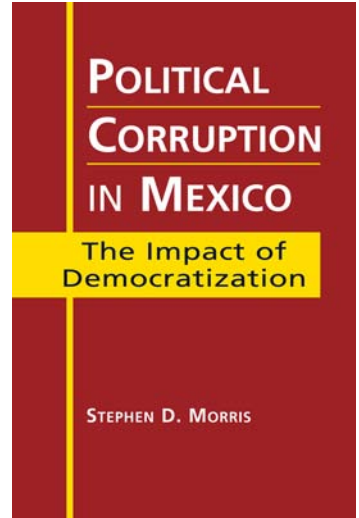


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Political Corruption in Mexico: The Impact of Democratization

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1

Political Corruption and Change in Mexico

Scandals, anecdotes, official reports, the rhetoric of politicians, surveys, scholarly analyses, and even popular legend all indicate that corruption pervades Mexico, spanning the country, the layers of government, and the years. According to Transparency International's 2005 Global Corruption Barometer, 31 percent of Mexican households paid bribes during the year. Estimates suggest that the country devotes 9–12 percent of its gross domestic product to bribes (Morales 2001), that small and medium-sized businesses spend US\$43 billion annually to cut bureaucratic red tape (*SourceMex* August 17, 2005), and that 10 percent of spending on public contracts goes to corruption (Reyes 2004b). Such patterns clearly pervert the public's image of politics and politicians. When asked in an Encuesta Nacional de la Cultura Política (ENCUP) survey in 2001 what word came to mind upon hearing the term "politics," the most common response was "corruption"—the first reply by 21 percent of those surveyed and the second reply by another 13 percent. Capturing what continues to be a prevailing sentiment, Anthony DePalma (1996) once asserted, "Corruption is not a characteristic of the system in Mexico . . . it is the system." About a decade later, José Martínez, author of *CONALITEG—Vamos México: Corrupción de estado, el peón de la reina*, called corruption Mexico's "national sport" (cited in Avilés 2004).

Writing in the late 1980s, I pointed to Mexico's unique authoritarian political system to explain the underlying causes, consequences, and patterns of corruption plaguing the country (Morris 1987, 1991).¹ Rooted in a structural theory linking corruption to the relative balance of state and social forces, I argued that the dominance of a single political party—the Partido Revolucionario Institucional (PRI)—the informal, meta-constitutional powers of the president,

the ban on reelection, the weak and submissive legislative and judicial branches, the ineffective workings of federalism, and the government's extensive corporatist and clientelist controls over society crippled the formal mechanisms of accountability and rule of law, fostering instead a pattern of corruption that actually contributed to the regime's longevity. Among the effects, the structural imbalances enabled the president to use corruption to cement the ties wedding the political elite, reward those abiding by the informal rules of the game and punish those who did not, and even co-opt those potentially threatening the system. Through the manipulation of the legal charges of corruption and periodic, ritualistic anticorruption campaigns or social cleansings, the president even used the allegations of corruption to purge his political enemies and garner legitimacy, while simultaneously disassociating his administration from those of his predecessors. This helped renew popular faith in the government and the ideals of the Mexican Revolution, and nurture the government's reformist credentials just enough to manage the pace and the demands for political change (*gatopardismo*, or engaging enough change to remain the same; see Morris 1995).

Since the time of that analysis, however, Mexican politics have changed dramatically. On the heels of important mayoral triumphs in the early 1980s and amid the debt-induced economic crisis of the "lost decade," opposition parties, led by the Partido Acción Nacional (PAN), slowly but surely began to wrestle control of state executive and legislative offices from the once hegemonic PRI. By the mid-1990s, the PAN, along with the center-left Partido de la Revolución Democrática (PRD), the party born from the dramatic split within the upper ranks of the PRI in 1987 and Cuauhtémoc Cárdenas Solórzano's challenge in the fraud-ridden presidential election of 1988, controlled almost half of the nation's unicameral state legislatures and gubernatorial seats, making divided government and real, meaningful electoral competition the norm in vast parts of the country. After pushing through electoral reforms in 1994 and 1996 that eliminated the PRI's and the government's grip over the electoral process itself—reforms triggered in large part by the legitimacy crisis arising from the controversial 1988 election and the mounting social and political pressures—the PRI lost its majority in the Chamber of Deputies in 1997, extending divided government and partisan competition to the federal level. Three years later, in Mexico's "long-awaited surprise," not only did the PRI lose the presidency (which might have happened anyway in 1988), but also, more significantly, the outgoing president, Ernesto Zedillo (1994–2000), accepted the defeat and relinquished power: the *coup de grace* of the long-reigning PRI *gobierno*. For many, the victory of the PAN's charismatic Vicente Fox in July 2000—on his birthday at that—stood as the crowning achievement of Mexican democratization, placing Mexico onto a new and long sought after path.² For others, the nation still had a long way to go to achieve true democracy, including the battling of entrenched corruption.

Throughout this protracted process of growing electoral competition and democratic opening, the level and scope of societal pluralism expanded (Eisenstadt 2004). The number and autonomy of civic organizations, many once controlled by the government through a variety of co-optive, clientelistic, and corporatist mechanisms, skyrocketed to well over 50,000 by 2006. The crisis-induced austerity and neoliberal reforms of the period eliminated many of the controls (carrots and sticks) the government once used to discipline the press, business associations, labor unions, and social organizations, as well as the spoils once available to satisfy public officials and maintain elite unity. Throughout the 1990s, as more and more autonomous organizations leapt onto the political stage, they increasingly cast their sights on such issues as human rights, clean elections, and corruption, exerting greater influence over society and the state in the process. Demands for accountability grew exponentially. The press in particular conquered new freedoms during the period (Lawson 2002), while business, now forced to compete in ever more open and competitive markets under neoliberalism, began to break free of the sort of government manipulation it had experienced under the policies of state-led, import substitution industrialization. Even within the government itself, the monolith began to crumble as key institutions like the Central Bank, the Federal Electoral Institute, and the Supreme Court began to take on a degree of autonomy unknown in the past, cutting further and deeper into and checking the power of the once omniscient executive.

This triple play of heightened electoral competition, divided government, and pluralism strengthened the power and the role of the legislature, the judiciary, state and local governments, and society vis-à-vis the president and the federal government. At the same time, it shifted the locus of political conflict away from the executive, the bureaucracy, and the PRI, where it had been under the old regime, toward elections, political parties, Congress, the courts, and specialized agencies. Indeed, the presidency of Fox (2000–2006) abruptly revealed how presidential power in contemporary Mexico had sprung almost entirely from the PRI's electoral hegemony rather than from any real, constitutional powers of the president (Nacif 2004; Rivera 2004). In short, by the dawn of the twenty-first century, the primary features of Mexican politics that had marked the twentieth century—one-party rule, *presidencialismo*, corporatism, authoritarianism—had come to an end.

The watershed election of Fox in 2000 and the defeat of the PRI reflected in large measure the declining legitimacy of the PRI: a decline stemming in part from decades of corruption. So, by the close of the century, what had once seemingly functioned to solidify the political elite and even contribute to regime stability, arguably had come to play a role in undermining that stability (see Morris 1999). Voters increasingly came to associate the PRI with corruption—and, indeed, many still do—making the historic 2000 vote a popular rejection of the corruption of the past and a cry for change. At the same time,

by empowering a non-PRI president, the watershed election forged a unique opportunity to take on the entrenched interests of the system and the corruption of the past. Not only did Fox stress corruption as a major campaign issue as well as the theme of change, but as his first act as president he appointed an intersecretarial committee charged with developing and coordinating a broad-based anticorruption program. The country clearly seemed poised for change.

In some ways, of course, a new president promising to fight corruption was hardly novel. Throughout the twentieth century, Mexican presidents had ritualistically pursued high-profile anticorruption campaigns upon taking office, purging corrupt officials from the past and promoting reforms (see Morris 1991). The new drive led by Fox, however, unfolded in a strikingly distinct political, institutional, and even international context. Not only did Fox hail from a different political party and thus enjoy a weaker base of support within the government than had his predecessors—no entrenched interests to protect—but by the time he took office the topic of corruption had become a “hot button” issue as well. Owing to the work of the Berlin-based nongovernmental organization Transparency International, a new post-Cold War reality, new approaches to issues of governance within the World Bank and the International Monetary Fund, the development of cross-national data on a phenomenon difficult to define and even more difficult to measure, and a flood of research beginning in the mid-1990s, the study of corruption by this time was enjoying a remarkable boom worldwide (see Johnston 2005). This global context nurtured concerns in Mexico about the nation’s high levels of corruption, strengthened societal pressures to address the issue, and even provided Fox with an orthodox strategy to fight it. The new emphasis on corruption also encompassed international anticorruption conventions—the 1996 Organization of American States treaty against corruption and the 1997 Organization for Economic Cooperation and Development antibribery treaty, both signed by Fox’s predecessor, and the 2003 United Nations treaty against corruption, signed by Fox—and even US assistance. Operating within this climate, Fox packaged a new anticorruption campaign that would touch every agency within the federal government and impact state and local governments. The campaign would produce fundamental legal reforms designed to enhance the public’s access to information, create a merit-based civil service, and develop programs in schools, universities, and businesses targeting Mexico’s pervasive culture of corruption.

The contrast with the not too distant past is stunning. When I first began research on corruption in the late 1980s, during the highly touted “Moral Renovation” campaign of President Miguel de la Madrid (1982–1988), the topic enjoyed scant scholarly or political attention both in Mexico and beyond. Whole texts on Mexican politics omitted any reference to this ubiquitous dimension of the political system, while international institutions, owing to the Cold War climate of the day, were reticent to approach the topic, or even prevented by their mandates from doing so. In some ways, the topic of corruption

was taboo. Today, by contrast, a host of Mexican government agencies and scores of Mexican scholars, journalists, and political activists—in a manner similar to the international trends—focus intense attention and analysis on the matter, producing massive reports and detailed studies, some even risking their lives to uncover and report on official wrongdoing. Recent years have brought forth multiple public opinion surveys dealing with corruption (some of which are used and analyzed in this book), serious scholarship delving into the underlying nature of corruption in the country, whole courses and *diplomados* on corruption and accountability at the nation's top universities, high-profile public and political debates, a societal discussion on ethics and morality, public service announcements promoting ethical values, and a general crescendo of consciousness across the nation about the presence of and particularly the pernicious consequences of corruption. Among its effects, this growing public consciousness—coupled with the “long-awaited” defeat of the PRI—heightened the public's expectations of Fox's anticorruption initiatives, raising the political stakes and the bar in the process.

These incredible political and economic developments in Mexico crystallize the fundamental questions steering this study: What effect have these changes—political, structural, institutional, and perhaps even cultural—had on political corruption in Mexico? Has democracy, by itself or together with Fox's high-profile anticorruption campaign, been effective in altering the level and pervasiveness of corruption? If not, why not? Is there less corruption today than in the past? More specifically, have the prevailing patterns of corruption found in Mexico shifted because of the political changes? And finally, how has the Calderon administration, elected in 2006 amid controversy, taken up the anticorruption challenge during its initial years? This study attends to these queries by exploring the nexus linking these twin issues of change: the changes in the political context and the changes in corruption.³

The Broader Questions

In a phrase, Mexico has democratized (though it has transited along its own rather unique path). Hence, the broader, theoretical question addressed here centers on the impact of democracy and democratization on political corruption. At a very general level, theory predicts that democracy reduces corruption (Johnston 1998; Rose-Ackerman 1999). It does so through both structural and institutional as well as ideological and cultural mechanisms. At the structural and institutional level, democracy restrains the behavior of the elite by holding them accountable for their actions (i.e., making officials answerable for their behavior and subject to some form of sanction for behavior deemed unsatisfactory) (Etzioni-Halevy 2002, 233; Mainwaring and Welna 2003; O'Donnell 1994, 1998, 2003).⁴ This includes, above all, elections—a critical tool of vertical accountability—which allow the general public a means, albeit crude, to

hold their elected officials answerable and to reward good behavior and punish bad (Downs 1957; Rose-Ackerman 1999, 127–142). It also includes basic freedoms (press freedoms, freedom of expression), a second mechanism of vertical or societal accountability, which allow citizens, the press, and autonomous social organizations to collect and expose information on public officials independently of the government, to lobby for policy changes, to engage in open public debate, and to operate unfettered by government intervention (Adserá, Boix, and Payne 2003; Brunetti and Weder 2003; Smulovitz and Peruzzotti 2000). Democracy also embraces key mechanisms of horizontal accountability whereby government monitors itself. This occurs through autonomous auditing mechanisms within the government as well as through shared powers and checks and balances across the various branches of government. Through such horizontal mechanisms, democracy structurally seeks to “pit ambition against ambition” so as to control and check the behavior of the elite, as James Madison famously noted in *Federalist Paper* no. 51 (see also Laffont and N’Guesan 1999).

In addition to its structural and institutional effects, democracy also works to curb corruption by way of its ideological and cultural foundations. The philosophical, normative discourse informing the institutions of democracy privileges basic notions of equality and justice, of citizenship, and of openness and accountability: values clearly antithetical to corruption. The very essence of democracy holds that government should serve the interests of the people (popular sovereignty), that the people have a fundamental right to know about the affairs of state in order to fulfill their role as citizens, and, as such, that the rulers are fundamentally answerable to or accountable to the people (Dahl 1998; Warren 2004). Democracy thus nourishes popular demands and pressures for good government and for justice—forces driving efforts to detect and punish corruption—while raising, at the same time, the threshold of intolerance toward those within government who violate the law (Shirk and Ríos Cázares 2007, 7). The very idea of democracy itself, in short, lofts the issue of corruption high atop the political agenda.

Viewed from a slightly different angle, democracy heightens the importance of corruption because corruption constitutes a threat to democracy. By converting collective goods into personal favors, corruption undermines the provision of justice (Johnston 2005). By denying citizens access and a role in determining collective decisions and actions, corruption disempowers people (Warren 2004). By distorting and crippling government responsiveness to popular demands, corruption undermines the meaning of citizenship and the rule of law. Even the perception of corrupt politicians and institutions erodes the foundations of trust essential to democracy (Warren 2004). In a sense, then, corruption and democracy represent opposing forces, one embodying the philosophical ideal of taming corruption and ensuring equal justice for all—a government for the people, rather than for the rulers—the other threatening to undermine the very meaning and existence of democracy itself.

Yet, despite such rational and parsimonious (and clearly a bit romantic, liberal, and normative) arguments suggesting that democracy inhibits corruption, theory and empirical research suggest a much more complex relationship. Susan Rose-Ackerman (1999, 127–142) emphasizes that while democratic competition, federalism, and checks and balances may potentially lower corruption, these may not necessarily be effective; much depends, she stresses, on the precise structures of electoral and legislative processes, and the methods of campaign finance, among other ingredients: the devil's details. Exploring the failure of electoral competitiveness and democratization to lead to accountable governance in rural Mexico, Jonathan Fox (2007, 9) similarly points to the need to look beyond the conventional institutions of political accountability. Findings at the empirical level lend support to this unclear pattern. On the one hand, cross-national studies by Alberto Ades and Rafael Di Tella (1997a, 1997b), Aymo Brunetti and Beatrice Weder (2003), and Daniel Lederman, Norman Loayza, and Rodrigo Soares (2005) confirm a statistically significant inverse relationship between the two, with nondemocratic countries exhibiting higher levels of corruption than democratic nations, though the relationship may be nonlinear (Monitola and Jackman 2002). Other studies also show corruption to be negatively linked to key factors associated with democracy, like a merit-based civil service system (Rauch and Evans 2000), a free press (Brunetti and Wender 2003; Lederman, Loayza, and Soares 2005), the free circulation of newspapers (Adserá, Boix, and Payne 2003), transparency (La Port et al. 1997), rule of law (Brunetti and Weder 2003), federalism (Treisman 2000), and economic development and openness (Ades and DiTella 1997a, 1997b; Goldsmith 1999; Graeff and Mehlkop 2003; Mauro 1995, 1997; Johnston 1998; Monitolla and Jackman 2002; Xin and Rudel 2004). And yet, many question the robustness of these results, particularly as they relate to new democracies and developing countries (Treisman 2007). Studies by Abdiweli Ali and Hodan Isse (2003), Charles Blake and Christopher Martin (2006), John Gerring and Strom Thacker (2004), Johann Lambsdorff (1999), Lederman and colleagues (2005), Gabriella Monitolla and Robert Jackman (2002), Martin Paldam (2002), Daniel Treisman (2000), and Xiaohui Xin and Thomas Rudel (2004), indeed, all fail to confirm any direct correlation linking democracy and corruption when controlling for a range of variables. Instead, these studies suggest that only a longer exposure to democracy tends to lower the level of corruption, not democracy per se, though the robustness of these results has also been questioned (Treisman 2007). This means, quite simply, that it takes time for democracy to have the desired impact on corruption (Lederman, Loayza, and Soares 2005; Serra 2006; Treisman 2000).⁵ Such findings, moreover, relate merely to perceptions of corruption rather than to real corruption, a point explored more fully later.⁶

Based on this consensus finding—that democracy does seem to reduce corruption, but only over time—it seems fruitful to distinguish democracy (a state) from democratization (a process) and to differentiate their effects on corruption.

Though cross-sectional (static) research suggests that democracy may *eventually* lead to a reduction in corruption (at least based on the current state of democracy worldwide), the link is clearly not automatic. As Rose-Ackerman (1999, 226) notes, “Corruption cannot be expected to wither away just because a reform government has taken power.” This suggests, at least theoretically, that corruption may actually increase during the process of democratization or at best remain unchanged before it falls at some point in the future. And indeed, analysts highlight how in the years following the celebrated return to democracy in the 1980s in Latin America, corruption actually increased (or, as most would concede, failed to fall appreciably as theoretically predicted) (Weyland 1998; Geddes and Neto 1992, 1998; Brown and Cloke 2004, 2005). Or as Mark Robinson (1998, 2) concludes, “Democratic structures have proved markedly ineffective in curbing the spread and tenacity of corrupt practices in developing countries.”⁷

Explanations for what was originally a theoretically surprising outcome—an increase rather than a decrease in corruption following a return to democracy in Latin America—vary, but two broad processes seem to be involved. One process entails the emergence of corruption stemming from democratization itself, what I call “new corruption.” This occurs through a variety of mechanisms. At a broad level, democratization, by its very nature, implies a state of rapid change, of flux in the political rules and practices. This fluid and less predictable environment itself, according to Jens Andvig (2006), facilitates an increase in corruption at least in the short term as people take advantage of unclear rules, muddled lines of authority, and tentative accountability mechanisms. In addition, democratization creates new rules for institutions and new means of acquiring and exercising power and wealth, conditions that also open new opportunities for corruption. Indeed, many of the explanations for the rise in corruption accompanying democratization and neoliberal economic reforms in Latin America in the 1980s and 1990s seem to refer to cases of “new corruption.” Luigi Manzetti (1994) and Luigi Manzetti and Charles Blake (1996), for instance, contend that the emergency economic situation and desperate need for neoliberal reforms in the face of deep economic crisis prompted an increase in presidential discretionary powers that opened up new and unique opportunities for corrupt gain: an explanation pertinent to the corruption scandals involving Presidents Carlos Andrés Pérez, Carlos Menem, and Fernando Collor de Mello in Venezuela, Argentina, and Brazil. Others point to the impact of economic liberalization on the boom in money laundering, contraband, and drug trafficking (Whitehead 2002) or the impact of economic reforms on reducing the scope and role of the state’s regulatory controls or even the pay of bureaucrats (Brown and Cloke 2005, 604; Van Rijckeghem and Weder 2001; DiTella and Schargrodsky 2003). Others refer to the new emphasis on elections (Skidmore 1999; Zovatto 2000), the new rules regarding party and electoral systems that have forced candidates and parties to seek

alternative means to finance their campaigns (Geddes and Neto 1992, 1998; Skidmore 1999; Rehren 1997), the institutional framework of presidential systems and federalism, and the rise of neopopulism to explain the rise of corruption. In Brazil, for example, Barbara Geddes and Artur Neto (1992, 643) attribute the increase in corruption in the early 1990s to the 1988 constitution and the electoral laws, which hampered “the ability of the executive to a) build coalitions, and b) assure the loyalty of his or her supporters in Congress.” Kurt Weyland (1998) and Laurence Whitehead (2000a, 2000b, 2002) underscore the rise of neopopulist leaders and the breakdown of intermediate institutions to explain the recent bouts of corruption. In all these cases, corruption arises from the political and economic changes accompanying democratization.

Other scholars, by contrast, pinpoint the continued weakness of political institutions designed to inhibit corruption, despite rather than because of democratization (Fabbri 2002; Fleischer 2002; Mainwaring and Welna 2003; Santoro 2004; Rodrigues 2004; Subero 2004). In this second process involving, for lack of a better term, “old corruption,” democratization can be seen as incomplete or partial and indicate that the development of certain aspects of democracy—like the contestation of power and popular participation—may advance at a pace far quicker than that for other aspects of democracy, like the rule of law or accountability (Fox 2007; Guerrero 2004). With the lagging of these key institutions, including a lag in the development of a more democratic political culture, a new democracy may be unable to address both the traditional (authoritarian holdover) as well as the newer forms of corruption. Analyses in this vein document a vast array of weak or nonexistent institutions in the region designed to provide horizontal accountability across governmental institutions (e.g., few checks and balances in executive legislative-relations, a politicized or overwhelmed civil service, underfunded or nonexistent oversight institutions, insufficient legal frameworks, a weak judiciary). At the same time, mechanisms of vertical accountability between citizens and their governments remain weaker than needed to effectively curb corruption (e.g., limited press freedoms, weak civil society, unrepresentative parties, and limited governmental transparency in which access to government activities is restricted or even kept secret).⁸ In their analysis of the continued high levels of corruption in Latin America, Silvia Colazingari and Susan Rose-Ackerman (1998) stress the lack of constraints on government power, an economic system dominated by a small number of families and firms, the lack of independent prosecutors, the use of public ethics laws to help silence the press, and the lack of administrative oversight. A critical shortcoming is the lack of prosecution for official wrongdoing. Indeed, impunity—corruption’s evil twin—remains remarkably high throughout Latin America. Despite the many cases of exposed corruption dominating media coverage, prosecutions remain rare (see Chapter 4 for data on the Mexican case). Erecting and perfecting the mechanisms of accountability—including an independent judiciary, a well-paid civil service, a media able

and willing to investigate corruption, and interest groups dedicated to the reduction of corruption—thus remain serious challenges standing in the way of democracy's mature ability to control corruption.

Drawing this distinction between the impact of democracy (lowering corruption in the long term) and the impact of democratization (potentially increasing corruption in the short term) on corruption helps crystallize the primary theoretical problem addressed in this study. Analyzing how recent political and institutional changes in Mexico have affected corruption should provide some insights into the nature of the early struggle to forge effective democratic institutions that seek to control corruption. What I find particularly intriguing here is the dialectical nature of this process: while the emergence of democracy (democratization) heightens societal attention to and condemnation of corruption, a necessary condition perhaps to marshaling the resources needed to battle corruption, the presence of corruption tends to undermine legitimacy and the public's satisfaction with the new democracy. This debilitates popular support for the government and undermines the people's faith precisely in those institutions needed to establish the rule of law and strengthen the mechanisms of accountability. As we see in the case of Mexico, the public considers corruption an important problem facing the country, feeding low levels of satisfaction with democracy. Taken to its logical conclusion, this means that just as democracy carries the potential to curb corruption (in the long term at least), corruption has the potential to undermine democracy or, more precisely, prevent it from developing to the point needed to effectively curb corruption over time. After all, if democracy does curb corruption over time as studies seem to suggest, then it is not time that does it, but rather the nature and course of democratic development.

While the impact of democratization on corruption constitutes the primary theoretical question addressed here, two related theoretical queries also arise. The first centers on understanding the conditions that make reform possible. This peripheral question is particularly important in dealing with corruption due to the centrality of the politician's paradox posed by Barbara Geddes (1994). Since those in positions of power (whether politicians making decisions, or bureaucrats implementing those decisions) tend to benefit from corruption, then why would they pursue or abide reforms that go against their own interests? Why (or under what conditions) would politicians or bureaucrats relinquish their discretionary authority? This important paradox contextualizes Manuel Alejandro Guerrero's conclusion (2004) regarding the current situation in Mexico. He contends that it is much more difficult to alter the way power is exercised because of the dominance of the political elite, whose interests would be severely limited if this were to happen, compared to altering how power is won and lost.

Recent studies lay out a host of factors that impact on the possibility of successful reform, though few focus specifically on anticorruption. R. Kent Weaver

and Bert Rockman (1993, 465, cited in Franco-Barrios 2003, 8) suggest, for example, that reforms are possible where a newly empowered elite wants to consolidate its power or where old elites, fearing a loss of power, want to manipulate the rules to hang on to power. Ben Schneider and Blanca Heredia (2003) conclude that reforms are more likely when there exists a convergence between the executive and legislature (a willingness to work together) and a cohesive party system where the legislature backs presidential reforms as opposed to a fragmented party system, centralization, and a more cooperative relationship between executive and labor. David Arrellano Gault and Juan Pablo Guerrero Amparán (2003, 171–172) contend that the likelihood of reform is weakened when the high-level bureaucracy is integrated into the political system, and that the greater the competition in elections and parties, the greater the likelihood that the bureaucracy is more concerned with administrative rather than political affairs. Others highlight the role of leadership itself and the style of packaging and offering reforms. Adam Przeworski (1995, 81, cited in Hiskey 2003, 109), for instance, contends that “policy styles matter . . . consultation and concertation may serve to improve the technical quality of reform programs [and] discussion and negotiation may serve to build political bases of support for the particular reform strategy.”

Recent studies of judicial and administrative reform in Mexico provide some insights into the study of reform. Analysts offer a number of explanations of the sweeping judicial reforms in the mid-1990s under President Ernesto Zedillo. These include the notion that PRI government leaders pushed reforms in the face of intense political competition as a sort of insurance policy to help protect them and their policies in case they were to lose executive power in the future, or, alternatively, as a way of creating a neutral arbiter to decide conflicts among the elite. In another approach, reforms were designed to increase political legitimacy for the government, and thereby to stave off pressures and manage the pace of change (Beer 2006; Carbonell 2004; Fix-Fierro 2003a, 251–252). Kenneth Mitchell’s studies (2001, 2005) of the reforms of the massive social program Conasupo under President Carlos Salinas, however, find that it was not the electoral, competitive pressures that prompted Salinas to overhaul the program, but rather a desire to shift power away from traditional, clientelistic sources toward more technocratic-oriented decision-makers. The changes, Mitchell notes, were undertaken only after competitive pressures softened following the midterm election in 1991. In this book, I am interested in understanding the conditions that shape the ability of the political elite to work together to institute reforms to curb corruption, the ability of the various actors to promote and implement anticorruption measures, and the forces that undermine such efforts.

The second closely related theoretical query centers on the limits of structural and institutional explanations of corruption and the role of culture in our thinking on corruption. The institutional approach is clearly the most prominent

theoretical approach in the booming corruption literature today. This approach embraces rational choice assumptions that see laws and institutions as channeling rational individual behavior, and assumes that if built properly, these structures can push that behavior into acceptable avenues, hence limiting corruption. It envisions corruption as a behavioral response to the opportunities and risks that rational actors (officials, bureaucrats, and citizens) face, and assumes that individuals seek to maximize their self-interest by extracting illegal rents, violating campaign finance laws, paying bribes, and the like, if the chance of getting away with it outweighs the likelihood of detection and punishment. Even so, questions arise as to just how far such an approach can go in explaining corruption and particularly the issue of change. Looking at the case of Mexico may provide some insights into this debate. If reforms eliminate certain loopholes and reduce one form of corruption, but corruption simply pops up somewhere else—like squeezing a balloon—then arguably the underlying causes of corruption may remain intact. What role might culture have, then, in shaping corruption and the impact of reforms?

The Current Approach

This exploration of corruption and change in Mexico deviates from prior studies in two ways. First, the emphasis here is on change. This means that the task is not so much to look at the overall level or patterns of corruption in Mexico or to compare Mexico to other countries (though such analysis is sometimes employed in the empirical sections of this study), but rather to assess how corruption has actually changed in recent years, which in turn means less concern with explaining the existence of corruption in Mexico (the primary focus of Morris 1991) and greater attention to explaining its dynamics. This approach departs from most research on corruption, which concentrates on the causes and consequences of corruption and tends to neglect change. With their focus on reducing corruption, Transparency International and others have assembled a good collection of reports on specific programs throughout the world, including a library of reports on “best practices,” but there remains a lack of comprehensive case studies looking in detail at changes in the nature of corruption and the efforts of governments to fight it. In short, we know much about the causes and consequences of corruption, but relatively little about what works and what does not work in fighting it, and under what conditions (Manion 2004 offers an important exception). Given the struggles of new democracies to battle corruption and the confusing and countervailing tendencies for democracy to both reduce and yet increase corruption and magnify the exposure of corruption (Johnston 2005), attention to the issue of change is critical.

This study also deviates from prior studies by disaggregating corruption into three dimensions: perception, participation, and pattern. Analysis of corruption

has always faced severe methodological handicaps.⁹ In short, it is difficult to measure a phenomenon that by its very nature is obscure, illegal, and hidden. If we cannot confidently measure corruption, then it becomes difficult to determine clearly if it has changed. Despite a variety of efforts over the years to quantify corruption using objective measures (Correa 1985; Della Porta and Vannucci 1997, 1999; De Speville 1997; Eker 1981; Hill 2003; López Presa 1998; Meier and Holbrook 1992; Morris 1991; Rehren 1997; Schlesinger and Meier 2002; Spector 2005; Whitehead 1989), such efforts confront a host of problems. Instead, subjective measures of corruption have gained substantial scholarly acceptance in recent years, feeding a wave of empirical research and comparative studies. Such subjective measures of corruption rely largely on perceptions of corruption. This approach measures the level or the amount of corruption an individual believes to exist. Samples and questions vary. They may examine the opinions of business executives, country experts, development officials, or citizens with questions ranging from the general (e.g., levels of corruption in the system or among politicians) to more specific institutional levels (e.g., levels of corruption within the judiciary, the bureaucracy, the police). The widely used Corruption Perception Index, produced annually by Transparency International, for example, draws on a series of polls by various organizations gauging the perceptions of businesspeople and country analysts, both resident and nonresident. Meanwhile, measures by such organizations as Latinobarómetro, the World Values Survey, or the Latin American Public Opinion Project (LAPOP) depict the opinions of citizens (see Appendix A for comparative data).¹⁰

At an intuitive level, what better way to determine if corruption exists within a country than asking those who deal with the system on a daily basis. After all, it is rather difficult to get those involved to admit to any wrongdoing. Even so, the use of perception to measure corruption has its problems. Foremost among these, the perception of corruption is not the same thing as corruption itself, as most analysts readily admit (Seligson 2004, 2006). One (perception) centers on general beliefs about the nature of the system and the assumed behavior of others; the other (corrupt activity) entails actual behavior and observation. Moreover, as John Bailey (2009) notes, the perception of corruption is an extremely broad concept and potentially conflates corruption with sentiments and opinions about government or politicians generally or even with the nature of humankind.

Though many acknowledge that perception is not the same thing as actual corruption, few have explored the relationship linking the two. Though there are plausible theoretical arguments going in both directions, explored in Chapter 6, empirical analysis suggests that the two may be largely unrelated (Morris 2008). This means that the two can and may move in different directions, stem from unique sets of factors, and shoulder different effects. It is certainly

feasible, especially during democratization, for a perceived increase in corruption to occur while actual corruption remains unchanged or even falls. With a freer press and more intense political competition, more exposures of corruption and more intense scandals may arise, feeding the perception that corruption is climbing, neither of which may relate to changes in the actual levels of corruption.

Distinguishing perception from what I call “participation” in corruption does not mean that perception is unimportant. Quite the contrary: in politics, as they say, perception is everything. Apart from its still undefined though limited impact on actual participation in corrupt acts, the public’s perception of corruption may be an important ingredient within the broader political culture, reflecting the effects of recent changes in the political system. The widespread perception of corruption and distrust of the system, moreover, may complicate the task of fighting corruption by undermining social capital or citizen participation. Perception of corruption may also affect feelings of regime legitimacy.

With this distinction in mind, it is important to stress that much of what we know based on recent empirical research on corruption relates more to perceptions of corruption than to actual corruption, as alluded to earlier. In other words, the multiple empirical studies demonstrating statistically significant correlations about the causes of corruption and its impact on economic performance, respect for political institutions, and regime legitimacy, tell us much about the causes and consequences of the *perceptions* of corruption—since this is the measure these studies employ—but little *per se* about corruption itself. This is a shortcoming in the research and a continuing challenge. Mitchell Seligson (2004, 2005, 2006), in particular, has sought to overcome this problem by using measures of corruption based on participation in corrupt acts, or what he calls “victimization rates.” I use a similar approach here.

In addition to the problem of separating perception of corruption from actual corruption—perception versus participation—many also criticize existing measures of corruption for being one-dimensional and failing to differentiate the many different types of corruption that exist.¹¹ According to Michael Johnston (2005, 20), the normal measures of corruption tend to emphasize bribery and neglect nepotism, official theft and fraud, and conflict of interest problems. Clearly, one blanket measure of corruption within a country says little about what types of corruption the country suffers from or the nature of change. Such a blanket measure, moreover, shrouds changes among specific types of corruption. In order to overcome this limitation, the third dimension of corruption studied here is the pattern of corruption. This refers primarily to corruption’s location within the system (political versus bureaucratic; federal versus state and local; particular areas within the bureaucracy), the direction of influence (bribery versus extortion), and the actors involved (citizens versus elite; politicians and party leaders versus bureaucrats). Differentiating the patterns of corruption means

moving beyond the simple question of whether corruption has increased or fallen in recent years, to focus on how different types of corruption may be changing in different directions. In addition, by differentiating shifting patterns, it is possible to find that the growth of certain types of corruption may play a much greater role in shaping overall perceptions of corruption, despite the reduction in other forms of corruption, or that the growth of certain types of corruption may have more pernicious effects on the political system than other forms of corruption.

Thus the overall approach of this study centers on the impact of recent political and institutional changes on changes in popular perceptions of corruption, participation rates or actual corrupt activity, and the types or patterns of corruption. Two analytical steps are involved: first, to describe the political and institutional changes and to hypothesize about the effects these may be having on each dimension of corruption—perception, participation, and pattern; and second, to assess empirically the changes in each of the three areas as partial tests of the hypotheses.

Analyzing Moving Targets

Venturing real answers to these guiding research questions is trickier than it appears, for three reasons. First, the tools used to gauge corruption generally and changes in corruption specifically are still rather crude and rudimentary. Second, the multifaceted nature of the phenomenon complicates the drawing of clear conclusions. And finally, it is inherently difficult to assess trends and take into account potential lag times. To begin with, any analysis of a transition exhibits a combination of forces and factors. This means that while we may find, on the one hand, numerous changes in recent years that seem to strengthen the forces of anticorruption, it may be difficult, based on polls, news reports, official cases, or even public scandals, to show conclusively that these measures have been effective at reducing the level of corruption in the country. Such a finding, however, does not necessarily mean that the reforms have failed, only that they have yet to bear fruit. Moreover, many changes in Mexico remain at an initial stage of implementation. This means that there may be potential for substantial change in the coming years, and that it is just too early to tell based on the data available. Indeed, it remains open to debate whether polls are even a useful tool for detecting change in the short term. Johnston (2005, 215), in fact, warns against the use of opinion-based indexes to gauge change, suggesting that the better approach is to look at aspects of government that create incentives and disincentives for corruption. Is the government, for instance, reducing the number of bureaucratic steps? Indeed, some contend that changing corruption takes decades and generations, not years. If so, that leaves us with an even more difficult analytical task: trying to determine

whether recent reforms even put the country on the right track. Given these problems, in the concluding chapter I attempt to lay out some alternative means of interpreting the evidence presented here.

Organization of the Study

The study begins by examining how recent political changes in Mexico have impacted the perceptions of, participation in, and patterns of political corruption. Chapters 2 and 3 discuss the broader structural political changes in Mexico. Chapter 2 focuses on the state itself, highlighting the weakening of the presidency, the growth of horizontal checks, the transformed role of elections, and the changing locus of political struggles. It analyzes how these changes have created both new opportunities to check corruption and new opportunities to engage in it. Chapter 3 focuses on structural changes in the state-society relationship, exploring the weakening state, the growth of civil society organizations, and the strengthening of new vertical mechanisms of accountability. It similarly examines the impact these changes are having on the occurrence and reporting of corruption. Both chapters show how, owing to these structural changes, corruption has enjoyed far more attention by both state and nonstate actors than at any time in the past.

Chapter 4 shifts attention to the anticorruption reforms under President Fox. This includes the legal reforms, the changes in bureaucratic organization and operation, and the government's efforts to promote integrity and ethics, to incorporate social organizations into the anticorruption fight, and to heighten popular consciousness and alter Mexico's political culture. It also highlights the areas largely untouched by the reforms. As with the discussion of broader structural changes, this chapter differentiates the potential impact of these efforts on corruption in terms of perception, participation, and pattern. The chapter also offers a general assessment of the Fox anticorruption initiatives based on official and unofficial evaluations and official data from the government regarding its efforts. The concluding section briefly profiles anticorruption during the initial years of the Felipe Calderon government.

Following the examination of the structural and institutional changes and discussion of their variable impact on corruption, the study next takes an empirical look at political corruption based on an analysis of multiple surveys conducted over the period. Chapter 5 focuses on perceptions of corruption in Mexico. It looks at whether, according to popular opinion, things have really changed, and it explores factors associated with popular perceptions of corruption and change and the impact of these perceptions. Chapter 6 then uses polling data to look at participation rates or actual experiences with corruption. Building on the earlier chapter, attention focuses on the relationship linking perceptions and participation as well as the underlying causes and consequences of participation in corruption and change. Chapter 7 then examines the shifting patterns

of corruption in Mexico. Using both quantitative and qualitative approaches, this chapter explores whether the types of corruption and their location within the political system have changed in response to the new structural and institutional conditions. The chapter reflects on different types of corruption in the polling data, the pattern of press coverage of corruption, citizens' complaints to the government, and data on the sanctioning of public officials.

Chapter 8 turns to a discussion of the question of culture. It briefly explores the literature linking corruption to culture and the controversies over the role of culture in the literature. It then proceeds to explore the broader political narrative in Mexico to help contextualize popular views on corruption and the difficulties of reform. As such, it seeks to offer a broader view on corruption that incorporates both the institutional and the cultural approaches.

The concluding chapter returns to the guiding theoretical questions presented here, discussing the dynamics of corruption, the impact of democratization, and the continuing political and analytical challenges facing Mexico. Two appendixes complement the analysis. Appendix A presents cross-national data comparing corruption in Mexico to other countries. Appendix B offers brief information on political scandals during the period. The cases themselves provide deeper insights into the nature of corruption in Mexican politics.

Notes

1. Defining corruption has always been difficult, and no single definition can seemingly surmount the barrage of analytical challenges (for a taste of the definitional debate and quandary, see Nye 1967; Heidenheimer 1970; Johnston 1996; Scott 1972; Philip 1997, 2002). Most scholars cite and accept Joseph Nye's vintage definition (1967) of political corruption as simply the abuse of public power for personal gain. Longtime corruption scholar Michael Johnston (2005, 11) defines it a bit more precisely, as the "abuse of a trust, generally one involving public power, for private benefits which often, but by no means always come in the form of money." For my objections to the standard definition—particularly the inclusion of personal interests—see Morris 1991, 4–5.

2. For general treatments on political change taking place during this period, see Aguilar Camín 1990; Aguilar Rivera 2006; Camp 2007; Chand 2001; Eisenstadt 2004; Fox 2007; Greene 2007; Luken Garza and Muñoz 2003; Magaloni 2006; Middlebrook 2004; Morris 1995; Peschard-Sverdrup and Rioff 2005; Williams 2001. On the historic 2000 election, see Domínguez and Lawson 2004.

3. A number of studies have explored the impact of rising electoral competition in Mexico, particularly at the subnational level. Victoria Rodríguez (1997) and Victoria Rodríguez and Peter Ward (1995), looking at the first half of the 1990s, for instance, found that newly elected democratic local governments tended to emphasize efficiency and transparency. Caroline Beer's study (2003, 21) at the state level found "that increasing electoral competition strengthens representative institutions in ways that decentralize power away from the national executive and improve the separation of powers and therefore has significant consequences for accountability and the rule of law." Caroline Beer (2004) also found that states with higher degrees of electoral democracy enjoyed lower levels of human rights violations. Matthew Cleary and Susan Stokes (2006) demonstrated that the more democratic the state, the higher the level of institutional trust

and respect for the rule of law and the lower the levels of trust in politicians and reliance on clientelism and personal favors; yet they found increased democracy to be unrelated to perceptions of corruption. A study by Carlos Moreno-Jaimes (2007, 150) similarly uncovered no link between electoral competition and the quality of municipal services (specifically, water) from 1990 to 2000. He concluded: "There is no evidence supporting the proposition that electoral competition has improved the relative levels of service coverage in Mexican municipalities." Instead, he found that "demand factors" like literacy, socioeconomic wealth, and higher rates of voter participation were driving improvements.

4. On the concept of accountability, see also Przeworski, Stokes, and Manin 1999; Schedler, Diamond, and Plattner 1999; Smulovitz and Peruzzotti 2000. On accountability in Mexico, see Fox 2007.

5. Daniel Treisman (2007) finds that the nonlinear relationship disappears when looking just at countries that became democratic after 1950.

6. Other factors that correlate at the cross-national level with high levels of perceived corruption include lower levels of development (La Porta et al. 1999; Ades and Di Tella 1997a; Treisman 2000, 2007); economic openness and competition (Ades and Di Tella 1999; Sandholtz and Koetzle 2000; Sandholtz and Gray 2003; Gerring and Thacker 2004); political decentralization and federalism (Treisman 2000; Goldsmith 1999; Kunicová and Rose-Ackerman 2005; Gerring and Thacker 2004); presidentialism versus a parliamentary system (Panizza 2001; Gerring and Thacker 2004; Lederman, Loayza, and Soares 2005); and low levels of female legislators or ministers (Swamy et al. 2001; Dollar, Fishman, and Gatti 1999) or Protestant population (La Porta et al. 1999; Treisman 2000). Chapter 8 provides more extensive discussion of the cultural factors associated with corruption at the cross-national level.

7. Michael Johnston (2005, 5) contends that no one really knows if corruption has increased: a disclaimer that rests largely on the many methodological problems. On the problems of using data to conduct longitudinal analysis, see Kaufmann, Kraay, and Mastruzzi 2006; Treisman 2007, 220.

8. In many cases, people working to curb corruption, by investigating, reporting, or prosecuting corrupt officials, face strong pressures. Threats and actual killings of journalists investigating corruption and drug trafficking are all too common (see Faundes 2002).

9. Measuring political corruption—a necessary step to rigorous empirical analysis—has long been problematic and, despite the proliferation of indexes in recent years, remains so (see, for instance, Del Castillo 2003; Knack 2006; Lambsdorff 2005; Sampford et al. 2006; Treisman 2007; Soreide 2006).

10. Damarys Canache and Michael Allison (2005) examine the relationship between the perceptions of corruption by "experts," as measured by the Corruption Perception Index, and those of citizens, as measured by the World Values Survey. Generally, they find the two more closely linked where the level of political interest of the individual is high.

11. Corruption takes a number of forms and patterns and represents a broad and amorphous concept. Various typologies exist. Corruption can be distinguished by type (e.g., bribery, kickback, graft, embezzlement, nepotism, favoritism, conflict of interest) or the institutional location of the behavior. Most scholars draw distinctions between corruption in the private sector and corruption in the public sector. Within the latter—known as political corruption—distinctions are further drawn between upper-level corruption ("grand corruption"), involving presidents, ministers, members of Congress, governors, and other high-ranking officials and usually large sums and onetime transactions, and lower-level corruption ("petty corruption"), involving civil servants or the

police and small transactions. This distinction overlaps roughly with a related distinction based on location within the policy process where “political corruption” tends to refer to corruption occurring at the policymaking stage, normally involving the violation of second-order norms (the often unwritten norms determining how politicians should make decisions, like justice, fairness, and impartiality), whereas “bureaucratic corruption” encompasses policy implementation and relates to the violation of first-order norms (the written rules and laws that are the product of politicians’ decisionmaking) (Bardhan 2006; Scott 1972; Warren 2004). Even within these two broad arenas, it is still possible and useful to classify corruption by simple reference to the institutional location within the political system where it occurs (e.g., judicial, executive, legislative, partisan, electoral, police). A final distinction points to the direction of influence. Running in one direction, societal groups may use bribery or other devices to capture or colonize the state, illegitimately influencing state policies, and thereby turning that segment of the state into a tool serving specialized interests rather than those of the broader society. I refer to this form of corruption generally as “bribery.” Such state capturing contrasts with situations where a powerful state or sectors of the state use (and abuse) state power to demand and capture rents from private actors. It is quite different when drug traffickers, for instance, have half the police on their payroll and doing their bidding (something akin to the privatization of the police) than when the police shake down petty thieves and extort citizens for real or imagined offenses. I refer to this latter form of corruption as “extortion.”