Highlights

Anti-Corruption and Political Trust: Evidence from China*

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- Anti-corruption initiatives amplify the heterogeneity of trust in local government in China.

- On average, anti-corruption efforts decrease trust in local government.

- While anti-corruption initiatives boost political trust among highly educated individuals, their negative effects on political trust are more pronounced among those with limited prior information about corruption or more adverse experiences with local government.

- These heterogeneous effects are consistent with a belief-updating process that depends on individuals' prior beliefs.

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Abstract

How can anti-corruption efforts influence political trust in government? We investigate this question through the lens of China's recent anti-corruption campaign, launched in 2013, which has disclosed many corruption investigations to the public for the first time. By analyzing a large individual panel dataset, we show that, on average, the campaign has reduced political trust, particularly among groups less informed about corruption before the campaign. We document strong heterogeneity in changes in political trust, possibly driven by prior political attitudes, as captured by previous unpleasant experiences with the government, pro-government indoctrination, and Confucian norms. Our results fit a model in which polarization is rationalized by different priors about the government. We also rule out several alternative explanations for our findings.

Keywords: Political Trust, China, Corruption, Anti-Corruption Campaign
JEL: D72, D73, D83

1. Introduction

Political trust refers to people's faith that the government will act in accordance with their interests (Hetherington, 1998; Levi and Stoker, 2000; Zmerli, 2014).[1] It has profound implications for regime legitimacy and state capacity. In a low-trust environment, it is more difficult for the government to implement developmental policy, which can undermine socioeconomic development, especially for the developing world (Keefer and Scartascini, 2022; Keefer et al., 2022).[2] Notably, corruption is one of the most salient threats to political

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[1]Here, we use the term "government" to refer to a political authority that holds power to influence policy, including political institutions and political leaders. Throughout the paper, we use "political trust" and "trust in government" interchangeably.

[2]An insightful book by Keefer and Scartascini (2022) discusses how low political trust can create development obstacles in Latin America and the Caribbean from the perspectives of investment, innovation, social cohesion, etc. Meanwhile, Keefer et al. (2022) study how public spending misallocations may relate

trust (Seligson, 2002; Chang and Chu, 2006; Gingerich et al., 2009). Many governments attempt to garner support through addressing corruption problems, and it is argued that such institutional reforms can be useful in enhancing trust (Keefer and Scartascini, 2022). Therefore, it is vital to understand how political trust interacts with anti-corruption efforts.

Our investigation builds upon a unique context: China's recent anti-corruption campaign since 2013. Some view that this campaign was in part a moral mobilization that aimed to reassert the Communist Party of China's (CPC) righteous image and earn public support (e.g. Javed, 2022), against the backdrop of rising resentment about corruption since the earlier economic reforms (Wederman, 2004).[3] Therefore, it is useful to investigate to what extent the campaign actually influenced political trust, which offers a lens to study the formation of public opinion.

Indeed, this campaign was arguably China's most massive anti-corruption in recent decades, as attested by the large number of officials subject to corruption investigations and the series of reforms implemented to reshape bureaucratic norms. Importantly, these anti-corruption efforts were extensively publicized, generating an influx of information about corruption to the general public. Given the discreet nature of corruption, at that point most Chinese people only had limited knowledge about corruption in government, so they may have used the new information on corruption to re-evaluate the government and update their political trust. However, it is not *ex-ante* clear in which direction this would change political trust, as different people are likely to interpret the same piece of information in different ways. Therefore, it remains an empirical question to identify the anti-corruption campaign's specific effect on political trust.

To guide our empirical investigation, we construct a simple model, following Dixit and Weibull (2007). It predicts heterogeneous changes in political trust. The campaign offers *information* about corruption, from which a person can infer the government's honesty, which is linked to that person's political trust. However, there is a fundamental challenge in inference. Honest and corrupt governments can be observationally similar in terms of

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to political trust; they find that individuals with higher mistrust tend to choose transfers over public goods, and a treatment that informs people of the benefits of public investment is less effective for individuals with higher levels of mistrust. In other related literature, the pioneering work by Putnam et al. (1993) argues that trustful citizens are more law-abiding and more engaged in civic affairs. Hetherington (1998) finds that political trust relates to support for the incumbent president. State capacity refers to a government's ability to implement policy. The literature has demonstrated that political trust is highly relevant for state capacity. For instance, Sapienza and Zingales (2013) and Cullen et al. (2021) both find that trust in government affects the implementation of tax policy in the U.S. More recently, scholars have contended that political trust or identification with the nation facilitated success in combating the COVID-19 pandemic (Bollyky et al., 2022; Fukuyama, 2020; Rothstein, 2020; Van Bavel et al., 2022).

[3]There is debate on the anti-corruption campaign's objectives. Some argue that the campaign serves as a tool to consolidate power (Li, 2019). However, power consolidation is unlikely to be the only goal, for several reasons. First, the campaign investigated millions of officials, most of whom were low-rank officials. It is unlikely that a leader would have so many opponents, especially at the bottom tiers of the government (Carothers, 2022). Second, the campaign included a range of institutional reforms, trying to rectify previous corrupt bureaucratic norms (Ang, 2020), a task outside the scope of a pure political purge. Third, even if power consolidation were a goal of the campaign, dealing with corruption should help as it would make the campaign welcomed by the populace. All in all, the anti-corruption campaign should represent some real efforts to eliminate corruption.

revealed corruption: a high level of corruption can be found either because an honest government is willing and able to root out corruption, or because a corrupt government breeds rampant misdeeds. The ultimate judgment depends on a person's preferred *interpretation* that places different weights on two distinct inferences. Therefore, if a person leans toward a more positive (negative) interpretation, we predict that she will tend to read the campaign as indicating an honest (a corrupt) government, which enhances (lowers) her overall trust in government.

To empirically examine these predictions, we utilize a large, individual-level panel dataset based on the China Family Panel Study (CFPS). The panel data structure enables us to include individual fixed effects and thus track how an individual's trust varies as the anti-corruption campaign progressed. Specifically, our sample tracks political trust in 2012, 2014, and 2016, covering one pre-campaign period (2012) and two post-campaign periods (2014 and 2016). We merge the sample with data on city-level corruption investigations disclosed by anti-corruption authorities. Political trust is measured by trust in local government. We also collect rich individual and contextual characteristics to gauge the underlying mechanisms. Then, exploiting a combination of *temporal* and *regional* variation in corruption investigations, we implement a *difference-in-differences* (DiD) strategy to estimate the anti-corruption campaign's effects on political trust. We present evidence in favor of our identifying assumption, which requires the trends in political trust to be similar between cities in the absence of the campaign (common trends). First, we show that conditional on province fixed effects, corruption investigations are orthogonal to predetermined factors that may drive the evolution of political trust, such as average trust levels in 2012 and both the levels and growth rates of city characteristics. Second, using another survey dataset with more pre-campaign periods, we document a lack of differential pretrends in political trust between high- and low-investigation cities.[4]

Our results imply that, on average, political trust dropped immediately following the anti-corruption efforts. In 2014, a one-SD (= 38) increase in corruption investigations made an average individual 2.1 percentage points less likely to be trustful of the government. Although the effect was not as pronounced in 2016, further analysis indicates that the null average effects conceal intriguing heterogeneous effects. The campaign increased the level of political trust among highly educated individuals, while decreasing it among those with lower levels of education. The main results are robust to a battery of robustness checks. First, they are virtually the same even if we control for trends related to previous corruption levels or province-by-year fixed effects, suggesting the plausibility of the common trends assumption. Second, we show that the impacts of the anti-corruption campaign are robust to controlling for other contemporaneous shocks and policies that may also influence political trust as indicated by previous studies. Third, a permutation test confirms that our findings are unlikely to arise by chance. Lastly, we show that our results are robust to using an alternative estimator proposed by recent econometric literature on difference-in-differences designs with a continuous treatment variable (Callaway et al., 2021; de Chaisemartin et al., 2022).

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[4]We are unable to conduct this pretrends check in the CFPS sample since we only have one pre-campaign period (2012).

We also find that the anti-corruption campaign increases the dispersion of political trust, suggesting the existence of heterogeneous responses. To gauge the forces behind the heterogeneity, we first show that the campaign was indeed informative. We show that the campaign's effects on political trust are more pronounced in scenarios where information about corruption was previously more limited due to variation in news consumption or accessibility of corruption scandals.

We provide evidence that prior political attitudes drive different interpretations of information about corruption, which bifurcates changes in political trust. We start by considering unpleasant experiences with government officials as direct determinants of individuals' priors, as these memories may lead people to develop skeptical or distrustful attitudes. We find that people with unpleasant experiences indeed lower their trust to a greater extent after the campaign, indicating that they read corruption investigations as confirmation of their negative impressions.

We also probe into the role of education as an indirect determinant of attitudes towards the government. A large body of literature on state-building has stressed the indoctrination function of education (e.g., Ramirez and Boli, 1987; Lott, 1999; Aghion et al., 2019). In particular, education may pass on pro-government attitudes (Lott, 1999; Cantoni et al., 2017; Qi et al., 2022). Tellingly, our results highlight a negative association between education and the decrease in political trust: more educated people lower their trust to a lesser degree or even enhance it, especially those who are college-educated. These results are not driven by socioeconomic status that is associated with education, which substantiates education's unique role in shaping attitudes. We supplement this interpretation by documenting that education's impacts are more pronounced in more Confucian cities, where pro-government indoctrination could be more successful since Confucianism features similar norms (Acemoglu and Robinson, 2020, 2021b).

Finally, we rule out several alternative explanations for our findings. First, one may wonder if the anti-corruption campaign affects political trust through intervening in citizens' beliefs about government competence. However, we do not find evidence that the campaign has changed the belief about government competence, measured by citizens' evaluation of government performance. Second, while we cannot completely rule out the possibility, our analysis indicates that the results are not primarily driven by a rise in the tendency to report distrust without a genuine shift in political trust. We also rule out explanations based on weakened local power, income effects, or changes in general trust. Taken together, our results are best explained by people updating their political trust (heterogeneously) upon receiving information about corruption provided by the campaign.

This paper contributes to several strands of literature. First and foremost, it joins the burgeoning literature on trust in general (Arrow, 1972; Algan and Cahuc, 2010, 2014) and political trust in particular. Due to political trust's importance to a well-functioning government, voluminous studies have been devoted to understanding its formation, in which information about government performance is often considered a key factor (e.g., Chen and Yang, 2019; Khan et al., 2021; Liu and Han, 2023; Shi, 2001). The link between corruption and political trust has received similar attention in this strand of literature. For instance, by analyzing a large cross-country dataset (including China), Guriev et al. (2021) show that increasing revelation of corruption scandals, induced by the expansion of 3G networks, reduces citizens' political trust on average, though interestingly they only find this effect in

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countries with uncensored internet. A major distinction between our papers is that in their context, citizens disclose corruption through social media, while in ours, the government itself discloses corruption. We show that even *government-disclosed* information about corruption could also lead to a drop in political trust, and the drop is larger when preexisting accessibility of corruption scandals is low on the Internet, which complements Guriev et al. (2021). In addition, corruption has been found to both reduce general trust (Banerjee, 2016) and political trust (Anderson and Tverdova, 2003). Trust can also affect corruption: Bjørnskov (2011) shows that legal quality is more effective in reducing corruption when there is a higher level of social trust. This paper adds to the literature on the relationship between corruption and (political) trust by discussing the effects of unveiling information about corruption and efforts to reduce corruption on political trust, and how these effects depend on citizens' priors.

Huhe et al. (2022) and Wang and Dickson (2022) are two studies closely related to ours. Based on different surveys before and after China's anti-corruption campaign, Huhe et al. (2022) find that crackdowns on senior officials increase political trust, and Wang and Dickson (2022) show that the campaign reduces political trust. Our study differs from them in several ways. First, we improve the identification. Their analyses rely on repeated cross-sectional data, comparing different groups of individuals over time. If there were compositional changes in survey respondents after the campaign, this could bias their results. Also, they have to make the strong assumption that political trust measures are comparable between both sets of respondents. In contrast, we use a panel dataset. This allows us to study a fixed group of individuals and include individual fixed effects to track how political trust evolves over time, ensuring better comparability.

Second, we provide a more comprehensive investigation of the underlying mechanisms. Huhe et al. (2022)'s work highlights that the increase in political trust due to anti-corruption cannot reverse the overall declining trend in political support in China, but it does not explore the deeper factors through which anti-corruption influences political support. Wang and Dickson (2022) argue that after the anti-corruption campaign, people were shocked by the great amount of corruption in government and thus updated their beliefs to discredit the government. This argument is embedded in the informativeness channel of this paper: the campaign offers information about corruption for people to re-evaluate the government. Wang and Dickson (2022) implicitly assume that people interpret this information negatively, leading to lower political trust. By contrast, we propose and provide some evidence that interpretations could differ due to heterogeneous prior political attitudes. In this regard, we also offer, to the best of our knowledge, the first evidence of political polarization in China.

Second, we also add to the literature on public opinion and political support at large. Existing studies have documented many ways in which information and government policies can influence the electorate (Farzanegan and Hofmann, 2021; Enikolopov et al., 2018; Chong et al., 2015; Bechtel and Hainmueller, 2011; Manacorda et al., 2011; Zucco, 2013; Hong et al., 2022). Beesley and Hawkins (2022) find that information about corruption of lower-level officials reduces political trust in Peru, a developing democracy. We investigate the effects of information from anti-corruption efforts on public opinion in a non-electoral context, providing causal evidence on the impacts of government policies on political support in authoritarian regimes.

Last but not least, this paper relates to the growing literature on the broad effects of anti-

corruption measures in both China and other contexts. Previous research have focused on the campaign's impacts on the inner workings of bureaucracy, through the lens of government officials' rent-seeking behaviors (Chen and Kung, 2019; Cisneros and Kis-Katos, 2024), work incentives (Funk and Owen, 2020; Wang, 2022a), fiscal accountability (Timmons and Garfias, 2015), bureaucratic appointments (Wang, 2022b), and firm performance (Cao et al., 2018; Chen et al., 2021; Ding et al., 2020; Giannetti et al., 2020; Kong et al., 2020; Xu and Yano, 2017). Recent research has also identified channels through which anti-corruption affects social welfare, such as alleviating poverty (Han et al., 2022), reducing pollution (Zhou and Li, 2021; Zhou et al., 2020), and improving safety compliance (Xu et al., 2021) and health (Sharma et al., 2021; Li et al., 2024; Sun et al., 2024). However, few have examined citizens' responses, whether in China or in other countries. Notable exceptions include Jiang (2016) and Lai and Li (2024), who investigate the campaign's impacts on labor supply to bureaucracy. The current paper offers insights into how the campaign affects people's trust in government, a topic too important to miss, given that the campaign is in part intended to garner support. Very interestingly, Kong and Qin (2021) find that the anti-corruption campaign increases entrepreneurship, and that the effects are larger in regions with a higher level of trust. Their finding points to the importance of trust in economic dynamism, which can interact with anti-corruption efforts to shape economic outcomes. This paper brings a new perspective to this issue: anti-corruption can directly affect trust, which in turn may either amplify or weaken the joint effects of anti-corruption efforts and trust on entrepreneurship or other economic outcomes, depending on the direction of the impact of anti-corruption on trust.

The rest of this paper proceeds as follows. Section 2 introduces the background and provides a conceptual framework that guides our investigation. Section 3 presents the data. Section 4 introduces the empirical strategy. Section 5 reports the main results, followed by Section 6 discussing the underlying mechanisms. Section 7 concludes the paper.

2. Institutional Background and A Conceptual Framework

In Section 2.1, we first introduce the relevant features of the anti-corruption campaign. Then, to help organize subsequent empirical analysis, in Section 2.2, we build a simple conceptual framework to illustrate how the campaign may influence political trust.

2.1. The Anti-Corruption Campaign

In 2013, shortly after President Xi Jinping assumed office, the Chinese government launched a sweeping anti-corruption campaign. The campaign's inception was signaled by President Xi's directive during the Second Plenary Session of the Eighteenth Central Commission for Discipline Inspection in January 2013. Widely regarded as the most extensive anti-corruption drive in recent decades (Chen and Kung, 2019; Ang, 2020; Carothers, 2022), it stood out due to several distinctive features.

First, the campaign represents a prolonged and massive mobilization. Past campaigns were often dramatic but transitory. In contrast, this campaign stands out for its exceptional duration, continuing as of 2024. All levels of anti-corruption bureaus are mobilized to detect and punish corrupt officials. For instance, the central anti-corruption bureau conducts high-profile inspections targeting the agencies under its administration, such as provincial

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governments, ministries, and central state-owned enterprises. Local anti-corruption bureaus also conduct inspections targeting agencies within their jurisdictions (Wang, 2022a; Chen and Zhong, 2020; People's Daily Online, 2023; Guangzhou CCDI, 2017).

Second, the campaign has been marked by strict enforcement, resulting in the punishment of thousands of officials at all levels of the government. Notably, many of those investigated officials were senior officials who might have received leniency in the past.

Third, the campaign's influence extends beyond bureaucracy. Existing research has documented the campaign's influence on various issues, including rent-seeking behavior among local officials (Chen and Kung, 2019), firm performance (Ding et al., 2020; Kong et al., 2020), and labor supply to the bureaucracy (Jiang et al., 2020; Lai and Li, 2024).

Given its high-profile nature, the campaign garnered extensive publicity. Media outlets across China reported the campaign's achievements, such as the number of corruption investigations conducted and the improvements in bureaucratic work ethics. They also covered prominent stories about corrupt officials (Wang and Dickson, 2022; Zhuang, 2022). Notably, WeChat—China's most popular social media with 1.1 billion users as of 2021—created a database compiling all publicly disclosed information about government corruption, making it easily accessible to users. Therefore, the campaign generated an unprecedented influx of information about corruption, allowing many people to learn about matters that had previously been kept secret.

2.2. A Conceptual Framework: Anti-Corruption and Political Trust

Political trust refers to the belief about the government's benevolence—that the government will act in alignment with people's interests (Hetherington, 1998; Levi and Stoker, 2000; Zmerli, 2014). In the formation of political trust, people make judgments based on available information about several aspects of government performance. Corruption is an important aspect, given its potential to severely harm public interests and the natural concern people have about the honesty of their government. Therefore, as the anti-corruption campaign reveals a great amount of information about corruption to the public, people may use such information to (re-)evaluate government honesty and update their political trust. However, it is not *ex-ante* clear how political trust will respond to the information brought by the anti-corruption campaign, as different individuals may interpret the same piece of information differently.

To fix ideas, we build a simple model inspired by Dixit and Weibull (2007).[5] We show that the anti-corruption campaign can lead to heterogeneous impacts on political trust between individuals.

2.2.1. Basic Setups

Let T_i represent individual i's political trust. As mentioned above, a key factor shaping political trust is *government honesty*, denoted by s, which relates to corruption and how

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[5]Dixit and Weibull (2007) aim to explain why people's opinions on monetary policy polarize even though they observe the same economic conditions, e.g., inflation. In their model, people rationally update their beliefs about the real state of the world and form policy opinions in a Bayesian fashion. However, different priors make people weigh inferences from the same information differently in the process of belief updating, leading to polarization.

the government deals with it. Besides government honesty, there can be other factors that influence political trust. We label a combination of these factors as *government competence*, and denote it by z; government competence refers to the government's capacity to achieve objectives that benefit the people.[6]

The true levels of s and z cannot be directly observed. However, individual i can form beliefs about s and z based on available information, denoted by s_i and z_i. We posit that T_i is a linear function of s_i and z_i:

$$T_i = ws_i + (1-w)z_i. \tag{1}$$

In this expression, $w \in (0, 1)$ captures the relative importance of the evaluation of government honesty in shaping political trust.

We are interested in how the anti-corruption campaign shifts s_i and z_i, and in turn, changes T_i. Let $\bar{s}_i$ and $\bar{x}_i$ denote the pre-campaign beliefs about government honesty and competence; let $\tilde{s}_i$ and $\tilde{x}_i$ denote the post-campaign. Then, we can express the change in political trust in the wake of the campaign as:

$$\Delta T_i = w\left(\tilde{s}_i - \bar{s}_i\right) + (1-w)\left(\tilde{s}_i - \bar{s}_i\right) \tag{2}$$

$$\equiv w \cdot \Delta s_i + (1-w) \cdot \Delta z_i, \tag{3}$$

where $\Delta s_i \equiv \tilde{s}_i - \bar{s}_i$ and $\Delta z_i \equiv \tilde{z}_i - \bar{z}_i$ are the shifts in beliefs about government honesty and competence due to the anti-corruption campaign. In the following, we discuss how Δs_i and Δz_i relate to the anti-corruption campaign.

Government Honesty. Individuals can infer government honesty (s) from available information about corruption. Before the anti-corruption campaign, such information was relatively limited, so an individual i relied on her private knowledge of corruption, denoted by $\bar{x}_i$. Once the anti-corruption campaign unfolds, there is information about corruption available to all, denoted by x. Given the extensive scope of the campaign (see Section 2.1), we assume that it reveals more corruption than previously believed, i.e., $x > \bar{x}_i$.[7]

The inference rests on the relationship between s and x. We suppose that individual i perceives the following relationship:

$$x - \bar{x}_i = |s - \bar{s}_i|. \tag{4}$$

That said, individual i attributes the difference between observed information about corruption and her prior of the level of corruption, $x - \bar{x}_i$, to the deviation of unobserved government honesty from her priors, $s - \bar{s}_i$. Thus, she can learn possibilities about s upon observing x. However, note that the relationship between x and s is not monotonic. Each x is compatible with two opposing interpretations: (i) s is high—an honest government is able

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[6]To highlight the impacts of information about corruption, we abstract from the fact that political trust also depends on other specific factors. Nonetheless, our empirical analysis carefully examines alternative factors that can influence which political trust (see Section 6.4).

[7]There is no subscription i in the posterior information of corruption, x. It reflects the assumption that the campaign is a highly salient public event, ensuring that all individuals observe and interpret the same information.

and willing to combat corruption, or (ii) s is low—a corrupt government breeds rampant misdeeds. More concretely, as illustrated by Figure 1, when an x is observed, individual i can draw two inferences about the level of government honesty s:

$$s_i^h = \bar{s}_i + (x - \bar{x}_i) \tag{5}$$
$$s_i^c = \bar{s}_i - (x - \bar{x}_i), \tag{6}$$

where s_i^h corresponds to an honest government (interpretation (i)), while s_i^c corresponds to a corrupt government (interpretation (ii)). A Bayesian individual would form her ultimate inference of s by weighting s_i^h and s_i^c. The weighting depends on an individual's preexisting belief about whether the government is honest or corrupt. Let $p_i \in [0, 1]$ denote individual i's believed probability that the government is honest, while $1 - p_i$ denotes her believed probability that the government is corrupt.[8]

Therefore, upon receiving information about corruption x, individual i revises her evaluation of government honesty to be $\tilde{s}_i$:

$$\tilde{s}_i = p_i s_i^h + (1 - p_i)s_i^c \tag{7}$$
$$\Delta s_i \equiv \tilde{s}_i - \bar{s}_i = \underbrace{(x - \bar{x}_i)}_{\text{informativeness}} \times \underbrace{(2p_i - 1)}_{\text{interpretation}}. \tag{8}$$

Equation 8 expresses the shift in the evaluation of government honesty. It indicates that the anti-corruption campaign, by increasing x, can have heterogeneous impacts on Δs_i, and consequently, on political trust.

Inspecting Equation 8, three remarks are in order; they are relevant to the predictions of our model and interpretations of our empirical results. First, Δs_i depends on the anti-corruption campaign's degree of *informativeness*, $x - \bar{x}_i$. For each p_i, the magnitude of Δs_i increases as $x - \bar{x}_i$ becomes larger—that is, when the campaign reveals significantly more information about corruption than individual i had previously anticipated.

Second, Δs_i also depends on an individual's *interpretation*, $2p_i - 1$. On the basis of informativeness, it determines the direction in which political trust would shift in the wake of the anti-corruption campaign. This is because different individuals may process the same piece of information differently. Specifically, a relatively pro-government individual ($p_i > 1/2$) places a higher weight on s_i^h—the interpretation aligned with her prior that the government is honest and catches many corrupt bureaucrats—which results in $\Delta s_i > 0$. On the contrary, an individual with more negative attitudes ($p_i < 1/2$) tends to interpret a high x as reinforcing her prior that the government is corrupt, thereby placing a higher weight on s_i^c and lowering her evaluation of government honesty, i.e., $\Delta s_i < 0$.

Third, it is useful to discuss the *interaction between prior belief (p_i) and prior knowledge ($\bar{x}_i$)*. Note that it is possible that p_i and $\bar{x}_i$ are correlated. A reasonable assumption is that

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[8]As noted by previous literature (Pan and Xu, 2018), the ideological spectrum may encompass multiple dimensions (e.g., liberalism, nationalism, market economy, etc.) or reflect socioeconomic differences between groups. Consequently, the cleavage in political attitudes may correlate with or result from cleavages in other dimensions and differences in various attributes. Therefore, the cleavage in political attitudes we consider here should be interpreted as a reduced-form representation of underlying factors that shape ideological differences. In our empirical analysis, we will control for a range of demographic or socioeconomic factors that may underpin ideological differences.

Figure 1: Relationship Between x and s
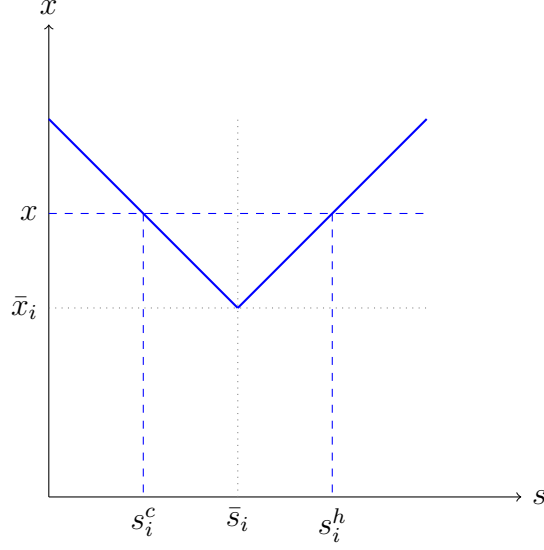
$Cov(p_i, \bar{x}_i) \leq 0$, i.e., people who *a priori* know more about government corruption tend to hold negative beliefs about government honesty. By Equation 8, the negative covariance will *attenuate* the significance of the interpretation mechanism. For instance, for individuals with very low p_i, though the negative *interpretation* channel has the potential to result in a sizable negative effect of the anti-corruption campaign on political trust, their high $\bar{x}_i$ would attenuate the negative effect toward zero (i.e., $|\Delta s_i|$ is small), because the campaign provides lesser information about corruption to them. Later in this paper, we conduct a heterogeneous effect analysis that leverages proxies for p_i. Taking into account the potential attenuation, it would be pronounced to detect a significant heterogeneous effect.

Government Competence. Besides signaling government honesty, the anti-corruption campaign may be considered as showcasing the government's capacity in achieving policy objectives. Citizens may associate anti-corruption accomplishments with enhanced state capacity. As a result, the anti-corruption campaign can foster a favorable evaluation of government competence. The belief about government competence evolves with the anti-corruption campaign in the following manner:

$$\Delta z_i \equiv \tilde{z}_i - \bar{z}_i = \lambda_i x, \tag{9}$$

where $\lambda_i \geq 0$ captures the response of citizen i's belief about government competence to the observed level of anti-corruption efforts (x).

Taken together, we can express individual i's change in political trust due to the anti-corruption campaign as:

$$\Delta T_i = w\Big[\underbrace{(x - \bar{x}_i)}_{\text{informativeness}} \times \underbrace{(2p_i - 1)}_{\text{interpretation}} \Big] + (1 - w) \overbrace{\lambda_i x}^{\substack{\text{government} \\ \text{competence}}} . \tag{10}$$

Next, we derive some comparative statics based on Equation 10 to guide our empirical

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analysis. They relate to both the effects of the anti-corruption campaign on political trust as well as the mechanisms.

2.2.2. Results

Average Effect on Political Trust. We are interested in how the anti-corruption campaign alters the average level of political trust. For Equation 10, taking expectation across individuals (indexed by i) yields (see Appendix A.1 for derivation):

$$E\Delta T_i = w\left[(2\mu_p - 1)(x - \mu_{\bar{x}}) - 2Cov(p_i, \bar{x}_i)\right] + (1 - w)\mu_\lambda x, \tag{11}$$

where $\mu_p = Ep_i$, $\mu_{\bar{x}} = E\bar{x}_i$, and $\mu_\lambda = E\lambda_i$. It is reasonable to suppose that $Cov(p_i, \bar{x}_i) \leq 0$, i.e., individuals have more private knowledge of corruption before the campaign (high $\bar{x}_i$) are less likely to believe that the government is honest (low p_i).

According to Equation 11, the sign of the average change in political trust, $E\Delta T_i$, is ambiguous because of different possibilities of the signs and sizes of $2\mu_p - 1$. The following proposition summarizes the average effect of the anti-corruption campaign on political trust.

Proposition 1 (Average Effect). *By revealing unanticipated information about corruption, $x > \bar{x}_i$, the average effect of the anti-corruption campaign on political trust is ambiguous. That is, $E\Delta T_i$, can be positive, negative, or zero.*

Proof 1. *See Appendix A.1.*

Heterogeneous Effects. In light of Proposition 1, the conceptual model is agnostic about the magnitude and sign of the average effect. The key reason for this ambiguity is the variation in p_i (relative to $\bar{x}_i$ and λ_i): it makes ΔT_i either positive or negative, thus, in expectation, $E\Delta T_i$ does not have a definite sign. It is useful to explore the heterogeneous effect of the anti-corruption campaign, ΔT_i, which can help illuminate underlying mechanisms. Proposition 2 discusses the sources of the heterogeneity in light of Equation 10.[9]

Proposition 2 (Heterogeneous Effects). *The magnitude and sign of the anti-corruption campaign's average effect on political trust, $E\Delta T_i$, depend on the interaction of the following three channels.*

1. ***Informativeness*** *($x - \bar{x}_i$). The anti-corruption campaign affects political trust by revealing additional information about corruption. Provided that such information is far richer than previous knowledge, i.e., $x - \bar{x}_i$ is high enough, ΔT_i has a larger magnitude if $x - \bar{x}_i$ ($\bar{x}_i$) is larger (smaller) ceteris paribus.*
2. ***Interpretation*** *(p_i). The direction in which information about corruption shifts average political trust is governed by the overall prior about government honesty. ΔT_i is positive (negative) if p_i is sufficiently high (low), i.e., an average citizen has a stronger prior that the government is honest (corrupt).*

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[9]For simplicity, Proposition 2 focuses on ΔT_i at the individual level. Similar implications apply if we consider the average of ΔT_i for a group of individuals—formally, $E_g \Delta T_i$, where g denotes the group of interest and the expectation is with respect to the group. See Appendix A.1 for a detailed discussion.

3. ***Evaluation of government competence ($\lambda_i x$).*** *Besides providing information about corruption, the anti-corruption campaign may showcase government competence in achieving policy goals. $\lambda_i x$ contributes positively to ΔT_i.*

Proof 2. *See Appendix A.1.*

Variance of Political Trust. While our model does not *a priori* suggest a definite direction for the change in average political trust, in Appendix A.1, we show that the variance of political trust will increase if high (low) existing trust begets an increase (decrease) in trust in the wake of the anti-corruption campaign. By Proposition 2, this is likely to occur as different interpretations bifurcate the change in political trust.

Proposition 3. *The anti-corruption campaign increases the variance of political trust.*

Proof 3. *See Appendix A.1.*

2.2.3. Remarks

Other Determinants of Political Trust. In the model, we have made a simplifying assumption: the anti-corruption campaign (x) affects political trust by intervening in perceived government honesty (s_i) and competence (z_i). However, it is likely that the campaign or other contemporaneous shocks operate through other channels, such as general willingness to trust. Our additional empirical investigations take into account alternative explanations of the campaign's impacts on political trust (see Section 6.4).

Comparison with Wang and Dickson (2022). Proposition 2 underscores the importance of informativeness and interpretation in shaping political trust changes, advancing the insights from previous literature (Wang and Dickson, 2022) in two main directions. First, we allow for flexibility in people's interpretations of information about corruption. Wang and Dickson (2022) similarly contend that people would use information about corruption brought by an anti-corruption campaign to update political trust. However, they hypothesize that the campaign should *suppress* political trust, since people would be shocked by the many corruption scandals and become pessimistic about officials' integrity (their Hypotheses 1 and 2). Thus, they implicitly assume that people *negatively* interpret corruption disclosed by the campaign, an assumption which may not be warranted for the entire population. Second, we enrich the role that priors play in shaping the campaign's impacts. In Wang and Dickson (2022), priors govern the campaign's informativeness and then lead to heterogeneity in impacts: they argue that the campaign should have a smaller (larger) effect of reducing political trust if an individual had more (less) knowledge of government corruption previously (their Hypothesis 3). Our framework embeds this informativeness channel through the term $x - \bar{x}_i$ in Equation 8. Moreover, with the term $2p_i - 1$ in Equation 8, we consider the possibility that priors can bifurcate opinions regarding the same information. Indeed, our model predicts that anti-corruption can increase the variance of political trust. This is not rare in politics, as documented by the massive literature on public opinion

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and political polarization (Adena et al., 2015; Bullock, 2009; Bisgaard, 2015; Bisgaard and Slothuus, 2018; Spenkuch et al., 2021; Gerber and Green, 1999).[10]

Local Government and Central Government. For simplicity, our model does not distinguish between the local and the central governments. Our subsequent empirical investigation concentrates on people's trust in *local* government, because in the household surveys we use, only trust in local government is available. As both local and central governments are actors in the anti-corruption campaign, we consider it a useful exercise to study citizens' attitudinal response when the government acts to combat corruption. Appendix A.2 provides a detailed discussion of the interrelationship and distinctions between trust in central and local governments.

For our purpose of understanding the formation of trust in local government, however, it remains possible that the anti-corruption campaign weakens local political power, so that citizens change their trust in local government—possibly because now the local government has less power to influence in their livelihoods (Li, 2019; Wang, 2022a). In Appendix A.2, we modify our baseline conceptual framework to discuss the implication of this potential channel. This extended framework enables an empirical test, in which we do not find evidence that supports this channel (see Section 6.4 and Appendix D.4).

Roadmap for Empirical Analysis. For the subsequent empirical investigation, in light of Equation 11 and Proposition 3, we first examine the anti-corruption campaign's effect on an average individual's political trust and the variance of political trust. Then, we probe into the three underlying mechanisms implied by Proposition 2: informativeness, interpretation, and competence. In the next section, we discuss the data we use in the empirical analysis.

3. Data

3.1. Local Information about Corruption

We hypothesize that the anti-corruption campaign can affect political trust, as it brings in information about government corruption, and people can use the information to evaluate the government. To empirically examine this hypothesis, we need to measure the amount of information available to people.

To measure the regional variation in information about corruption, we use a comprehensive database of virtually *all* the corruption investigations disclosed by the anti-corruption authorities between 2011 and 2016 (Wang and Dickson, 2022).[11] The database was developed by China's internet tycoon, Tencent, and it was widely circulated over Tencent's WeChat, the most popular social media in China, with over 1.1 billion users in 2021. In the database, people can easily check which officials have been investigated in their cities and access related stories. Therefore, people can be well exposed to information brought

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[10]For instance, Adena et al. (2015) document that Germans with high (low) anti-Semitic predispositions were persuaded (dissuaded) by Nazi propaganda. Gerber and Green (1999) argue that "observers with different preconceptions interpret the same piece of evidence in ways that conform to their *initial views*."

[11]See https://dataverse.harvard.edu/dataset.xhtml?persistentId=doi:10.7910/DVN/9QZRAD for further details about the dataset (last accessed on May 17, 2020).

in by the anti-corruption campaign. More importantly, drawing upon official sources, the database arguably includes the majority of publicly available information about corruption in Chinese society, across possible transmission channels (e.g., news reports, internet, and word of mouth).[12]

The majority of investigated officials, unsurprisingly, are local officials.[13] We compute the cumulative number of corruption investigations for each city p as of time τ, starting from 2011, denoted by D_p^τ. When constructing this measure, we exclude investigated officials who were not working for the city government. Due to the campaign's publicity and the database's popularity and coverage, we consider D_p^τ a proxy for the amount of information about corruption received by local people.

Figure 2 presents a monthly series of cumulative corruption investigations at the national level. There were barely any corruption investigations disclosed before the anti-corruption campaign. Immediately after the campaign's onset in January 2013, however, corruption investigations sharply increased, and the increase halted in 2016. This trend confirms that the campaign did lead to the disclosure of a great amount of information about corruption.

Figure 2: Time Series of Cumulative Investigations
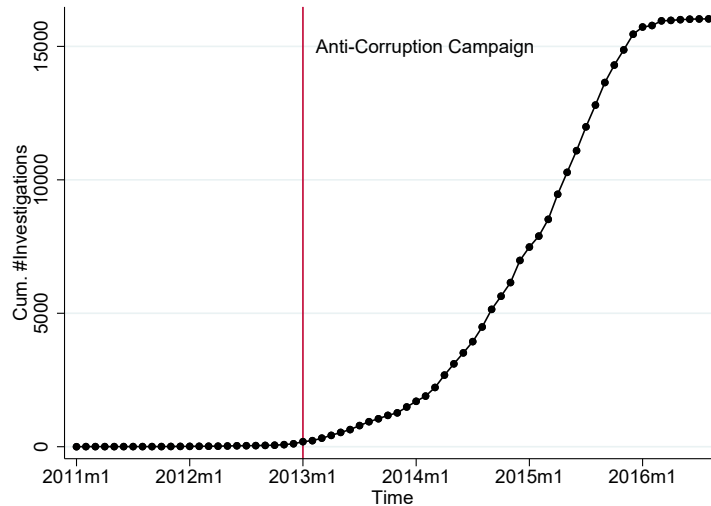
Note: Data are from the Tencent database (Wang and Dickson, 2022). The vertical line marks the onset of the anti-corruption campaign (January 2013).

3.2. China Family Panel Study Sample

3.2.1. Sample Construction

We conduct an analysis relying on the China Family Panel Study, a nationally representative biennial household survey starting in 2010. The survey includes information

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[12]The information circulated through other channels can be ultimately reflected by official sources that are then collected by the database.

[13]We categorize local officials as individuals holding a rank no higher than the rank of a county head (*Chuji*). In our dataset of anti-corruption investigations, 95% of the cases involve local officials.

for both household heads and household members. We construct a *balanced panel dataset* using the CFPS data from 2012, 2014, and 2016, as starting in 2012 the survey included questions on political attitudes. We elicit some measures from the 2010 survey. Our sample only includes individuals who (i) responded to all three waves of surveys, (ii) were born between 1950 and 1990, and (iii) never migrated between 2012 and 2016. These restrictions allow us to concentrate on a fixed group of individuals who are mature enough to form meaningful political attitudes, and they also enable us to correctly match city-level information about corruption. We end up with a balanced panel dataset with 11,950 individuals from 122 cities,[14] all of whom were consecutively surveyed in 2012, 2014, and 2016.[15]

Next, we discuss the main variables used in our analysis. Summary statistics are reported in Table 1.

3.2.2. Political Trust

Measurement. CFPS elicits political trust based on the following question:

> *Please rate to what extent you trust the local government cadres. Answers range from 0–10 (0 = lowest trust, 10 = highest trust).*[16]

Figure 3 displays the distribution of the political trust score by year. The distribution is bell-shaped: responses pool in the middle of the scale (mean, median ≈ 5), which is not uncommon in the literature on trust or public opinion more broadly (Gaziano and McGrath, 1986; Petty and Krosnick, 2014; Allen and Birch, 2015).[17] To break ties in judgment and to capture unambiguous political trust, we create a dummy variable for high-level political trust, which equals one if the reported score is greater than or equal to 5. Note that this formulation adopts a relatively conservative definition of *distrust* (for a score ≤ 4), creating a more powerful test for whether the anti-corruption campaign has lowered political trust.

Validity. Due to the self-reporting nature of the CFPS, there may be concerns about the validity of our measure of political trust. People may be reluctant to truthfully report their political trust, despite the fact that the trustee is local government and that it is legitimate for respondents to be more outspoken (as discussed in Section 2.2). Were such misreporting salient and associated with underlying determinants of corruption investigations, our results could pick up a spurious impact of the anti-corruption campaign on political trust. However, our design and results help alleviate this self-censorship concern in several ways.

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[14]We accessed the restricted city-level location information at the on-site data room of the Institute of Social Science Survey, Peking University.

[15]In Appendix B.1, we outline the steps for constructing the balanced panel. We report the sample size changes in the construction process. In Section 5.1 "Robustness Checks," we also show that (i) our results are not driven by the choice of using a balanced sample, and (ii) migration does not drive our results because the anti-corruption campaign has a null association with migration.

[16]This measure captures only trust in local government. In Appendix A.2.1, we offer a conceptual comparison of trust in local versus central government and acknowledge that the current data limitation presents a promising avenue for future research.

[17]There are several possible reasons for this "overstuffed middle" problem (Allen and Birch, 2015). It could mean that respondents are indeed centrist, that they do not have the information or knowledge to make a deterministic judgment, or that they are ambivalent.

Figure 3: Distribution of Political Trust
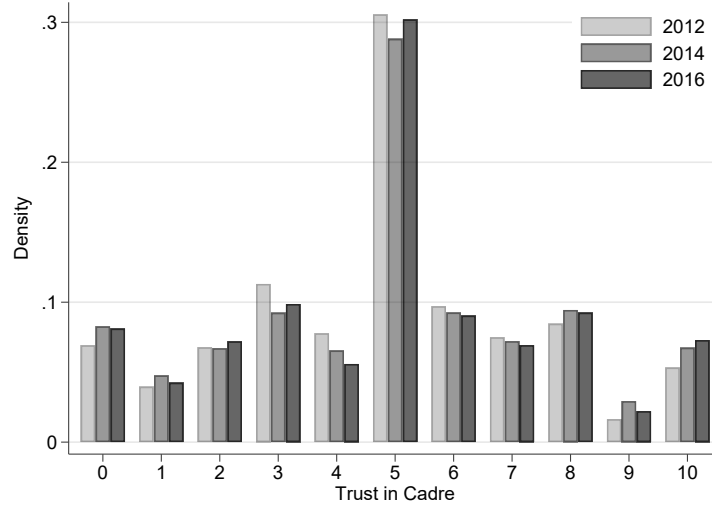
Note: This figure shows the distribution of political trust scores in CFPS data of 2012, 2014, and 2016.

First, the item response rate for the question on political trust is high (e.g., 96.75% in 2012), indicating that it is unlikely for people to be intimidated into silence. In addition, Figure 3 shows that the distribution of political trust is not skewed towards "politically correct" high trust, and many respondents reported low trust.

Second, in Appendix B.2, we show that our political trust measure exhibits reasonable patterns with high internal consistencies. Figure B2 correlates pre-campaign political trust (measured in 2012) with *predetermined* negative experiences with local governments (measured in 2010). As expected, political trust is lower for respondents who had been unfairly treated by local cadres, had conflicts with cadres, encountered slack cadres, or had been asked for bribes.[18] Table B2 reports the correlations between political trust and a rich set of pre-determined individual characteristics in the baseline (2012), which are again largely as expected. For instance, Communist Party members exhibit higher political trust. Furthermore, Figure B3 shows that higher political trust is strongly associated with more (peaceful) political engagement. Specifically, a trustful individual is more likely to vote in grassroots elections (in line with Tao et al., 2011), and she is more prone to resolve dissent (if any) via petitions rather than protests. Figure B3 also shows that higher political trust has led to more confidence in China's social governance in terms of tackling challenges of corruption, environmental issues, inequality, etc.

Third, the panel data structure enables us to include individual fixed effects, which removes any individual-invariant heterogeneity. This would largely purge misreporting if it is relatively stable, which may be plausible given that we have a six-year short panel. In our empirical investigations, we also flexibly control for differential trends in political trust to absorb possible time-varying reporting patterns (see Section 4).

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[18]We highlight these correlations because the experiences with local government shed light on the mechanisms of our findings, which we discuss in Section 6.2.1.

Besides self-censorship, another concern is the comparability of our political trust measure. This is especially concerning in studies using cross-sectional or repeated cross-sectional data, which have to assume that the trust measures are comparable between different individuals and/or times. However, the panel structure enables us to get around this problem. First, we are able to trace changes in political trust within the *same* individual. Second, we can avoid disturbances from compositional changes. Repeated cross-sectional studies have to contrast different (and likely incomparable due to selection into survey response) individuals over time. But if people self-select into and out of response groups because of the anti-corruption campaign, it is unclear how the campaign causes a change in political trust. By contrast, the panel data have the advantage of concentrating on a fixed group of individuals.

3.2.3. Additional Variables

In addition to corruption investigations and political trust, as Table 1 shows, we also collect rich variables from CFPS and other sources. We briefly describe these variables below and will introduce them in greater detail when they become pertinent to our analysis.

Attitudinal Variables. Panel (B) of Table 1 presents several attitudinal variables. We also include trust in other groups, including parents, strangers, and Americans. These variables are measured using questions similar to the one for political trust (see Section 3.2.2). Variables on trust in other groups enable us to examine if our results are driven by changes in overall trust (see Appendix D.5).

We also include an evaluation of local government performance. This variable is a score on a 1–5 scale, which reflects a respondent's assessment of the prefecture-level government's performance over the past year. This variable enables us to test if our results are driven by a government competence channel, as suggested by the conceptual model.

Experiences with the Government. To investigate the underlying mechanisms (Section 6), we exploit information about individual experiences with the government: whether respondents have been unfairly treated by local cadres, had conflicts with cadres, encountered slack cadres, and have been asked for bribes (see Panel (C)).

Covariates. We also collect a range of individual characteristics (see Panel (D)), including birth cohort, gender, Han ethnicity, *hukou* status, Communist Party membership, educational attainment, employment in state sectors, parental educational attainment, and parental Communist Party membership. All of them can be conducive to the formation of political trust.

Other Variables. Panel (E) presents several variables we use for robustness checks and for disentangling different mechanisms. We provide a description of them below in order of Panel (E).

Past Corruption. To measure a city's past level of corruption, we use the ETC index proposed by Cai et al. (2011). ETC refers to Chinese firms' entertainment and travel costs, which are common amenities for bribing government officials. Therefore, the literature has used ETC as a proxy for local corruption in China (e.g., Fang et al., 2019). Cai et al. (2011)'s ETC indices (ratio of ETC with respect to a firm's sales) are available for 2002, 2003, and 2004. We take the three-year average as a measure of a city's past level of corruption. We use this index as an additional control to check the robustness of our baseline results.

Attention to Corruption News. The CFPS 2010 survey asks individuals if they have ever paid attention to news about corruption. We code people's answers into a dummy variable.

Internet Censorship and Propaganda. The anti-corruption campaign offers information about corruption that was previously unavailable to the public. To capture to what extent such information had been blocked or diluted so that the campaign featured a relatively higher degree of informativeness, we obtain Qin et al. (2017)'s measures of censorship and propaganda at the provincial level: the share of deleted posts on Weibo ("Chinese Twitter") and the share of government users on Weibo.

Confucianism. Confucian philosophy has enduring influences on China's political traditions (Bell, 2010; Jiang, 2016; Pan and Xu, 2018). To gauge its implications for political trust, we use the number of Confucian temples (in log form) to capture the city-level Confucian norms, following previous literature (Kung and Ma, 2014; Chen et al., 2020; Alm et al., 2022).

Special Backgrounds. Some special backgrounds may have unique impacts on individuals' political attitudes and behaviors. We take into account three types of backgrounds. First, an individual's military service could foster a sense of loyalty to the state, and this may spill over to other family members. So, we code an individual to have such a military background if anyone in her family has ever served in the military. Second, people may see criticizing the government as taboo if they or a family member were purged in the Communist Revolution (1950s) or the Cultural Revolution (CR, 1966–1976). Based on experiences elicited in the CFPS 2010 survey, we create a dummy variable that equals one if one's family was purged in these Revolutions.[19] Third, witnessing intense state violence can also lead to fears of criticizing the government. The Cultural Revolution was the most violent episode in China's modern history. Therefore, we create a dummy variable that equals one if the respondent is from a city with above-median CR casualties (data from Walder, 2014), or if she experienced the CR during the "impressionable years" (age 18–25), the critical period for the formation of political attitudes.[20]

4. Empirical Strategy

4.1. Econometric Model

The combination of regional and temporal variations in corruption investigations motivates a *difference-in-differences* (DiD) strategy. Thus, to assess the anti-corruption campaign's impact on political trust, we rely on the following specification:

$$y_{ipt} = \alpha + \beta_1 \left(D_p^{14} \times T_t^{14} \right) + \beta_2 \left(D_p^{16} \times T_t^{16} \right) + X_i' \gamma_t + \lambda_i + \mu_t + \varepsilon_{ipt}. \tag{12}$$

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[19]The CFPS 2010 survey directly asks if one's family was assigned a bad class label (landlords, rich peasants, and capitalists), was sent to the May Seventh Cadre School (where intellectuals were re-educated through labor in the Cultural Revolution), or experienced the Sent-Down Youth Movement. Intentional misreporting is not very likely. Also using CFPS data, Alesina et al. (2020) document that for nearly 94.3% of Chinese households, all household members report identical class labels.

[20]The impressionable years hypothesis (Alwin and Krosnick, 1991; Cotofan et al., 2020; Carreri and Teso, 2023) suggests that the period between the ages of 18 and 25 is a critical period for the formation of political attitudes. For instance, Carreri and Teso (2023) find that the members of the US Congress hold more conservative views on redistribution if they have experienced recessions during impressionable years.

	(1) Time	(2) Source	(3) Obs.	(4) Mean	(5) SD	(6) Min	(7) Max
Panel (A): Anti-Corruption							
Corruption investigations	2012–16	0	35850	28.448	37.613	0	262
Panel (B): Attitudes							
Trust in cadres	2012–16	1	35850	4.877	2.624	0	10
Trust in parents	2012–16	1	35775	9.311	1.477	0	10
Trust in strangers	2012–16	1	35767	1.904	2.066	0	10
Trust in Americans	2012–16	1	35090	2.128	2.402	0	10
Government performance	2012–16	1	34854	3.411	0.909	1	5
Panel (C): Experiences							
Experience: unfairly treated by cadres	2012	1	35706	0.089	0.285	0	1
Experience: having conflicts w/cadres	2012	1	35760	0.036	0.185	0	1
Experience: slack cadres	2012	1	35703	0.125	0.331	0	1
Experience: asked for bribes	2012	1	35715	0.066	0.248	0	1
Panel (D): Covariates							
Birth cohort	2012	1	35850	1967.387	10.534	1950	1990
Male	2012	1	35850	0.467	0.499	0	1
Han ethnicity	2012	1	35850	0.926	0.262	0	1
Urban	2012	1	35850	0.463	0.499	0	1
Degree completed	2012	1	35850	2.540	1.286	1	6
Communist Party member	2012	1	35850	0.075	0.263	0	1
State sector employee	2012	1	35850	0.080	0.272	0	1
Father degree completed	2010	1	35850	1.873	1.054	1	6
Mother degree completed	2010	1	35850	1.441	0.799	1	6
Father Communist Party member	2010	1	35850	0.160	0.367	0	1
Mother Communist Party member	2010	1	35850	0.023	0.149	0	1
Panel (E): Other Variables							
ETC index	2002–04	2	18846	0.012	0.005	0.003	0.025
Attention to corruption news	2010	1	35850	0.230	0.421	0	1
Deleted Weibo posts	2009–13	3	33765	0.181	0.048	0.120	0.285
Govt. Weibo users	2009–13	3	33765	0.041	0.010	0.025	0.061
ln(Confucian temples)	Qing	4	30150	4.559	1.516	0	8.677
Military family	2010	1	35850	0.063	0.243	0	1
Family purged in revolutions	2010	1	35850	0.127	0.333	0	1

Source: 0 = Wang and Dickson (2022), 1 = CFPS, 2 = Cai et al. (2011), 3 = Qin et al. (2017), 4 = Chen and Kung (2019).

Subscript i indexes individuals, p indexes cities, and t indexes years (2012, 2014, and 2016). We include individual fixed effects λ_i and year fixed effects μ_t. y_{ipt} is the political trust measure. D_p^{14} and D_p^{16} are city p's cumulative corruption investigations as of 2014 and 2016, respectively. T_t^{14} and T_t^{16} are the dummy variables for years 2014 and 2016. X_i is a set of individual characteristics, including indicators of birth cohort, gender, Han ethnicity, *hukou* status, Communist Party membership, educational attainment, employment in state sectors, parental educational attainment, and parental Communist Party membership. As they are invariant over time, we allow them to have differential impacts on political trust (or reporting of trust, as mentioned in Section 3.2.2) over time. ε_{ipt} is the error term. We cluster standard

errors at the city level.

4.2. Identifying Assumption

Equation 12 makes full use of our three-period panel data to trace how an individual's political trust varies with the anti-corruption campaign. β_1 and β_2 are the parameters of interest; they capture how an increase in cumulative investigations is associated with an average individual's political trust in 2014 and 2016, respectively. We scale estimated β_1 and β_2, so that they reflect how political trust is associated with a one standard deviation increase in the number of cumulative investigations (SD = 38).

The DiD design compares the trends of political trust between individuals in high- and low-investigation cities. To attribute the trend differences to the gap in corruption investigations, i.e., to causally interpret estimated β_1 and β_2, the common trends assumption needs to be met—if corruption investigations were at the same level, individuals would share similar trends of political trust between cities, conditional on the controls.

The major concern is that if political trust were already on a differential trend in high-investigation cities than in low-investigation cities, our estimates would be biased. However, the bias may be limited since the trends may not be very distinct, depending on corruption investigations. On one hand, more corruption investigations can be associated with *declining* political trust, as they may reflect the severity of preexisting corruption. On the other hand, to the extent that corruption is a byproduct of economic growth, more investigations may be associated with *rising* political trust, as people give credit to the developmental government despite the revealed corruption (Ang, 2020).[21] Taken together, these two competing narratives could counteract each other, mitigating differential trends across cities.

In Appendix C.1, we provide two checks to assess the plausibility of the common trends assumption. First, in Table C1, we show that once conditioned on province fixed effects (embedded in individual fixed effects), a city's cumulative investigations (D_p^{14} and D_p^{16}) are not correlated with its pre-campaign (2012) political trust level or with other factors that could affect the evolution of political trust, including the predetermined *levels* and *growth rates* of public sector size, private sector size, GDP per capita, tax revenue per capita, and wage rate. This indicates that the cumulative investigations may be conditionally idiosyncratic, favoring the common trends assumption.[22]

Second, although we are unable to test for pretrends by the usual event-study exercise because we have only one pre-campaign period (2012) in the CFPS sample, we show evidence in the same vein using another dataset from the China Social General Social Survey (CGSS). CGSS elicited political trust (in local government) between 2010 and 2012. We correlate political trust in these years with upcoming corruption investigations in 2014 and 2016.[23]

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[21]Note that this would attenuate negative estimates (see Section 5.1), suggesting that our results are still informative in the sense of providing a lower bound.

[22]This might not be surprising, as most variations in corruption come from time-invariant factors such as resource endowments, culture, social networks, and so on, which are absorbed by province fixed effects. The remaining variations are due to the anti-corruption campaign's idiosyncratic enforcement.

[23]Here we measure corruption investigations at the province level because CGSS only provides a province identifier.

Figure C1 shows a lack of differential trends in political trust prior to the campaign, lending support to the common trends assumption.[24]

The specification of Equation 12 can also mitigate the concern about differential trends in political trust: we flexibly control for possible differential trends in political trust by including the interactions of individual covariates and year dummies. As robustness checks, in Appendix C.4, we control for (i) the interactions between local past corruption levels and year fixed effects and (ii) the province-by-year fixed effects. Our results survive these additional controls for differential trends.

5. Effects of Corruption Investigations on Political Trust

5.1. Main Results

Average Effect. What is the average effect of the anti-corruption campaign on political trust? Proposition 1 suggests that the average effect is ambiguous. To address this question empirically, we first estimate Equation 12 to study the average effect of the anti-corruption campaign on political trust. Table 2 presents the results. Recall that we scale the estimates to reflect how political trust is associated with a one (sample) standard deviation change in the number of cumulative investigations that people have been exposed to (SD = 38). The dependent variable is the political trust dummy (= 1 if the score ≥ 5). As mentioned earlier, this formulation defines distrust conservatively (score ≤ 4) and so enhances the power of the test for whether the anti-corruption campaign *reduces* political trust.

In Columns (1)–(4) of Table 2, all the estimates imply that, on average, the corruption investigations brought by the anti-corruption campaign have lowered political trust. This decline is pronounced in 2014 but not in 2016.[25] Specifically, Column (1) represents a minimum specification, where only individual and year fixed effects are controlled. In the rest of the columns, we stepwise add covariates (X_i in Equation 12). In Column (2), we first include birth cohort-by-year fixed effects. In Column (3), we further include individual characteristics (gender, education, ethnicity, party membership, and state sector employment) interacted with year dummies. Then in Column (4), we go on to add family background (parental education and party membership) interacted with year dummies. The estimates are remarkably stable with the inclusion of these controls, which indicates that corruption investigations are orthogonal to local conditions. This result lends support to the identifying assumption that requires the paths of political trust to be similar between cities if corruption investigations were at the same level.

In our preferred specification (Column (4)), the estimate shows that in 2014, a one SD increase in corruption investigations on average reduces the likelihood of trusting the government by 2.1 percentage points.[26] Such an effect is sizeable. For example, in the

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[24]In subsequent sections, we explore heterogeneous effects of the campaign by education, which is important for understanding the mechanisms of our main findings. The parallel pre-trends displayed in Figure C1 hold in very similar patterns when examining individuals above and below college, respectively. The results are not reported for the sake of space but can be provided upon request.

[25]Implications are similar if we use the political trust scale as the dependent variable (see Appendix C.2).

[26]One SD increase is also very similar to the difference between the third quartile and the first quartile of corruption investigations in both 2014 and 2016.

Table 2: The Average Effect of Anti-Corruption on Political Trust

	(1)	(2)	(3)	(4)
$D^{14} \times T^{14}$	-0.025***	-0.024***	-0.022***	-0.021***
	(0.008)	(0.008)	(0.008)	(0.008)
$D^{16} \times T^{16}$	-0.007	-0.006	-0.009	-0.009
	(0.009)	(0.009)	(0.009)	(0.009)
D.V. mean, baseline	0.632	0.632	0.632	0.632
Individual FE	✓	✓	✓	✓
Year FE	✓	✓	✓	✓
Cohort × year FE		✓	✓	✓
Indiv. char. × year FE			✓	✓
Fam. bkgd. × year FE				✓
Obs.	35850	35850	35850	35850
R^2	0.505	0.507	0.508	0.508

Note: The dependent variable is the political trust dummy (= 1 if the score ≥ 5). The number of investigations (D) is standardized. D^{14} (D^{16}): cumulative investigations from the beginning of the campaign to 2014(16). Individual characteristics include gender, indicators of educational attainment, *hukou* status, Han ethnicity, Communist Party membership, and state sector employment. Family background includes parents' educational attainment and their Communist Party membership. Robust standard errors, clustered at the city level, are reported in parentheses.
* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$

baseline year of 2012, this magnitude is more than two-thirds of the gap in political trust between those who paid attention to corruption news and those who did not (Column (2) of Table B2). It is also one-fifth of the gap in political trust between Communist Party members and other individuals.

Heterogeneous Responses. Although the anti-corruption campaign had a negative effect on political trust in 2014, our estimates suggest that by 2016, the effect had become insignificant.[27] However, by Proposition 2, the average effects can mask heterogeneous effects across different groups. For instance, as we will demonstrate in greater detail later, we find that the anti-corruption campaign had varying effects on individuals with different education levels: the campaign decreased political trust among individuals with low levels of education in both 2014 and 2016, while it increased trust among individuals with high levels of education, especially a college degree (see Table 5 and Figure D1). These results show interesting distributional effects of the campaign on political trust, and point to potential polarization. We discuss the heterogeneous effects more closely later in this paper.

Effects at Different Margins. Apart from the average effect, we also zoom into corruption investigations' effects at different margins of political trust. Specifically, we define dummy variables for whether the political trust score exceeds c, where c is an integer ranging from 1 to 10. Using these dummy variables as the dependent variables for Equation 12, we

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[27]The results potentially align with the prediction of Proposition 1, suggesting that anti-corruption efforts may result in an average null effect.

can examine how the campaign has shifted political trust at different margins. Figure 4a presents the changes in 2014 (estimates of β_1). We see that corruption investigations have significantly *increased* the proportion of individuals who hold a *low* level of political trust (score = 2–5)—note that there is a significant decrease in the proportion of individuals who have a level of political trust above 2–5. Figure 4b shows the effects of corruption investigations on political trust by margin in 2016 (estimates of β_2), where the patterns are similar to those in 2014 but are less economically and statistically significant. In Appendix C.3, we find similar patterns if we use a Generalized Logit Model.

Figure 4: Effects at Different Margins of Political Trust

(a) Effects in 2014   (b) Effects in 2016
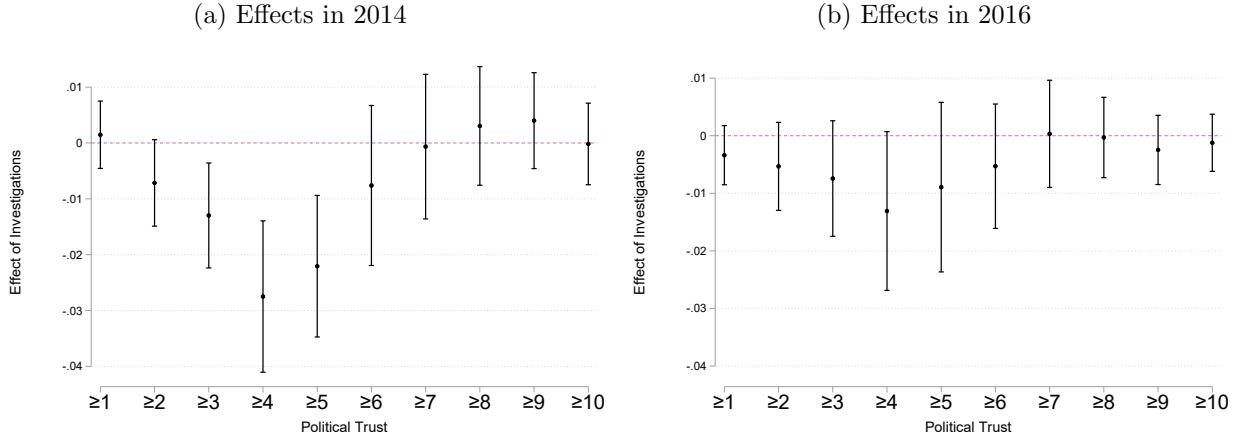
Note: We estimate Equation 12 using the dummy variable for the political trust score to be greater than or equal to each level as the dependent variable. The estimated coefficients on the 2014 investigations are plotted in (a), and the estimated coefficients on the 2016 investigations are plotted in (b). The solid points are point estimates and the caps are 90 percent confidence intervals. Each point represents the coefficient from a separate regression.

Robustness Checks. We conduct a battery of robustness checks for our baseline finding that the anti-corruption on average reduces political trust. First, in Appendix C.4, we show that our results are robust to including additional controls for potential differential trends. Second, though the analysis above is built upon a balanced panel of individuals, Appendix C.5 shows that the baseline finding is not driven by the sampling choice, and it cannot be due to selective migration as the anti-corruption campaign has a null effect on migration. Third, in Appendix C.6, we show that our results survive when accounting for other contemporaneous shocks that may influence political trust in light of existing literature, including air pollution, a migration reform, anti-poverty programs, and sluggish export growth (Yao et al., 2022; An et al., 2023; Manacorda et al., 2011; Campante and Chor, 2012). Fourth, the statistical significance of our finding is robust to a permutation test (Appendix C.7). Lastly, we obtain similar results using a heterogeneity-robust estimator in light of recent literature on continuous-treatment DiD designs (Callaway et al., 2021; de Chaisemartin et al., 2022) (Appendix C.8).

5.2. The Change in Variance of Political Trust

Our model (Proposition 3) predicts that, under plausible conditions, heterogeneous responses to anti-corruption efforts increase the variance in political trust. We empirically examine this hypothesis. We calculate the standard deviation of political trust for individuals in the same city and year. Then, we estimate a DiD model similar to Equation 12 with observations at the city-by-year level. Columns (1)–(2) of Table 3 report the results; they show that the anti-corruption campaign indeed leads to a higher variance in political trust.

In Columns (3)–(4) of Table 3, we use an alternative measure for the dispersion of political trust. For ordinal variables (such as political trust in our case), Tastle and Wierman (2007) develop a measure for consensus, denoted by $cns \in [0, 1]$.[28] A larger value of cns means a greater degree of consensus. We use $1 - cns$ as a dissension index. Results in Columns (3)–(4) show that the anti-corruption campaign significantly increases $1 - cns$.

Taken together, these results imply that the dispersion of political trust increases in the wake of the anti-corruption campaign.

Table 3: Effects of Anti-corruption on Dispersion of Political Trust

	Standard Deviation		Dissension Index	
	(1)	(2)	(3)	(4)
$D^{14} \times T^{14}$	0.045	0.089*	0.013	0.021**
	(0.043)	(0.046)	(0.008)	(0.009)
$D^{16} \times T^{16}$	0.051**	0.064**	0.009**	0.013**
	(0.025)	(0.032)	(0.005)	(0.006)
D.V. mean, pre-campaign	2.379	2.379	0.326	0.326
City FE	✓	✓	✓	✓
Year FE	✓	✓	✓	✓
Covariates × Year FE		✓		✓
Obs.	366	366	366	366
R^2	0.598	0.664	0.614	0.680

Note: The dependent variable is the standard deviation of the political trust score or an index for disagreement. The number of investigations (D) is standardized. Observations are at the city-year level. Covariates include gender, educational attainment, *hukou* status, Han ethnicity, Communist Party membership, state sector employment, parental educational attainment, and parental Communist Party membership, all of which are the baseline mean value at the city level interacted with year dummies. Robust standard errors, clustered at the city level, are reported in parentheses.
* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$

Summary. Thus far, our results show that the anti-corruption campaign, on average,

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[28]For the political trust score that takes values between 0 and 10, the consensus measure is defined as $cns = 1 + \sum_{j=0}^{10} f_j \log_2 \left(1 - \frac{|j - \mu_{Trust}|}{10}\right)$, where μ_{Trust} is the mean value of the trust score, and f_j is the fraction of individuals whose political trust score is j.

reduces political trust. Meanwhile, we find that political trust becomes more disperse after the anti-corruption campaign, suggesting heterogeneous responses to the campaign. Next, we carefully examine the forces behind heterogeneous effects discussed in Proposition 2 as well as alternative explanations for our results.

6. Mechanisms and Discussions

In this section, we examine the three mechanisms outlined in Proposition 2. First, *informativeness*—the anti-corruption campaign provides a significant amount of information about corruption in government, and then people use such information to infer government honesty. Second, *interpretation*—conditional on informativeness, how to infer government honesty from the same piece of information depends on an individual's prior political attitudes. Third, *competence*—separate from the evaluation of government honesty, citizens may learn the degree of government competence from the anti-corruption efforts. We examine these mechanisms in Section 6.1, Section 6.2 and Section 6.3, respectively. In Section 6.4, we also discuss competing explanations.

6.1. Informativeness

If the anti-corruption campaign indeed provides information about corruption, then by Point 1 of Proposition 2, a testable implication is that the campaign should have a more pronounced impact on political trust among the group that had less information about corruption before (low $\bar{x}_i$), *ceteris paribus*. In light of Equation 10, the change in the government-honesty component of political trust, $\Delta s_i = (2p_i - 1)(x - \bar{x}_i)$, can be amplified by informativeness, $x - \bar{x}_i$.

Our first test is to investigate how the campaign's effects vary with previous exposure to corruption news. For those who had been unmindful of corruption news, the anti-corruption campaign may be relatively more informative, i.e., $x - \bar{x}_i$ is larger. Consequently, we expect the campaign to have a more discernible effect among this group. The CFPS 2010 survey asked respondents whether they had paid attention to corruption news. Thus, we estimate Equation 12 separately for individuals with and without attention to corruption news. Figure 5 compares the estimates emerging from this subsample analysis. Tellingly, the drop in political trust appears to be driven by the campaign's influences on those who had paid little attention to news about corruption, and a test strongly rejects that the effects are equal between the two subsamples (*p*-value for the difference in 2014 effects = 0.049, *p*-value for the difference in 2016 effects < 0.001). This is consistent with the informativeness mechanism.

The first test exploits variations in people's knowledge about corruption from a *demand* perspective. Our second test leverages variations driven by *supply*-side factors. For many people, the Internet, especially social media, is a prominent source (if not the only source) to learn about corruption in government, and not only in China (Guriev et al., 2021; Qin et al., 2017). However, internet censorship could suppress the supply of information about corruption. As a result, in highly censored regions, the anti-corruption campaign would ironically be more informative as it reveals corruption that tended to be covered up before, enlarging its impact on political trust. To test this hypothesis, we use the share of posts deleted on Weibo ("Chinese Twitter") provided by Qin et al. (2017) to measure the

censorship intensity in each province. Then, we divide our sample into five subsamples by quintiles of censorship intensity (from the lowest Q1 to the highest Q5), and we estimate Equation 12 separately using each subsample. Figure 6a shows patterns in line with the informativeness mechanism—the campaign induced a distinctive drop in political trust in 2014 in the most censored provinces (subsample Q5), which is statistically distinguishable from the impacts in other less censored provinces (subsamples Q1–Q4).[29]

In addition, the Internet's ability to provide information about corruption can be restricted by propaganda. Government users on Weibo can disseminate "neutral or positive" messages to distract the public from scandals (King et al., 2017; Qin et al., 2017). Therefore, in regions subject to intense propaganda, the anti-corruption campaign may be more informative, and its impact on political trust can be more pronounced. To examine this hypothesis, we measure propaganda intensity using the share of government users among a province's Weibo users, again obtained from Qin et al. (2017). We perform a heterogeneity exercise like before. Figure 6b shows that the largest drop in political trust occurs in provinces with the highest levels of propaganda intensities (subsample Q5).[30]

Taken together, exploiting variation in people's previous knowledge about corruption from both the demand and supply sides, our results support that the anti-corruption campaign does provide information about corruption.[31] However, it remains a question how different people process such information. In the following subsection, we probe into this issue by investigating the role of interpretations of information about corruption.

6.2. Interpretation

As we highlight in Point 2 of Proposition 2, the same piece of information is compatible with different interpretations, and an individual would overweight the interpretation more aligned with her prior (captured by the value of p_i). This results in heterogeneous impacts of the anti-corruption campaign on political trust. To shed light on the role of prior-driven interpretations, we first concentrate on factors that shape priors directly: negative experiences with the government. Then, we examine a more indirect determinant: education. This choice is motivated by three reasons. First, education has important influences on political behavior and political attitudes, as is well-documented by a large body of literature

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[29]Testing the respective Q1-Q5, Q2-Q5, Q3-Q5, and Q4-Q5 differences in 2014 estimates yields p-values of 0.039, 0.003, 0.013, and 0.022.

[30]Testing the respective Q1-Q5, Q2-Q5, Q3-Q5, and Q4-Q5 differences in 2014 estimates yields p-values of 0.050, 0.034, 0.033, and 0.038. Though the 2016 estimate in Q5 has a large magnitude, it is not statistically distinguishable from its counterparts in other quintiles due to the wide confidence interval.

[31]We note the caveat of doing *ceteris paribus* heterogeneity exercises. Recall that we assume $Cov(p_i, \bar{x}_i) \leq 0$. Thus, apart from capturing the campaign's high informativeness (high $x - \bar{x}_i$ due to low $\bar{x}_i$), the measurements we use may relate to relevant groups' negative interpretations (negative $2p_i - 1$ due to low p_i). For instance, one may be interested in corruption news since she is suspicious about government honesty, and a region often has more intense censorship and propaganda due to concerns of political instability, as people there tend to be more rebellious. However, if anything, the potential correlation between $\bar{x}_i$ and p_i would in fact attenuate the heterogeneous effect, thus, it would not reject the conclusion that the anti-corruption campaign is informative. As the interpretation channel only operates when there is some information provided by the campaign ($x - \bar{x}_i > 0$), the results of the above heterogeneity exercises indicate the existence of the campaign's informativeness, though we may not be able to disentangle how much heterogeneous effect is purely due to informativeness and how much is due to interpretations.

Figure 5: Effects by Attention to Corruption News
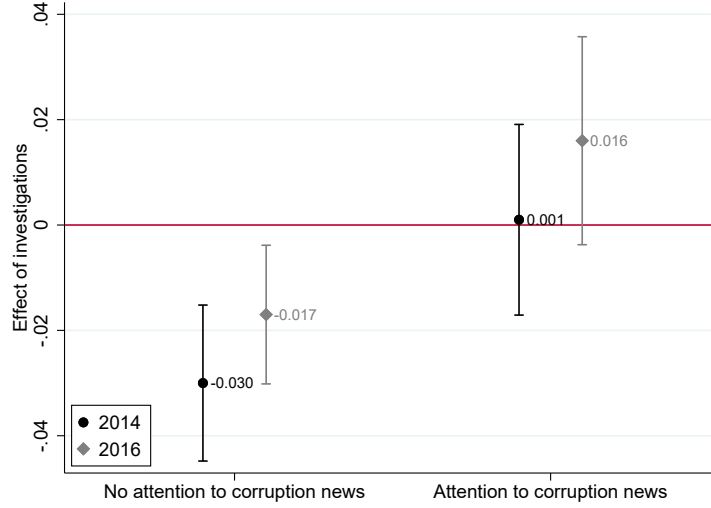
Note: The sample is divided into subsamples by individual attention to corruption news (elicited in the CFPS 2012 survey), and Equation 12 is estimated separately in each subsample. The solid points are point estimates, and the caps are 90 percent confidence intervals.

Figure 6: Effects by Censorship and Propaganda

(a) Share of Deleted Weibo Posts   (b) Share of Government Accounts on Weibo
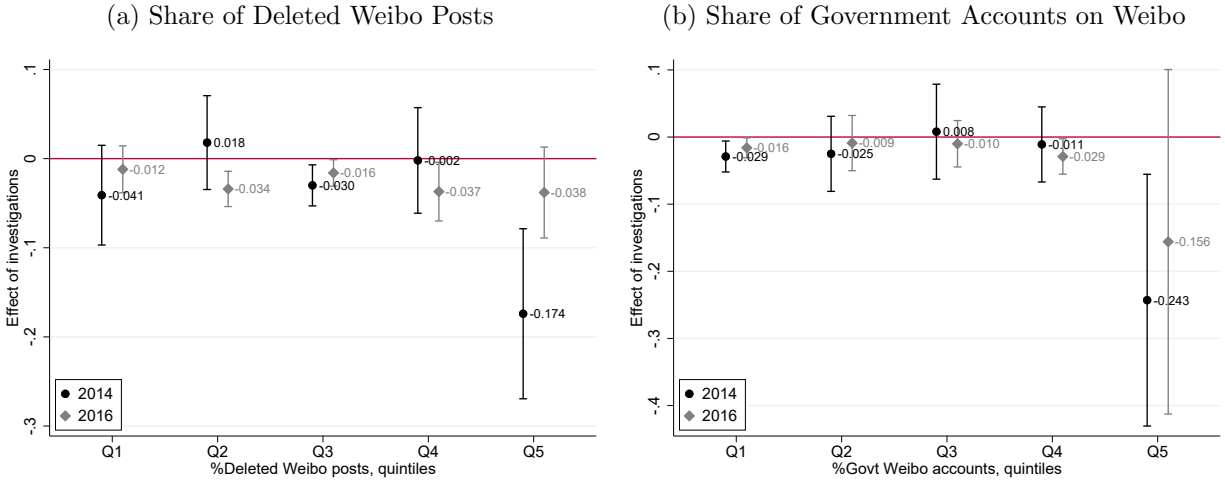
Note: In (a) and (b), the sample is divided into five subsamples by quintiles of deleted Weibo posts or government Weibo users, and Equation 12 is estimated separately in each subsample. The solid points are point estimates, and the caps are 90 percent confidence intervals.

(Almond and Verba, 1963; Putnam et al., 1993; Dee, 2004; Sondheimer and Green, 2010; Campante and Chor, 2012; Croke et al., 2016). Second, education has been an important component in state building—a regime devises its education policy to cultivate citizens who support the regime itself (Weber, 1976; Ramirez and Boli, 1987; Lott, 1999; Aghion et al., 2019; Alesina et al., 2021; Bandiera et al., 2019; Cantoni et al., 2017). Third, there has

been evidence and observations showing that educated Chinese people exhibit stronger pro-government or nationalistic sentiments (Cantoni et al., 2017; Qi et al., 2022). For instance, Cantoni et al. (2017) show that China's textbook reform enhances elite students' support for Chinese institutions. Qi et al. (2022) find that education is positively associated with support for the armed unification of Taiwan.

6.2.1. The Role of Experiences with the Government

People may have formed their priors about the government in the course of interactions with government officials. Negative experiences can damage the government's image, making people interpret corruption investigations in a way that discredits the government, that is, the value of p_i is lower. Based on the CFPS 2012 survey, we examine four types of self-reported negative experiences with the government: (i) being unfairly treated by officials, (ii) having conflicts with officials, (iii) encountering lazy officials, and (iv) being asked for bribes.

Table 4 compares the anti-corruption campaign's effects on political trust between individuals with and without negative experiences with the government. We see that individuals who have negative experiences incur a larger decline in trust, suggesting that the campaign may have provoked more negative sentiments among these groups due to their negative priors.

Table 4: Experiences with the Government and Political Trust

	Unfairly Treated		Having Conflicts		Slack Cadres		Asked for Bribes	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	No	Yes	No	Yes	No	Yes	No	Yes
$D^{14} \times T^{14}$	-0.015*	-0.071***	-0.020**	-0.069	-0.014*	-0.060**	-0.016**	-0.109***
	(0.009)	(0.020)	(0.008)	(0.041)	(0.008)	(0.023)	(0.008)	(0.026)
p-value, 2014 diff.	[0.014]		[0.217]		[0.065]		[0.001]	
$D^{16} \times T^{16}$	-0.008	-0.015	-0.008	-0.042	-0.007	-0.014	-0.006	-0.041**
	(0.009)	(0.015)	(0.009)	(0.027)	(0.010)	(0.013)	(0.009)	(0.020)
p-value, 2016 diff.	[0.596]		[0.161]		[0.616]		[0.050]	
DV mean, pre-campaign	0.657	0.465	0.647	0.456	0.663	0.485	0.653	0.470
Individual FE	✓	✓	✓	✓	✓	✓	✓	✓
Year FE	✓	✓	✓	✓	✓	✓	✓	✓
Covariates × Year FE	✓	✓	✓	✓	✓	✓	✓	✓
Obs.	32,520	3,183	34,488	1,269	31,227	4,476	33,363	2,352
R^2	0.497	0.580	0.505	0.578	0.496	0.555	0.501	0.581

Note: The dependent variable is the political trust dummy. The number of investigations (D) is standardized. Covariates include gender, educational attainment, *hukou* status, Han ethnicity, Communist Party membership, state sector employment, parental educational attainment, and parental Communist Party membership, all of which are interacted with year dummies. Robust standard errors, clustered at the city level, are reported in parentheses. P-values for the t-test of coefficient difference between the two groups are in brackets.
* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$

Interaction Between Experiences and Information. We note that the previous test relies on the assumption that negative experiences before the campaign are associated with negative beliefs about the government, leading to a lower probability of interpreting anti-corruption in a positive way (p_i). These negative experiences, in the meantime, may also cause individuals to develop knowledge of a less honest and more corrupt government;

this mitigates the informativeness of the anti-corruption campaign. In the language of our model, this means $Cov(p_i, \bar{x}_i) \leq 0$.

This correlation accentuates our findings in Table 4. While negative experiences can drive negative interpretations, they can also weaken the informativeness of new information. On balance, only when the former effect dominates the latter will negative experiences amplify the negative impacts of anti-corruption efforts on political trust. This is what we find in Table 4, highlighting the role of the interpretation mechanism.

We also examine how negative experiences affect political trust among individuals with similar levels of initial information, so that the salience of the informativeness mechanism is similar. In Table D1, we show that among individuals who did not pay attention to corruption news and thus would find the anti-corruption campaign more informative, negative experiences amplify the negative effects of anti-corruption efforts on political trust. By contrast, among individuals who paid attention to corruption news and thus would not find the anti-corruption campaign informative, negative experiences do not produce significant heterogeneous effects. These results underscore that for the interpretation mechanism to play out, a premise is that the anti-corruption campaign is informative for given individuals.

6.2.2. The Role of Education

Heterogeneity of Education. We now turn to examine the role of education in determining the effect of the anti-corruption campaign on political trust. Column (1) of Table 5 takes a first look. It shows that the decline in political trust is mitigated by educational attainment. To be more specific, if one has completed high school, i.e., 12 years of schooling, the campaign has a virtually null effect on political trust (e.g., $-0.066 + 12 \times 0.006 = 0.006$ in 2014). If one has had some college education, then the campaign will enhance political trust. Figure D1 estimates the effects of anti-corruption on political trust separately for different levels of educational attainment. It confirms that education mitigates the drop in political trust and identifies college education as a turning point.

These patterns are intriguing. They suggest that education may have shaped pro-government priors, making the educated interpret the anti-corruption campaign in a positive way. It is worth noting that educated people also tend to be better informed about corruption in government,[32] making the anti-corruption campaign less informative to them. This corresponds to $Cov(p_i, \bar{x}_i) \leq 0$. As discussed in Section 6.2.1, such a correlation in fact accentuates the role of education in driving a distinctive interpretation of the information about corruption. The increase in political trust among college-educated respondents underscores a distinctive interpretation associated with education: if the college-educated have the same interpretation as the average person, then they would have a weaker decrease or even no change in political trust, rather than an increase.

We further show that our results reflect the unique influence of education. In Table D2, we horse race education and individual attributes that are correlated with education and may also foster pro-government, such as urban *hukou*, Communist Party membership, and

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[32]Before the anti-corruption campaign, 46% of individuals with a college degree or higher had paid attention to corruption news, compared to only 21% of those with less than a college education.

Table 5: Education, Confucianism, and Political Trust

	(1)	(2)
$D^{14} \times T^{14}$	-0.066***	-0.066***
	(0.015)	(0.015)
$D^{16} \times T^{16}$	-0.042***	-0.041***
	(0.008)	(0.008)
$D^{14} \times T^{14} \times$ Schooling	0.006***	-0.001
	(0.001)	(0.004)
$D^{16} \times T^{16} \times$ Schooling	0.005***	-0.000
	(0.001)	(0.002)
$D^{14} \times T^{14} \times$ Schooling $\times$ ln(Conf. temples)		0.001*
		(0.001)
$D^{16} \times T^{16} \times$ Schooling $\times$ ln(Conf. temples)		0.001**
		(0.000)
DV mean, pre-campaign	0.632	0.632
Individual FE	✓	✓
Year FE	✓	✓
Covariates $\times$ Year FE	✓	✓
Obs.	30,150	30,150
R^2	0.508	0.508

Note: The dependent variable is the political trust dummy. The number of investigations (D) is standardized. Covariates include gender, educational attainment, *hukou* status, Han ethnicity, Communist Party membership, state sector employment, parental educational attainment, and parental Communist Party membership, all of which are interacted with year dummies. Robust standard errors, clustered at the city level, are reported in parentheses.
* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$

state sector employment. The results show that the impacts of education are remarkably stable.

Education, Confucianism, and Political Trust. So what enables more education to engender stronger pro-government attitudes? We suggest China's Confucianism as a driving force, for two reasons. First, as China's traditional political philosophy, Confucianism heavily influences China's political traditions (Pan and Xu, 2018; Bell, 2010; Perry, 2008; Jiang, 2016; Economist, 2021).[33] Importantly, it features a "benevolent dictator model" that encourages people to be faithful to the ruling body and discourages critiques (e.g., Acemoglu and Robinson, 2020). As Confucius himself put it, *"commoners do not debate matters of government"* (Confucius, 2003). In this vein, some scholars even invoke Confucianism as an explanation of the long and consistent autocratic history of China (Huntington, 1991; Acemoglu and Robinson, 2020, 2021a). Second, Confucian doctrines are well integrated

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[33]For the first three decades of its reign in China, the Communist Party tried to extirpate Confucianism that it saw as feudal and backward. However, many of its practices were nonetheless implicitly shaped by Confucian values (Bell, 2010; Perry, 2008). Moreover, in the post-Mao era, the Party rehabilitated and promoted Confucianism, labeling it China's homegrown political philosophy (Jiang, 2016; Economist, 2021).

into China's education system (Jiang, 2016). For instance, they are taught in Chinese literature and history classes and even tested in the college entrance exam in some regions. Accordingly, it could be easier for people to accept the pro-government doctrines embedded in education in highly Confucian provinces, where the local norms have been historically more pro-government.

Therefore, we expect an interplay between education and Confucianism, which fosters a pro-government prior and thus enhances political trust in the wake of the anti-corruption campaign. To test this hypothesis, we measure local strength of Confucianism using the number of Confucian temples at the city level (Chen et al., 2020), which are historical sites for Confucian teachings and thus capture the spread of Confucianism.[34] Relying on this measurement, a further heterogeneity exercise in Column (2) of Table 5 favors our hypothesis: education's heterogeneous effect is completely driven by Confucianism.

To take a granular look at the interplay between education and Confucianism, we partition our sample into four groups by college completion and local strength of Confucianism: (i) below college and below-median Confucianism, (ii) below college and above-median Confucianism, (iii) above college and below-median Confucianism, and (iv) above college and above-median Confucianism. Then, we conduct a subsample analysis based on Equation 12. Figure 7 presents the *gap* in the anti-corruption campaign's effects on political trust between high- and low-Confucianism cities, separately by the status of college completion. It delivers two messages. First, all the gaps are positive, implying that regardless of college attainment, the drop in political trust induced by the campaign is attenuated or even reverted to an increase in more Confucian cities. This suggests that Confucianism carries, as it advocates, pro-government attitudes. Second, the positive gaps are much larger for the college-educated group, suggesting that Confucianism augments pro-government indoctrination inherent in China's education system.

In summary, we find that the campaign's effect on political trust varies dramatically with educational attainment, and that it may be driven by an interplay between education and Confucianism. These findings shed light on the interpretation mechanism that operates through education: education shapes a pro-government prior, which leads to different interpretations of information about corruption and thereby influences political trusting behavior.

6.3. Government Competence

Thus far, we read our results as the anti-corruption campaign affecting political trust by intervening in people's perceptions of underlying government honesty. However, as we have noted in Section 2.2, changes in political trust may be rendered through other channels related to the anti-corruption campaign, among which government competence may be especially relevant.

We test whether this channel is at work by exploiting citizens' evaluation of local government performance. In CFPS, respondents are asked to directly assess the performance

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[34]Using the same measure, previous literature has provided evidence that Confucianism may lead to conformity to the government. For instance, Kung and Ma (2014) find that peasant rebellions were less likely to occur in areas where Confucian culture was stronger. Alm et al. (2022) find that people were more likely to conform to housing market regulations in cities with a stronger Confucian culture.

Figure 7: Effects of Education Compared: High Confucianism versus Low Confucianism
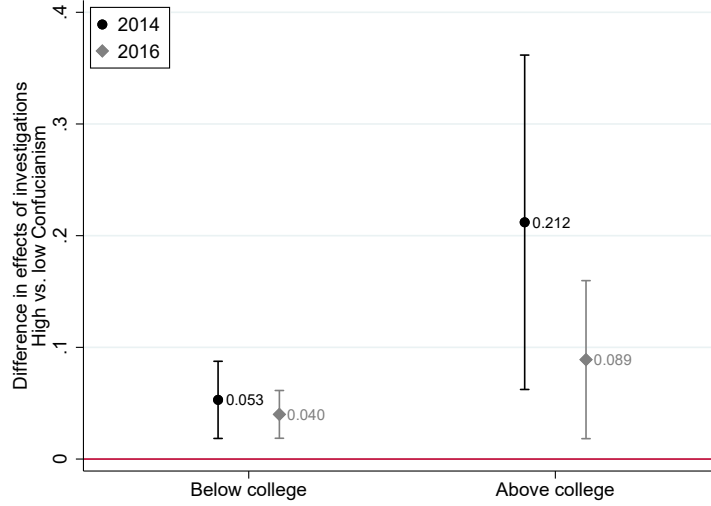
Note: The sample is divided into two groups: the below-college-educated and the above-college-educated. Within each group, we further divide individuals by residence in high and low Confucianism cities (Confucian temples above or below the median). Then, we estimate Equation 12 in each subsample. The solid points are the differences in effects between high and low Confucianism cities, and the caps are 90 percent confidence intervals.

of local government (within the same prefecture, which is the same geo-unit level of anti-corruption efforts that we examine). We use a score of their assessment (measured on a scale from 1 to 5, the higher the better) as a measure for perceived government performance. If the anti-corruption efforts have improved citizens' belief about government competence, then we should expect a significant increase in their evaluation of government performance. We investigate the role of government performance in Table 6. Column (1) shows that corruption investigations do not significantly affect people's assessment of government performance. Columns (2) and (3) further show that controlling for government performance does not markedly change the effects of corruption investigations on political trust. Therefore, our findings cannot be explained by the campaign's impacts on government performance.[35]

6.4. Alternative Explanations

In addition to the mechanisms implied in our conceptual framework, several alternative theories could explain how the anti-corruption campaign influences political trust. We explore these competing explanations. First, the campaign may signal to the public that it is more acceptable to express distrust. Second, the campaign may weaken the power of local governments. Third, it may affect citizens' income. Finally, changes in political trust could

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[35]The anti-corruption campaign may also undermine government performance if officials shirk their duties to avoid inadvertently making mistakes that could attract scrutiny under the campaign (Wang, 2022a). This channel is not explicitly considered in our model. The null effect of anti-corruption on government performance may reflect a balance between its positive and negative impacts. Nonetheless, it appears that the evaluation of government competence is not a primary mechanism underlying our findings.

Table 6: Anti-Corruption, Government Performance, and Political Trust

	(1) Govt. Performance	(2) Political Trust	(3) Political Trust
$D^{14} \times T^{14}$	0.032	-0.019**	-0.021***
	(0.028)	(0.008)	(0.008)
$D^{16} \times T^{16}$	0.017	-0.008	-0.009
	(0.020)	(0.009)	(0.009)
Govt. Performance			0.061***
			(0.004)
D.V. mean, pre-campaign	3.446	0.631	0.631
Individual FE	✓	✓	✓
Year FE	✓	✓	✓
Covariates × Year FE	✓	✓	✓
Obs.	34854	34854	34854
R^2	0.514	0.514	0.520

Note: The number of investigations (D) is standardized. Covariates include gender, educational attainment, *hukou* status, Han ethnicity, Communist Party membership, state sector employment, parental educational attainment, and parental Communist Party membership, all of which are interacted with year dummies. Robust standard errors, clustered at the city level, are reported in parentheses.
* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$

reflect shifts in general trust. In Appendix D.3 through Appendix D.5, we provide evidence that these alternative channels cannot explain our baseline finding that the anti-corruption campaign, on average, reduces political trust.

7. Conclusion

This paper studies the impacts of China's recent anti-corruption campaign on political trust. Using individual panel data to trace the evolution of political trust, we find that the campaign, on average, has reduced political trust. We provide suggestive evidence for two (interrelated) mechanisms. First, the campaign has functioned as an information treatment by improving people's limited knowledge about corruption. Indeed, the drop in political trust is more pronounced among less informed groups. Moreover, we uncover strong heterogeneity driven by the cleavage in political attitudes. Political trust is reduced to a greater extent for those who have had negative experiences with the government. Also, education mitigates this reduction and even reverses it to an increase, possibly by forging pro-government sentiments, as exemplified by the strong interplay between education and Confucianism.

We close this paper by noting one limitation of our results. We, at best, speak to the short-run effects of the anti-corruption campaign. However, people may update their political trust in the long term, changing the implications of the anti-corruption campaign on political trust. In addition, although we do not find evidence that the effect operated through the channel of government performance, we conjecture that, in the long run, government performance may matter since the anti-corruption campaign can lead to significant economic effects (e.g., Kong et al., 2020; Kong and Qin, 2021; Chen and Kung, 2019; Xu and Yano, 2017; Xu et al.,

2021). It can be an interesting avenue for future research to examine the long-run effect, given that the campaign is still proceeding and the anti-corruption practices in the campaign tend to be a regular part of the Chinese institutions.

Declaration of generative AI and AI-assisted technologies in the writing process

During the preparation of this work the authors used ChatGPT in order to assist with grammar and language editing. After using this tool/service, the authors have reviewed and edited the content as needed and take full responsibility for the content of the publication.

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Online Appendices
(For Online Publication)

Appendix A. Appendix to the Conceptual Framework

Appendix A.1. Comparative Statics

In this subsection, we provide detailed proofs for Propositions 1–3, which are the main comparative statics guiding our empirical investigation.

Average Effect. We first derive Equation 11. For each individual i, the change in political trust due to the anti-corruption campaign—which reveals information about corruption x—can be written as:

$$\Delta T_i = w\Delta s_i + (1-w)\Delta z_i$$
$$= w[\ \underbrace{(x-\bar{x}_i)}_{\text{informativeness}}\ \times\ \underbrace{(2p_i-1)}_{\text{interpretation}}\ ] + (1-w)\ \underbrace{\lambda_i x}_{\text{competence}}$$

Define notation $\mu_R \equiv E(R_i)$, where the expectation operator is across individuals (indexed by i). Then, take the expectation for ΔT_i w.r.t. the distribution of $(p_i, \bar{x}_i)$ across individuals:

$$E\Delta T_i = wE(x-\bar{x}_i)(2p_i-1) + (1-w)\mu_\lambda x$$
$$= wxE(2p_i-1) - 2wE\bar{x}_i p_i + wE\bar{x}_i + (1-w)\mu_\lambda x$$
$$= wx(2\mu_p-1) - 2w\left[Cov(p_i,\bar{x}_i) + \mu_p\mu_{\bar{x}}\right] + w\mu_{\bar{x}} + (1-w)\mu_\lambda x$$
$$= w[\underbrace{(2\mu_p-1)}_{(?)}\underbrace{(x-\mu_{\bar{x}})}_{(+)} - 2\underbrace{Cov(p_i,\bar{x}_i)}_{(-)}] + (1-w)\underbrace{\mu_\lambda x}_{(+)}\ .$$

Inspecting the expression of $E\Delta T_i$, it is easy to see that its sign is undetermined, which proves Proposition 1.

Heterogeneous Effects. Consider the average of ΔT_i within a group of individuals, denoted by $E_g\Delta T_i = E\left[\Delta T_i \mid i \in g\right]$, where g denotes the group of interest and the expectation is with respect to the group. It is straightforward to show:

$$E_g\Delta T_i < 0 \iff \mu_{pg} < K \equiv \frac{1}{2} + \frac{Cov_g(p_i,\bar{x}_i)}{x-\mu_{\bar{x}}g} - \mu_{\lambda g}\frac{1-w}{2w}\frac{x}{x-\mu_{\bar{x}g}}, \tag{A1}$$

where $\mu_{pg} = E_g p_i$ and $\mu_{\lambda g} = E_g\lambda_i$. Because $Cov_g(p_i,\bar{x}_i) \leq 0$ and $\mu_{\lambda g} \geq 0$, the threshold $K \leq \frac{1}{2}$. This implies that for a group that has a sufficiently low belief that the government is honest so that the negative interpretation attains a greater weight, the anti-corruption campaign reduces the average political trust of the group.

For conciseness, we drop subscript g in the following exposition. We now discuss the role of *informativeness* (averaged across individuals), $x - \mu_{\bar{x}}$. Note that

$$E\Delta T_i = [w(2\mu_p-1) + (1-w)\mu_\lambda]\,(x-\mu_{\bar{x}}) - 2wCov(p_i,\bar{x}_i) + (1-w)\mu_\lambda\mu_{\bar{x}}. \tag{A2}$$

If the anti-corruption campaign provides sufficiently rich information about corruption, namely, $|x-\mu_{\bar{x}}|$ is high, then $|E\Delta T_i|$ is increasing in $|x-\mu_{\bar{x}}|$. In addition, note that

for a given level of x, the average degree of informativeness decreases with $\mu_{\bar{x}}$. To see how informativeness drives the average change in political trust, differentiate $E\Delta T_i$ with respect to $-\mu_{\bar{x}}$:[1]

$$\frac{\partial E\Delta T_i}{\partial(-\mu_{\bar{x}})} = w(2\mu_p - 1). \tag{A3}$$

This shows that the direction in which a higher level of informativeness shifts the average change in political trust rests on the average tendency of *interpretation* within a society, $2\mu_p - 1$. Specifically, consider three cases:

1. *Strong Negative Interpretation.* If $\mu_p \leq K$, then $E\Delta T_i \leq 0$ and $\frac{\partial E\Delta T_i}{\partial(-\mu_{\bar{x}})} \leq 0$. Therefore, the anti-corruption campaign on average has a negative effect on political trust, and a higher level of informativeness amplifies the negative effect on political trust.
2. *Weak Negative Interpretation.* If $K < \mu_p < \frac{1}{2}$, then $E\Delta T_i > 0$ and $\frac{\partial E\Delta T_i}{\partial(-\mu_{\bar{x}})} < 0$. Under this condition, a higher level of informativeness reduces the positive average effect on political trust, because the interpretation effect on government honesty is still negative.
3. *Positive Interpretation.* If $\mu_p \geq \frac{1}{2}$, then $E\Delta T_i \geq 0$ and $\frac{\partial E\Delta T_i}{\partial(-\mu_{\bar{x}})} \geq 0$. The effect of anti-corruption on political trust is (weakly) positive, and increasing informativeness reinforces the positive effect.

In summary, when the average tendency of interpretation within a society is sufficiently positive (high $2\mu_p - 1$) or negative (low $2\mu_p - 1$), a higher level of informativeness amplifies the interpretation-driven average change in political trust.

Finally, we look at the component of government competence, $\mu_\lambda x$. It is straightforward that it contributes positively to $E\Delta T_i$ since $\mu_\lambda \geq 0$.

Variance of Political Trust. We discuss the conditions under which the anti-corruption campaign may increase the variance of political trust, leading to polarization of attitudes. Let $\bar{T}_i$ denote baseline political trust of individual i before the anti-corruption campaign. Then the change in the variance of T_i is:

$$\begin{aligned} \Delta Var(T_i) &= Var(\bar{T}_i + \Delta T_i) - Var(\bar{T}_i) \\ &= Var(\Delta T_i) + 2Cov(\bar{T}_i, \Delta T_i) \end{aligned} \tag{A4}$$

$Var(\Delta T_i) \geq 0$. Therefore, a sufficient condition for the change in variance to be non-negative is $Cov(\bar{T}_i, \Delta T_i) \geq 0$. This condition is plausible, because low initial political trust is very likely to be associated with a low prior probability of believing that the government is honest, and in turn, a low enhancement in political trust in the wake of the anti-corruption campaign.

Appendix A.2. Local Government versus Central Government

Appendix A.2.1. Political Trust in Local and Central Governments

Because the local government is part of the regime, how people view it may ultimately translate into opinion on the central government. Relatedly, Chen and Yang (2019) find a

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[1]Considering $\frac{\partial E\Delta T_i}{\partial(-\mu_{\bar{x}})}$ allows us to concentrate on the extent to which the anti-corruption campaign provides information about corruption. This also connects to our empirical analysis: in Section 6.1, we use various proxies for $\mu_{\bar{x}}$ to investigate the role of informativeness.

strong correlation between trust in local and central governments, suggesting that to some extent, examining how trust in local government changes might inform us about changes in general political trust. Moreover, even if the trust in the higher levels of the Chinese state were surveyed, trust in local government might arguably provide the most useful data, since it is more tolerated to criticize the local government than higher-level sections (Lorentzen, 2014; King et al., 2013; Qin et al., 2017).[2]

In addition, it is more empirically feasible to study the campaign's causal effect on trust in local government as opposed to trust in central government. As already mentioned above, it is difficult to obtain reliable information about people's attitudes toward the central government from household surveys. Even with the desired information, as in Wang and Dickson (2022), the empirical challenge arises because trust in central government is not solely affected by a locality's anti-corruption efforts; it is very likely that an individual's attitude toward central government is affected not only by (anti-)corruption in her region but also by that in all other regions or, more generally, the overall (anti-)corruption in China. Thus, a more sophisticated methodology would be necessary to identify the anti-corruption campaign's effect on trust in central government. In contrast, it is more plausible to leverage local variation in anti-corruption to study changes in trust in *local* government.

Nonetheless, we acknowledge that it is crucial to understand how the anti-corruption campaign affects trust in central government; it is also possible that the same event could affect trust in central government differently than trust in local government (Lü, 2014). We leave this for future research.[3]

Appendix A.2.2. Power Redistribution and Trust in Local Government

Given that our empirical measure of political trust is for the local government, we now consider the (re-)distribution of power between the central and the local government. Citizens' trust in local government may not only depend on the local government's honesty and competence, but also on the scope of issues managed by the local government. The anti-corruption campaign, as an initiative enacted by the central government, may weaken the power of local government (because of, e.g., more redtape and scrutiny) (Li, 2019; Jaros and Tan, 2020; Wang, 2022a), so that the local government has less discretion to design policies based upon local conditions. Citizens may take into account this change of local power and alter their attitudes toward the local government. To formalize this idea, we

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[2]One piece of anecdotal evidence is from the China General Social Survey (CGSS), which did elicit trust in both local and central governments between 2010 and 2012. Only 3.71 percent of respondents reported distrust in the central government, marking a sharp contrast to the 15.53 percent of respondents who were distrustful of the local government. In addition, the response rate for trust in central government was 20 percentage points lower than that for trust in local government. Taken together, it is likely that people are more outspoken when judging the local government than when judging the central government. However, one needs to take this assertion with caution: perhaps the central government is genuinely more trustworthy. We do not use CGSS in our main analysis since it stopped eliciting political trust after 2012, around the time of the anti-corruption campaign.

[3]It is also cautioned when generalizing our results for trust in local government to the case of trust in central government.

revise the trust-formation process as follows:

$$T_i = [ws_i + (1 - w)z_i]L \tag{A5}$$

L represents the power that the local government has to affect a citizen's livelihoods. In our baseline model, we implicitly assume that L is a constant that is not affected by the anti-corruption. However, it is likely that the campaign weakens the local power, then L may vary with the campaign intensities, specifically, $L = L(x)$ and $L'(x) < 0$.

The concern here is that a reduction in $L(x)$ may also cause political trust to reduce, thus confounding the campaign's effects through intervening in the evaluation of government honesty. To test this potential confounding channel, we exploit the observation that by Equation A5, a decrease in L would weaken the positive correlation between z_i and T_i. This is intuitive: if citizens now consider that the local government has less power following the anti-corruption campaign, then the competence of local government should become less important in political trust, because the scope for it to influence citizens' livelihoods is smaller. Put differently, if we are concerned that the reduction in political trust is because citizens observe that more power has been transferred from the local government to the central government after the campaign, then the association between government competence and political trust should decrease after the campaign and in regions with greater campaign intensities.

In Table D4 in Appendix D.4, we submit this hypothesis to testing. We find that on average, there is a strong positive association between government competence and political trust (Columns (1) and (2)). However, the association does not become weaker after the anti-corruption campaign takes place and in cities with more corruption investigations (Columns (3) and (4)). This suggests the weakening of local power does not explain the change in political trust that we find.

Appendix B. More Details about Data

Appendix B.1. Construction of the Balanced Panel

We use a balanced panel of 11950 individuals surveyed in 2012, 2014, and 2016 in order to track the dynamics of political trust within the same group. In the baseline (2012), there are 19710 individuals. 7760 (39%) are excluded from the final sample. An individual may be dropped for one or more of the following reasons: (1) survey attrition in the 2014 or 2016 waves of CFPS; (2) non-reporting of political trust in any of the three years; (3) missing control variables (individual and family characteristics); and (4) migration in 2014 or 2016.

Because we ended up with a balanced sample, the overall attrition rate (39%) is constant across years. We further decompose the attrition into each specific reason. In Table B1, we report how we reach the final sample of a balanced-panel. The sample size is larger without the restriction of a balanced panel. Figure B1 depicts the possible numbers of observations can be used for analysis in each year, with and without the balanced panel restriction. Keeping a balanced panel indeed causes a significant loss in the number of observations, invoking potential concerns of sample selection bias. In Appendix C.5, we provide further evidence that our results hold even if we do not impose the balanced-panel restriction.

Table B1: Stepwise Reduction in Sample Size to Achieve a Balanced Panel

	Number	Fraction
Original Sample of Individuals (2012)	19710	100%
Step 1. CFPS Survey Attrition in 2014 or 2016	−4610	−23.4%
Step 2. Non-reporting of Political Trust in 2012, 2014 or 2016	−1630	−8.3%
Step 3. Migration in 2014 or 2016	−658	−3.3%
Step 4. Missing Covariates	−862	−4.4%
Individuals in the Balanced Panel	11950	60.6%

Note: This table reports the number of individuals dropped for each specific reason for the purpose of obtaining a balanced panel. The numbers associated with each reason may change if we alter the order of steps, because of overlapping reasons. The overall patterns are similar between different orders.

Figure B1: Observations in the Unbalanced and the Balanced Panel
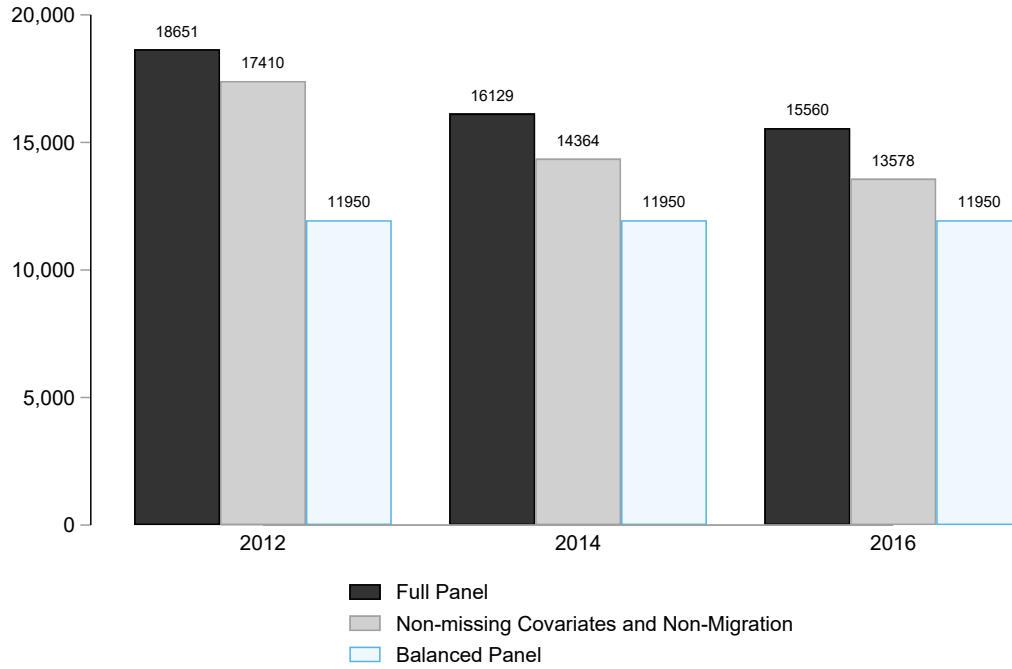
Note: This figure shows the number of observations in each year, with and without the balanced panel restriction imposed. "Full sample" refers to the full unbalanced panel that may be used for regressions, from which respondents who exited the CFPS survey or did not report political trust are excluded. "Non-missing Covariates and No Migration" refers to the sample from which we further exclude observations associated with missing covariates (individual or family characteristics) or migration.

Appendix B.2. Validity of the Political Trust Measure

Figure B2: Correlates of Political Trust

(a) Trust Scores (0-10)

(b) Trust Dummy
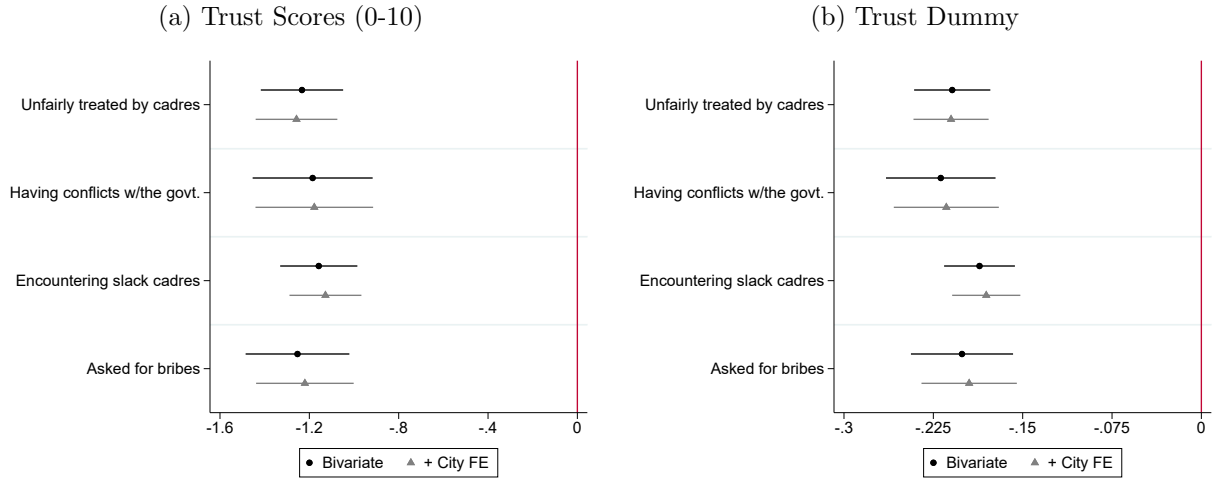
Note: In this figure, political trust is regressed on unpleasant experiences with the government. We run two sets of regressions: with and without city fixed effects. The former set is labeled as "Bivariate", while the latter is labeled as "+ City FE." The solid dots are point estimates of coefficients on experiences and the caps are 90 percent confidence intervals. Robust standard errors are clustered at the city level.

Figure B3: Outcomes of Political Trust

(a) Trust Scores (0-10)

(b) Trust Dummy
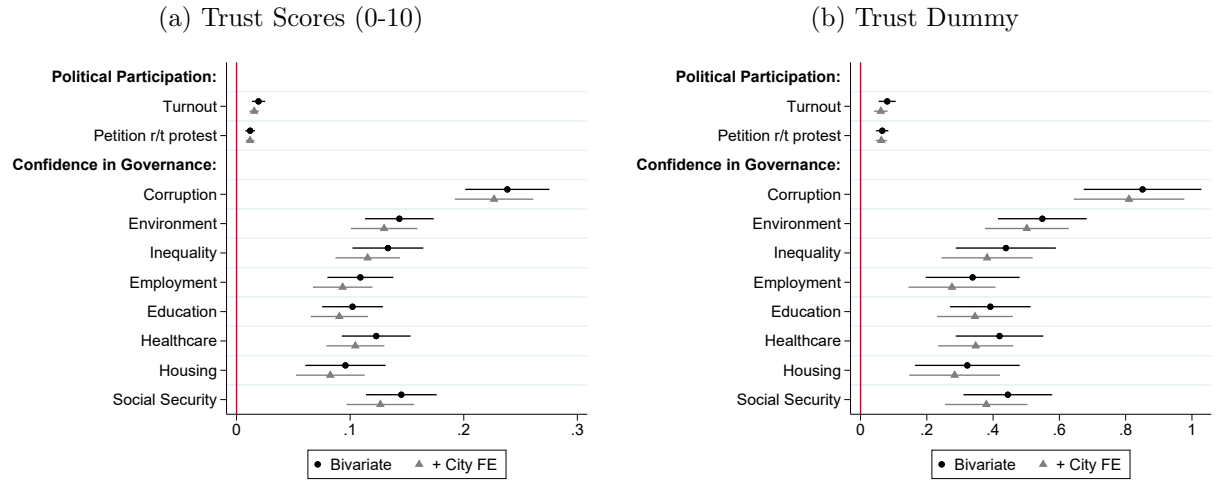
Note: In this figure, political outcomes are regressed on political trust levels (measured on a 0–10 scale or using a dummy). We run two sets of regressions: with and without city fixed effects. The former set is labeled as "Bivariate", while the latter is labeled as "+ City FE." There are two categories of behavioral outcomes: (1) political participation (voting in grassroots elections, petitioning rather than protesting if there is dissent) and (2) confidence in the governance of various issues. The solid dots are point estimates of coefficients on political trust and the caps are 90 percent confidence intervals. Robust standard errors are clustered at the city level.

Table B2: Correlations Between Political Trust and Individual/Local Characteristics

|	(1)	(2)	(3)	(4)
	Political Trust Dummy		Political Trust (Scale 0–10)	
Age	0.003***	0.004***	0.020***	0.026***
	(0.000)	(0.001)	(0.002)	(0.003)
Male	-0.003	0.007	-0.079*	-0.012
	(0.009)	(0.010)	(0.045)	(0.052)
Han ethnicity	-0.076***	-0.085***	-0.524***	-0.583***
	(0.015)	(0.017)	(0.080)	(0.085)
Urban	-0.063***	-0.067***	-0.504***	-0.495***
	(0.009)	(0.011)	(0.048)	(0.055)
Communist Party member	0.108***	0.111***	0.613***	0.615***
	(0.017)	(0.019)	(0.083)	(0.094)
State sector employee	-0.028	-0.027	-0.076	-0.069
	(0.018)	(0.021)	(0.083)	(0.099)
Years of education	-0.001	-0.000	-0.013**	-0.005
	(0.001)	(0.001)	(0.006)	(0.007)
Degree completed, father	-0.008*	-0.008	-0.032	-0.023
	(0.005)	(0.006)	(0.026)	(0.029)
Degree completed, mother	-0.003	0.006	-0.067**	-0.031
	(0.007)	(0.008)	(0.033)	(0.039)
Communist Party member, father	-0.022*	-0.019	-0.036	-0.064
	(0.012)	(0.014)	(0.062)	(0.071)
Communist Party member, mother	0.041	0.069**	0.111	0.170
	(0.029)	(0.033)	(0.141)	(0.161)
Attention to corruption news		-0.032**		-0.257***
		(0.013)		(0.063)
ln(# Confucian temples)		0.001		-0.024
		(0.003)		(0.018)
Share of Govt. Weibo users		-0.266		-3.721
		(0.715)		(3.675)
Share of Deleted Weibo posts		-0.285*		-1.325*
		(0.152)		(0.780)
Family purged in Revolutions		-0.034**		-0.236***
		(0.016)		(0.079)
Witnessed violent CR		-0.024**		-0.102*
		(0.011)		(0.056)
Obs.	12521	9840	12521	9840
R^2	0.018	0.021	0.034	0.037

Notes: Robust standard errors are reported in parentheses.
* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$

Appendix C. Ancillary Results

Appendix C.1. Validity of Empirical Strategy

Figure C1: Effects of Investigations on Political Trust Before 2012
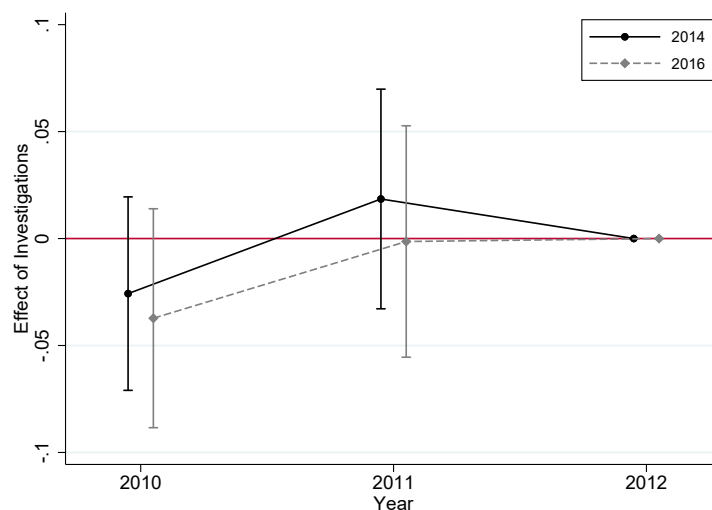
Note: The China General Social Survey (CGSS) elicited data on political trust (in local government) in 2010, 2011, and 2012 (before the campaign). In this figure, we regress political trust on upcoming investigations in 2014 and 2016 (province level, as CGSS only provides a province identifier), interacted with dummies for 2010, 2011, and 2012, and controlling for province and year fixed effects. The number of investigations (D) is standardized. The solid dots are point estimates of coefficients on investigations and the caps are 90 percent confidence intervals. Robust standard errors are clustered at the province level.

Table C1: Correlates of Cumulative Investigations

	D^{14}		D^{16}	
	(1)	(2)	(3)	(4)
Political trust dummy (2012)	0.123*	0.012	0.135*	-0.006
	(0.070)	(0.071)	(0.070)	(0.066)
% Public employment	-0.077**	-0.012	-0.109***	-0.018
	(0.032)	(0.042)	(0.033)	(0.037)
% Private employment	-0.314***	0.032	-0.317***	-0.073
	(0.099)	(0.206)	(0.097)	(0.221)
ln(GDP p.c.)	0.127	0.077	-0.124	-0.113
	(0.183)	(0.238)	(0.185)	(0.199)
ln(tax p.c.)	-0.246	-0.468*	-0.103	-0.327*
	(0.201)	(0.236)	(0.175)	(0.187)
ln(wage rate)	0.588***	0.890**	0.624***	0.875***
	(0.187)	(0.388)	(0.168)	(0.283)
GR. % public employment	-0.054	-0.072	-0.115*	-0.122
	(0.062)	(0.084)	(0.064)	(0.076)
GR. % private employment	-0.175*	-0.211	-0.224**	-0.281
	(0.089)	(0.197)	(0.108)	(0.197)
GR. ln(GDP p.c.)	-0.009	-0.041	-0.021	-0.055
	(0.042)	(0.072)	(0.050)	(0.068)
GR. ln(tax p.c.)	0.148	0.227*	0.080	0.186*
	(0.103)	(0.128)	(0.085)	(0.096)
GR. ln(wage rate)	-0.109***	-0.080	-0.129***	-0.073
	(0.032)	(0.061)	(0.037)	(0.051)
Province FE		✓		✓
F stat.	8.326	0.912	9.142	1.070
F-test p-value	0.000	0.533	0.000	0.396
Obs.	115	115	115	115
R^2	0.363	0.574	0.311	0.639

Note: All dependents and independents are standardized. "GR." = growth rate. Economic variables are an average of values from 2000 to 2010. Robust standard errors are reported in parentheses. The null for the F test is that coefficients on all independents are zero.

* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$

Appendix C.2. Using the Continuous Trust Score as the Dependent Variable

Table C2: Effect of Anti-Corruption on Political Trust (Scale 0–10)

	(1)	(2)	(3)	(4)
$D^{14} \times T^{14}$	-0.092**	-0.090**	-0.069*	-0.066*
	(0.040)	(0.041)	(0.040)	(0.039)
$D^{16} \times T^{16}$	-0.035	-0.034	-0.047	-0.047
	(0.042)	(0.041)	(0.040)	(0.040)
DV mean, pre-campaign	4.822	4.822	4.822	4.822
Individual FE	✓	✓	✓	✓
Year FE	✓	✓	✓	✓
Cohort × year FE		✓	✓	✓
Indiv. char. × year FE			✓	
Fam. bkgd. × year FE			✓	✓
Obs.	35,850	35,850	35,850	35,850
R^2	0.568	0.569	0.571	0.571

Note: The dependent variable is the political trust scale (0–10). The number of investigations (D) is standardized. Individual characteristics include gender, indicators of educational attainment, *hukou* status, Han ethnicity, Communist Party membership, and state sector employment. Family background includes parents' educational attainment and their Communist Party membership. Robust standard errors, clustered at the city level, are reported in parentheses.
* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$
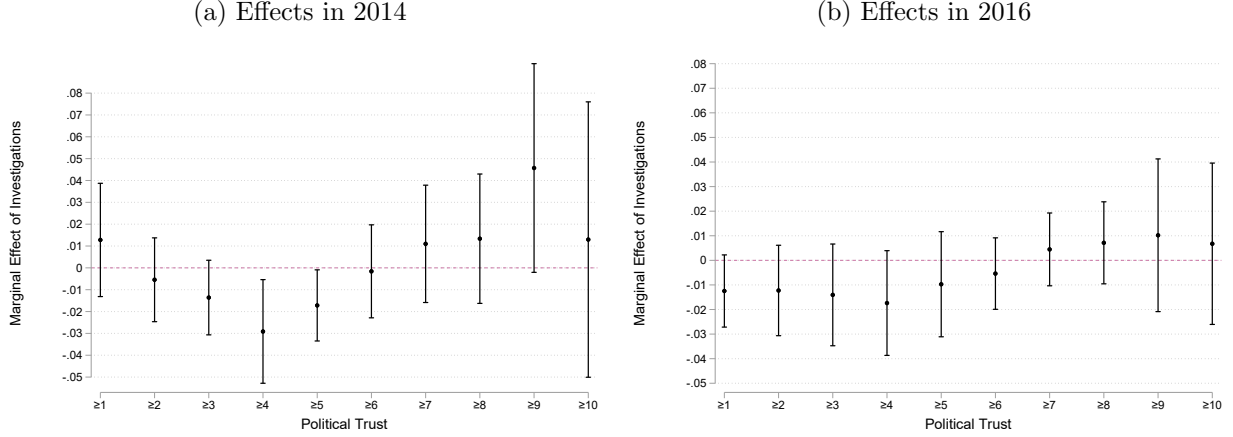
Appendix C.3. Generalized Logit Model

We use the linear probability model for our baseline analysis. This subsection shows that our findings are robust to using a Generalized (Ordered) Logit model. We look at the shift of political trust at different margins, analogous to Figure 4. Because the model is nonlinear, we estimate the Logit model for the year of 2014 and 2016 separately. For instance, when examining the effects between 2012 and 2014, we estimate the following Logit models using data from 2012 and 2014:

$$
\Pr(\text{Political Trust}_{ipt} \geq j) = \frac{\exp(\alpha_j + \beta_{1j}\left(D_p^{14} \times T_t^{14}\right) + X_i'\gamma_{tj} + \lambda_{ij} + \mu_{tj})}{1 + \exp(\alpha_j + \beta_{1j}\left(D_p^{14} \times T_t^{14}\right) + X_i'\gamma_{tj} + \lambda_{ij} + \mu_{tj})} \quad \text{(C1)}
$$
$$
j = 1, 2, ..., 10
$$

In this Generalized Logit Model, the parameters are allowed to vary with the threshold j. We report the estimated *marginal effects* of anti-corruption in Figure C2. The results are largely consistent with the findings in Figure 4: the reduction in political trust in 2014 relative to 2014 is driven by people with modestly low levels of political trust. The effects of anti-corruption on political trust in 2016 relative to 2012 follow a similar pattern, but less significant.

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Figure C2: Effects at Different Margins of Political Trust

(a) Effects in 2014

(b) Effects in 2016

Note: We estimate the Generalized Ordered Logit model, where the outcome is the political trust score being greater than or equal to each given level. The estimated marginal effects of the 2014 investigations are plotted in (a), and the estimated marginal effects of the 2016 investigations are plotted in (b). The solid points are point estimates and the caps are 90 percent confidence intervals.

Appendix C.4. Further Control for Differential Trends

The key assumption to be met for causal interpretations of our estimates is the common trends assumption: were corruption investigations at the same level, the trends of political trust would be similar between cities (see Section 4.2). This assumption is plausible as corruption investigations are conditionally idiosyncratic, i.e., they are conditionally orthogonal to a variety of factors in political trust's evolution (see Appendix Table C1) and are not associated with pretrends in political trust (see Appendix Figure C1).

Even so, to shed more light on the common trends assumption, we explicitly add differential trends of political trust in two ways. First, corruption investigations may relate to past levels of corruption, which shape the long-term trend of political trust, so we include interactions of past corruption levels and year dummies in Equation 12 to further purge any differential trends. Past corruption levels are measured using firms' entertainment and travel costs (ETC), which are often spent on bribing government officials (Cai et al., 2011). Cai et al. (2011)'s ETC indices during 2002–2004 cover half of the cities in our sample (60). We take the three-year average. Columns (1) and (2) of Table C3 display the results of controlling for past corruption-related paths. Since ETC data only cover a subset of the cities in our sample, to aid comparison, we re-estimate Equation 12 in Column (1), using the subsample where ETC is available. Reassuringly, corruption investigations still reduce political trust. Column (2) shows that the inclusion of average ETC interacted with year dummies does not materially change the estimates. Second, we examine the robustness of our results by including province-by-year fixed effects, as province-invariant factors may result in differential trends of political trust. Columns (3) and (4) of Table C3 show that the estimates with and without including province-by-year fixed effects deliver the same implications. Column (3) replicates Column (4) of Table 2. After further controlling for province-by-year fixed effects in Column (4), we find that the estimated effect is very similar

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to our baseline results for the year of 2014. The estimated effect on political trust in 2016 is also negative and statistically significant with the inclusion of province-by-year fixed effects. Taken together, our results were not likely confounded by differential trends of political trust.

Table C3: Robustness Checks: Further Controls for Differential Trends

	+ ETC $\times$ Year FE		+ Province $\times$ Year FE	
	(1)	(2)	(3)	(4)
$D^{14} \times T^{14}$	-0.028***	-0.027***	-0.021***	-0.028**
	(0.008)	(0.008)	(0.008)	(0.013)
$D^{16} \times T^{16}$	-0.006	-0.006	-0.009	-0.022**
	(0.011)	(0.011)	(0.009)	(0.009)
DV mean, pre-campaign	0.624	0.624	0.633	0.633
Individual FE	✓	✓	✓	✓
Year FE	✓	✓	✓	✓
Covariates $\times$ Year FE	✓	✓	✓	✓
ETC $\times$ year FE		✓		
Province $\times$ year FE				✓
Obs.	18846	18846	35850	35850
R^2	0.523	0.523	0.508	0.510

Note: The dependent variable is the political trust dummy. The number of investigations (D) is standardized. Covariates include gender, educational attainment, *hukou* status, Han ethnicity, Communist Party membership, state sector employment, parental educational attainment, and parental Communist Party membership, all of which are interacted with year dummies. The ETC index is from Cai et al. (2011). Column (1) replicates Column (4) of Table 2 using the subsample for which the ETC information is available. Column (3) is the same as Column (4) of Table 2. Robust standard errors, clustered at the city level, are reported in parentheses.
* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$

Appendix C.5. Attrition due to Construction of Balanced Panel

In Table C4, we re-estimate our baseline DID model without imposing the balanced-panel restriction on the sample. In Column (1), we use the full unbalanced panel, and assign individuals who migrated to their original location as of 2012. We do not require that the full set of covariates is available in Column (1), either. In Columns (2) and (3), we require that individuals in the sample did not migrate and their covariates were non-missing. Across different samples, our baseline findings hold and, if anything, become slightly larger in magnitude.

In Table C5, we directly examine whether the anti-corruption campaign affected individuals' migration tendency, which might create sample selection bias in the balanced panel. The estimated effects are non-significant and the point estimates are very small, suggesting that migration was not affected by the anti-corruption campaign.

Table C4: Effect of Anti-Corruption on Political Trust, Unbalanced Panel

Sample	Full Panel	Non-missing Covariates and Non-Migration	
	(1)	(2)	(3)
$D^{14} \times T^{14}$	-0.031***	-0.032***	-0.029***
	(0.008)	(0.008)	(0.008)
$D^{16} \times T^{16}$	-0.010	-0.010	-0.012
	(0.009)	(0.009)	(0.009)
D.V. mean, pre-campaign	0.630	0.629	0.629
Individual FE	✓	✓	✓
Year FE	✓	✓	✓
Covariates × Year FE			✓
Obs.	50340	45352	45352
R^2	0.519	0.522	0.525

Note: The dependent variable is the political trust dummy. The number of investigations (D) is standardized. Covariates include gender, indicators of educational attainment, *hukou* status, Han ethnicity, Communist Party membership, state sector employment, parents' educational attainment and their Communist Party membership. "Full sample" refers to the full unbalanced panel that may be used for regressions, from which respondents who attrited from the CFPS survey or did not report political trust are excluded. "Non-missing Covariates and No Migration" refers to the sample from which we further exclude observations associated with missing covariates or migration. Robust standard errors, clustered at the city level, are reported in parentheses.

* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$

Table C5: Effect of Anti-Corruption on Migration

	(1)	(2)
$D^{14} \times T^{14}$	-0.005	0.001
	(0.006)	(0.007)
$D^{16} \times T^{16}$	-0.000	0.002
	(0.004)	(0.005)
Individual FE	✓	✓
Year FE	✓	✓
Covariates		✓
Obs.	53100	48923
R^2	0.544	0.569

Note: The dependent variable is a dummy for migration relative to 2012. The number of investigations (D) is standardized. Covariates include gender, indicators of educational attainment, *hukou* status, Han ethnicity, Communist Party membership, state sector employment, parents' educational attainment and their Communist Party membership. Robust standard errors, clustered at the city level, are reported in parentheses.
* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$

Appendix C.6. Accounting for Contemporaneous Shocks

One concern about the results may be that they are likely to have picked up changes in political trust due to other contemporaneous shocks. Indeed, besides the anti-corruption campaign, Chinese society has experienced a range of other shocks during the period under study. We carefully follow the literature to account for the influences of salient events. Specifically, we estimate the following model modified from Equation 12:

$$y_{ipt} = \alpha + \beta_1 \left(D_p^{14} \times T_t^{14} \right) + \beta_2 \left(D_p^{16} \times T_t^{16} \right) + X_i' \gamma_t + Z_{p(t)} \delta_t + \lambda_i + \mu_t + \varepsilon_{ipt}. \qquad \text{(C2)}$$

In this model, $Z_{p(t)}$, either time varying or time invariant, is a measure of city p's exposure to a certain event. We allow $Z_{p(t)}$ to have heterogeneous cross-sectional relationships with political trust at different time points. We focus on how the estimates of β_1 and β_2 change after the inclusion of $Z_{p(t)}$.

Several contemporaneous events are considered. First, we consider the air pollution level that people were exposed to. During the period we study, China improved efforts in tackling its air pollution problem. For instance, an automated monitoring system was established to collect and report pollution information across the country since 2013 (Chen et al., 2023). President Xi also incorporated pollution mitigation in his agenda, which led to vast institutional reforms and resource mobilizations regarding environmental issues (Zeng et al., 2023). Relevant to our study, Yao et al. (2022), who also use the CFPS data, find

that exposure to severe air pollution can reduce trust in local government. To account for this impact, we let $Z_{p(t)}$ be the annual average PM2.5 level of a city. The second row of Figure C3 shows the estimated β_1 and β_2 after introducing this control, which are similar to the baseline estimates in the first row. Therefore, the anti-corruption's effects on political trust are not due to changes in air pollution.

Second, we take into account the *hukou* (household registration) reform in 2014. The *hukou* system encompasses a bundle of institutional restrictions on internal migration, which bars migrants from the access to local public goods. These restrictions were lifted in small-to-medium sized cities (with urban population below 3 million) in 2014. The reform may influence people's attitudes toward government. For example, An et al. (2023) find that the *hukou* reform lowers people's satisfaction with local social security, likely due to increasing migration-imposed pressure on the social security system. To account for the *hukou* reform, we let $Z_{p(t)}$ be a dummy variable that equals one if a city's urban population in 2014 was less than 3 million. As shown by the third row of Figure C3, controlling for the *hukou* reform does not produce marked differences from the baseline results.

Third, we control for the influences of the anti-poverty program, which is another signature program under President Xi and can be influential on political trust (Manacorda et al., 2011). To do so, we draw from the official document to compile an indicator for exposure to strong anti-poverty support, that is, a dummy variable that equals one if a city has any national level poverty-striken counties.[4] The fourth row of Figure C3 shows that results are similar after controlling for the anti-poverty programs.

Fourth, we account for China's export slowdown during 2013–2016. The negative economic shocks can be crucial in shaping political trust. Relatedly, Campante et al. (2023) find that the export slowdown triggered labor unrest. We follow Campante et al. (2023) to construct a Bartik-style measure for global demand shocks: $Z_{p(t)} = \sum_k s_{pk,2010} \left(\Delta_2 X_{pt}^{ROW} / L_{p,2000} \right)$. In this expression, $s_{pk,2010}$ is product k's export share in city p, measured in 2010; $\Delta_2 X_{pt}^{ROW} = X_{pt}^{ROW} - X_{p,t-2}^{ROW}$ is the two-year change in product k trade flows in the rest of world (ROW); and $L_{p,2000}$ is city p's working-age population in the 2000 population census. Campante et al. (2023) use this variable as an instrument for local export slowdown. The fifth row of Figure C3 shows that after controlling for export slowdown, we again see a significant negative effect of anti-corruption campaign on political trust in 2014. We note that the effect in 2016 now also becomes significantly negative.

Overall, the results in Figure C3 offer evidence that, despite contemporaneous and likely correlated shocks, the anti-corruption campaign can play its own role in altering political trust, which we probe into specific channels in Section 6.

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[4]A full list is available at `https://nrra.gov.cn/art/2014/12/23/art_343_981.html` (in Chinese, accessed on December 22, 2023).

Figure C3: Robustness to Accounting for Contemporaneous Shocks
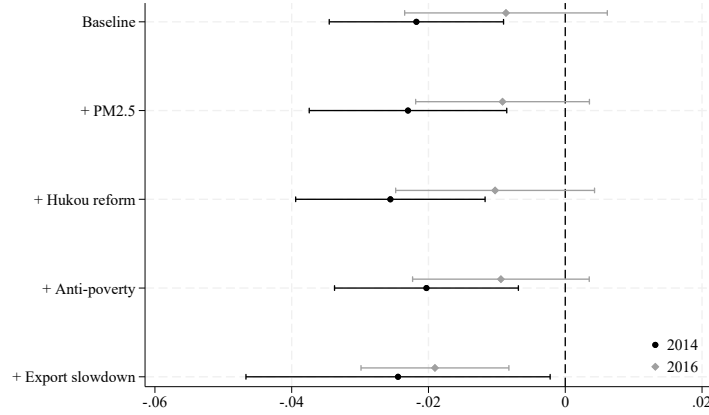
Note: The estimated coefficients on the 2014 and 2016 investigations are plotted, together with 90 percent confidence intervals. We begin with baseline estimates, incorporating no additional policy controls, and progressively add different policy controls to the regression.

Appendix C.7. Permutation Test

We also conduct a permutation test to ensure that the results are not simply due to chance. We permute corruption investigations across cities and re-estimate Equation 12 to derive a counterfactual effect of corruption investigations on political trust. Figure C4 displays the distribution of counterfactual effects in 2014, derived from 1,000 permutations. The vertical line is the true effect estimated using the actual sample. As shown, the counterfactual effects are centered around zero, while the true effect is at the distribution's tail and is statistically significant (p-value = 0.066), indicating that the true effect is not coincidental.[5]

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[5]Put another way, this test rejects the sharp null that the campaign had no effect on political trust in *any* city at a significance level of 0.066.

Figure C4: Permutation Test
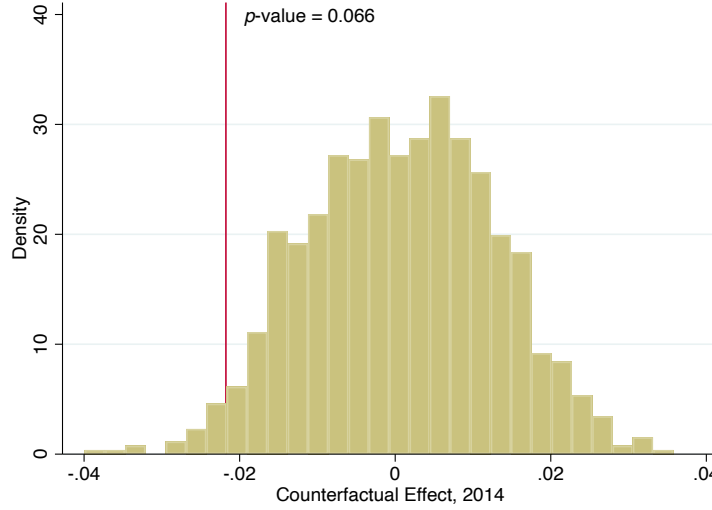
Note: This figure is derived from 1,000 permutations. The bars display the distribution of counterfactual estimates. The vertical line marks the true estimate.

Appendix C.8. DiD with Continuous Treatment

Recent econometric literature on difference-in-differences designs with continuous treatments (Callaway et al., 2021; de Chaisemartin et al., 2022) suggests that the two-way fixed effects (TWFE) estimator may not place reasonable weights to aggregate potentially heterogeneous treatment effects, even if there is no variation in the timing of treatment.[6]

To illustrate the intuition for the concern here, note that the TWFE estimator of Equation 12 can be written as:

$$\beta_{twfe}^{\tau} = \sum_{(i,t):D_{p(i)}^{\tau} \geq 0, T_t^{\tau}=1} w_{it} \times TE_{it}, \quad \tau \in \{2014, 2016\}. \tag{C3}$$

β_{twfe}^{τ} is the weighted average of marginal causal responses across all treated observations in year τ; w_{it} represents the weights, and TE_{it} represents the marginal causal responses that may be heterogeneous. What is concerning is that if TE's are highly heterogeneous and there are negative weights, then the TWFE estimator would recover a causal parameter very biased for the conventional causal parameters of interest (e.g., average casual response that uses weights proportional to population). This can lead to interpretation challenges. Intuitively, the negative-weight problem arises because units receiving positive treatment intensities also serve as controls for those with higher treatment intensities. This leads to a subtraction of their treatment effects in OLS estimation, resulting in negative weights.

To address this potential problem, we implement de Chaisemartin et al. (2022)'s heterogeneity-robust estimator (using `fuzzydid` in Stata). The new estimator employs a group of units with zero or low treatment intensities as a fixed control group. Treatment

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[6]In a difference-in-difference designs with a binary treatment, the aggregation problem occurs when there is variation in the timing of treatment, e.g., staggered adoption (Goodman-Bacon, 2021).

effects for units with higher intensities are then calculated relative to this fixed control group and aggregated using appropriate positive weights. We need to choose the fixed control group individuals facing low treatment intensities (i.e., corruption investigations). We consider two choices: (i) individuals exposed to the number of corruption investigations *below* the 25th percentile, and (ii) individuals exposed to the number of corruption investigations *below* the 50th percentile.

Table C6 reports the results using the de Chaisemartin et al. (2022) estimator. They confirm the main findings that corruption investigations reduced political trust in 2014. That is to say, our results are not due to unreasonable aggregation of treatment effects.

Table C6: Robustness Check: Heterogeneity-Robust Estimator

	β	SE	p-value
2014, 25%	-0.040	0.023	0.079
2014, 50%	-0.036	0.019	0.061
2016, 25%	-0.015	0.014	0.283
2016, 50%	-0.008	0.012	0.485

Note: The dependent variable is the political trust dummy. de Chaisemartin et al. (2022)'s heterogeneity-robust estimator is implemented. For implementation, a low-intensity group needs to be defined for comparison. We define it as being below the first quartile or the median.

Appendix D. Additional Results: Mechanisms

Appendix D.1. Interaction Between Experiences and Information

Table D1: Interaction between Informativeness and Priors

Attention to Corruption News	No		Yes	
Unfair Experiences	No	Yes	No	Yes
	(1)	(2)	(3)	(4)
$D^{14} \times T^{14}$	-0.021*	-0.076***	0.010	-0.024
	(0.013)	(0.022)	(0.012)	(0.032)
p-value, 2014 diff.		[0.058]		[0.297]
$D^{16} \times T^{16}$	-0.014	-0.031***	0.021	0.008
	(0.009)	(0.012)	(0.013)	(0.017)
p-value, 2016 diff.		[0.186]		[0.556]
D.V. mean, pre-campaign	0.674	0.486	0.641	0.455
Individual FE	✓	✓	✓	✓
Year FE	✓	✓	✓	✓
Covariates × Year FE	✓	✓	✓	✓
Obs.	22836	4701	6387	1866
R^2	0.486	0.552	0.522	0.591

Note: The dependent variable is the political trust dummy. *Attention to Corruption News*: having paid attention to corruption news before the anti-corruption campaign. *Unfair Experiences*: before the anti-corruption campaign, having had at least one of the following experiences with government officials: unfair treatment, conflicts, slack cadres, or being asked for bribes. The number of investigations (D) is standardized. Covariates include gender, educational attainment, *hukou* status, Han ethnicity, Communist Party membership, state sector employment, parental educational attainment, and parental Communist Party membership, all of which are interacted with year dummies. Robust standard errors, clustered at the city level, are reported in parentheses. *p*-values for the t-test of coefficient difference between the two groups are in brackets.
* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$

Appendix D.2. Additional Results on the Role of Education

Figure D1: Effects by Educational Attainment
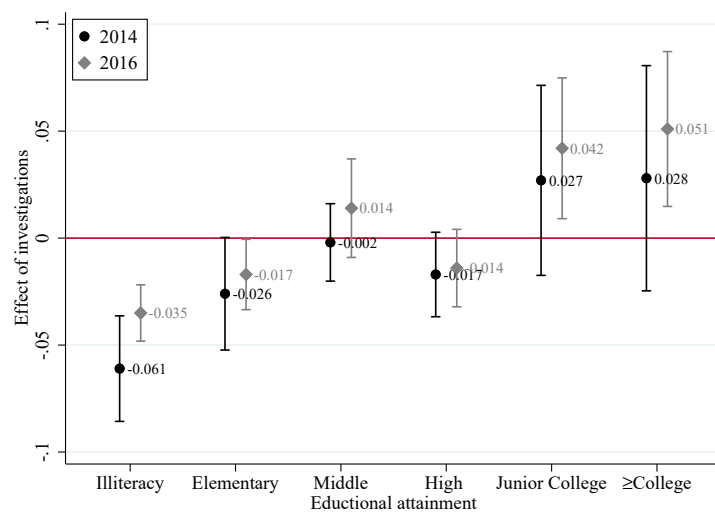
Note: The sample is divided into subsamples by individual educational attainment, and Equation 12 is estimated separately in each subsample. The solid points are point estimates and the caps are 90 percent confidence intervals.

Table D2: Education, Socioeconomic Status, and Political Trust

	(1)	(2)	(3)	(4)	(5)
$D^{14} \times T^{14}$	-0.061***	-0.024	-0.020**	-0.021**	-0.058***
	(0.015)	(0.015)	(0.008)	(0.008)	(0.017)
$D^{16} \times T^{16}$	-0.043***	-0.027***	-0.010	-0.011	-0.050***
	(0.008)	(0.009)	(0.009)	(0.009)	(0.009)
$D^{14} \times T^{14} \times$ Schooling	0.005***				0.006***
	(0.001)				(0.001)
$D^{16} \times T^{16} \times$ Schooling	0.005***				0.004***
	(0.001)				(0.001)
$D^{14} \times T^{14} \times$ Urban *hukou*		0.006			-0.006
		(0.016)			(0.017)
$D^{16} \times T^{16} \times$ Urban *hukou*		0.030**			0.018
		(0.012)			(0.011)
$D^{14} \times T^{14} \times$ CPC member			-0.020		-0.038*
			(0.019)		(0.019)
$D^{16} \times T^{16} \times$ CPC member			0.007		-0.010
			(0.013)		(0.014)
$D^{14} \times T^{14} \times$ State employee				0.002	-0.019
				(0.015)	(0.015)
$D^{16} \times T^{16} \times$ State employee				0.016	-0.009
				(0.012)	(0.013)
DV mean, pre-campaign	0.632	0.632	0.632	0.632	0.632
Individual FE	✓	✓	✓	✓	✓
Year FE	✓	✓	✓	✓	✓
Covariates × Year FE	✓	✓	✓	✓	✓
Obs.	35850	35850	35850	35850	35850
R^2	0.509	0.509	0.508	0.508	0.509

Note: The dependent variable is the political trust dummy. The number of investigations (D) is standardized. Covariates include gender, educational attainment, *hukou* status, Han ethnicity, Communist Party membership, state sector employment, parental educational attainment, and parental Communist Party membership, all of which are interacted with year dummies. Robust standard errors, clustered at the city level, are reported in parentheses.
* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$

Appendix D.3. Signaling

One alternative interpretation is that by voluntarily disclosing corruption, the government may have sent out a (credible) signal to people through the anti-corruption campaign: it is now legitimate to criticize the government and report lower political trust, which used to be politically incorrect or even prohibited, as the government portrayed itself as impeccable.[7]

We cannot completely rule out this possibility, which requires knowledge about each

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[7]Newman et al. (2021) tell a similar story in the US context by investigating the effects of Donald Trump's campaigns on demonstrations of racial prejudice. Prejudiced citizens usually tend to constrain the expression of their prejudice. However, they are emboldened to express and act upon their prejudices if there are political elites (e.g., Trump) doing so.

individual's perception of the nature of the campaign. Nonetheless, we provide some evidence to show that the signaling story is unable to fully drive our findings. We show that our findings survive excluding those respondents who had been reticent due to deference or fears, and so would be most prone to express distrust after the campaign's signaling. Table D3 presents this exercise. In Column (1), we exclude members of the Communist Party of China (CPC) and those from military families. Party disciplines and indoctrination may cultivate their loyalty to the state, making them see criticizing or reporting distrust in government as taboo. In Column (2), we exclude those from families who were persecuted in the Communist Revolution (1950s) and the Cultural Revolution (1966–76). Persecutions are measured by government-assigned bad class labels (e.g., landlords, rich peasants, and capitalists) and experiences of the Sent-Down Youth Movement and the May Seventh Cadre School, which were elicited in the CFPS 2010 survey. State repression can credibly make people frightened of criticizing the government unless they are allowed to do so (in fact, they can be highly motivated to do so when allowed). In the same avenue, Column (3) further excludes those who witnessed the violent Cultural Revolution — they either came of age (reached impressionable years, 18–25) during the CR or were from cities with a large share of the population afflicted (above median) (Alwin and Krosnick, 1991; Walder, 2014). In Column (4), all three groups are excluded.

Patterns in Table D3 suggest that the signaling story may not have played a major role. We see that after excluding each respective group, the mean pre-campaign trust is not dramatically lower than the full sample mean (0.633). Thus, the excluded individuals, who are supposedly reticent because of deference or fears, in fact do *not* report significantly high trust before the campaign. In addition, notwithstanding the exclusion of these groups, Table D3 shows that corruption investigations reduce political trust, implying that our results are not entirely driven by the signaling story. Notably, the subsample estimates reported in Columns (3) and (4) are larger than the full sample estimates (cf. Table 2), suggesting the role of signaling may not be the most prominent.

Table D3: Alternative Mechanism: Signaling

	(1)	(2)	(3)	(4)
$D^{14} \times T^{14}$	-0.018**	-0.018**	-0.055**	-0.045*
	(0.008)	(0.008)	(0.025)	(0.025)
$D^{16} \times T^{16}$	-0.011	-0.008	-0.044***	-0.043***
	(0.009)	(0.009)	(0.011)	(0.010)
Excluded	CPC & Military	Purged in Revolutions	Witnessed Violent CR	All 3 Groups
DV mean, pre-campaign	0.627	0.638	0.624	0.627
Individual FE	✓	✓	✓	✓
Year FE	✓	✓	✓	✓
Covariates × Year FE	✓	✓	✓	✓
Obs.	31449	31308	13314	10707
R^2	0.506	0.504	0.510	0.505

Note: The dependent variable is the political trust dummy. The number of investigations (D) is standardized. Covariates include gender, educational attainment, *hukou* status, Han ethnicity, Communist Party membership, state sector employment, parental educational attainment, and parental Communist Party membership, all of which are interacted with year dummies. Robust standard errors, clustered at the city level, are reported in parentheses.
* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$

Our measure of political trust pertains to the local government. As such, one alternative explanation for our findings is that people view the anti-corruption campaign as weakening the power of the local government, thus naturally lowering political trust (in local government) since the local government now has a weaker capacity to influence their livelihoods. We discuss this channel in Appendix A.2. If this channel exists, one implication is that the competence of local government should become less important in political trust, because the scope for it to influence citizens' livelihoods is smaller now. In Table D4 in Appendix D.4, we submit this hypothesis to testing. We find that on average, there is a strong positive association between government competence and political trust (Columns (1) and (2)). However, the association does not become weaker after the anti-corruption campaign takes place and in cities with more corruption investigations (Columns (3) and (4)). This suggests the weakening of local power does not explain the change in political trust that we find.

Table D4: Alternative Mechanism: Power of the Local Government

	(1)	(2)	(3)	(4)
Govt. Performance $\times D^{14} \times T^{14}$			0.011	0.008
			(0.009)	(0.007)
Govt. Performance $\times D^{14} \times T^{14}$			0.013**	0.003
			(0.005)	(0.006)
$D^{14} \times T^{14}$		-0.021***	-0.058*	-0.046*
		(0.008)	(0.032)	(0.027)
$D^{16} \times T^{16}$		-0.009	-0.053**	-0.017
		(0.009)	(0.024)	(0.026)
Govt. Performance	0.061***	0.061***	0.058***	
	(0.004)	(0.004)	(0.004)	
D.V. mean, pre-campaign	0.631	0.631	0.631	0.631
Individual FE	✓	✓	✓	✓
Year FE	✓	✓	✓	✓
Covariates $\times$ Year FE	✓	✓	✓	✓
Govt. Performance $\times$ Year FE				✓
Observations	34854	34854	34854	34854
R^2	0.520	0.520	0.520	0.521

Note: The dependent variable is the political trust dummy. The number of investigations (D) is standardized. Covariates include gender, educational attainment, *hukou* status, Han ethnicity, Communist Party membership, state sector employment, parental educational attainment, and parental Communist Party membership, all of which are interacted with year dummies. Robust standard errors, clustered at the city level, are reported in parentheses.
* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$

Income. One may wonder if the anti-corruption campaign has any impact on income, which in turn, influences political trust. However, we show that the income channel cannot

explain our findings. In Column (1) of Table D5 in Appendix D.5, we show that the anti-corruption campaign, on average, has no significant effects on income. Then, in Columns (2) and (3) of Table D5, we find that controlling income in Equation 12 does not change the estimated effects of the campaign on political trust, confirming that income cannot explain our findings.

General Trust. Chinese society has witnessed many changes under President Xi's administration, and the anti-corruption campaign was just the tip of the iceberg. One may be concerned that instead of speaking to people's updated views on the government, the negative relationship between political trust and corruption investigations we uncover merely reflects changes in general trust (in any entity, not just in government) due to the anti-corruption campaign or other contemporaneous shocks that correlated with it.

To examine if our findings are just a manifestation of changes in general trust, we conduct a couple of placebo tests for whether trust in other groups is affected by the anti-corruption campaign (or shocks correlated with it). We expect to see null effects in these tests if changes in political trust are not driven by changes in general trust. As expected, Columns (4)–(6) of Table D5 in Appendix D.5 show that corruption investigations have no impact on respondents' trust in parents, strangers, and Americans. Therefore, our findings are specific to changes in people's perceptions about the government rather than changes in overall willingness to trust.

Table D5: Alternative Mechanisms: Income and General Trust

	Income Channel			Trust in Other Groups		
	(1)	(2)	(3)	(4)	(5)	(6)
Dependent Variable	ln(Income)	Political Trust	Political Trust	Parents	Strangers	Americans
$D^{14} \times T^{14}$	0.024	-0.018**	-0.018**	-0.003	0.008	-0.001
	(0.036)	(0.008)	(0.008)	(0.002)	(0.010)	(0.016)
$D^{16} \times T^{16}$	0.026	-0.008	-0.008	-0.000	0.003	0.005
	(0.016)	(0.009)	(0.009)	(0.001)	(0.005)	(0.006)
ln(Income)			-0.002			
			(0.004)			
D.V. mean, pre-campaign	8.944	0.632	0.632	0.981	0.183	0.260
Individual FE	✓	✓	✓	✓	✓	✓
Year FE	✓	✓	✓	✓	✓	✓
Covariates × Year FE	✓	✓	✓	✓	✓	✓
Obs.	34987	34987	34987	33217	33220	32692
R^2	0.641	0.514	0.514	0.399	0.469	0.487

Note: ln(Income) is the logarithm of family income per person. The number of investigations (D) is standardized. Covariates include gender, educational attainment, *hukou* status, Han ethnicity, Communist Party membership, state sector employment, parental educational attainment, and parental Communist Party membership, all of which are interacted with year dummies. Robust standard errors, clustered at the city level, are reported in parentheses. * $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$