Research Note: Corruption, Accountability, and Women’s Access to Power

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Abstract
Corruption is sustained by powerful male networks, reinforcing women’s exclusion from politics. Yet, contrary to this conventional wisdom, we theorize that corruption can sometimes increase women’s access to power. Since women are often perceived as “cleaner” than men, where institutions allow heads of government to be held accountable on economic issues, chief executives may use women’s inclusion in high-profile posts to signal that they are curbing the abuse of public office for private gain. Examining upwards of 150 countries over 16 years, we investigate whether and where corruption is linked to the presence of women finance ministers—a high-profile post capable of quelling economic malfeasance. We show that increases in corruption bolster women’s presence, particularly in countries with free and fair elections and presidential systems. That our results hold only in contexts of high accountability suggests this relationship is not endogenous, but reflects chief executives’ efforts to preempt punishment.

Acknowledgements: This research was supported by the National Science Foundation (SES-1851457).
Gender and corruption are inextricably linked. Women are seen as less corrupt than men, and women’s inclusion is associated with lower levels of corruption (Alexander and Bägenholm 2018; Esarey and Schwindt-Bayer 2018). Women have been deployed to increase trust in legislatures (Funk, Hinojosa and Piscopo 2019) and curb malfeasance in bureaucracies (Barnes, Beaulieu and Saxton 2018), though sometimes only as a “quick and simple substitute” for addressing the real problem (Valdini 2019, p. 11).

Despite growing public and scholarly interest in both gender and corruption (Carlin, Carreras and Love 2019; Eggers, Vivyan and Wagner 2018; Stensöta and Wångnerud 2018) and women in the executive branch (Alexander and Jalalzai 2020; Bauer and Tremblay 2011; Escobar-Lemmon and Taylor-Robinson 2016; Krook and O’Brien 2012), no work to date considers corruption and women’s access to the most powerful and prestigious cabinet posts. Addressing this gap in the literature, we posit that because women are viewed as “cleaner” than men, when faced with increasing corruption, heads of government sometimes have incentives to use women as anti-corruption signals (Esarey and Valdes N.d.). This can lead to their inclusion in prestigious cabinet posts, particularly the powerful and highly visible finance portfolio (Krook and O’Brien 2012). These ministers, who are charged with overseeing government finances, economic policy, and financial regulation, are in a key position to facilitate or quell government corruption. Women’s inclusion in these bastions of male political power can send attention-getting signals (Hinojosa and Kittilson 2020), in this case that the leader is attempting to clean up the government.

Leveraging our comprehensive dataset of women’s appointments in upwards of 150 countries since 2001, we show that women are significantly more likely to serve as finance ministers following a spike in corruption. As well as asking whether increases in corruption can bolster women’s access to power, we also consider where this is especially likely to be the case. We posit that if women’s appointments represent an anti-corruption signal, then leaders should be particularly responsive when economic accountability is high. We show that the correlation between women’s inclusion and increased corruption is greatest in countries with free and fair elections. Among those states, women’s presence is also greater in presidential than parliamentary systems. These conditional relationships suggest that it is not simply the case that countries or leaders with an anti-corruption ethos are more likely to include women in politics, but rather that leaders who are likely to face electoral consequences for increasing corruption use women as anti-corruption symbols.
Given the high political cost of corruption (Carlin, Love and Martínez-Gallardo 2015; Reyes-Houssholder 2019), heads of government have incentives to signal clean-up efforts. As the cabinet is a high-visibility institution that receives significant media attention (Krook and O’Brien 2012), cabinet appointees can send powerful messages about executives’ priorities (Camargo and Pérez-Liñán 2015). This may be especially true for women finance ministers.

Women cabinet ministers can serve as powerful symbols (Barnes and O’Brien 2018). Irrespective of whether women are actually less corrupt, there are at least three ways in which their inclusion can reap benefits for leaders faced with increased corruption. First, Valdini (2019) argues that parties and institutions use women’s representation strategically to signal that the government is honest. Second, Barnes and Beaulieu (2019) show that women are perceived as more cautious about sanctions, and thus viewed as less likely to tolerate the risks associated with corrupt behavior. Third, as corruption has traditionally been sustained by powerful, male-dominated networks (Bjarnegård 2013), women’s inclusion in posts historically reserved for men can signal a break from the male-dominated status quo. Whether it is because women politicians are viewed as more honest, cautious, or as “outsiders” disrupting traditional patterns of male political power, the widespread evidence that women are seen as less corrupt than men suggests that—when faced with heightened corruption—leaders can use women’s presence in cabinets to signal anti-corruption efforts.

Of course, some portfolios more readily communicate anti-corruption messages than others. The finance portfolio is tasked with enacting budgetary objectives, steering the fiscal agenda, negotiating debt relief, and communicating economic policy to stakeholders (Alexiadou and Gunaydin 2019) (see Appendix 9.2 for extended discussion). Because they control the public purse, finance ministers are especially well-positioned to either perpetuate or quell corruption perceptions. Citizens also have ample opportunity to notice who serves in the finance ministry. Experts rank it as the most salient cabinet post (Druckman and Warwick 2005); we observe extensive media coverage of finance ministers (see Appendix 9); and public opinion responds to women’s presence in this portfolio (Barnes and Taylor-Robinson 2018). Executives therefore have reason to believe that cabinet appointments are widely observed, and heads of government may look to the finance ministry when trying to communicate a “clean” message. We thus posit H1: Women are more likely to occupy the finance ministry when countries experience increasing levels of corruption.
ACCOUNTABILITY, CORRUPTION, AND WOMEN’S ACCESS TO POWER

Our first hypothesis considers whether women access the finance ministry in the context of corruption. We next turn to where women are most likely to occupy the post. A logical implication of our theory is that leaders should use women as a signal only when they have reason to believe they may be punished for heightened corruption. That is, if women are deployed strategically, then this link should emerge only in countries where accountability measures are in place, allowing voters to oust corrupt parties and leaders. If, on the other hand, countries or leaders with an anti-corruption ethos are simply more inclined to support women’s descriptive representation (i.e., if the relationship is an artifact of endogeneity in the form of unmeasured variable bias), then corruption and women’s access should covary across the entire range of countries.

Where can leaders be held accountable for increased corruption? An agent is accountable to her principal if she is obliged to act on the principal’s behalf, and the principal is empowered to reward or punish her for her performance in this capacity. In politics, the ability to remove political actors from office via free and fair elections is the central mechanism for ensuring accountability (Cheibub, Gandhi and Vreeland 2010). We thus posit that leaders will only incur the costs associated with signalling anti-corruption efforts—in this case, women’s inclusion in the finance ministry—if they believe that they can be held accountable by voters for growing corruption. This leads to **H2**: Conditional on the presence of free and fair elections, women are more likely to occupy the finance ministry when countries experience increasing levels of corruption.

Countries with free and fair elections differ, however, in the ways and extent to which they foster accountability. With respect to the structure of the executive branch, Hellwig and Samuels (2008) argue that all else equal, electoral accountability for the economy is stronger in presidential than pure parliamentary systems. Presidential systems concentrate blame on the executive more so than parliamentary systems, fostering more turnovers in power (De Vries and Solaz 2017; Valdini and Lewis-Beck 2018). And, unlike in parliamentary systems where the executive serves at the pleasure of the legislature, separate elections allow voters to directly sanction or reward the executive (and/or her party) for economic performance (Hellwig and Samuels 2008). Because separation of powers allows voters to hold different branches of government responsible for different policy jurisdictions, and presidents are more likely to be held responsible for economic issues, we expect variation among countries that have free and fair elections. Consequently, we posit **H3**: Among countries with free and fair elections, women are more likely to occupy the finance ministry
in presidential systems that experience increasing levels of corruption.

DATA AND ANALYSIS

We hypothesize that women finance ministers are more likely in the context of increasing corruption. Focusing on the contemporary political era, our unit of analysis is a country-year (spanning from 2001 to 2017, with over 150 countries in the years with maximum data coverage). Our outcome variable captures whether a woman holds the finance portfolio, based on data gathered from the CIA Chiefs of State and Cabinet Members of Foreign Governments and validated against Nyrup and Bramwell (2020). Because ministers do not serve for fixed terms, chief executives are continually reevaluating the composition of their cabinets. As long as women appointees signal a commitment to addressing corruption, we expect that we are more likely to observe a woman in this position. That said, increases in corruption also predict the transition to a woman finance minister (see Appendix 2).

We use Transparency International’s Corruption Perceptions Index (CPI) score as our corruption measure. The CPI measures “abuse of public office for private gain” and is frequently used in the literature (see Appendix 8.2 for studies using CPI). Our main explanatory variable, increases in corruption, is the 5-year difference in countries’ (inverse) CPI score at time $t-1$ and time $t-6$. Positive values indicate that a country became more corrupt over the 5-year period. Though imperfect, the CPI is seen as the most comprehensive and useful of the existing corruption measures (see Appendix 8.1 for detailed discussion), and our own assessment provides some face validity to our measure capturing increasing corruption. For instance, the large increase in Barbados’ CPI score between 2011 and 2016 corresponds to a no confidence motion against the government for mismanagement and corruption. Similarly, between 2004 and 2009 Malta’s score increased when there was heightened attention to the violation of rules for contracts when the country joined the eurozone. Members of both major parties were charged with corruption.

Since our corruption variable captures change in the period prior to the measurement of the dependent variable, this decreases the likelihood that the relationship is due to reverse causality. Likewise, our approach is preferable to focusing only on the baseline level of corruption at $t-1$, which would capture whether women serve in the context of high, but not necessarily increasing, corruption. In cases of sustained levels of high corruption, the CPI may not capture the actual increase in corruption.

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1 The scope of the analysis is determined by data coverage for the explanatory variables (see Appendix 1 for details).

2 See Appendix 3 for robustness tests using both different time points and the World Bank’s Control of Corruption measure.
corruption, media and opposition parties may be less likely to draw attention to corruption and citizens may be more likely to see it as business as usual, which decreases leaders' incentives to strategically deploy women to the finance ministry (see Appendix 3.3 for extended discussion and models using one-year lag.)

We account for time, which has been the best predictor of women’s access to office. Our models also include a measure of the share of women in cabinets (excluding women finance ministers) (Nyrup and Bramwell 2020), which captures leaders’ propensity to select women ministers. Using World Bank data, we include logged geometric mean of GDP and GDP per capita to account for the size of the economy and country wealth respectively. As scholars interested in accountability are also concerned with the selectorate’s ability to identify who is responsible for corruption—i.e., clarity of responsibility—we include a measure of unified vs. divided government from the Database of Political Institutions (Schwindt-Bayer and Tavits 2016). Finally, our baseline model, which tests H1, accounts for whether the country has free and fair elections and a presidential/parliamentary system (Cheibub, Gandhi and Vreeland 2010; Bjørnskov and Rode 2020). Subsequent models interact these accountability measures with our corruption variable to test H2 and H3.

RESULTS AND DISCUSSION

Model 1 shows the effect of increasing corruption on the likelihood of women finance ministers for the full sample. Consistent with H1, we find a positive and significant effect. The chance of a woman occupying this portfolio increases by 4.56% (from 9.55% to 14.11%) as the change in corruption moves from one standard deviation below the mean (-7.21) to one standard deviation above the mean (5.01), indicating an increase in corruption ($p < .05$). Given that women hold the finance ministry in only 9.6% of country-years in our sample, 4% is a substantively meaningful increase.

To test H2, we compare countries with and without free and fair elections. Models 2 and 3 show the sub-sample analyses for countries with and without free and fair elections respectively. Model 4 shows the results from the full sample using an interaction between free and fair elections and increasing corruption. The coefficient on change in corruption in Models 2 and 3 shows that the positive and significant relationship holds when elections are free and fair, but not otherwise.

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3 Following Hellwig and Samuels (2008) and Bjørnskov and Rode (2020), semi-presidential regimes are coded as presidencies. See Appendix 4 for alternative measures of free and fair elections.
Relying on the estimates from Model 4, we next plot the probability of having a woman finance minister as our change in corruption measure increases across the full range in our sample (Figure 1, left panel). In countries with free and fair elections, the probability of a woman occupying this portfolio increases by 5.92% (from 9.17% to 15.09%) as the change in corruption moves from one standard deviation below the mean to one standard deviation above the mean ($p < .05$). For countries without free and fair elections, increases in corruption levels have no effect on the probability of observing a woman finance minister. These results offer strong support for our expectation that leaders will only use women as anti-corruption signals in contexts where voters can hold the government accountable.

<p>| Table 1  Correlation between Women’s Access to the Finance Ministry |</p>
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<td>Increasing Corruption</td>
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<td>0.05***</td>
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<td>Time</td>
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<td>0.06***</td>
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<td>0.05***</td>
<td>0.05*</td>
<td>0.07*</td>
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<td>Log GDP per Cap</td>
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<td>(0.08)</td>
<td>(0.09)</td>
<td>(0.24)</td>
<td>(0.08)</td>
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<td>(0.25)</td>
<td>(0.09)</td>
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<td>Log GDP</td>
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<td>-0.16***</td>
<td>0.36**</td>
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<td>(0.06)</td>
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<td>Unified</td>
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<td>Women in Cabinet</td>
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<td>Presidential</td>
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<td>(0.21)</td>
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<td>Free &amp; Fair</td>
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<td>Corr × Free &amp; Fair</td>
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<tr>
<td>Corr × Presidential</td>
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<td>(0.03)</td>
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<tr>
<td>Constant</td>
<td>-107.43**</td>
<td>-111.16**</td>
<td>58.60</td>
<td>-108.71**</td>
<td>-105.66*</td>
<td>-141.16</td>
<td>-122.24**</td>
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<td></td>
<td>(43.57)</td>
<td>(46.50)</td>
<td>(136.31)</td>
<td>(43.70)</td>
<td>(58.16)</td>
<td>(88.03)</td>
<td>(47.09)</td>
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<td>Observations</td>
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<td>1286</td>
<td>547</td>
<td>1833</td>
<td>721</td>
<td>565</td>
<td>1286</td>
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Linear regression, coefficients and standard errors. *** significant at 1%, ** 5%, and * 10% respectively. DV: difference in corruption score at $t-1$ and time $t-6$.

Within high-accountability environments, we posited that leaders have a greater incentive to appoint a woman to the finance ministry in presidential systems (H3), because the chief executive (and her party) are more readily held responsible for the economy. To test this expectation, we limit our analysis to countries with free and fair elections, and compare presidential to parliamentary systems. Models 5-7 show
subsample analyses for presidential and parliamentary systems respectively, and the results from the sample of countries with free and fair elections using an interaction between presidential systems and change in corruption. The results demonstrate that increases in perceptions of corruption are associated with an increase in the likelihood of having a woman finance minister in presidential (but not parliamentary) systems with free and fair elections (Models 5-6).

**Figure 1** Predicted Probability of Women’s Access to Finance Ministry, Conditional on Accountability

![Figure 1](image)

Figures in left panel based on Model 4; figures in right panel based on Model 7. Shaded area represents 84% confidence intervals. When the 84% confidence intervals do not overlap the predicted probabilities are statistically different at a $p < .05$ level.

To visualize this relationship, the right panel in Figure 1 uses the results from Model 7 to plot the probability of a woman finance minister in presidential and parliamentary systems respectively. In presidential systems with free and fair elections, the probability of a woman occupying this portfolio increases by 9.12% (from 8.51% to 17.64%) as the change in corruption moves from one standard deviation below the mean to one standard deviation above the mean ($p < .05$). For parliamentary systems, increases in corruption levels have no effect on the probability of observing a woman finance minister.  

Finally, an obvious further implication of our research is that the link between corruption and women’s presence in the finance ministry should be stronger where clarity of responsibility is higher, since this allows voters to more readily identify who to hold accountable [Schwindt-Bayer and Tavits 2016]. In Appendix 6 we examine the effects of unified vs. divided government. Consistent with our logic, the relationship between increased corruption and women’s access to the finance ministry is positive and significant in unified governments, where clarity is high. It is non-significant in divided governments, where it is less clear who is responsible for spikes in corruption.

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4 This relationship is not an artifact of greater increases in corruption in presidential systems (mean=-1.5, sd=6.1) than in parliamentary systems (mean=-.75, sd=6.3).
CONCLUSIONS

We theorize that corruption can, in some cases, facilitate women’s inclusion in powerful posts. Leveraging data from over 150 countries spanning 16 years, we show that women are more likely to serve as finance ministers when corruption increases, particularly in countries with free and fair elections and presidential systems. That our results hold only where accountability is high—and not otherwise—indicates that the relationship between women’s inclusion and corruption is not an artifact of unmeasured variable bias, but instead reflects a signal used by the chief executive to preempt punishment.

Because women receive fewer opportunities to ascend to prestigious cabinet posts, they likely have to seize these openings when presented. Yet, that women occupy the finance ministry during precarious times imposes a classic double bind. If women successfully remedy corruption, this may reinforce both gender stereotypes about their cleanliness and higher expectations for women. If they fail, they may be especially likely to be ousted, and their perceived shortcomings may hamper subsequent women’s access to power. Future research should thus examine whether (and in what circumstances) women’s presence in the finance ministry is associated with decreased corruption, and how this shapes the career trajectories of both the women appointees and women in politics more broadly.

Building on this research note, subsequent work should also consider whether, where, and when corruption affects women’s inclusion in other high-prestige posts. For example, scholars can examine the link between corruption and women justice ministers and judicial appointees. Future studies should likewise identify other circumstances that can facilitate women’s access to the finance ministry. Building on glass cliff scholarship, for instance, subsequent work should examine the connection between financial crises and women finance ministers.

Finally, we consider whether and where women can be used as anti-corruption symbols. Additional work should assess which women can successfully communicate “cleanliness” to the polity and who can successfully deploy women as symbols. For example, in our data we observe that some women finance ministers are true outsiders, whereas others are political insiders (see Appendix 7 for examples). Future work can examine whether and when insider vs. outsider status shapes women’s opportunities to ascend to positions of political power traditionally reserved for men.

Regarding who can use strategic inclusion, as the ultimate insiders, women presidents may not be

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5We thank an anonymous referee for suggesting this point to us.
able to leverage “women as outsiders” to assuage corruption concerns. That is, where women’s inclusion is dependent on their outsider status, women heads of government cannot rely on this strategy. Yet, irrespective of their insider/outsider status, women are also expected to be more cautious and trustworthy. Women chief executives may act like men by strategically incorporating women where these gender stereotypes hold. Once more women become heads of government, research should evaluate the composition of their cabinets within, and beyond, corrupt environments.

REFERENCES


Esarey, Justin and Natalie Valdes. N.d. “Do Legislative Gender Quotas Lower Corruption?”.


