

Assessing the Impact of Political Scandals on Attitudes toward Democracy: Evidence from Canada's Sponsorship Scandal

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Introduction

Do office-holders' ethical misdeeds undermine people's satisfaction with how democracy works in their countries? It is reasonable to suppose that political elites behaving badly might well erode public evaluations of the political system in which those elites operate. But, surprisingly, the empirical evidence is mixed. Some studies supply evidence confirming the intuition that political scandals undermine evaluations of the democratic process (Bowler and Karp, 2004; Kumlin and Esaiasson, 2012; Pharr, 2000). Others challenge those findings (Maier, 2011; Miller and Borelli, 1991; Norris, 2011). Instead, the claim is that the effects of scandals are relatively limited: they remain confined to implicated politicians and political parties, and do not extend to evaluations of the workings of democracy or support for democratic principles.

Understanding the connection between the behaviour of elected officials and citizens' views about democracy is more pressing given the seemingly endless procession of scandals and the worsening of public evaluations of political institutions and processes (LeDuc and Pammett, 2014; Nevitte and White, 2012).¹ Analysts worry that prolonged periods of democratic dissatisfaction might corrode support for democratic

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principles and the national community (Dalton, 2004; Norris, 2011). Even so, investigations examining the sources of democratic dissatisfaction pay little attention to whether political corruption affects these outlooks. If the actions of politicians, rather than a hostile news media or changing value orientations, drive dissatisfaction with the workings of democracy, then academic accounts of the “democratic deficit” and efforts to re-engage citizens would do well to reflect on that reality.

The following analysis relies on data from a somewhat understudied case: Canada’s “sponsorship scandal.” The sponsorship scandal concerned revelations surrounding the administration of a federal programme designed to “promote the Canadian brand” in Quebec. The programme was intended “to increase the visibility of the Canada in Quebec,” and highlight the contribution of federal programmes to the province in the context of a 1995 referendum for political independence (Blais et al., 2010: 3). Reports of irregularities in the administration of the sponsorship programme began to surface in 2003, however, and a report by the Auditor General, Canada’s independent fiscal watchdog, sparked a full-blown political scandal (Blais et al., 2005). Millions of dollars were distributed through the programme without proper documentation and oversight. Moreover, many of those improper contracts were tendered to long-time supporters of the governing Liberal party. The effects of the scandal on the Liberal party base and citizens’ vote choices in 2004 and 2006 are amply documented elsewhere (Clarke et al., 2009; Gidengil et al., 2012). Paul Martin’s first act as prime minister was to cancel the programme, and in the months that followed he launched the Gomery Commission, a public inquiry the effect of which was to keep the story in the headlines between 2004 and 2006. The commission released two reports and ultimately exonerated Paul Martin. The reports, though, “left no doubt that there had been corruption” in the administration of the programme (Blais et al., 2010: 5), and many Canadians felt that Martin should have known about the corruption, or felt that he did know and did nothing to stop it (Gidengil et al., 2012). It thus qualifies as a particularly high-profile financial-political scandal.

Some consider that scandal to be one of the most consequential Canadian political events of the first decade of the twenty-first century (Gidengil et al., 2012: 94). Others speculate that the sponsorship scandal was a watershed moment in the evolution of Canadians’ attitudes toward elite-level political misconduct (Mancuso et al., 2006). The scandal has been linked to the politicization of the federal government’s communications strategy in Canada (Kozolanka, 2006), and the broader institutional implications have been well-documented elsewhere (Atkinson and Fulton, 2013; Free and Radcliffe, 2009). What is missing is evidence demonstrating how the scandal shaped Canadian citizens’ evaluations of the workings of their own democracy.

Abstract. Satisfaction with the workings of democracy seems to have declined in Canada, as it has in other established democracies. Political scandals are one frequently invoked explanation for that shift. But there is substantial scholarly disagreement about whether political scandals undermine democratic satisfaction. This paper uses evidence from a conveniently timed round of the CES (Canadian Election Study) from 2004, as well as the CES panel from 2004 and 2006, to explore this relationship more definitively than is usually possible. The results indicate that the scandal eroded satisfaction with the way democracy works but did not undermine support for democracy more generally.

Résumé. La satisfaction envers le fonctionnement de la démocratie semble avoir diminué au Canada similairement à ce qu'on observe dans d'autres démocraties établies. Les scandales politiques sont souvent une explication invoquée pour justifier cette situation. Mais il existe un désaccord scientifique substantiel quant à savoir si les scandales politiques sont la cause directe d'une baisse de la satisfaction démocratique. Ce document utilise des questions de l'ÉEC (Étude électorale canadienne), posées à un moment opportun en 2004, ainsi que la section panel de l'ÉEC de 2004 à 2006, afin d'explorer directement la relation entre satisfaction démocratique et scandales. Les résultats indiquent que le scandale a effectivement érodé la satisfaction envers le fonctionnement de la démocratie, mais n'a pas semblé affecter le soutien pour les principes démocratiques de base.

The 2004–2006 Canadian Election Study (CES) provides unique and timely data for investigating that question. With these data it is possible to conduct a cross-sectional test that exploits variation in respondents' awareness of the scandal. And the panel component of those data, which spans 2004–2006, presents the opportunity for a second longitudinal test of the impact of the scandal on Canadians' attitudes. Together, these two analytic strategies provide a more convincing testing ground for isolating the impact of political scandals on people's views about the way democracy works.

The investigation proceeds in four sections. After reviewing extant empirical research about the impact of political scandals on evaluations of democracy, the first part concludes by specifying some testable hypotheses. The second section outlines the data and analytical strategy, and is followed by the presentation of the core findings. The conclusions spell out the broader implications of the core findings.

Theory

There is substantial evidence that citizens' evaluations of political authorities, as well as the more fundamental matter of their satisfaction with public institutions and the political process generally, have eroded across many advanced industrial states (Dalton, 2004; Lenard and Simeon, 2012; Pharr and Putnam, 2000). Those general evaluations are often characterized as "diffuse support," which is distinguished from "specific support" for particular government actors and outputs. In states with free and fair elections,

regular changes of government, the ebb and flow of public support for incumbent politicians and consequential electoral competition are all part of the normal rhythms of political life.

When citizen dissatisfaction increases or persists across successive governments, however, or when public dissatisfaction with particular political actors becomes generalized to the democratic system more broadly, the consequences are more worrisome (Dalton, 2004). The concern is that precipitous declines can spill over to undermine more general orientations toward the political system and political community (and affect “non-instrumental demonstrations of support” and patriotism). Such shifts might also impair state capacity to mobilize resources and implement policy by driving down levels of voluntary compliance with government directives (Hetherington, 2005; Kornberg and Clarke, 1992; Norris et al., 2006; Norris, 2011).

Given the widespread concern with why publics have become increasingly dissatisfied with the workings of democracy, it is somewhat remarkable that the behaviour of political elites has received so little systematic attention as a candidate explanation.² One possible reason might be the assumption that scandals are essentially distractions, “the froth of political life,” of little consequence for the most crucial political processes in consolidated democracies (see Thompson, 2000). Then there is also a practical matter. As Norris points out, establishing the causal impact of political scandals on people’s diffuse political attitudes is challenging, not least of all because appropriate data are hard to come by (2011: 177).

Political scandals entail a perceived “transgression of certain values, norms, or moral codes” and involve some element of concealment, invoking the public disapproval and denunciation of at least some non-participants (Thompson, 2000: 13–14). Scandals, of course, are not synonymous with corruption. As Johnston notes, scandals involving inaccurate or misleading allegations need not involve any actual corruption (1996). Both King (1986) and Thompson (2000) identify three primary variants: power scandals, financial scandals and sex scandals. Thompson defines financial-political scandals more narrowly as scandals “based on the disclosure of activities by political figures or public officials (or on allegations about activities) which involve the infringement of rules governing the acquisition and use of money and other financial resources” (2000: 160). King’s seminal study and the comparative work it inspired deftly illustrate how scandals can act as “a window” into differences in national political cultures. Fewer studies, however, strive to assess the extent to which scandals impact people’s attitudes toward democracy empirically, and those studies that do point to opposing conclusions.

The earliest empirical studies of the impact of political scandals on attitudes toward government emerged in the wake of Watergate, and most of those analyses find that scandals erode evaluations of the political

process in the United States (Garrett and Wallace, 1976; Sniderman et al., 1975). There is disagreement, however, about what impact scandals have on people's satisfaction with the political system. Sigel and Hoskin (1977), for example, show that the Watergate scandal had no substantial effect on people's attitudes toward political processes and institutions.³ It is certainly plausible, given the extent of the wrongdoing involved, that Watergate would have eroded public evaluations of the political system. But their analyses indicate that the scandal did not affect Americans' underlying system support (1977).

The so-called "corruption eruption" of the 1990s, a period marked by a profusion of political scandals across a number of advanced industrial states (Miller, 2008; Ridley and Doig, 1995), prompted another round of academic interest in the issue. Those investigations also yielded inconsistent conclusions. Pharr (2000), for example, finds that scandals drive down "satisfaction with politics," which is consistent with the evidence produced by Bowler and Karp (2004), Chanley and colleagues (2000) and Kumlin and Esaiasson (2012). But Miller and Borelli (1991) show that American political scandals in the 1980s, including the Iran-Contra affair, had no significant impact on Americans' evaluations of the workings of government and politics. Norris' comparative investigation of two cases also produced mixed results (2011). In the United States, the amount of scandal coverage had no effect on satisfaction with democracy, though it did affect perceptions of Congress. In the case of the United Kingdom, Norris finds no relationship between democratic satisfaction and scandal coverage at all (2011: 181–85).⁴ Similarly, Maier's research indicates that "satisfaction with democracy" was unaffected by exposure to news about a scandal (2011: 283).

Prior observational and experimental research has, therefore, arrived at opposing conclusions about the impact of scandals on satisfaction with governmental processes and institutions in established democracies. The balance of evidence, however, suggests that scandals erode those evaluations. We hypothesize, therefore, that the revelation of ethical impropriety on the part of incumbent politicians and political parties erodes public satisfaction with democratic performance.

Hypothesis 1: *Political scandals erode public satisfaction with the way that democracy works.*

Support for democratic principles is generally regarded as a more diffuse form of system support than democratic satisfaction (Norris, 1999, 2011). While empirically and conceptually interconnected, support for democracy is usually considered higher and more stable than evaluations of regime performance (Dalton, 2004; Nevitte, 2002: 15). The bulk of research, however, does not probe systematically the possibility that scandals might rattle

public faith in democratic principles more generally. Consequently, we explore that conjecture.

Hypothesis 2: *Political scandals do not erode the importance citizens attach to living in a democracy.*

At least three kinds of rival explanation have been offered to explain why political support may have ebbed among publics in advanced industrial states: cultural theories, media-centred explanations and government performance-based explanations.⁵ Cultural theories typically emphasize the impact of shifting value priorities of citizens in advanced industrial states. According to that view, the rise of “emancipatory” and “self-expression” values like freedom of speech and a shift away from a more narrow preoccupation economic security and social order both make citizens more critical and place new, more extensive demands on government (Inglehart, 1997; Inglehart and Welzel, 2005). The inability of governments to respond to these demands prompts mounting public dissatisfaction with traditional structures of political representation, and therefore also with the way democracy works in these countries.

A second line of argument claims that rising levels of dissatisfaction are stoked by the news media that highlights dysfunction and partisan games rather than evidence of co-operation (Bastedo et al., 2011; Fallows, 1996; Patterson, 1993).⁶ Indeed, as Norris (2000) points out, that trend has been identified in some the very early studies of the social impact of news (Lang and Lang, 1966), though some suggest that the media focus on personalities and dysfunction has intensified in recent years.⁷

A third perspective focuses on the importance of policy performance to levels of political support. The most common performance-based explanations for declining democratic satisfaction relate to the economic performance. Economic performance is clearly linked to electoral support for incumbent politicians and parties (Anderson, 2010; Lewis-Beck and Stegmaier, 2000). Whether these economic evaluations have an impact on diffuse attitudes toward the political system in general, however, is less clear (Pharr, 2000). Nonetheless, most evidence suggests that economic downturns can erode citizens’ satisfaction with the democratic process (Alesina and Wacziarg, 2000; Scharpf, 2000).

The factors under consideration here comprise a combination of long-term and short-term influences. More particularly, the argument that broad-gauged value change is responsible for declining political support is based in long-term structural changes (specifically rising levels of education and income in the post-war period). Similarly, the argument that news media have become increasingly negative is an argument regarding a long-term trend. Fluctuations in government performance, including in the area of

ethical probity, might be considered shorter term influences (though as Thompson, 2000, points out, there is some evidence to suggest that scandals have become more frequent occurrences over the past few decades). These are not, however, mutually exclusive explanations for the decline in political support. It is certainly plausible that all of these forces have independent effects on democratic satisfaction.

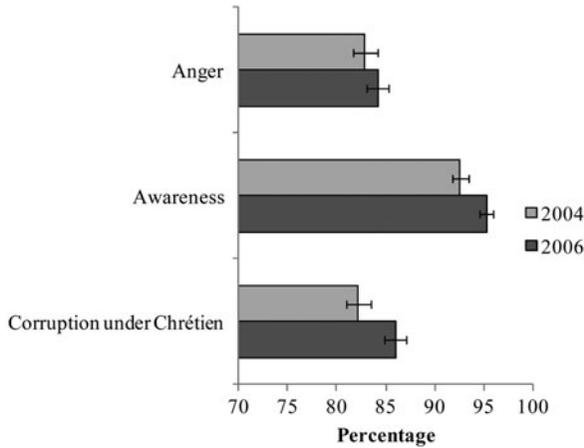
Analytic Strategy and Data

The analysis proceeds in two steps. The first exploits a conveniently timed round of the CES from 2004.⁸ Recall that the sponsorship scandal broke shortly before that election was called. Even so, a substantial proportion of Canadians were still unaware of the scandal when the writs were drawn up.⁹ The first part of the analysis evaluates whether variations in respondents' awareness of the scandal had an impact on democratic satisfaction after political knowledge, political interest and other rival explanations, are taken into account. "Awareness" of the scandal and "knowledge," or correct information, are not exactly the same thing.¹⁰ Because interest in, and knowledge about, politics and democracy have a significant impact on evaluations of democratic performance (Norris, 2011), there are strong reasons to believe that absent controls for general political knowledge and interest, the scandal awareness variable alone would likely capture the effects of these other variables.¹¹

The analysis then imports data from the 2006 CES, data that were collected during the period following the conclusion of the Gomery Commission,¹² the lengthy public inquiry into the sponsorship scandal. Fortunately, the 2004 and 2006 CES contain a panel component: the respondents interviewed in 2004 were re-interviewed in 2006. The analysis exploits these panel data to clarify the link between reactions to the scandal and satisfaction with democracy. By 2006, knowledge of the scandal was widespread, so tests that examine variation in scandal awareness are less useful (see [Figure 1](#)). CES data from 2006 alone cannot establish definitively if public anger about the scandal drove citizens to be less positive about the political system. After all, it is entirely possible that people who are negative about politics and democracy will react more negatively than others to evidence of political corruption. The panel data, however, help to isolate which factors drove individual-level changes in levels of democratic satisfaction between 2004 and 2006, and in so doing provide a more solid foundation for claims about the scandal's effects.

These analytic approaches to measuring the impact of the sponsorship scandal on attitudes toward democracy operate in quite different ways. The first test estimates the impact of general awareness of the scandal on

FIGURE 1
 Canadians' Reaction to the Sponsorship Scandal, 2004 & 2006



Source: Canadian Election Study, 2004 & 2006.

Notes: (1) $N = 3874-4311$, depending on the question/wave. (2) Specific margins of error are shown with error bars. The global margin of error for both survey waves is approximately $\pm 1.5\%$ ($p < 0.05$). (3) Data are weighted nationally.

people's attitudes toward government at a fixed point in time. The second test estimates the impact of an increasingly negative perception of the scandal between 2004 and 2006 on attitudes toward democracy. During that interlude, the Gomery Commission Inquiry removed all doubt that there had been corruption in the administration of the sponsorship programme, and so it is not so surprising that some respondents would be angrier in 2006 than they were in 2004.

The Evidence

How did Canadians react to the scandal? The persistence of citizens' irritation about the affair is quite remarkable. A full 82.9 per cent of Canadians said that they were either "angry" or "very angry" over revelations surrounding the sponsorship programme in 2004. Two full years later 84.2 per cent of Canadians still said that they were angry about the scandal (see Figure 1). Corruption is quintessentially a valence issue: virtually no one would be expected to endorse such behaviour (Clarke et al., 2009). Even so, the scale and durability of citizen anger about the sponsorship scandal is striking.

Awareness of the scandal increased during the course of those two years. Prolonged media attention to the proceedings of the Gomery Commission Inquiry kept the issue in public view. The proportion of

TABLE 1
Explaining Variance in Attitudes toward Democracy, 2004

	Model 1		Model 2	
	Odds ratio	Marginal effect	Odds ratio	Marginal effect
Key independent variables				
Scandal awareness	0.67 ^b	-0.05 ^b	1.62	0.08
Political interest	1.01	0.00	1.05 ^a	0.01 ^a
Political knowledge	1.48 ^c	0.05 ^c	1.31	0.05
Postmaterialism	0.67 ^d	-0.05 ^d	1.01	0.00
News media exposure	1.15	0.02	1.97 ^a	0.11 ^a
Economic pessimism	0.42 ^d	-0.11 ^d	0.77	-0.04
Party identification				
Liberal (incumbent)	2.61 ^d	0.11 ^d	1.25 ^a	0.04 ^a
Socio-demographic controls				
Age	0.99 ^d	-0.00 ^d	1.02 ^d	0.00 ^d
Education	1.30 ^c	0.03 ^c	2.01 ^d	0.12 ^d
Female	1.07	0.01	0.89	-0.02
Francophone	0.76 ^c	-0.03 ^c	1.03	0.00
New Canadian	1.05	0.01	0.82	-0.03
N	2671		1347	
McFadden's R ²	0.042		0.044	
ML (Cox-Snell) R ²	0.096		0.073	

Notes: (1) a = $p < 0.1$, b = $p < 0.05$, c = $p < 0.01$, d = $p < 0.001$.

(2) Missing data for each model are deleted list-wise. Because the "support for democracy" question is asked only on the "mail-back" component of the CES, the sample size for Model 1 is larger than for Model 2.

(3) Dependent variable for Model 1 is satisfaction with the way democracy works. Dependent variable for Model 2 is support for democratic principles.

Method: Ordinal logistic regression.

Source: Canadian Election Study (CES), 2004.

Canadians believing that there was corruption under Jean Chrétien's leadership also increased significantly between 2004 and 2006, reflecting, perhaps, the fact that the reports generated by the Gomery Commission Inquiry, released in 2005 and 2006, confirmed that this had indeed been this case.

But did the sponsorship scandal shape Canadians' attitudes toward democracy? Table 1 presents the results of multivariate analyses designed to tease out the independent effects of different influences on satisfaction with and support for democracy. Table 1 presents the results as odds ratios, because logistic regression coefficients are not directly interpretable. Predicted probabilities are, perhaps, more intuitive, and so average marginal effects are also included in the second column for each model. Here, the values of the other covariates are set at their means.

We estimate two ordinal logistic regression models that include the key independent variables and controls. These variables are regressed on

satisfaction with democracy in Model 1, and on support for democratic principles in Model 2. Satisfaction with democracy is measured with the now standard question: “*On the whole, are you very satisfied, fairly satisfied, not very satisfied, or not at all satisfied with the way democracy works in Canada?*”¹³ Support for democratic principles is measured with a Likert item asking respondents to indicate whether they agree with the statement: “*Democracy may have problems, but it’s better than any other form of government*” (see appendix for coding).¹⁴

The results indicate that scandal awareness and general political knowledge are *both* significant predictors of levels of satisfaction with the political system. By contrast, neither general political knowledge nor scandal awareness has any statistically significant impact at all on support for democratic principles. And as predicted, general political knowledge and scandal awareness impact satisfaction with democracy in opposite directions. Knowledge about the political system generally indicates a willingness to immerse oneself in information about the country’s political affairs (Norris, 2011). Those with high levels of political knowledge exhibit higher levels of satisfaction with the way democracy works once other relevant factors are taken into account (see Table 1). By contrast, awareness of a scandal increases the chances of expressing dissatisfaction with democratic performance. Political interest has no statistically significant effect on satisfaction with democracy, though it does predict higher levels of support for democratic principles.

The relationship between scandal awareness and satisfaction with democracy is robust to the inclusion of a relatively large set of independent variables. The impact of value change is tested using a scale of postmaterial value priorities (Inglehart, 1990). Materialists, those giving priority to both fighting crime and economic growth, are assigned a zero. Those supporting both postmaterialist objectives (giving people greater say and protecting freedom of speech) are assigned a one.¹⁵ The impact of the economy is measured with a prospective sociotropic question about whether respondents think that the economy will improve, deteriorate or stay the same over the coming year, resulting in a three-point item on a zero to one scale. Lastly, the impact of news media exposure is measured with a battery of questions regarding how often respondents consume news media content in a variety of forms.¹⁶ Although the array of rival hypotheses examined here is not exhaustive, it does capture the most prominent alternative explanations.

The data provide some empirical support for the value change and economic outlooks explanations. Both holding postmaterialist values and expressing a negative outlook on Canada’s economy are significant predictors of harsher evaluations of the workings of democracy. At the same time, neither has any statistically significant impact on support for democratic principles.

Party identification is also entered into both models. Generally, people who support winning parties and local candidates tend to be more satisfied with the way that democracy works than those who support losing candidates (Anderson and Guillory, 1997; Blais and Gélinau, 2007). And indeed, in this case; affective attachment to the incumbent party has a strong positive impact on satisfaction with the way democracy works.¹⁷ But, significantly, Model 2 data also show that identification with the incumbent party has a much weaker impact on the importance citizens assign to living in a democracy.

A standard set of socio-demographic control variables is also included in the models. Each variable has plausible effects on attitudes toward democracy. Education has been linked to satisfaction with the way that democracy works: those with higher levels of education tend to have more positive outlooks on democracy (Anderson and Guillory, 1997; Nadeau, 2002). Prior research also suggests that age may predict harsher evaluations of the political system (Inglehart, 1990, 1997; Nevitte, 1996; Norris, 1999). Canadian immigrants tend to be more satisfied with the way that democracy works than those born in the country, while francophone Quebecers typically have lower levels of satisfaction (Blais and Gélinau, 2007; LeDuc and Pammett, 2014). Gender remains demonstrably important to political orientations (Gidengil et al., 2013; O'Neill and Gidengil, 2006), and is also included.¹⁸

The 2004–2006 CES panel component makes it possible to probe the dynamic factors driving attitudinal change between 2004 and 2006.¹⁹ Relying on a simple test of the impact of reactions to the scandal with data from a single point in time, as do Clarke and colleagues (2009) and Gidengil and colleagues (2012), clearly introduces a concern about time order: Do low levels of satisfaction with democracy encourage people to react more harshly to evidence of corruption? Or is it the other way around? A fixed effects time series model both addresses this concern about endogeneity and controls for omitted variable bias more effectively than do either cross-sectional or random effects models.²⁰ This approach isolates changes that occur within individual respondents across time rather than between individuals at a given point, meaning that time-invariant socio-demographic or psychological characteristics are automatically eliminated as plausible explanations for variation in the dependent variable. That analytic strategy provides a robust foundation for claims about how negative reactions to the scandal are related to satisfaction with democracy.²¹

Responses to the question “*Now some questions about the Sponsorship Scandal. Does it make you very angry, somewhat angry, not very angry or not angry at all?*” provide a measure of the impact of the scandal.²² Table 2 presents the results of a fixed effects time series multivariate model, which includes data from two points in time: 2004 and 2006. The results reinforce

TABLE 2
Explaining Variance in Satisfaction with Democracy, 2004 & 2006

Independent variables	Coefficient (S.E.)
Scandal reaction	-0.271 ^c (0.087)
Political interest	-0.003 (0.011)
Political knowledge	-0.068 (0.078)
Economic pessimism	-0.123 ^b (0.061)
News media exposure	-0.163 (0.061)
Postmaterialism	-0.017 (0.065)
Liberal Party ID	0.139 ^b (0.063)
Constant	2.964 ^d
N	1250
R ² (within)	0.017

Notes: (1) a = $p < 0.1$, b = $p < 0.05$, c = $p < 0.01$, d = $p < 0.001$.

(2) Analyses are confined to panel respondents who participated in both the 2004 and 2006 rounds of the CES, and missing data for each model are deleted listwise.

Method: Fixed effects regression.

Source: Canadian Election Study (2004 & 2006, panel component only).

the findings of the cross-sectional test with respect to the impact of the scandal, though they also introduce significant nuances. Specifically, the estimated impact of the scandal in the fixed effects model is much larger. The increasingly negative reaction to the scandal between 2004 and 2006 turns out to be a very strong predictor of a corresponding rise in democratic dissatisfaction. That finding is significant at the $p < 0.01$ level. Simple awareness of the scandal at a single point in time is a relatively weaker predictor of attitudes toward democracy. Further, becoming a Liberal party identifier is associated with a statistically significant increase in democratic satisfaction between 2004 and 2006. The only other variable to achieve statistical significance in the time series analysis is economic pessimism.

If the goal is to estimate the impact of the scandal on aggregate public attitudes, it might well be that the unconventional cross-sectional test presented in Table 1 paints a more accurate picture of the overall effect size. A strong reaction to the scandal is indeed a powerful predictor of democratic dissatisfaction. But then not everyone who heard about the scandal was maximally upset about it. What the time series model demonstrates more clearly than prior analyses is that negative reactions

to a scandal can have a substantial corrosive impact on individuals' evaluations of democracy.

Conclusion

Analysts' perceptions of the impact of political scandals vary considerably. Some view scandals little more than political "froth," bearing short-term electoral implications in certain settings but of little if any broader cultural relevance. Political scandals should not, however, be dismissed as mere partisan jousting; the foregoing analysis indicates that political scandals can have broader effects on people's attitudes toward democracy. Existing studies regarding this question examine a range of scandals using a range of methodologies, from cross-sectional studies in which time order is uncertain to experimental designs which invite questions about external validity. The preceding investigation provides greater explanatory leverage by combining an analysis of fortuitously timed cross-sectional data on the one hand, with panel data that bookend a public inquiry into a major political-financial scandal on the other. The pairing of cross-sectional and time series methodologies sheds greater light on this relationship. Both tests lend support to the contention that political scandals do indeed affect orientations to the political system, though this effect is more nuanced than is sometimes argued. Scandals do seem to erode satisfaction with democracy, but they do not erode support for democracy as the best possible system of government.

A variety of attempts have been made to examine systematically the sources of Canada's democratic malaise over the past decade (Cross, 2010; Gidengil and Bastedo, 2014; Lenard and Simeon, 2012). Missing from these analyses are efforts to assess what impact political scandals might have on Canadians' attitudes toward the political system. Scandals clearly proliferate in Canada's public life. The federal government has faced a string of allegations of unethical conduct. These range from election tampering to conflict of interest to illegal claims for Senate expenses. Provincially and municipally, Canadian public officials continue to make international headlines for the wrong reasons.

The findings presented here are a persuasive first step. But the results raise other questions: Do scandals that involve financial impropriety have similar or different effects from those involving aspects of politicians' "personal lives"? Do those involving un-elected officials, such as Canadian senators, have a more corrosive impact than those involving politicians who can be removed from office via elections? Do scandals involving the central government have different effects to those that occur at the local level? And to what extent has the rapidly changing media environment had an impact on the dynamics of political scandals? Has the rise of

Twitter and Facebook and other social media sites, for example, altered the dynamics by which scandals now unfold?

Notes

- 1 See Thompson (2000: 108–18) for a discussion of what he argues has been a substantial increase in the frequency of political scandals in Western democracies.
- 2 Comprehensive books on the sources of sliding diffuse political support (for example Dalton, 2004; Norris, 1999; Nye et al., 1997) generally do not assess the impact of political scandals in a sustained way.
- 3 Watergate had “little convincing relation to generalized affect” toward government (1977: 111).
- 4 In the United Kingdom, Norris notes that there is no indicator of the more diffuse issue of “satisfaction with the way democracy works.” Rather, the only available indicator of this sort included in her data asks about “satisfaction with the way that the government is running the country.” Even so, Norris finds no relationship between scandal coverage and that variable (2011: 182).
- 5 People categorize these explanations differently (for example, Pharr and Putnam, 2000, versus Dalton, 2004) most of which are fundamentally similar to one another. Most analyses of the impact of scandals also take these alternative explanations into account (Bowler and Karp, 2004; Chanley et al., 2000; Maier, 2011).
- 6 Norris provides a review of the comparative literature making this argument in *A Virtuous Circle* (2000), and Nadeau and Giasson (2005) give an excellent overview of how the argument applies to Canada.
- 7 The effects of political scandals are occasionally grouped under the rubric of media effects (Dalton, 2004). By contrast, Pharr and Putnam (2000) group them under the heading of governmental performance. We consider them as a separate category of explanation here, since they do not fit neatly into existing typologies. Scandals do, of course, involve the mass media. The tone taken by media outlets likely has some effect on people’s views. But scandals are also, at their most basic, the result of the interaction between public expectations about acceptable conduct and the actual performance and behaviour of political actors.
- 8 Data for both 2004 and 2006 were collected by the CES team of principal investigators and the Institute for Social Research (ISR) at York University by way of a campaign period survey (cps), post-election survey (pes), and as a mail-back (mbs) component (2004 only). Data collection for the cps and pes were facilitated by modified RDD (random digit dialing) procedures by telephone, and completed by way of CATI (computer-assisted telephone interviewing).
- 9 7.7 per cent of the sample responded “don’t know” when asked about their reaction to the sponsorship scandal (see appendix for details).
- 10 Although they are conceptually interwoven and empirically linked. Our measure of scandal awareness and general political knowledge are correlated (Pearson’s $r = 0.23$).
- 11 It is important to underscore the fact that those who were unaware of the scandal in 2004 are likely different from the rest of the sample. Specifically, they tend to have lower levels of interest in and knowledge about politics. Consequently, our models control for differences in political interest and knowledge to help account for this.
- 12 Formally the “Commission of Inquiry into the Sponsorship Program and Advertising Activities.”
- 13 This satisfaction with democracy question is sometimes criticized for capturing support for incumbent governments, but the inclusion of a control for party identification mitigates that effect. Despite criticisms, this indicator has been used by a large number of influential recent analyses (Anderson and Guillory, 1997; Blais and Gélinau, 2007;

- Pharr, 2000). As those authors conclude, despite these critiques, it remains arguably the best (and without question the most widely employed) indicator of general satisfaction with the political system in a country. As Nadeau (2002) rightly points out, it is important not to “confound” satisfaction with democracy with satisfaction with the current government. Although they are related (Pearson’s $r=0.33$), and one can affect the other, they are also fundamentally distinct from one another conceptually and empirically (they do not scale together at conventionally acceptable levels).
- 14 Coding support for democratic principles as a binary variable and running a binary logit with the same covariates produces substantively similar results. In this specification as well, scandal awareness has no statistically significant impact on support for democratic principles.
 - 15 Those with mixed materialist/postmaterialist priorities are assigned intermediate values (see appendix for coding).
 - 16 Media effects are notoriously difficult to establish definitively with cross-sectional data. Nonetheless, prior studies have included indicators of media consumption in order to assess whether or not exposure to this content is associated with lowered levels of political support (Dalton, 2004; Pétry, 2014).
 - 17 In 2004, the Liberals held a majority of seats in the House of Commons and had done for over a decade.
 - 18 The coefficients for these socio-demographic variables should not be interpreted as indicating their full direct effects, however, because their impact might be channelled through the temporally antecedent psychological factors (Miller and Shanks, 1996). They are included here as control variables in order to avoid omitted variable bias.
 - 19 Unfortunately, this test is only possible using “satisfaction with democracy” as the dependent variable. The “support for democracy” measure is asked on the CES’s mbs component, which was not fielded in 2006.
 - 20 A fixed effects model is used here for several reasons. First, the results of a Hausman test indicate that heterogeneity bias exists in the random effects estimator (less technically, that the within and between unit effects in the model are not the same), and as such a fixed effects model is the preferred choice, since its estimates remain unbiased (Allison, 2009). The fixed effects estimator has the further advantage of controlling for omitted variable bias by eliminating any time-invariant individual level factors (whether they are measured or not) as possible explanations for change in the dependent variable, since these factors are the same for individuals across time. Since we only include these characteristics as controls, and do not need to model them specifically, the fixed-effects model is the most effective way to control out their impact (as well as the impact of any other unobserved individual-level heterogeneity). The fixed effects model does have the downside of making it more difficult to achieve statistically significant results, however. In estimating only within-unit variance, degrees of freedom and efficiency are reduced.
 - 21 The fixed effects estimator is comprised of two steps. First, data are “de-meanded” or “mean corrected” in what is usually referred to as the “within transformation.” Those de-meanded data are then estimated using OLS regression (Allison, 2009; Gujarati and Porter, 2009).
 - 22 When a broader scale of scandal reaction is used as focal independent variable (based on level of anger, whether respondents felt that there was a lot of corruption under Jean Chrétien, whether they felt that Paul Martin had handled the scandal well and whether they felt that Paul Martin would prevent another such scandal), the results are substantively similar.

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Appendix: Variable Coding and Description

Socio-psychological variables

Satisfaction with democracy:

“On the whole are you very satisfied, fairly satisfied, not very satisfied, or not satisfied at all with the way democracy works in Canada?” This question is used to create a four-point item running from one to four.

Support for democracy:

“Democracy may have problems, but it’s better than any other form of government.” Respondents who *“disagree”* or *“strongly disagree”* are assigned one, those who replied *“agree”* are assigned two, those who replied *“strongly agree”* are assigned a three.

Scandal awareness:

“Now some questions about the Sponsorship Scandal. Does it make you very angry, somewhat angry, not very angry or not angry at all?” Those who responded *“don’t know”* are assigned a zero, and those who responded directly to this question are assigned a one.

Scandal reaction:

“Now some questions about the Sponsorship Scandal. Does it make you very angry, somewhat angry, not very angry or not angry at all?” This question is used to create a four-point item (zero to one).

Postmaterialism:

“Here’s a list of FOUR goals. Which goal is MOST important to you personally? One, fighting crime; two, giving people more say in important government decisions; three, maintaining economic growth; or four, protecting freedom of speech? ...And which is SECOND MOST important to you personally?” Those who select both *“giving people more say in government decisions”* and *“protecting freedom of speech”* (in either order) are coded as postmaterialists (one). Those who select *“fighting crime”* and *“maintaining economic growth”* (in either order) are coded as materialists (zero). Those who select a combination of materialist and postmaterialist goals are assigned middle values. Specifically, those selecting a postmaterialist goal as being most important and a materialist goal as being second most important are coded 0.66, and those who select a materialist goal as being most important and a postmaterialist goal as being second most important are coded 0.33.

News media exposure:

“How much attention have you paid to news about the Federal election on (TV, Internet, newspaper, radio) over the last few days: Using a scale from zero to ten, where zero means no attention at all and ten means a great deal

of attention?” An additive index (zero to one) is created based on these four items (alpha 2004 = 0.65, alpha 2006 = 0.63).

Economic pessimism:

“Do you think that a year from now you will be BETTER off financially WORSE off, or about the same as now?” This question is used to create a three point item (zero to one).

Political knowledge:

A simple three-item additive index based on whether respondents could correctly identify their premier, the British prime minister and the name of the female cabinet minister who ran against Martin (Sheila Copps). Alpha = 0.62.

In 2006, the questions were altered somewhat so a three-item scale was used, based on whether respondents could correctly identify their premier, the British prime minister, and a female federal cabinet minister. Alpha = 0.56.

Political interest:

“Using the same scale (from 0 to 10), how interested are you in politics generally? Zero means no interest at all and ten means extremely interested” (a zero to ten item).

Liberal party identification:

“Do you generally think of yourself as being a LITTLE closer to one of the federal parties than to the others?” If yes, *“Which party is that?”*

Those responding “Yes” and “Liberals” or “Grits” are assigned a one. All others are assigned a zero.

Socio-demographic variables

Age: in years.

Education: Trichotomous variable (zero = high school or below, 0.5 = some college, one = university).

Francophone: *“What is the first language you learned and still understand?”* Those responding French are assigned a one; all others are assigned a zero.

Gender: Women are assigned one; men are assigned zero.

New Canadians: Those born outside of Canada are assigned one; those born in Canada are assigned zero.