

# T06W04 / The Paradox of AntiCorruption Policy Formulation, Adoption, and Implementation in Contexts of Systemic Corruption

**Topic :** T06 / Policy & Politics

**Chair :** Elizabeth Perez-Chiques (Centro de Investigación y Docencia Económicas)

**Second Chair :** Maria Salcido (El Colegio de Jalisco)

**Third Chair :** Aimée Figueroa (University of Guadalajara)

## CALL FOR PAPERS

We call for research to understand and explain both why and how governments characterized by systemic corruption adopt anti-corruption policies. Some key questions that we invite researchers to answer are the following:

1. Why do polities under systemic corruption adopt, formulate, and implement anti-corruption policies?
2. What are the implications of anti-corruption policies being formulated under systemic corruption contexts, and what can explain the possibilities of failure or the possibilities of success?
3. What are the characteristics of anti-corruption policies under systemic corruption contexts, and how can their differences be explained?

## ABSTRACT

Policies demanding change from those same actors that implement them incur in a problematic situation of a special kind. Governments in such situations are said to face a super wicked problem (Peters, 2017). Anti-corruption policies among other types of policies, such as State power checks & balances, lie behind this label of problems. Characteristics of these problems include high political controversy and high cognitive challenges (Alford & Head, 2017). The former is needed to grant legitimacy to make a State-level intervention, and the latter is needed to understand how to solve a problem. A persuasive but technically sound narrative makes for effective policies (Giandomenico, 1989), but super-wicked problems are posed to solve an impossible conundrum: one where those who need to change may not be willing to be effective, and those who oversee policies' design and implementation might like to open the possibility of failure. This is the case of anti-corruption policies in contexts of systemic corruption (Mungiu-Pippidi, 2006; Marquette & Peiffer, 2018; Persson, Rothstein & Teorell, 2013; Meza, Pérez-Chiqués, & Hernández, 2023), or corruption that has become pervasive, is normalized and socially and politically accepted, and that is sustained by cultural understandings and informal institutions (Arellano-Gault, 2018; Marquette & Peiffer, 2018; Rothstein, 2011). Under conditions where systemic corruption exists, promises to address this problem fall under a special kind of policy paradox (Stone, 2001).

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## Session 1

Wednesday, June 26th 10:15 to 12:00 (AULA 10A)

### **The original contradiction and the Icarus paradox: two dilemmas of anti-corruption policy under systemic corruption conditions**

Gabriel Rojas-Salazar ( University at Albany, SUNY)

Corruption is a dynamic phenomenon whose conceptualization is socially and politically constructed through discourses legitimized and reproduced mainly by political actors in power. Thus, anti-corruption policies have also been constructed through political discourse. In the context of systemic corruption, corruption control policies are used as political instruments to damage the image of opposition groups, to show genuine interest in addressing a public problem that is often relevant to citizens, and even to deal with corruption scandals. However, anti-corruption policies are often ineffective for two main reasons: the original contradiction and the Icarus paradox. First, in countries with systemic corruption, the actors who should support, develop, and consolidate anti-corruption policies are those who benefit most from the corrupt system. Hence, they tend to sabotage any anti-corruption policy that affects their status quo. Second, when an anti-corruption effort is effective, it is likely to be questioned and eventually dismantled by the actors in power, as some members of the group in power are usually involved in corruption networks and scandals. Simultaneously, if an anti-corruption policy does not show any results, it will also be criticized and eliminated, as it will be considered expensive and futile.

Consequently, anti-corruption policies under systemic corruption face constant internal and external political pressure. As a result, this generates constant policy changes and ineffectiveness, because even if solid policies exist, they hardly remain in time. Therefore, this article analyzes two cases that illustrate anti-corruption policy dilemmas: the creation of the National Anti-Corruption System in Mexico and the International Commission against Corruption and Impunity in Guatemala. While both cases are not policies by themselves, the cases are policy instruments; thus, they illustrate the constant challenges that anti-corruption efforts face in the context of systemic corruption and why they often fail. In this article, we review the formation process, their changes, and their current state and observe and outline some patterns based on these dilemmas.

### **(Virtual) El diseño de políticas anticorrupción en el sector de la salud: El caso de México**

Iván Ruiz (FLACSO Ecuador)

El proyecto de investigación se concentra en la permanencia de la corrupción pese a la implementación de reformas de transparencia por más de tres décadas. A partir de la década de los noventa, como derivación de la Crisis Asiática de 1997, los organismos internacionales difundieron la transparencia como un paradigma para combatir la corrupción. La literatura teórica y empírica afirma la relación positiva entre ambos conceptos. Sin embargo, el Índice de Percepción de la Corrupción 2023 señala que en varios países que asumieron tempranamente reformas de transparencia, la corrupción se mantiene por varios años. Frente a este problema, nos cuestionamos ¿por qué la transparencia no controla la corrupción? El estudio adopta las recomendaciones de Mungiu-Pippidi y Heywood (2020) acerca de estudiar la corrupción en un área de políticas públicas. De esta manera se escogió al sector salud por ser un área sensible a la corrupción, tanto por su relación con la vida de las personas, la asimetría de información, la alta convergencia de actores y la cantidad de recursos movilizados (Hussmann 2020).

Para realizar el estudio, se aplicó el protocolo de investigación realista del Laboratorio de Políticas

Comparadas de Flacso Ecuador, que incluye seis pasos: Aproximación a la política sectorial, Teorización del mecanismo causal, Diseño de test empíricos, Selección de caso mediante QCA, Análisis de congruencia y Estudio de caso a profundidad.

El objetivo de la investigación es identificar la desviación de un mecanismo causal que vincula la adopción de objetivos de transparencia con el control de la corrupción, para responder por qué la teoría no se cumple. La hipótesis señala una incoherencia en el modo de gobernanza que impidió la institucionalización de la transparencia. Para probarlo, se utilizó el marco analítico del diseño de políticas, junto con una metodología mixta que incluye process tracing y formalización bayesiana.

Los resultados y conclusiones, por ahora, continúan desarrollándose.

## **Referencias**

Hussmann, Karen. 2020. *Corrupción en el sector salud. Recomendaciones prácticas para donantes*. SI: U4 Anti-corruption Resource Centre; Chr. Michelsen Institute.

<https://docplayer.es/209030761-Corrupcion-en-el-sector-salud.html>

Mungiu-Pippidi, Alina y Paul M. Heywood. 2020. *A research agenda for studies of corruption*. Cheltenham; Northampton: Edward Elgar Publishing.

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## Session 2

Wednesday, June 26th 14:00 to 17:15 (AULA 10A)

### **Explaining Variations in Adoption and Implementation of Anti-corruption Policies in India:A Study of Factors and Case Study of the Right to Information Act**

Gurjit Singh (Punjabi University Patiala)

The purpose of this study is to evaluate the effectiveness of anti-corruption initiatives implemented in India since independence and to determine why, despite a strong anti-corruption framework, these initiatives have not been able to reduce corruption in the nation. Yet while scholars have developed several anti-corruption policies, but have only partially adopted. The paper makes the claim that the degree and scope of corruption in the nation demonstrate that it is a systemic issue rather than an individual one. The article comes to the conclusion that institutional reforms, by themselves, cannot effectively combat corruption in India due to its systemic character after conducting a comparative analysis of various anti-corruption strategies taken in various nations. In order for Indian policymakers to recognize the relationship between rising levels of corruption and the deepening crisis of democracy, the paper also advocates making connections between corruption and democracy. Therefore, it is stated that in order to combat corruption effectively, it is crucial to see it as a breach of democratic norms, principles, and practices. Transparency International, a global civil society organization dedicated to fighting corruption, has acknowledged this. In order to maintain accountability and reduce corruption, it is necessary to look for policies that go beyond institutions and emphasize effective citizen participation.

### **Factors associated with local corruption in Chile**

Emilio Moya (Universidad Católica de Temuco )

During recent months, municipalities in Chile have been at the center of the corruption scandals. Its media coverage has fallen into judicialization or personalization o 'administrative crimes' according to the profile of the authorities and officials involved. However, there are factors that explain the emergence of corruption that are nothing anecdotal. The paper suggests a socio-political approach to identify these factors. Through a qualitative methodology and using primary and secondary sources, such as: verdicts of the Comptroller General, review of press releases, analysis of the legislative measures of the central Government, a bibliographic review of articles on corruption, and interviews in depth to various local actors. These factors associated with local corruption are organized as follows: heterogeneity of state capabilities, decentralization processes and their insertion into local politics (thanks to informal networks and local intermediaries), the parliamentarization of politics, weak controls at the local level and the presence of political dynasties. It is concluded that one of the major problems faced in the local reality revolves around the fact that the measures implemented in these areas have followed a logic of partialization and fragmentation, which has undermined the success of the new regulations at the municipal and regional level.

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## Session 3

Thursday, June 27th 09:00 to 12:15 (AULA 10A)

### **The internal control as an anticorruption instrument in México: a municipal perspective through policy regime perspective**

Damian Lugo (University of Guadalajara)

The internal control as an anticorruption instrument in México: a municipal perspective through policy regime perspective

The investigation seeks to answer why the internal control of municipal public administrations has been unable to prevent and combat corruption. Supposedly, internal control would contribute to generate environments of administrative improvement that, consequently, would make it possible to ensure, in a reasonable manner, the fulfillment of institutional objectives, the safeguarding of public resources and the prevention of corruption - as a first line defense-. However, the results have been not positive: corruption, failure to meet institutional objectives and inappropriate use of public resources persist. Given such a situation —and recognizing the internal control as a key piece (but insufficient in itself) to combat corruption, as well as the political and administrative context of the municipalities in Mexico— the research hypothesis is that the current “policy regimen” (governmental arrangement to address a public problem) that accompanies this mechanism or instrument of administrative improvement, presents deficiencies that distort its original meaning and, consequently, reduce or limit – substantially – its capabilities to fight against corruption, mainly through its prevention.

The research strategy responds to an exploratory design, as its purpose is to offer an approximate vision of the relationship between the internal control policy regime. Given this exploratory nature, the research uses flexible criteria for the selection of cases, taking into consideration aspects such as: i) the level of development of administrative capabilities - based on the Administrative Development Degree Subindex of the Municipal Institutional Development Index published by the Superior Audit of the Federation (ASF)—, and ii) the available resources (temporary and economic) to carry out this investigation.

Currently, research studies that empirically addresses the issues of internal control and public policy regime, linked to the phenomenon of corruption, are incipient and rare in the literature. Hence, this research is a novel exercise, but it will require greater efforts to strengthen the working hypothesis; either by expanding the number of cases to be studied, deepening and improving the comparative study of cases or incorporating other levels of government (such as state levels, for example).

### **Audit and compliance in local public finances. The case of the Contribution Fund for Social Infrastructure (FAIS) in Mexico 2014-2020.**

Jaime Hernández Rocha (Center of Research and Teaching in Economics)

Do audits have any effect on the behavior of local governments? Once a government is audited, does its compliance improve? Acemoglu and Robinson (2012) state that “the economic success of countries differs because of differences between their institutions, [that is] the rules that influence how the economy works and the incentives that motivate people.” But rules only make sense if they actually cause some change in the behavior of the parties. Not all rules are consolidated in institutions or cause the desired effect (March and Olsen, 2006; Helmke and Levitsky, 2006). Knowledge needs to be created about how the rules are enforced. The phenomenon of intergovernmental compliance is the center of a live debate between different

literatures. For example, explanations from public management seek to compare different management styles to explain compliance (Ebinger and Geissler, 2021; Hendrick, 2011; Smith, 2012). Other approaches point out that compliance is adopted as part of conditions or obligations to which certain countries or subnational units must respond, for example, regional trade integration processes (Hadjiisky, Pal and Walker, 2017; Dussauge, 2020; Broni?, Jerini? , Klun, Ott and Rakar 2021). There are also currents that explain compliance based on considerations about the functioning of local democracies (Weingast, 2014; Berliner, 2016; Alt, Lassen and Rose, 2006). Another explanation, the most widespread, comes from economic theory and focuses on the broad, specific and coercive nature of the rules that support the agreements. According to this approach, the use of audits presupposes that the executors of public spending are individuals or organizations, they are rational actors and, therefore, they are subject to incentives, one of which consists of avoiding a sanction. Audits operate as assurance mechanisms that, through the threat of punishment, seek to increase the cost of engaging in misconduct. The audit, thus, is configured as the vehicle through which the rule generates the desired behavior. This article seeks to test this assumption and aims to quantify the effect of audits on the financial compliance of local governments in Mexico. To this end, a panel was built for 2,463 Mexican municipal governments in the period 2014-2020 for the largest public infrastructure investment fund in the country and, through a two-way fixed effects model, it seeks to identify the existence of some effect of the processes review on municipal financial compliance. Preliminarily, there is evidence of a negative and modest effect of the audit on compliance, which seems to suggest that the administrative environment has adapted to the review processes and they soon lose their effect. Furthermore, there is evidence of a lagged effect of audits that seems to manifest itself after a process of stabilization of the rules. This work can contribute to the panel to the extent that it analyzes a widely extended anti-corruption policy whose effects we do not know in a country where corruption is systemic.