



# Corruption vs clean government: 1-0?

by Andrew Thompson

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## What happened?

US president-elect Joe Biden has said that during his presidency Washington will support efforts to reduce corruption in Latin America.

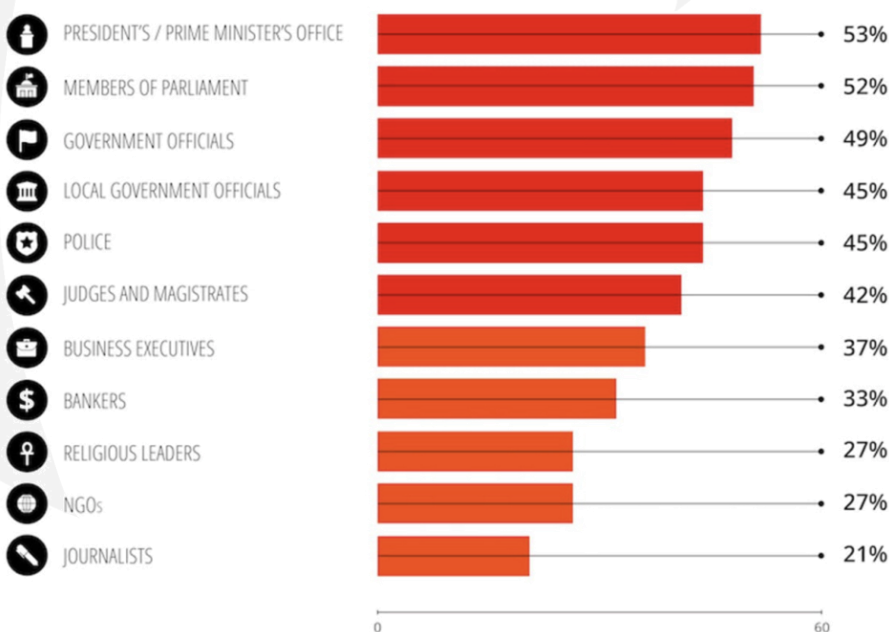
## The details

The Biden team has already made it clear that anti-corruption measures will figure prominently in his proposed [US\\$4bn plan](#) to reduce forced migration from the Northern Triangle countries in Central America (El Salvador, Guatemala, and Honduras). More widely across Latin America the Biden administration is expected to show much more interest in the problem of corruption than Donald Trump, who according to [a recent book](#), wanted to repeal the Foreign and Corrupt Practices Act (FCPA) arguing it was “just so unfair that American companies aren’t allowed to pay bribes to get business overseas”.

A pessimistic view is that corruption is winning. If this were a football match, the current score is at least 1-0 for corruption and against clean government. Populist leaders have weakened democratic institutions. In Brazil the long-running “car wash” corruption investigation is being wound-down and president Jair Bolsonaro has improbably claimed corruption has “ended”. Despite major charges against her, former Argentine president

## CORRUPTION BY INSTITUTION\*

\* Percentage of citizens who think most or all people in the following institutions are corrupt.



Source: [Transparency International](#), 2019

Cristina Fernández continues to avoid jail. CICIG, Guatemala’s UN-backed anti-corruption commission was closed down in 2019, while MACCIH, a similar body in Honduras supported by the Organisation of American States (OAS) was closed in 2020. In Mexico and Central America drug cartels continue to infiltrate law enforcement and threaten judges. Worse, the coronavirus pandemic has led to widespread fraud and contract-rigging in the supply of medicines and equipment.

It is unrealistic to believe Biden can be a major anti-corruption ‘goal-scorer’. After all, the primary responsibility to eradicate corruption lies with Latin American governments and institutions, where corrupt practices are deeply embedded in political systems. But, to strike a more optimistic note, the Biden administration may at least be able to help create an environment more supportive of clean government. Despite Trump’s lack of interest, a lot of what could be called “anti-corruption machinery” is still in place. This includes the [Magnitsky Act](#) and the FCPA. As recently as this month Vitol, the energy trading group, was forced to admit violating the FCPA by bribing officials in Brazil, Ecuador and Mexico, and had to [pay a US\\$135mn fine](#). In addition, a clause in the latest US stimulus package requires the next US government to name and refuse US visas to all individuals involved in contract-rigging, bribery, extortion, money laundering and threats of violence.

## What does it mean?

Corruption is going to remain one of Latin America’s top problems over the next four years. The policies of the incoming Biden administration may however help those campaigning for clean government, including civil society organisations.

### About the Author

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As well as being a Canning House Associate Fellow, Andrew is a former foreign correspondent (Buenos Aires, Mexico City, Rio de Janeiro) and a broadcaster for the BBC’s Latin American Service. Working through La Rambla Research Ltd., he writes about economics, political risk, and business in Latin America.



**These stories are also available on Andrew’s blog site, [La Rambla Research](#).**