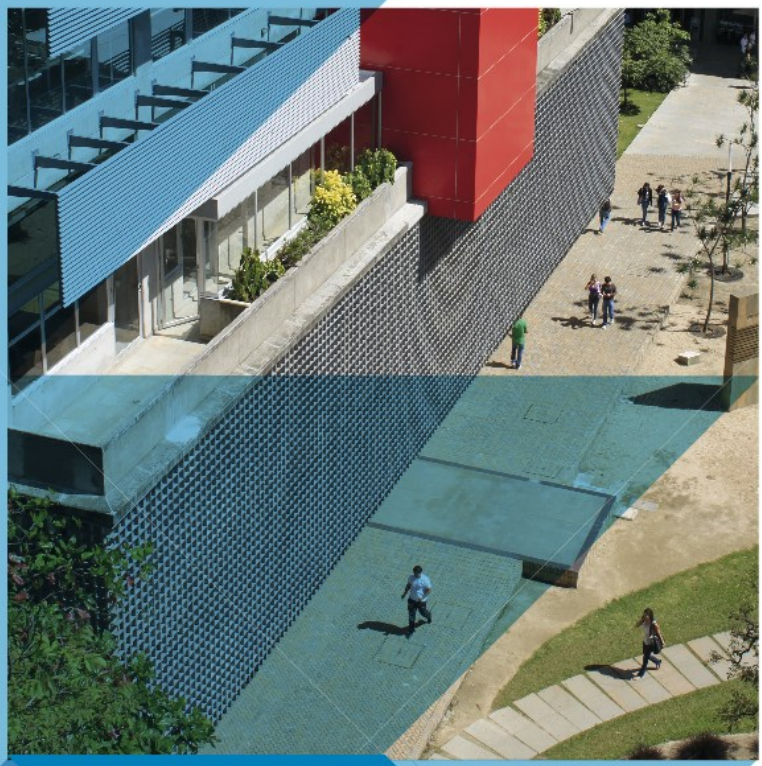

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Racism and judicial corruption in the US

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Abstract

Is racial hate reflected in the degree of judicial corruption? Using US state-level data, we find racial hate to be a positive and statistically powerful predictor of judicial corruption. This relationship prevails after the inclusion of the conventional control variables and regional fixed effects. In terms of magnitude, one standard deviation increase of racial hate relates to an increase of 70 percent of one standard deviation in corruption. Interestingly, no such relationship can be found for corruption in the executive or legislative branch.

JEL Classification: D63, D73, H73, J15, J78
Keywords: corruption, racism

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1 Introduction

Once again, heated discussions about racism have returned to the US media spotlight with the trial of Trayvon Martin's shooting in Florida in 2012, the pending trial on Michael Brown's shooting in Missouri in 2014, and several other incidents. Eventually, the shooter of Martin has been found not guilty and ensuing allegations of racial considerations entering this decision have been abundant. The accusations focus on the claim that, even today, the judicial branch in the US can be racially biased.

This paper provides an empirical analysis of the hypothesis that racial hate is intimately related to corruption in the US judicial branch. Previous works have suggested racial disparities in federal sentences against African-Americans (Rehavi and Starr, 2014) and the selection of jury members (see Bourke et al., 2003, for Alabama; Initiative, 2010, for Louisiana). Thus, historical scars of racism may still linger in the US justice system.

2 Data and Methodology

We use a novel state-level data set on corruption in the US, assembled by the Safra Center for ethics at Harvard University (Dincer and Johnston, 2015). Distinguishing between corruption in the executive, legislative, and judicial branches, this measure extends general corruption indices (e.g., Boylan and Long, 2003). We focus on corruption in the judicial branch, but also analyze the other two areas. For each branch, the researchers derive indicators for legal and illegal corruption. Legal corruption is defined as

> [T]he political gains in the form of campaign contributions or endorsements by a government official, in exchange for providing specific benefits to private individuals or groups, be it by explicit or implicit understanding.

Similarly,

> illegal corruption is the private gains in the form of cash or gifts by a government official, in exchange for providing specific benefits to private individuals or groups.

Each index ranges from one to four with corruption increasing with higher numbers. Similar to cross-country measures, this index is based on surveys, questioning reporters who have studied

related cases. Employing survey responses carries several advantages over the use of the number of public officials convicted by federal agencies (see Alt and Lassen, 2008, and Cordis and Milyo, 2013, for details).

Our measure for racial hate is taken from Stephens-Davidowitz (2014), who accesses Google trends data to create a racially charged search rate that includes the "n-word." The derived index produces a maximum value of 100, which identifies the largest degree of racial hate. We construct the following cross-sectional OLS analysis for state i:

$$Corruption_i = \alpha_0 + \alpha_1(Racial\ hate)_i + \boldsymbol{x_i'}\alpha_2 + \epsilon_i, \tag{1}$$

where $\boldsymbol{x_i'}$ incorporates the conventional corruption determinants derived by the associated literature: GDP per capita, population size, the share of government employment, education, in addition to binary indicators for four US regions (midwest, northeast, and south; west being the reference category) and ethnic population shares (African-American, Hispanic, Native American, and Asian; white forming the reference category).[1] Summary statistics with all variables, including sources and descriptions, are displayed in Table 1.

3 Empirical Findings

Table 2 displays our main findings, predicting corruption in the judicial branch. Columns (1)-(3) assess legal corruption, whereas columns (4)-(6) estimate illegal corruption. Finally, column (7) displays results from deriving an average of legal and illegal corruption.

Beginning with a univariate regression framework, we then include regional fixed effects and ethnic compositions, before adding the complete set of control variables described in equation 1. Throughout all estimations, racial hate emerges as a positive predictor, with the estimated coefficient being statistically significant on the one percent level.

In terms of magnitude, a one standard deviation of racial hate (0.14) is associated with an increase of 0.51 and 0.33 index points in the index measuring legal and illegal corruption. When both indices are averaged, an increase in 0.42 index points is suggested. With the index ranging

[1]For corruption determinants in the US, see Glaeser and Saks (2006). For corruption determinants on the country-level, see Treisman (2000) or Serra (2006).

Table 1: Summary statistics for 49 States (excluding Louisiana). The variable % Protestants also lacks information for Alaska and Hawaii.

Variable	Mean	(Std. Dev.)	Min.	Max.	Source	Data Description (Year)
Legal corruption judicial branch	1.74	(0.80)	1	4	Dincer and Johnston (2015)	1: Not at all common, 2: Slightly common, 3: Moderately common, 4: Very Common, 5: Extremely common (2014)
Illegal corruption judicial branch	1.38	(0.48)	1	2.5	Dincer and Johnston (2015)	As above
Average corruption judicial branch	1.56	(0.60)	1	3	Dincer and Johnston (2015)	Average of legal and illegal corruption judicial branch
Racial hate	0.61	(0.14)	0.30	1	Stephens-Davidowitz (2014)	Proxy of racial hate based on Google search using the n-word. 0: no racial hate, 1:high racial hate (2004-2007)
Black	0.10	(0.09)	0	0.37	Census[a]	% African-American (2006)
Hispanic	0.09	(0.1)	0.01	0.44	Census[a]	Proportion % Hispanic (2006)
Native	0.02	(0.03)	0	0.15	Census[a]	% Native Hawaiian and other Pacific Islander (2006)
Asian	0.03	(0.06)	0.01	0.4	Census[a]	% Asian (2006)
GDP/cap	36,344	(6,451)	24,062	59,288	Bureau of Economic Analysis	Real $\frac{GDP}{cap}$ (2006)
Population size	5.99	(6.67)	0.52	36.02	Census[a]	Population in millions (2006)
Government employment	0.15	(0.03)	0.11	0.26	Census[a]	Share of civilians (over 16 years) working for federal, state, or local government (2006)
Bachelor	0.27	(0.05)	0.16	0.40	Census[a]	% of population over 25 years with at least a bachelor's degree (2006)
Regulation	7.26	(0.14)	6.94	7.53	Stansel and McMahon (2013)	Regulatory index; 0 = least freedom, 10 = most freedom
Education	-0.22	(8.52)	-17.61	18.57	Morgan and Morgan (2008)	Education index (increasing in score) (2006/2007)
Patriotism	25.36	(4.77)	15	34.83	Allan (2014)	Patriotism score, smaller values indicate more patriotism (2013)
Church attendance	0.41	(0.09)	0.24	0.60	Newport (2010)	% of respondents attending church at least once a week (2008)
% Protestant	0.52	(0.14)	0.12	0.76	Jones (2004)	% Protestant (2004)
Average corruption executive branch	2.59	(0.80)	1	4.5	Dincer and Johnston (2015)	Average of legal and illegal corruption scores in executive branch (2014)
Average corruption legislative branch	3.01	(0.96)	1	4.5	Dincer and Johnston (2015)	Average of legal and illegal corruption scores in legislative branch (2014)

Notes:[a] U.S. Census Bureau, 2006/2007.

Table 2: Results from OLS regressions, estimating corruption in the judicial branch.

Dependent variable:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Legal Judicial Corruption			Illegal Judicial Corruption			Judicial Corruption
Racial hate	2.717***	4.061***	3.641***	1.419***	2.313***	2.375***	3.008***
	(0.685)	(0.969)	(1.168)	(0.360)	(0.418)	(0.632)	(0.806)
Region FE & ethnicity		yes	yes		yes	yes	yes
Control variables[a]			yes			yes	yes
N	49	49	49	49	49	49	49
Adjusted R^2	0.219	0.425	0.427	0.157	0.412	0.433	0.507

Notes: White robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. [a]Includes Ln(GDP/capita), Ln(population size), % government employment, and % of people over 25 years with a bachelor's degree.

between one and four, these quantitative interpretations are remarkable, corresponding to 70 percent of a standard deviation.

Table 3 presents estimates from several robustness checks and extensions, using column (7) of Table 2 as a reference point. The results in column (1) come from an ordered probit estimation, which may provide a more precise methodology when estimating an ordinal dependent variable. Columns (2)-(6) incorporate additional control variables that may confound the relevance of racial hate: Institutional regulations, an alternative variable for educational attainment, patriotism, the share of regular church-attendees, and the share of Protestants. All of these variables have been suggested to affect corruption by previous studies (see Treisman, 2000, for example).

In all estimations, the coefficient related to racial hate retains its statistical importance, with the corresponding magnitude ranging from 2.6 to 3.5 (the quantitative interpretation of the ordered probit regression is different from an OLS coefficient). Finally, columns (7) and (8) check whether corruption in the executive and legislative branch is also related to racial hate. However, we find no such evidence.

Table 3: Robustness checks.

Dependent variable:	(1)[a]	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Judicial Corruption						Executive Corruption	Legislative Corruption
Racial hate	9.923***	2.895***	2.672***	2.815***	3.465***	2.567**	0.425	2.310
	(2.939)	(0.932)	(0.795)	(0.846)	(0.852)	(0.981)	(1.675)	(1.617)
Regulation		-0.156						
		(0.824)						
Education			-0.020					
			(0.012)					
Patriotism				0.015				
				(0.016)				
% attending church					1.603			
					(1.116)			
% Protestants						0.705		
						(0.789)		
Region FE, ethnicity & control variables[b]	yes	yes	yes	yes	yes	yes	yes	yes
N	49	49	49	49	49	47	49	49
Adjusted R^2		0.493	0.518	0.503	0.514	0.484	0.201	0.429

Notes: White robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. [a]Results from an ordered probit estimation (command *oprobit* in Stata). [b]Includes Ln(GDP/capita), Ln(population size), % government employment, and % of people over 25 years with a bachelor's degree.

4 Conclusion

Is racial hate associated with corruption in the judicial branch? Using data for 49 states (excluding Louisiana because of missing data), we find a positive and statistically significant relationship. A one standard deviation increase of racial hate corresponds to an increase of 70 percent of a standard deviation in corruption (or 0.42 index points on a scale from 1-4). This result is robust to the inclusion of the conventional control variables and regional fixed effects. Further, corruption in the executive and legislative branches does not seem to be related to racial hate.

Although it is always difficult to isolate strict causality in macroeconomic variables, the strength and robustness of this finding suggests a meaningful relationship between racial hate and corruption in the judicial branch. Promising future studies could consider micro-level data (e.g., surveys) to analyze the exact underlying dynamics.

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