



# Despite high profile cases, the fight against corruption is not going well

by Andrew Thompson

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## What happened?

Brothers and business partners José and Germán Efromovich were arrested in Brazil on 19 August, on corruption charges which they deny. But despite this and other high-profile cases there is evidence that in reality Latin America’s capacity to combat corruption is not improving.

## The details

The Efromovich brothers are best known as major shareholders in Colombia based Avianca, Latin America’s number two airline, currently in Chapter 11 bankruptcy proceedings. But the reason for their arrest by Brazil’s Lava Jato (“Car Wash”) anti-corruption task force is unrelated. They are accused of using another company to pay a US\$7.3mn bribe to secure ship-building contracts from Transpetro, Brazil’s state-owned oil and gas transport company. The charges come as Emilio Lozoya, the former head of Pemex, Mexico’s state-owned oil company, has given explosive testimony as part of a plea-bargaining deal, implicating no less than three former Mexican presidents, four former ministers,



The 2020 Capacity to Combat Corruption (CCC) Index ([AS/COA](#) & [Control Risks](#))

and many members of Congress of participating in corrupt contract-fixing and bribery schemes.

High profile arrests and media coverage may suggest good progress is being made in the battle against corruption. But a [report](#) by [AS/COA](#) (Americas Society/Council of the Americas) and [Control Risks](#) questions whether this is really the case. It compiles an index of countries' 'capacity to combat corruption' (CCC) based on assessing three groups of variables: first, their legal capacity, second the strength of their democracy and political institutions, and third the strength of civil society, media, and the private sector. On this basis it classifies the region into four groups. The top group of three "high achievers" are led by Uruguay. A second group of more uneven anti-corruption performers includes Brazil, Argentina and Colombia. A third group showing "limited progress" includes Mexico and Panama. The fourth group is made up of consistent underperformers and includes Guatemala, Paraguay and Bolivia. Finally, Venezuela, described as a "kleptocratic dictatorship" comes in a category of its own at the bottom of the ranking.

A major issue of concern is that Latin America's two biggest countries are not advancing in the fight against corruption. Brazil's 2020 score is 10% lower than last year. This is because president Jair Bolsonaro has appointed a politically partisan attorney general, sought to interfere in the Federal Police, and weakened the Lava Jato task force. A Supreme Court decision to allow those found guilty of corruption to stay out of prison until the appeals process is exhausted is also seen as negative. In Mexico, despite president Andrés Manuel López Obrador's anti-corruption rhetoric, the report says there has been no progress in institutional reforms and the new president has virtually ignored the Anti-corruption System (SNA). The ability to detect, punish and prevent corruption remains "poor". More generally the COVID-19 crisis across Latin America, which has seen governments scramble to buy medical supplies and equipment, has created new opportunities for sharp practice.

## What does it mean?

Politicians love offering quick "silver bullet" solutions on corruption, because it is a major issue of frustration for their voters. But as the report shows, accurately measuring and demonstrating progress in this field is a much more complex and longer-term challenge.

## 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](#).**