Corruption and Democracy in Brazil: The Struggle for Accountability

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Book Review

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Corruption and Democracy in Brazil: The Struggle for Accountability
Editors: Timothy J. Power (Latin American Centre, University of Oxford, 1 Church Walk, Oxford, OX2 6LY, UK. E-mail address: timothy.power@lac.ox.ac.uk) and Matthew M. Taylor (School of International Service, American University, 4400 Massachusetts Avenue, NW, Washington, DC 20016, USA. E-mail: mtaylor@american.edu) (Eds)

Brazil, the world’s fifth largest country by area and population, arguably fourth largest democracy, and sixth largest economy, has plenty of problems. This is no surprise, as this rapidly growing, developing nation faces numerous challenges, some of which may be referred to as “childhood diseases of growth”, while others are old and lasting problems immanent in Brazilian society. Brazil is opening up to the world as it is going to host the World Cup in 2014 and the Summer Olympic Games in 2016. Much infrastructure is outdated and dilapidated, and airports, according to some accounts given by Brazilians who have managed to travel as far as Russia’s Far East, are even worse than those in Siberia. But an even more serious problem is that of corruption. Civil service, bureaucracy, political life – the infrastructure of the social fabric – is no better than its economic infrastructure, and perhaps even worse due to the rampant corruption.

This volume on corruption and democracy in Brazil, edited by Power and Taylor, consists of two parts – ‘Representative Institutions, Electoral Accountability, and Public Opinion’ and ‘Postelectoral Dimensions of Accountability’ – and features chapters focused on presidentialism, coalitions, accountability, corruption and political voting, campaign finance, reelection, role of the media in political accountability, auditing and auditing institutions, federal judiciary and electoral courts, federal police, federalism, state criminal justice systems, and the web of accountability institutions, calling corruption “a troubling constant in the Brazilian political system” (p. 1). When it comes to estimating the scale and scope of political corruption in Brazil, just one account presented in the book says it all:

The use of so-called caixa dois, or off-the-books funds, is widespread. Officially registered campaign expenses may represent no more than half of all spending by candidates and parties, in a country where elections are already comparatively expensive. Other illicit behaviors, such as vote buying, are also believed to occur commonly (a 2002 survey, for example, estimated that one in seven voters had received an offer to sell their vote; Speck 2003). (p. 167)

It is clear that buying votes would only be economically feasible if the buyers expect to profiteer from their state office in the future. When votes are for sale, advancement toward democracy is unlikely. The authors assert that corruption in Brazil takes place at local, state, and federal levels in legislative, executive, and judiciary branches, and is present in its classical forms, including bid rigging and tender fraud, embezzlement of public funds and misappropriation of resources, and fraud in grants and authorizations. “The volume of funds embezzled reaches, with no exaggeration, the sum of billions of dollars” (p. 211).

As Brazil wants to play the role of the dominant power in South America in the twenty-first century, it needs to improve internally and to excel in the image it projects to its neighbors. This would require, among other things, drastically reducing corruption. This ambitious goal may be achieved with the help of strengthening accountability at all levels of the government. Accountability is perhaps the most fashionable term in today’s politics, but what does it really mean in the context of developing countries? Along with people’s participation and citizen activism, transparency has the potential to reduce political corruption. Porto
asks the question of whether more denunciations by the media necessarily mean better accountability (p. 103). Does more transparency mean less corruption? Is any given revelation a manifestation of transparency or a negative PR campaign aimed at discrediting a particular official, governmental body, political party, or a firm? Despite the prominence of political corruption on the media radar and public agenda, the difficulties in combating it effectively are enormous. Institutional weaknesses, including budgetary shortfalls, legal loopholes, also known as incomplete or purposely weak laws, understaffed state agencies and anti-corruption units, and internal inefficiencies are significant.

Independent media are frequently mentioned as one of the preconditions necessary to solve or mitigate the problem of corruption. Porto discovers the role of the media in exposing political corruption in Brazil, playing “watchdogs” and converting media into a fourth branch of government (p. 103). The effects of media critiques aimed at corrupt politicians are less clear. Power and Taylor note in the concluding section, that “The media have gained importance, and their ‘bark’ has helped to expose corrupt officials, impose reputational costs on wrongdoing, and push anticorruption agencies to prosecute dishonest officials” (p. 268). Nevertheless, even relatively free media reporting with little enforcement and few real consequences for the corrupt perpetrators may sound pessimistic. The Oriental saying goes “The dog is barking, but the caravan proceeds”. Maybe in Brazil, while the media are “barking”, the caravan of political corruption proceeds on its way.

The issue of tangible effects is raised by Speck (p. 147), who also mentions congressional committees of inquiry (CPIs), with the abbreviation corresponding to the now infamous abbreviation from Transparency International, Corruption Perceptions Index (CPI). According to the discussion, presented by Arantes, corruption appears to be more viable than any form of government. The author asserts that opportunities for corruption are numerous:

it is remarkable just how pervasive embezzlement and fraud in Brazilian public bidding and public contracts have been, surviving regime change, institutional innovations, and new accountability technologies. Democracy, the creation of accountability institutions, and mechanisms of electronic government have been unable to eliminate these practices. (p. 185)

According to this passage, corruption in Brazil appears to be immortal indeed. Arantes’ thoughts on federal police and policing makes one think that eventually all efforts come down to the fundamental issue of control of controllers.

Federal Police have the highest salaries among civilians in the executive branch. The author lists starting salaries for detectives and forensic experts, including engineers, accountants, economists, doctors, systems analysts, pharmacists, geologists, physicists, and other professionals and experts at $6,500 and reaching a possible maximum of $9,500 (p. 194). Such salaries are well above average in Brazil. This remark points to a larger issue of improving civil services and state bureaucracies with the help of three major changes: professionalization of the employees, introducing well-staffed departments by increasing the total number of employees, and substantial pay rises in order to keep employees well remunerated.

The book shows well the process of accountability with its three central stages: monitoring, investigation, and sanctions (Taylor, p. 163) and how political corruption by agents of the executive branch can be tackled in three different ways, depending on different judicial definitions of corruption ascribed to a crime (Arantes, p. 196). At the same time, the book is not without shortcomings, and some of them are serious. While pointing out the possibility of eliminating the four sources of political corruption and weak accountability, Power and Taylor’s prognoses sound pessimistic: “It seems doubtful, at least in the short term, in large because the current players in this system are the very same players whose support would be needed to approve any meaningful change” (p. 265). But why do the changes have to be approved? This approach anticipates institutional change, but ignores evolutionary development, and is nothing else but a self-imposed limitation.

Commenting on the need to oppose corruption in Brazil, Power and Taylor suggest that it is worth fighting corruption. It is true that the grease-the-wheels approach gives way to more elaborate and more productive concepts in understanding the role of corruption in societal production. However, the authors do not exploit the possibilities of the cost–benefit analysis. Instead, they state unequivocally that accountability can be regarded as a public good because it is intended to fight corruption and thus eliminate distortions caused by corruption (p. 250). It is clear to any economist that by definition accountability is not a public good. The book defines accountability as “the answerability of public officials for the public-regarding nature and probity of their actions” (p. 1). Certainly, the “answerability” cannot be a public good. Remno uses the term accountability in an even narrower sense to denote “voters’ ability to punish incumbents in elections for wrongdoing while in office” (p. 56). Accountability may be aimed at reducing corruption and has positive externalities as well. It may increase total social welfare by way of curbing corruption, but it is not a public good.
In Macaulay’s words, “cutting Gordian knots of violence, crime, and graft” (p. 244) is not an easy task. The homicide rate in Brazil is enormously high, reaching 26 murders per 100,000 population in 2011 and over 30 on average in the 2000s, and placing Brazil next to Venezuela, Colombia, and South Africa in this gruesome indicator. This makes Brazil one of the most criminalized societies and Brazilian cities one of the most dangerous places. Corruption, which people normally perceive exclusively as a white-collar crime, may in fact be one of the causes and sources of the high rate of murders in the country, and in its large megalopolises in particular. “No person, no problem” is often the rule in resolving disputes when corrupt parties come into an open confrontation or conflict of interests.

The overreliance on institutional changes leaves aside both fundamental components and culturally specific elements. Institutional changes that come with institutional reforms are by default a top-down approach. Thus, they are rarely successful, unless combined with shifts in fundamental societal structures and evolutionary cultural changes. Power and Taylor acknowledge this problem, saying that, “In sum, we cannot ignore culture entirely, nor do we wish to do so. But in framing our analysis, we have chosen to focus primarily on the institutional component of accountability” (p. 12). Unfortunately, the authors miss this opportunity, and as a result their analysis of political corruption and accountability is incomplete. For example, a local or state-level politician in Brazil can say something along the lines: “yes, this is in the law, and the Minister says so, but I never actually supported that law and that Minister”. This would certainly mean non-compliance. Is this also the issue of autonomy versus accountability, or is it simply office malfeasance and abuse of authority? The issue of autonomy versus accountability reaches much further. Speck notes that, “Once the leading officials of audit institutions are in office, protections are important tools to foster their independence” (p. 134). Yadav’s (2011) analysis of lobbying and corruption in Brazil would be relevant here. Real democracy does not come with the mere separation of legislative, judicial, and executive branches of the state authority, nor is it guaranteed with the autonomy of state institutions, stipulated in the laws. The struggle between different branches of the state authority, different political parties, and camps of state bureaucrats is not yet a manifestation of a true democracy. While many perceive it as such, this kind of political struggle is indicative of clan politics, rather than the “power to the people” meaning of democracy.

Thus, the major task is not to clash with different political forces and let them enter a real fight for state offices, but to start with eliminating corruption at all levels of the state authority.

To conclude, Brazil is now very popular, next in popularity only to China and on a par with India and Russia. It features a rapidly growing middle class, protectionism in economics, paternalism in its structure of relations between the state and the public, and a president who is a formerly imprisoned Marxist guerrilla. But Brazil also has a history of defaults. Is it heading to another large-scale default? As long as corruption remains a major destabilizing force, more inquiries into the state of affairs regarding political corruption will be warranted.

Overall, this is a well-balanced volume in which some chapters involve a fair amount of quantitative analysis, while others are purely descriptive accounts with almost no quantitative or qualitative analysis. Although the book presents a set of tightly knit chapters united by one topic, it is obviously not a purely research volume, but rather a mix of research and scholarly work and descriptive narratives. A lot of attention is given to institutional structures while fundamentals of corruption and related underlying processes and phenomena are left aside and not given much treatment. This book will be of interest to at least three major categories of readers. First, it may be recommended to those who are interested in Brazil for whatever reason. Second, it will be of interest to scholars who work on other developing nations. Through generalizations, they may attempt to extend suggestions, recipes, and remedies presented by the authors to the countries which are the subject matter of their research. Common problems may result in shared solutions. Finally, this volume would be invaluable reading for Brazilian bureaucrats, civil servants, politicians, and the law enforcement, including legislators, and those employed in the judiciary, and executive authorities.

Reference


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