 (0.042)	
Anocracy	−0.110** (0.043)	
Confidence in Government		−0.377*** (0.017)
TJ * Confidence		0.002 (0.003)
Constant	0.037 (0.033)	0.007 (0.017)
Observations	3,823	3,823
R ²	0.006	0.139
Adjusted R ²	0.005	0.138
Residual Std. Error (df = 3819)	0.997	0.928
F Statistic (df = 3; 3819)	7.927***	205.758***

Notes: *p<0.1; **p<0.05; ***p<0.01

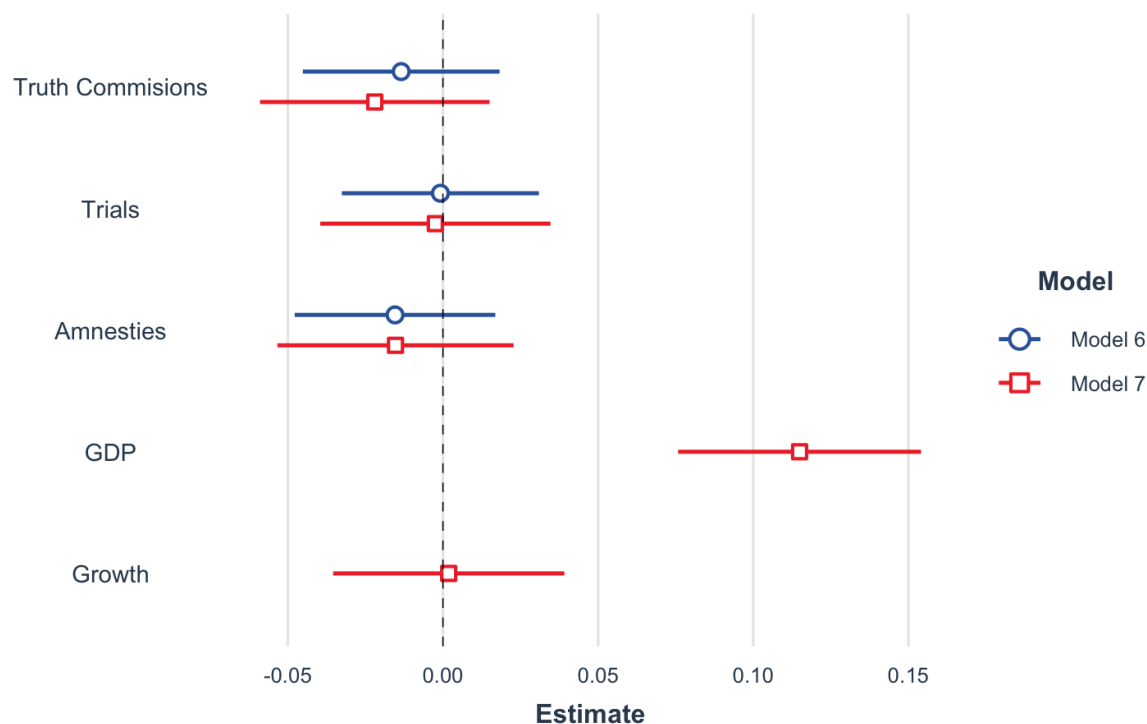
All coefficients are standardized

We see that in Model 5, confidence in government has a negative effect on perceived corruption, which is the expected relationship: an increase of one unit of confidence in government, measured in a 1 to 4 scale according to the World Values Survey, diminish perceived corruption significantly in 0.37 SD. However, the interaction between TJ procedures measured continuously (unlike models 1 to 3, where it was a binary treatment) is non-significant. This points to the fact that the number of TJ procedures is not relevant to explain perceived corruption by itself, but nevertheless, since it is relevant to explain confidence, we may argue that at least a partial effect is being captured by confidence on Model 6. Unfortunately, we would need to isolate the effect to evaluate its causality, which is not possible with the data that we have.

Finally, we assessed the relationship between specific types of TJ procedures on perceived corruption. We evaluated whether truth commissions, trials, and amnesties impact perceived corruption. Figure 2 shows the coefficients for the estimated models. We see that none of the three specific procedures of TJ are relevant to explain perceived corruption. And again, in Model 7, where macroeconomic variables are included, GDP captures the significant effect. These results do not allow us to accept the sub-hypotheses that were elaborated under Hypothesis 3, regarding the effect of

specific TJ mechanisms over perceived corruption.

Figure 2: Coefficients for specific TJ procedures on perceived corruption



Source: All coefficients are standardized

5 Conclusion

It is usual for regimes to try to “make amends” after periods of sociopolitical conflict or democratic transitions. Since many countries have experienced intra and inter-state conflicts during the last century, transitional justice mechanisms have become central to address violations and injustices that occurred during these turbulent periods. Procedures such as trials, amnesties, and truth commissions have taken place in an attempt to repair the damage inflicted to both the social structure and individuals. And given these aims, TJ has been associated with positive consequences in terms of economic growth and foreign investment. But a less explored area has been how the development and culmination of TJ procedures can affect corruption, which is an area that can also be affected by these aims of reparations and justice.

In this paper, we assessed the effect of TJ procedures on both contextual

measurements of corruption (retrieved from Transparency International) and individual perceptions of corruption, measured in public opinion surveys. Using data on post-conflict and post-transition countries, we find that the development of TJ procedures influences contextual levels of corruption: those countries that adopted these procedures show lower levels of contextual corruption, compared to the countries that went through periods of conflict or regime transitions but did not adopt TJ mechanisms to address situations that occurred during such periods.

However, since both contextual and individual perceptions of corruption highly depend on economic development, it is necessary to conduct further statistical analysis to isolate the effect of TJ on corruption from economic development. A pertinent approach for future research would be to assess causal inference via matching, to compare countries with similar levels of economic development and corruption, before and after implementing TJ procedures. Subsequent analysis would need to consider temporal elements of the analysis, such as the years between the period of conflict or regime transition, and the actual implementation of TJ mechanisms. It is likely that when TJ mechanisms come too late, their effect on corruption would not be the same. We aim to open the door to further research regarding the relationship between TJ and corruption by taking advantage of the abundance of available data.

5.1 Next Steps: Times-Series Cross-Sectional (TSCS) Matching

Imai et al. (2020) state that, even when linear models with fixed effects are popular within social sciences to study country-level phenomena, it does not allow to estimate correctly the causal effects of interest since they offer few diagnostic tools for causal inference. According to the authors, this happens because these approaches rely on the linearity assumption and they do not allow the researcher to estimate counterfactuals. In contrast, matching methods applied to TSCS data can be used to estimate counterfactual outcomes of treated observations, enabling the assessment of credibility of such comparisons.

Our data structure allows us to separate the countries between treated (the ones who developed mechanisms of TJ after a period of conflict or democratic transition) and control (the ones who did not). Matching allows us to compare similar countries with one another for the same year, finding a set of control observations that have identical treatment history for each treated observation. Finally, following Imai et al. (2020) proposed methodology, we apply difference-in-differences estimator in order to account for an underlying time trend.

One crucial element within this estimation is to decide on how many periods of the outcome of interest will be considered, after the administration of the treatment: that is, how many periods of *perception of corruption* we will take into account, after the application of TJ mechanisms. Imai et al. (2020) use F to denote this. Additionally, we have to select the number of lags L to adjust for. According to the authors, the choice of F and L implies the assumption that the potential outcome for unit i at time $t + F$ depends neither on the treatment status of other units, nor the previous treatment status of the same unit after L time periods.

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