

STATEGRAFT VS. CORRUPTION: A SURVEY EXPERIMENT

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Stategraft is a socio-legal concept that Professor Bernadette Atuahene coined to describe instances “when state agents transfer property from persons to the state in violation of the state’s own laws or basic human rights.” This new concept extends the existing conversation about corruption by pointing to illegal acts that benefit public rather than private coffers and moving beyond the culpable mental states of individual actors. This Essay reports results of a survey experiment testing whether stategraft abridges citizens’ trust more than corruption. Based on the arguments made in the foundational article, “A Theory of Stategraft,” we hypothesize that respondents will view graft by public officials benefitting public coffers (stategraft) as more of a betrayal and more unfair than theft by public officials or private entities benefitting private coffers (corruption). Surprisingly, our study results suggest this hypothesis is empirically unfounded. Nevertheless, this new concept has created a unique space for academics, journalists, lawyers, and policymakers to identify and discuss graft that benefits public coffers, bringing this important conversation from the sidelines of socio-legal studies to the center stage.

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INTRODUCTION

Stategraft is a socio-legal concept that Professor Bernadette Atuahene coined to describe instances “when state agents transfer property from persons to the state in violation of the state’s own laws or basic human rights.”¹ This new concept extends the existing conversation about corruption in two important ways. First, all prominent definitions of corruption—whether from the World Bank, United Nations, International Monetary Fund, or Transparency International—are worded differently but have one thing in common: there is always private gain.² Currently, scholars and policymakers have no lexicon to discuss illegal acts that benefit public rather than private coffers. Stategraft fills this gap.

Second, in criminal law, corruption related offenses require malicious intent. For example, bribery, racketeering, perjury, and fraud all require a corrupt intent to gain, to influence, or to be influenced. Stategraft, however, moves beyond the culpable mental states of individual actors. Because public officials can perpetrate the illegal taking intentionally or unintentionally, the focus is on the resulting harm and not the objectives of the perpetrator.³ Most importantly, by centering the harm, stategraft moves towards solutions instead of getting mired in discourses of responsibility and blame.

Atuahene created the term stategraft through her ethnographic study of Detroit where, since 2009, the local government has confiscated one in three homes for failure to pay property taxes, leading to the highest rate of property tax foreclosure in American history since the Great Depression.⁴ But several studies show that the City of Detroit has illegally inflated its property tax assessments in violation of the Michigan Constitution, which states that no property shall be assessed at more than fifty percent of its market value.⁵ Between 2009 and 2015, the City of

1. Bernadette Atuahene, *A Theory of Stategraft*, 98 N.Y.U. L. REV. 1, 3 (2023). See also Bernadette Atuahene & Timothy R. Hodge, *Stategraft*, 91 S. CAL. L. REV. 263, 265 (2018) (introducing the concept of “stategraft”).

2. Atuahene & Hodge, *supra* note 1, at 295 & n.124; Cheryl W. Gray & Daniel Kaufmann, *Corruption and Development*, FIN. & DEV., March 1998, at 7, 7–8.

3. See Atuahene, *supra* note 1, at 14.

4. *Id.* at 1.

5. MICH. CONST. art. IX, § 3. See, e.g., Atuahene & Hodge, *supra* note 1, at 291; CTR. FOR MUN. FIN., UNIV. OF CHI. HARRIS SCH. OF PUB. POL’Y, AN EVALUATION OF RESIDENTIAL PROPERTY TAX ASSESSMENTS IN THE CITY OF DETROIT, 2016-2018, at 8 (2020), <https://harris.uchicago.edu/files/evalrespropertytaxasdetroit20162018.pdf>

Detroit illegally inflated the property values of 53% to 83% of all homes,⁶ and 96% or more of Detroit's lowest valued homes.⁷

Although there are several factors that can lead to tax foreclosure—such as poverty, unemployment, and unexpected bills—one study found that, controlling for all of these factors, illegally inflated property tax assessments alone caused 10% of all tax foreclosures between 2011 and 2015.⁸ When limiting the analysis to homes valued under \$9,000 (the bottom quintile), conservative estimates reveal 25% of tax foreclosures would not have occurred during this period but for illegally inflated property tax assessments.⁹

Because of the overwhelming evidence of systemically inflated property tax assessments, Michigan's State Tax Commission placed Detroit's Assessment Division under mandatory oversight and required the city to begin a parcel-by-parcel reappraisal of all residential properties, which it completed in 2017.¹⁰ The University of Chicago Center for Municipal Finance found that, prior to the reappraisal, on average, the city assessed homes worth up to \$10,000 (the bottom 10%) at nearly 90% of their price, while it assessed homes valued at \$60,000 and higher (the top 10%) at less than 30%, on average.¹¹ After the city completed the reappraisal in 2017, things improved for the median home, but the city was still assessing most lower valued properties (less than \$19,000 sale price) in excess of the Michigan Constitution's threshold.¹² In fact, the city's overassessment of the bottom 10% of homes was worse after the reappraisal than before.¹³

[<https://perma.cc/C97C-PUNG>]. For an endorsement of the results of the Center for Municipal Finance's study, see Letter from Professors Andrew Hayashi, Juan Carlos Suarez Serrato & Carlos Fernando Avenancio-Léon, https://drive.google.com/file/d/1TPPfvgzSgoW9kF7LYJYEA3_AaHgs4Qby/view [<https://perma.cc/5CPT-6BNC>].

6. Atuahene & Hodge, *supra* note 1, at 286.

7. *Id.* at 289–90 (excluding 2011 (50%) and 2012 (83%)). But the 2011 and 2012 data were likely incorrect due to the assessor's property classifications and inconsistent sales data to the market and were therefore still illegally inflated. *Id.* at 286–87.

8. Bernadette Atuahene & Christopher Berry, *Taxed Out: Illegal Property Tax Assessments and the Epidemic of Tax Foreclosures in Detroit*, 9 U.C. IRVINE L. REV. 847 (2019).

9. *Id.*

10. See Christine Ferretti, *State Lifts Oversight of Detroit Property Assessments*, DET. NEWS (Aug. 30, 2017, 6:23 PM), <https://www.detroitnews.com/story/news/local/detroit-city/2017/08/30/state-lifts-oversight-detroit-property-assessments/105130886/> [<https://perma.cc/39FJ-CF8H>].

11. CTR. FOR MUN. FIN., *supra* note 5, at 8.

12. *Id.* at 2, 9–10.

13. *Id.* at 2, 9.

Most importantly, data show that illegally inflated property tax assessments are not just a Detroit problem. Historians document how local governments have been systematically overvaluing Black-owned property ever since the U.S. has allowed Black people to own property,¹⁴ and recent research shows that this problem endures even today. Detroit is one of Wayne County's forty-three cities, villages, and townships, thirty-three of which have a supermajority (70% or more) White population and three of which have a supermajority Black population: Detroit, Inkster, and Highland Park.¹⁵ One study finds that, while Wayne County localities with a supermajority of Black residents experienced high rates of illegally inflated property tax assessments and tax foreclosure, the White ones did not.¹⁶ Similarly, a national study finds that Black and Hispanic people pay, on average, a 10% to 13% higher property tax rate than White people for the same bundle of goods, amounting to about \$300 to \$400 more, on average, than similarly situated White people each year.¹⁷

Because public officials inflate property tax bills in violation of existing laws, and because public accounts are a primary beneficiary, this is a quintessential form of stategraft. Since intent is not the focus of stategraft, the concept well describes instances like Detroit's unlawful property taxation, where the source of the problem is most often that public officials do not have the resources to do their jobs properly rather than malintent. Also, while it is an iconic example, property tax abuse is not at all the only instance of stategraft. In response to "A Theory of Stategraft," numerous scholars have identified diverse examples of this phenomenon.

Rathod and Schaufele examine stategraft in the immigration context and find that agencies routinely charge fees for information they have already collected, improperly augmenting public coffers.¹⁸ Dick Carpenter, Jaimie Cavanaugh, and Sam Gedge investigate how abuses of

14. See Andrew W. Kahrl, *The Power To Destroy: Discriminatory Property Assessments and the Struggle for Tax Justice in Mississippi*, 82 J. S. HIST. 579, 580–81 (2016). See also Andrew W. Kahrl, *Unconscionable: Tax Delinquency Sales as a Form of Dignity Taking*, 92 CHI.-KENT L. REV. 905 (2017); Andrew W. Kahrl, *Investing in Distress: Tax Delinquency and Predatory Tax Buying in Urban America*, 43 CRITICAL SOCIO. 199 (2017).

15. Bernadette Atuahene, "Our Taxes Are Too Damn High": *Institutional Racism, Property Tax Assessments, and the Fair Housing Act*, 112 NW. U. L. REV. 1501, 1544 (2018).

16. *Id.* at 1548.

17. Carlos F. Avenancio-León & Troup Howard, *The Assessment Gap: Racial Inequalities in Property Taxation*, 137 Q.J. ECON. 1383, 1400, 1431 (2022).

18. See Jayesh Rathod & Anne Schaufele, *Immigraft*, 2024 WIS. L. REV. 465, 475–91.

both civil forfeiture and municipal fines and fees constitute stategraft.¹⁹ Spencer Headworth and Sonia Gipson Rankin, Melanie Moses, and Kathy Powers explore how algorithms employed by government agencies elicit stategraft when they make incorrect fraud determinations, illegally denying citizens benefits to which they are entitled and improperly subjecting them to disciplinary procedures.²⁰ Headworth then coins the term *preemptive stategraft* to describe when authorities bolster public coffers by illegally retaining resources, preventing vulnerable and needy populations from receiving them.²¹ To highlight the contestation that often exists around the illegality element of stategraft, Ion Meyn explores the historic practice of convict leasing, where postbellum authorities claimed that it was legal when the historical record shows that so many aspects of it so blatantly contravened the laws of that period.²²

Using ethnographic evidence from Detroit, Atuahene not only shows how, through stategraft, the City of Detroit pilfered its citizens' money and homes, but also how it looted their trust and despoiled their faith in the democratic institutions that govern them.²³ Hence, one primary argument in "A Theory of Stategraft" is that stategraft distinctly unsettles the democratic agreement between citizen and state.²⁴

Stategraft is predicated on the assertion that when state agents precipitate dispossession it is markedly different from forfeiture at the hands of individuals, corporations, or other private entities. Democracy is government by the people, for the people, and the state's primary role is to facilitate this self-governance. The state morphs from facilitator to predator when public officials illicitly take property from citizens to enrich the state. While the predatory actions of private actors can cause more acute economic damage to the citizenry, by transforming citizens into prey, stategraft uniquely attenuates

19. Dick M. Carpenter II, Jamie Cavanaugh & Sam Gedge, *Are Municipal Fines and Fees Tools of Stategraft?*, 2024 WIS. L. REV. 707.

20. See Spencer Headworth, *Stategraft in Public Assistance Programs*, 2024 WIS. L. REV. 503; Sonia M. Gipson Rankin, Melanie Moses & Kathy L. Powers, *Automated Stategraft: Electronic Enforcement Technology and the Economic Predation of Black Communities*, 2024 WIS. L. REV. 665. See also Sonia M. Gipson Rankin, *The Midas Touch: Atuahene's "Stategraft" and Unregulated Artificial Intelligence*, 98 N.Y.U. L. REV. ONLINE 225 (2023), <https://www.nyulawreview.org/wp-content/uploads/2023/05/NYULawReview-Volume98-GipsonRankin-2.pdf> [<https://perma.cc/39FJ-CF8H>].

21. Headworth, *supra* note 20, at 504.

22. Ion Meyn, *White-on-Black Crime: Revisiting the Convict Leasing Narrative*, 2024 WIS. L. REV. 533.

23. See Atuahene, *supra* note 1, at 31.

24. *Id.* at 29–31.

confidence in democratic institutions, which is the anchor of a functioning democracy.²⁵

Using a survey experiment, this Essay contributes to this burgeoning conversation by testing whether stategraft abridges citizens' trust more than corruption. Based on the arguments made in "A Theory of Stategraft," we hypothesize that respondents will view graft by public officials benefitting public coffers (stategraft) as more of a betrayal and more unfair than theft by public officials or private entities benefiting private coffers (corruption). This is because respondents might expect private entities to focus primarily on maximizing revenues, which may include pushing or exceeding the law's boundaries, while they might expect public entities to consider the public interest in its pursuit of revenues. Our study results indicate that even though respondents are more surprised to observe graft by public (as opposed to private) officials to replenish public coffers, they do not view it as more of a betrayal or more unfair.

Nevertheless, "A Theory of Stategraft" has started a robust discourse, demonstrating that stategraft is a routine occurrence in various time periods and throughout the U.S. rather than an infrequent phenomenon or a series of isolated instances. Consequently, this new concept has created a unique space for academics, journalists, lawyers, and policymakers to identify and discuss graft that benefits public coffers, bringing this important conversation from the sidelines of socio-legal studies to its center stage.

I. LITERATURE REVIEW

Although corruption exists in both the public and private sectors, academics often define it as "the abuse of public office for private gain," which emphasizes only its public sector manifestations.²⁶ This incorrectly ignores major international conventions on corruption from the likes of the United Nations and the Council of Europe, which explicitly include private sector corruption.²⁷ Despite the various definitions of corruption employed in the literature—"the misuse of public power for private

25. *Id.* at 30 (footnote omitted).

26. Jerg Guttman & Viola Lucas, *Private-Sector Corruption: Measurement and Cultural Origins*, 138 SOC. INDICATORS RSCH. 747, 748 (2018) (emphasis removed). *See also* Susan Rose-Ackerman, *Measuring Private Sector Corruption*, U4 BRIEF, Sept. 2007, at 1; Antonio Argandoña, *Private-to-Private Corruption*, 47 J. BUS. ETHICS 253 (2003).

27. *See* sources cited *supra* note 26.

gain;”²⁸ or “the misuse of a public or private position for direct or indirect personal gain”²⁹—the unifying element is that the illegal act results in private or personal gain.³⁰ Before the introduction of stategraft, there was no lexicon to describe corrupt acts that benefit public coffers, and the question is why? Is it because people do not perceive theft that benefits public coffers as illegitimate? Unfortunately, the existing literature on the perceptions of corruption does not provide insight into this quandary.

There have, however, been several experimental studies about how corruption affects trust of political actors and institutions. A natural experiment in Spain finds that a real world corruption scandal caused distrust of politicians despite partisan preferences, and the distrust was stronger in the days and weeks following disclosure.³¹ An experimental survey conducted in Peru finds that petty corruption decreased institutional trust but grand corruption did not; and corruption with positive and negative impacts reduced institutional trust.³² An experimental study in the U.K. shows that people’s trust in sport organizations reduces when there is a sport corruption case; but the more the person engages with sport, the less the corruption erodes their trust.³³

28. SUSAN ROSE-ACKERMAN, CORRUPTION AND GOVERNMENT: CAUSES, CONSEQUENCES, AND REFORM 91 (1999).

29. U.N. OFF. ON DRUGS & CRIME, UNITED NATIONS HANDBOOK ON PRACTICAL ANTI-CORRUPTION MEASURES FOR PROSECUTORS AND INVESTIGATORS 23 (2004), <https://www.unodc.org/documents/treaties/corruption/Handbook.pdf> [<https://perma.cc/592N-HKHR>] (quoting *Glossary*, U.S. TREASURY, [<https://web.archive.org/web/20030315012942/http://www.ustreasury.hu/nc500/lessons/glossary.htm>]). See also TRANSPARENCY INT’L, THE ANTI-CORRUPTION PLAIN LANGUAGE GUIDE 14 (2009), https://images.transparencycdn.org/images/2009_TIPlainLanguageGuide_EN.pdf [<https://perma.cc/UX42-MWXK>] (defining corruption as “[t]he abuse of entrusted power for private gain” with subclassifications of “grand,” “petty,” and “political” corruption).

30. The only exception is institutional corruption, which focuses on acts that divert an institution from its stated purpose instead of public or private gain. Lawrence Lessig, *Foreword: “Institutional Corruption” Defined*, 41 J. L. MED. & ETHICS 553, 553 (2013).

31. Macarena Ares & Enrique Hernández, *The Corrosive Effect of Corruption on Trust in Politicians: Evidence from a Natural Experiment*, 4 RSCH. & POL., Apr.–June 2017, at 1, 6–7.

32. Celeste Beesley & Darren Hawkins, *Corruption, Institutional Trust & Political Engagement in Peru*, 151 WORLD DEV., Nov. 22, 2022, at 1, 10.

33. Argyro Elisavet Manoli, Comille Bandura, Paul Downward & Bram Constandt, *Does Corruption in Sport Corrode Social Capital? An Experimental Study in the United Kingdom*, MANAGING SPORT & LEISURE, Oct. 18, 2022, at 1, 11.

Additionally, there are experimental surveys that explore how corruption affects electoral turnout.³⁴ An experiment in Colombia shows that electoral participation decreases when voters receive credible information about a candidate's corrupt behavior, and this finding holds even when the corrupt politicians provide public works to their constituencies.³⁵ An experiment in Hungary finds that information about corruption scandals involving the incumbent did not affect voting for the incumbent.³⁶

There is another line of non-experimental research that explores how certain characteristics—such as gender, race, marital status, culture, moral values, employment status, religion, geographic location, and the nation's macroeconomic position—affect views about corruption.³⁷ For example, using a nationally representative sample of Canadian residents, one survey found that residents were more likely to believe Canada was corrupt if they participate politically, are politically conservative, are not immigrants, consume their news via new media rather than traditional media, or have less confidence in public institutions.³⁸ Using an international sample, another study finds that the following groups are more likely to believe corruption is widespread in their respective countries: women, divorcees, self-employed, unemployed, employees in the private sector, people who have not completed at least a secondary education, or people with lower socioeconomic status.³⁹ There are, however, no empirical studies that explore how respondents view corrupt acts that benefit public rather than private coffers, and thus this Essay fills an important gap.

34. Using data from twenty-six countries, one non-experimental study finds that negative perceptions of corruption affect turnout only in countries with low to medium levels of system corruption. Stefan Dahlberg & Maria Solevid, *Does Corruption Suppress Voter Turnout?*, 26 J. ELECTIONS PUB. OP. & PARTIES 489 (2016).

35. Miguel Carreras & Sofia Vera, *Do Corrupt Politicians Mobilize or Demobilize Voters? A Vignette Experiment in Colombia*, 60 LAT. AM. POL. & SOC'Y 77, 87 (2018).

36. Zoltán Kmetty, *Incumbent Party Support and Perceptions of Corruption – An Experimental Study*, 28 REV. SOCIO., no. 4, 2018, at 152, 160, https://szociologia.hu/uploads/documents/2/2018_4_7.pdf [https://perma.cc/UJS4-NB27].

37. See, e.g., Natalia Melgar, Máximo Rossi & Tom W. Smith, Research Note, *The Perception of Corruption*, 22 INT'L J. PUB. OP. RSCH. 120, 120–29 (2010).

38. Joseph Yaw Asomah, Eugene Emeke Dim, Yiyan Li & Hongming Cheng, *What Factors Are Associated with Public Corruption Perception? Evidence from Canada*, J. FIN. CRIME (2023).

39. Melgar, Rossi & Smith, *supra* note 37, at 123–26.

II. METHODOLOGY

We designed an experiment to examine people's attitudes toward unlawful local government revenue extraction from residents to fund the public purse. Local governments generally rely on taxes, fees, and other forms of payments to pay for services they provide. In turn, residents rely on local government to act fairly in its collection of revenue to provide essential local services like schools, police, roads, transit, and utilities. Because local government stands in the position of provider and protector, residents are dependent on good faith provision of services as promised. But when an agent of protection—such as local government—causes harm, we hypothesize that people will feel especially angry and betrayed. We, therefore, sought to test the hypothesis that people will view graft benefitting public coffers (stategraft) as more of a betrayal and more unfair than theft benefitting private coffers (corruption).

Since we required a vignette that portrays an ordinary example of financial resource extraction from members of the public, we focus on a utility providing water because, by necessity, all members of the public are consumers of this essential good. With few exceptions, residents have only one choice when it comes to procuring water. In exchange for the monopoly that it enjoys in its service territory, water utilities submit to regulation to ensure service that is reliable, safe, and affordable.⁴⁰ In any given location, the local government or a private company might manage water service.

Our vignette portrayed a low-income resident who lost access to water service after the water company imposed a fee that she could not afford to pay. We tested different versions of the vignette, to vary the public or private identity of the water utility, as well as the legality of the fee increase. A private water utility that imposes an unlawful fee to cover budget shortfalls arguably represents an abuse of an entrusted power for private gain (a form of corruption). A public water utility that imposes an unlawful fee to cover budget shortfalls is a form of stategraft. We hypothesize that, viewing local government as an agent of protection, respondents will view an illegal fee increase as more unfair and more of a betrayal when a public water utility imposes it, compared to when a private water utility imposes it.

To understand the difference between corruption and stategraft, we used the Prolific academic platform to survey 1,384 U.S. adult respondents with a median age of forty-three: 647 men, 721 women, and

40. Heather Payne, *Private (Utility) Regulators*, 50 ENV'T L. 999, 1001–14 (2020).

16 other gender.⁴¹ We designed our experiment to answer the following three questions: Does the public versus private nature of the beneficiary affect perceptions of the financial conduct? Does graft by public officials versus private actors affect perceptions? And does the illegal versus legal status affect perceptions?

This study used the following vignette and only the language in brackets changed:

Springdale is a city in the Midwest. Pamela Jones is a resident of Springdale. She works full-time at a local grocery store, bagging groceries. After her water bill increased suddenly, Ms. Jones could no longer afford to pay it, so the utility company shut off her water. The utility company – [Springdale Water Agency/Aqualia, Inc.] – is a [public/private] agency. When she inquired about the sudden price hike, she learned that [Springdale Water Agency/Aqualia, Inc.] added a new fee to everyone’s water bill, which it collected and kept. The fee was used to cover budget shortfalls and pay accumulated debts. Ms. Jones consulted with a local expert who told her that these new increased fees are [legal / illegal] under state law.

We randomly assigned respondents to one of four conditions, varying on the identity of the actor who benefitted (public versus private) and the legal status of the fee imposed (legal versus illegal). That is, each participant saw only one version of the vignette: public actor/legal fees; public actor/illegal fees; private actor/legal fees; or private actor/illegal fees. We asked validation questions throughout the vignette in order to encourage greater engagement with the story and as a mechanism to check attention.

Immediately following the vignette, we asked respondents four sets of questions. First, we solicited participants’ personal opinions about how fair, justified, and legitimate the fees were.⁴² Second, we asked respondents to put themselves in Ms. Jones’s shoes and indicate their

41. See *infra* Appendix A, Table A.1 for full demographics. We paid participants \$1.40 for a study we estimated would take around six minutes. The median submission took about four minutes to complete (hourly rate = \$21/hr). This rate of compensation is higher than the common rate of \$1.50 to \$6.00 in order to encourage greater attention in online surveys. See Adriana Z. Robertson & Albert H. Yoon, *You Get What You Pay for: An Empirical Examination of the Use of MTurk in Legal Scholarship*, 72 VAND. L. REV. 1633, 1666 (2019).

42. These items were measured on the same scale as the first set. The legitimacy item was phrased as “how illegitimate” and then later reverse coded for ease of interpretation.

opinion of how much Ms. Jones felt betrayed and morally outraged.⁴³ Third, we asked respondents to indicate how much they were feeling the following emotions about the story: surprise at the situation, anger at the situation, sympathy for Ms. Jones, disappointment about the situation, and distrust of the utility company.⁴⁴ Fourth, we asked how much citizens can trust government and public officials to act in their best interests. Analogously, we also asked the extent to which corporations and corporate CEOs are trustworthy.⁴⁵ This is important because, for example, a participant who learns that a public utility (rather than a private one) imposed the new increased fee might infer that public officials are less trustworthy, and thus feel negative emotion and also evaluate the fee negatively.

III. RESULTS

A. Fairness, Justification, and Legitimacy

We first consider respondents' views of how fair, justified, and legitimate the new increased water bill fees were. In general, respondents perceived the new increased fee as fundamentally unfair and unjustified; the overall mean ratings for both were close to the low endpoint of the scale.⁴⁶ More interesting, when a public agency imposed and received the new fee to cover budget shortfalls and pay accumulated debts, people perceived it as more fair, more justified, and more legitimate than when a private company imposed and received the new fee.⁴⁷

Unsurprisingly, legality mattered. Respondents rated an illegally imposed fee as less fair, justified, and legitimate than a legally imposed fee.⁴⁸ Since stategraft focuses on instances when state actors illegally transfer property from persons to the state, it is important to know whether the identity of the water utility (as either public or private) influences attitudes about illegal fees, specifically. We find that respondents perceive illegal fees imposed by a state agency as more fair and more justified than those imposed by a private company.⁴⁹ While

43. These items were measured on the same scale as the first set.

44. These items were presented in matrix form on a scale from 0 (Not at All) to 100 (Very Much).

45. All four of these items were measured on a five-point Likert scale with responses labeled "Not at All," "Slightly," "Moderately," "Very," and "Extremely."

46. Fair (M = 1.43); Justified (M = 1.56) both on a scale ranging from 1 (not at all) to 5 (extremely). Overall, views of how legitimate the fee was were closer to the midpoint of the scale (M = 2.92).

47. *See infra* Table B.1.

48. *See infra* Table B.1.

49. *See infra* Table B.2.

these differences are statistically significant, they are quite small in magnitude. There are no statistically significant differences in the perceived legitimacy of illegal fees imposed by state or private actors.⁵⁰ For each of these three measures (fair, justified, legitimate) there was no statistically significant interaction between public/private agency and legality.⁵¹ Figure 1 below illustrates these patterns.

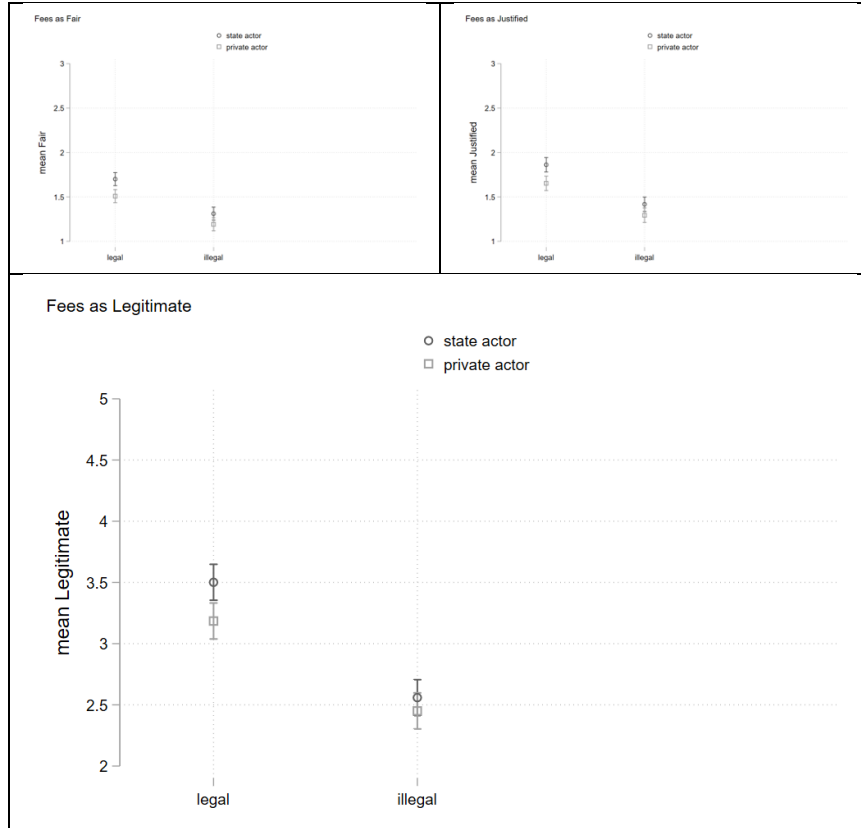


Figure 1. Perception of Fees as Fair, Justified, and Legitimate by Legality and Actor (adjusted predictions with ninety-five percent confidence intervals).

50. See *infra* Table B.2.

51. See *infra* Table B.1.

B. Betrayal and Moral Outrage

Putting themselves in the shoes of Ms. Jones, respondents felt highly betrayed and morally outraged.⁵² Expectedly, mean betrayal and moral outrage were higher when the new fee was illegal than when it was legal. When the fee increase was illegal, the differences in betrayal and outrage were quite small or non-existent between a publicly or privately imposed fee.⁵³ Unexpectedly, mean betrayal and moral outrage were higher when a private agency imposed the fee compared to a public agency.⁵⁴ Figure 2 illustrates these findings.

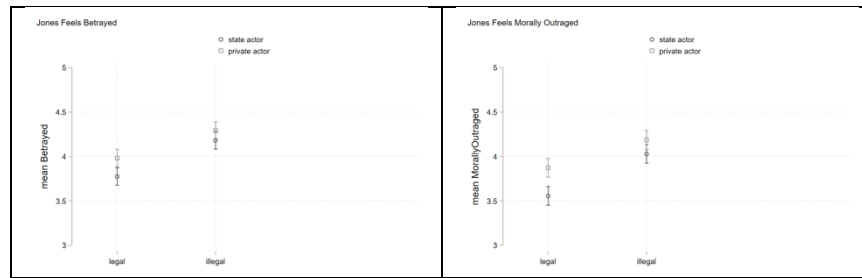


Figure 2. Perception of Ms. Jones's Feeling Betrayed and Morally Outraged by Legality and Actor (adjusted predictions with ninety-five percent confidence intervals).

C. Surprise, Anger, Sympathy, Disappointment, and Distrust

On a scale from zero to one hundred, respondents indicated the extent to which they themselves felt certain emotions about the story. Overall, they indicated moderate levels of anger ($M = 64$) and surprise ($M = 42$) about the situation; and high levels of disappointment about the situation ($M = 75$), sympathy for Ms. Jones ($M = 85$), and distrust of the utility agency ($M = 76$). Each of these emotions varied according to whether the new fee was illegal and whether a private or public agency imposed it. For all emotion measures, except sympathy, the private agency-imposed fee prompted higher levels of emotion than the public agency-imposed fee.⁵⁵ It is possible that sympathy did not register a

52. Overall mean of 4.06 for "Putting yourself in the shoes of Ms. Jones, after reading the story, do you think she feels betrayed?" (1 = not at all; 5 = extremely). Overall mean of 3.91 for "Putting yourself in the shoes of Ms. Jones, after reading the story, do you think she feels morally outraged?" (1 = not at all; 5 = extremely).

53. See *infra* Table B.4.

54. See *infra* Table B.3.

55. See *infra* Table B.5.

difference due to the high levels of sympathy for Ms. Jones in all versions of the vignette.

Examining attitudes toward the illegal fee increase only, this prompted higher levels of anger, surprise, disappointment, sympathy, and distrust than the legally imposed one.⁵⁶ Anger and distrust were marginally lower in response to illegal fees imposed by a state agency as compared to a private company.⁵⁷ Interestingly, there was greater surprise when the state agency imposed an illegal fee increase than when the private company did so, possibly because respondents are more willing to believe that corporations are more prone to imposing unlawful fees than are state actors.⁵⁸ Finally, there was no difference between state and private actors with regard to disappointment in and sympathy for the utility imposing the illegal fee increase.⁵⁹

For the surprise measure, there was a significant interaction between actor and law, so that participants who read about a legally imposed fee were more surprised when the agency was private rather than public; but participants who read about an illegally imposed fee were more surprised when the agency was public rather than private.⁶⁰ This result could be because participants are more accustomed to learning about private companies violating the law by imposing illegal fees compared to state agencies.

In addition, there was a statistically significant interaction between actor and law for distrust.⁶¹ Specifically, when the fee was legally imposed, respondents viewed the private water utility with greater distrust than the public one. This difference, however, basically disappeared when the fee was imposed illegally, with both types of agencies viewed with high levels of distrust.⁶² Figure 3 below depicts these results.

When the increased fee was legal, respondents viewed the public water company with more trust than the private one, which accords with our hypothesis that respondents view public agencies more as protectors than predators. But when a public agency engages in an illegal act and this elevated trust is broken, there are no elevated consequences. That is, the public agency becomes just as bad as, but not worse than, the private agency who engages in illegality. Statecraft, therefore, is not worse than corruption.

56. *See infra* Table B.5.

57. *See infra* Table B.6.

58. *See infra* Table B.6.

59. *See infra* Table B.6.

60. *See infra* Table B.5.

61. *See infra* Table B.5.

62. *See infra* Table B.5.

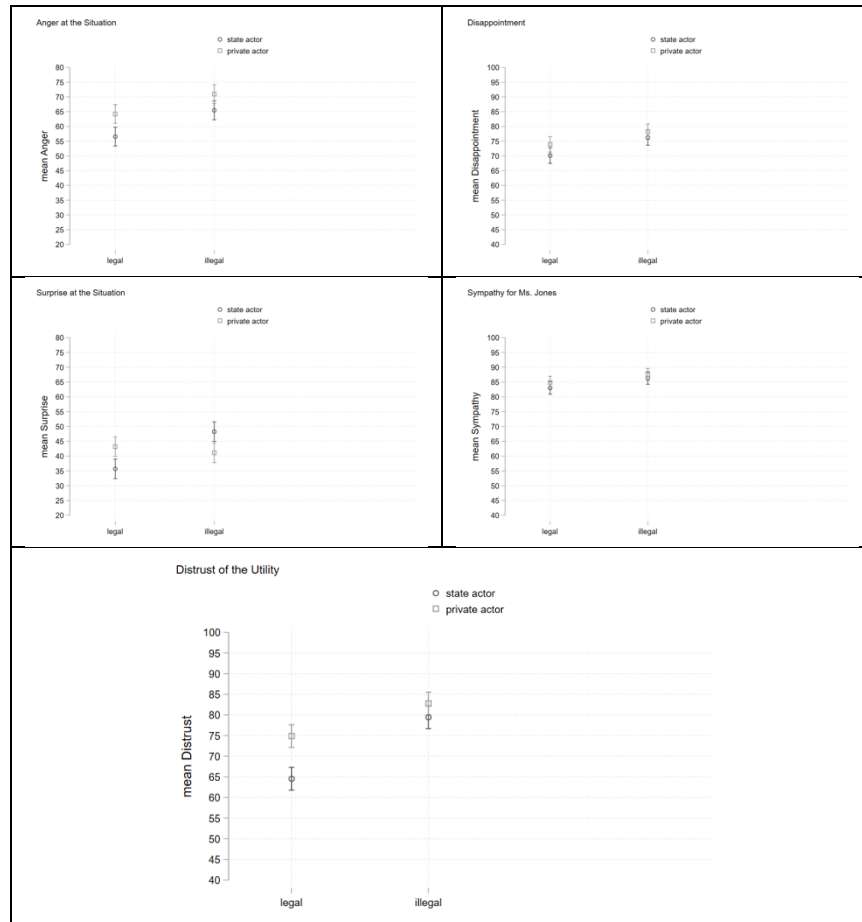


Figure 3. Perception of Emotions by Legality and Actor (adjusted predictions with ninety-five percent confidence intervals).

D. Other Analyses

We expected that, compared to a privately owned utility company, when a public utility agency imposed an illegal water fee, this would curtail trust more, which in turn would cause more negative evaluations of the fee. Similarly, we expected a similar mechanism with respect to corporate trustworthiness when a private utility company imposed an illegal fee compared to a public utility agency. Instead, we found no influence of the public/private identity of the agency on perceptions of general trustworthiness of either government or corporations.⁶³ Additionally, although it is possible that a respondent's age, gender, ethnicity, education, political ideology, or urban/rural residence could

63. See *infra* Table C.1.

affect their responses, we did not find any heterogeneous effects based on any of these characteristics.

IV. DISCUSSION AND LIMITATIONS

We designed our vignette to reflect real world instances of stategraft: a financially vulnerable consumer loses access to a vital resource because the agency controlling the resource suddenly increases the price to cover its own budget shortfalls and debts. Public agencies (as compared with private agencies) which impose increased costs illegally (as opposed to legally), present a unique problem that stategraft is designed to highlight. The vignette's design allowed us to compare people's attitudes about stategraft to their attitudes about corruption by modifying two fundamental variables: nature of the agency (public or private) and legality of the fee increase (legal or illegal). Although we hypothesized that people would feel more betrayed, outraged, angry, and so forth about a state agency that illegally increased its fees, we did not observe this in the data. If anything, people's reactions were more negative when a private utility company engaged in illegal fee increases. We must, therefore, consider the possibility that members of the public do not generally consider acts of stategraft to be as harmful or morally objectionable as similar conduct performed by private actors for private gain.

To contextualize these findings, it is important to acknowledge this study's limitations. First, it used a vignette based experimental methodology. While very useful for identifying cause and effect, vignettes are, by their nature, brief and thus thinly describe events, which might inadequately capture important nuance of real world events. Experiencing a real world event in richer detail and unfolding over time might lead to different attitudes than those observed in this study. Second, the vignette described only a single instance of stategraft out of many possible kinds. As the other articles in this symposium issue suggest, examples of stategraft are legion and can be found across many different contexts. As a result, this study's findings might not emerge similarly in other contexts. That is, further research is needed to understand whether the more negative attitude toward private companies imposing illegal fee increases (compared with public agencies) emerges outside of the context studied here.

CONCLUSION

While there has been a decades-long, interdisciplinary conversation about corruption, why has the literature paid very little attention to public

coffers filled by public officials who steal property from citizens? The findings of our experimental survey suggest that this is because people do not view stategraft as more unjustified, illegitimate, or unfair than corruption. They do not have the same sense of moral outrage or feelings of betrayal when public officials illegally augment public accounts. Stategraft does not spark feelings of anger, sympathy, disappointment, or distrust like corruption does. In fact, people are more surprised when stategraft occurs because it is so unexpected, and this is perhaps why stategraft has taken a backseat to corruption discourses.

APPENDIX A. DEMOGRAPHICS

Table A.1. Demographics Table

	Public legal N = 347	Public illegal N = 347	Private legal N = 346	Private illegal N = 344	Total N = 1,384
<u>Age</u> Mean (SD)	44 (16)	45 (16)	44 (16)	45 (15)	44 (16)
<u>Gender</u>					
Men	167 (48%)	161 (46%)	172 (50%)	147 (43%)	647 (47%)
Women	175 (50%)	181 (52%)	172 (50%)	193 (56%)	721 (52%)
Other	5 (1%)	5 (1%)	2 (1%)	4 (1%)	16 (1%)
<u>Ethnicity</u>					
Hispanic	19 (5%)	22 (6%)	30 (9%)	16 (5%)	87 (6%)
Black	41 (12%)	47 (14%)	47 (14%)	44 (13%)	179 (13%)
Native American	1 (0%)	1(0%)	1(0%)	2(1%)	5 (0%)
Asian	32 (9%)	15 (4%)	25 (7%)	18 (5%)	90 (7%)
White	253 (73%)	259 (75%)	242 (70%)	260 (76%)	1,014 (73%)
MENA	1 (0%)	1 (0%)	1 (0%)	1 (0%)	4 (0%)
Other	0 (0%)	2 (1%)	0 (0%)	3 (1%)	5 (0%)

Table A.1. Demographics Table (Continued)

	Public legal	Public illegal	Private legal	Private illegal	Total
<u>Educ.</u>					
< H.S.	4 (1%)	2(1%)	7 (2%)	4(1%)	17 (1%)
H.S. grad	29 (8%)	43 (12%)	42 (12%)	49 (14%)	163 (12%)
Some college	70 (20%)	59 (17%)	65 (19%)	66 (19%)	260 (19%)
Associate degree	33 (10%)	48 (14%)	37 (11%)	26 (8%)	144 (10%)
Bachelor's degree	138 (40%)	129 (37%)	141 (41%)	140 (41%)	548 (40%)
Master's degree	57 (16%)	54 (16%)	43 (12%)	39 (11%)	193 (14%)
Professional degree	8 (2%)	5 (1%)	7 (2%)	11 (3%)	31 (2%)
Doctoral degree	8 (2%)	7 (2%)	3 (1%)	9 (3%)	27 (2%)
<u>Political Party</u>					
Repub.	71 (21%)	73 (21%)	65 (19%)	68 (20%)	277 (20%)
Dem.	175 (51%)	166 (48%)	174 (50%)	162 (47%)	677 (49%)
Indep.	95 (28%)	99 (29%)	94 (27%)	104 (30%)	392 (28%)
Other	4 (1%)	8 (2%)	12 (3%)	9 (3%)	33 (2%)
<u>Location</u>					
Large city	86 (25%)	91 (26%)	95 (28%)	69 (20%)	341 (25%)
Suburb	154 (44%)	148 (43%)	129 (37%)	144 (42%)	575 (42%)
Small city/town	76 (22%)	71 (20%)	79 (23%)	83 (24%)	309 (22%)
Rural	31 (9%)	37 (11%)	42 (12%)	48 (14%)	158 (11%)

APPENDIX B. REGRESSION TABLES FOR MAIN VARIABLES

Table B.1. Effect of Public/Private Actor and Law on Judgments of Fair, Justified, and Legitimate Increased Fees

Variables	(1) Fair	(2) Justified	(3) Legitimate
actorben (private actor)	-0.19*** (0.05)	-0.21*** (0.06)	-0.32*** (0.11)
law (illegal)	-0.39*** (0.05)	-0.44*** (0.06)	-0.94*** (0.11)
actorben#law	0.07 (0.07)	0.08 (0.08)	0.21 (0.15)
Constant	1.70*** (0.04)	1.86*** (0.04)	3.50*** (0.07)
Observations	1,384	1,382	1,384

Note: Standard errors in parentheses *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table B.2. Effect of Public/Private Actor on Judgments of Fair, Justified, and Legitimate—Illegal Fees Only

Variables	(1) Fair	(2) Justified	(3) Legitimate
actorben (private actor)	-0.12*** (0.05)	-0.12** (0.05)	-0.11 (0.11)
Constant	1.43*** (0.07)	1.54*** (0.08)	2.67*** (0.18)
Observations	691	689	691

Note: Standard errors in parentheses *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table B.3. Effect of Public/Private Actor and Law on Perceptions of Ms. Jones's Feeling Betrayed and Morally Outraged

Variables	(1) Betrayed	(2) Morally Outraged
actorben (private actor)	0.21*** (0.07)	0.32*** (0.08)
law (illegal)	0.41*** (0.07)	0.47*** (0.08)
actorben#law	-0.10 (0.10)	-0.16 (0.11)
Constant	3.77*** (0.05)	3.56*** (0.05)
Observations	1,381	1,382

Note: Standard errors in parentheses *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table B.4. Effect of Public/Private Actor and Law on Perceptions of Ms. Jones's Feeling Betrayed and Morally Outraged—Illegal Fees Only

Variables	(1) Betrayed	(2) Morally Outraged
actorben (private actor)	0.11* (0.06)	0.16** (0.07)
Constant	4.07*** (0.10)	3.87*** (0.11)
Observations	690	689

Note: Standard errors in parentheses *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table B.5. Effect of Public/Private Actor and Law on Judgments of Anger, Surprise, Disappointment, Sympathy, and Distrust

	(1)	(2)	(3)	(4)	(5)
Variables	Anger	Surprise	Disappmt	Sympathy	Distrust
actorben (private actor)	7.66*** (2.30)	7.50*** (2.37)	3.80** (1.89)	1.84 (1.50)	10.34*** (1.98)
law (illegal)	8.92*** (2.30)	12.56*** (2.38)	6.12*** (1.89)	3.34** (1.50)	14.89*** (1.98)
actorben#law	-2.17 (3.25)	-14.67*** (3.36)	-1.85 (2.67)	-0.68 (2.13)	-7.00** (2.80)
Constant	56.54*** (1.62)	35.70*** (1.68)	70.12*** (1.34)	83.01*** (1.06)	64.53*** (1.40)
Observations	1,381	1,374	1,382	1,383	1,381

Note: Standard errors in parentheses *** p < 0.01, ** p < 0.05, * p < 0.1

Table B.6. Effect of Public/Private Actor and Law on Judgments of Anger, Surprise, Disappointment, Sympathy, and Distrust—Illegal Fees Only

	(1)	(2)	(3)	(4)	(5)
Variables	Anger	Surprise	Disappmt	Sympathy	Distrust
actorben (private actor)	5.49** (2.25)	-7.16*** (2.41)	1.95 (1.81)	1.16 (1.43)	3.34* (1.78)
Constant	59.97*** (3.55)	55.42*** (3.81)	74.29*** (2.86)	85.19*** (2.25)	76.08*** (2.80)
Observations	689	685	690	690	690

Note: Standard errors in parentheses *** p < 0.01, ** p < 0.05, * p < 0.1

APPENDIX C. ANALYSIS OF EXPLORATORY MEDIATORS

We theorized two potential mechanisms through which public v. private utility agency could affect negative evaluations of fee increases: general trust in government and general trust in corporations. For each mechanism we tested two related items. For the first mechanism, we asked the extent of agreement (1: strongly disagree; 5: strongly agree) with “In general, the government can be trusted to act in the best interest of its citizens” and “In general, public officials CANNOT be trusted to act in the best interest of the citizens they serve” (second item was reverse coded). We combined these into a single measure of government trust. For the second mechanism, we asked the extent of agreement (1: strongly disagree; 5: strongly agree) with “In general, corporations are trustworthy” and “In general, corporate CEOs are NOT trustworthy” (second item was reverse coded). We combined these into a single measure of corporate trust.

Our exploratory analysis first tested whether the public or private nature of the agency imposing the fee increase influenced government trust and corporate trust. We found no statistically significant influence on either measure, as illustrated by regression analysis in Table C.1 below.

Table C.1. Effect of Private vs. Public Fee Increases on General Trust in Government Officials and Trust in Corporate Officials

Variables	(1) govtrust	(2) corptrust
actorben (private actor)	-0.05 (0.05)	-0.04 (0.05)
Constant	2.69*** (0.08)	2.32*** (0.08)
Observations	1,383	1,382

Note: Standard errors in parentheses *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

* * *