

# **CORRUPTION AND DEMOCRACY IN BRAZIL**

*The Struggle for Accountability*

*edited by*

**Timothy J. Power** *and* **Matthew M. Taylor**

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## Introduction

### *Accountability Institutions and Political Corruption in Brazil*

TIMOTHY J. POWER & MATTHEW M. TAYLOR

Corruption is a troubling constant in the Brazilian political system, with instances of corrupt behavior readily apparent at the federal, state, and municipal levels and across all branches of government. Although the transition to democracy in 1985 raised expectations of increased transparency and accountability, each of the five postauthoritarian presidential administrations has been sullied by accusations of corruption (table 1.1), with important consequences in terms of both the policy-making process and public views of democracy. But accountability—defined here as the answerability of public officials for the public-regarding nature and probity of their actions—has been inadequate.<sup>1</sup> Existing accountability institutions have proven unable either to formally punish or to clear the names of the accused. Scandals come and go, but the political system remains largely intact, with the same players and institutions robustly ensconced and seemingly impervious to even the most credible accusations of wrongdoing.

Almost by definition, the costs of corruption cannot be measured. But recent estimates suggest that corruption in Brazil may eat up somewhere between 1.35% of GDP (FIESP 2006) and 5% of GDP (*Época* 2008).<sup>2</sup> Whatever their true scale, the costs are high enough that international organizations have called for new measures to fight corruption (e.g., OECD 2007), and organized domestic initiatives against corruption have become increasingly widespread (e.g., AMB 2007; Instituto Ethos 2006). But the economic costs are perhaps the least important aspect of corruption's effects: polls, for example, suggest that there has been a steady decline in trust in political

Table 1.1. Prominent Episodes of Alleged Federal Political Corruption, 1988–2008

<i>Episode</i>	<i>Description</i>
Ferrovia Norte-Sul	Allegations of irregularities in public bidding for this US\$2.5 billion railroad were dramatically unveiled in a series of stories published by the <i>Folha de São Paulo</i> newspaper in 1987, leading to a congressional inquiry and cancellation of the bidding.
CPI da Corrupção	This 1988 congressional committee of inquiry (CPI) was created to look into alleged irregularities in the disbursement of federal funds to municipalities. The CPI filed accusations of abuse of power ( <i>crime de responsabilidade</i> ) against President Sarney and several ministers, but these were shelved by the acting president of the Chamber of Deputies.
P. C./Collorgate	A political operative close to President Collor, Paulo César (“P.C.”) Farias, was accused of administering a kickback scheme totaling millions of dollars. The scandal led to Farias’s conviction, and to Collor’s impeachment in 1992.
Budget “dwarves”	In 1993, congressmen were found to be systematically defrauding the Treasury in the preparation of the annual budget. The scheme was run by congressmen whose short stature gave rise to the scandal’s name. They allegedly defrauded the Treasury by writing amendments that benefited specific construction companies in exchange for bribes, as well as amendments that transferred funds to fake charities.
São Paulo Regional Labor Court (TRT)	The cost of building the Regional Labor Court in São Paulo during the 1990s was inflated nearly fourfold, with proceeds on the order of US\$100 million allegedly appropriated by Judge Nicolau dos Santos Neto (commonly referred to as “Lalau”), with the participation of a senator, Luiz Estevão, and the president and vice president of the construction company that won the building contract.
SUDAM	In 2000, questions arose regarding the use of nearly R\$2 billion controlled by the federal Amazonian Development Superintendency (SUDAM), a regional development program. Investigations uncovered a system of side payments to politicians and SUDAM officials. As a direct result of the scandal, SUDAM was closed in May 2001 and its responsibilities were transferred to a new Amazonian Development Agency. One implicated senator was forced to resign but soon thereafter ran successfully for deputy.
Operation Anaconda	An operation code-named “Anaconda” and run jointly by the Ministério Público and the Federal Police in 2003 broke up a ring of lawyers, detectives, and judges who were accused of selling judicial decisions.

Operation Sanguessuga	The CGU in 2004 uncovered the fraudulent purchase of ambulances. A 2006 Federal Police operation code-named “Sanguessuga” (“leech” or “bloodsucker”), found that congressional aides had been bribed to write individual budget amendments financing the purchase of these ambulances with Health Ministry funds. The group then allegedly rigged the local bidding processes. A CPI created in June 2006 recommended the expulsion ( <i>cassação</i> ) of seventy-two members of Congress.
<i>Mensalão</i>	Late in President Lula’s first term, it was alleged that his government had provided members of Congress payments in exchange for their legislative support. The scandal also revealed kickbacks from public-sector purchases being used for both electoral and personal ends. The scandal led to the resignation of much of Lula’s inner circle and the indictment of thirteen members of Congress.

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Sources: Dimenstein (1988); J. Freitas (1987); Flynn (1993, 2005); Schilling (1999); Speck and Nagel (2002); Taylor and Buranelli (2007); Weyland (1998).

actors over the past decade and a half. In the run-up to the impeachment of former president Fernando Collor de Mello in 1992, confidence in politicians stood at 31% and confidence in parties stood at 26%. Driven at least in part by recurring scandals, the corresponding figures by late 2005 were only 8% and 9% (*Opinião Pública* 2006).

Brazil’s performance in cross-national corruption indices, meanwhile, is not dreadful, but it does raise many red flags. The World Bank’s Worldwide Governance Indicators, for example, show Brazil doing better than most countries in its income category on three relevant indicators: “voice and accountability,” “rule of law,” and “control of corruption.” Brazil places second among the largest Latin American economies on all of these variables, after Chile. But other data sources offer a dimmer picture. Transparency International’s well-known Corruption Perceptions Index in 2008 placed Brazil eightieth in the world in terms of perceptions of corruption, and eighteenth out of the thirty-two countries in the Americas, behind Mexico and Peru and only slightly ahead of Panama and Guatemala.<sup>3</sup>

International rankings of Brazilian corruption are considerably more optimistic than the views of ordinary Brazilian citizens. Transparency International’s Global Corruption Barometer, a survey of fifty-two thousand individuals across the world, notes that Brazilians were the nationality displaying the greatest overall concern with corruption, with “99 per cent

of respondents regard[ing] both petty and grand corruption as very or fairly big problems” (Transparency International 2004, 7–8).<sup>4</sup> Brazilians also led the survey in saying that corruption in their country affected political life “to a large extent,” and they ranked political parties as the most corrupt institutions in society. Similarly, the Americas Barometer survey of 2006 asked Latin Americans in eighteen countries to spontaneously name what they thought was the most serious problem facing their country. Brazil tied for first (with Ecuador) in the percentage of citizens naming corruption in first place and was one of only two countries (along with Paraguay) where corruption was cited more frequently than either the economy or personal security (table 1.2). A survey by the DataFolha organization in August 2009 broke new ground by asking ordinary Brazilians to define corruption in their own terms. Some 43% immediately made reference to the public sector and politicians, leading the researchers to conclude that “the majority of Brazilians associates corruption with government.” For example, the same survey found that 92% of citizens believed that there was corruption in the National Congress and in the party system, and 88% said the same about the presidency and the federal ministries. A third of the respondents said it was impossible to practice politics in Brazil without engaging in some degree of corruption (Fraga 2009).

These findings may seem troubling in light of recent research, which has shown consistently that—throughout Latin America as a whole—perceptions of corruption are strongly and negatively related to regime legitimacy (Booth and Seligson 2009; Power and Cyr 2009). And yet, as is so often the case in Brazil, for all these worries, the glass is half full. Brazil offers an important lesson about accountability not only because it is the fourth-largest democracy in the world and the largest in Latin America but also because of its remarkable institutional evolution over its most recent—and longest—experience with democracy. The development of accountability institutions in Brazil has been broad, dynamic, and continuous since the transition from authoritarian rule began in earnest in 1982. Several anticorruption bureaucracies, such as the *Controladoria Geral da União* (CGU), an executive auditing body, have been created out of whole cloth. Others, such as the *Ministério Público* prosecutorial service and the Federal Police, have been transformed to such a degree that they no longer resemble their predemocratic incarnations. Simultaneously, the body of legisla-

Table 1.2. Citizen Perceptions of Most Severe National Problem, Americas Barometer 2006 (*% spontaneously citing problem as the single most serious*)

<i>Country</i>	<i>Pervasiveness of Corruption</i>	<i>Economic Security</i>	<i>Personal Security</i>
<b>Brazil</b>	13	1	4
Ecuador	13	32	3
Honduras	10	13	32
Paraguay	10	7	5
Nicaragua	9	15	2
Panama	9	8	17
Bolivia	7	24	2
Costa Rica	7	18	16
Guyana	7	5	20
Mexico	6	11	15
Peru	6	15	7
Haiti	4	6	13
Guatemala	3	6	39
Colombia	2	4	5
Jamaica	2	4	50
Chile	1	3	39
El Salvador	1	22	38
Uruguay	1	15	6

*Source:* Americas Barometer 2006 data set, cited in Olsen (2007).

*Note:* The question's wording is: "To begin with, in your opinion, what is the most serious problem the country faces?" For each country, the Latin American Public Opinion Project used a national probability sample of 1,500 adult citizens.

tion that governs the entire system has shifted considerably, adapting to changing circumstances, previous scandals, and a new institutional order.

More broadly, a number of structural changes have influenced the environment in which political corruption takes place. The return to democracy in the 1980s, and a subsequent reduction in the government's direct economic role in the 1990s, may not have necessarily reduced corruption as much as anticipated (Morris 2009; Rose-Ackerman 2000, 275; Geddes and Ribeiro Neto 1999; Weyland 1998; Whitehead 2000),<sup>5</sup> but they have dramatically changed the conditions under which corruption occurs. As

Morris and Blake (2009, 3) note, democracy provides new opportunities for corruption but also nourishes pressures for accountability and “lofts corruption high onto the political and the analytical agendas.” Increasing freedom of the press and greater potential for civil society mobilization provide opportunities both for more public debate over corruption and, potentially, for great public disappointment with the absence of accountability. On the economic front, events that have little direct connection to corruption per se (such as the end of hyperinflation in 1994) have nonetheless had a significant effect in improving the transparency of public accounts and making corruption more apparent.<sup>6</sup>

In sum, the picture that emerges of both political corruption and accountability is complex and merits sober assessment in light of the significant changes wrought over the past twenty-five years. That is the purpose of this volume.

### **The Importance of Accountability**

It is no longer believed that political corruption—commonly defined as the misuse of public office for private gain—may “grease the wheels” of developing economies (e.g., Huntington 1968; Leff 1964; Nye 1967). Rather, a broad consensus has emerged that corruption distorts the criteria by which public policies are chosen and thereby undermines the efficiency, efficacy, and public-regardingness of those policies. As a result, in the economic realm, corruption worsens investment and business conditions and reduces aggregate well-being (e.g., Lederman, Loayza, and Soares 2005; Kaufmann, Kraay, and Zoido-Lobaton 1999; Mauro 1995; Rose-Ackerman 1999; Bardhan 1997).

At the level of individual citizens, meanwhile, corruption is equally pernicious, weakening the basic trust in other citizens, as well as in the government, that is at the core of most conceptions of robust, high-quality democracy (e.g., Bailey and Paras 2006; Seligson 2002, 2006). By eroding trust, corruption leads citizens to withdraw from the public sphere and instead attend to their narrowest self-interest. In so doing, it “diminishes the scope of collective actions” and “shrinks the domain of democracy” (Warren 2004, 328–29; Warren 2006). Political corruption thus matters “more” in democracies, and may be a greater threat to legitimacy than it is in other

regime types, because it erodes two basic supports of democratic regimes: the equality of citizens and the openness of decision making (Heywood 1997, 421–22).

Bailey (2009) points to corruption's potential effects in three principal arenas of democracy: (1) interest articulation and aggregation; (2) policy making; and (3) policy implementation and adjudication. Examples of corruption in each arena are readily apparent in contemporary Brazil. The first arena, interest articulation and aggregation, encompasses “inputs” to democracy such as voting and party competition. Examples of corruption in this arena include illicit campaign finance schemes, which underlie many of the scandals in table 1.1, such as the revelations of the Comissão Parlamentar de Inquérito (CPI) da Corrupção and the Collorgate scandal.

Within the policy-making arena, at least three types of potential corruption exist: grand corruption, “cash for policy,” and “policy for cash” schemes. Grand corruption is perhaps the simplest and most commonly recognized form of corruption, visible clearly in Judge “Lalau’s” multimillion-dollar heist in the construction of the São Paulo Labor Court and the bilking of the Amazonian Development Superintendency (SUDAM) (see table 1.1 for details on these scandals). “Cash for policy” schemes subvert the policy process by offering personal rewards to legislators in return for their support of determined policy objectives and are perhaps best exemplified by the *mensalão* scandal, in which the government expanded its coalition by “renting” members of Congress. “Policy for cash” schemes reverse this logic, with policy choices driven by the likely rents that will accrue to policy makers. Examples include both the budget “dwarves” scandal of 1993–94 (Krieger, Rodrigues, and Bonassa 1994) and the *sanguessuga* (“bloodsucker”) scandal, in which decisions about budget allocation were taken with an eye to private gains. In all of these cases, the supposed emphasis of policy on achieving the “public good” was subverted.

The third arena, rule implementation and rule adjudication, permits a variety of potential forms of corruption, ranging from the sale of administrative or judicial decisions to the misuse of privileged information. Rule implementation may be keyed to specific individuals either punitively (*para meus inimigos a lei*) or beneficially (for example, privileges extended to influential businesspeople). Rule adjudication may likewise be lopsided, as in the elaborate scheme for the sale of judicial decisions uncovered in Operação Anaconda. Examples of last-minute “flexibility” in the

implementation of rules range from the high-profile scandals mentioned here to more quotidian corruption within administrative bureaucracies such as the social security agency (INSS) or motor vehicle bureaus, both of which have been the subject of repeated scandals in the past decade.

In light of corruption's effects in these three arenas of the democratic regime, it is not surprising that corruption has emerged as a significant theme in recent scholarly work on Latin America (e.g., Rosenn and Downes 1999; Tulchin and Espach 2000; Blake and Morris 2009; Morris and Blake 2010; Morris 2009), as well as more broadly (e.g., Johnston 2005; Treisman 2007). There are many posited facilitators of corruption, including history, culture, levels of education, economic inequality, the size of government, and institutional design (for an overview of the cross-national literature, see Treisman 2007 and Morris and Blake 2009). Taken as a whole, they suggest that corruption will never be completely uprooted from any polity. But the degree to which corruption is perceived to be effectively and earnestly combated by the powers-that-be has valuable effects in curbing future abuses and enhancing trust in the political system.

Impunity has appropriately been labeled corruption's "brother" and, perhaps even more appropriately, "evil twin" (Morris 2009, 9). For if corruption is destructive of the trust that is needed for both markets and democracies to function smoothly, the pernicious inertia of revealed but unaddressed corruption may be doubly so. An absence of accountability means that corruption may be fleetingly exposed but its practitioners will remain in the game. As a result, exposed but unpunished political corruption will erode confidence in all politicians—whether corrupt or not—and perhaps even in the political system itself.

Accountability processes by which political corruption is uncovered, investigated, and punished are therefore crucial for at least three reasons. First, they may have a salutary effect in extracting corrupt practices and corrupt practitioners from public office, leading to the restoration of the "link between collective decision making and people's powers to influence collective decisions" (Warren 2004, 328). Removing these dirty players and practices may also, by the same process, lead to improvements in the efficiency, efficacy, and impartiality of public goods provision (Della Porta and Vannucci 1997).

Second, through effective punishment, accountability signals the potential costs of corrupt behavior and the efficacy of the state to "contingent

consenters” who might otherwise be tempted to engage in corrupt activities themselves (Levi 1999). Effective punishment not only discourages future transgressions but may boost voluntary compliance with other formal and informal rules, since there will be less perceived gain from flaunting these rules.

Third, and as a result of the foregoing, accountability may help to restore public trust in political institutions and the policy process after malfeasance has been uncovered. Accountability allows citizens in a democracy to “discern representative from unrepresentative governments” and sanction them appropriately (Manin, Przeworski, and Stokes 1999, 10). More broadly, the full accountability process may set in motion corrective measures by helping to identify institutional flaws, as well as by building political consensus around reforms designed to prevent a recurrence of specific forms of corruption.

In sum, because political corruption “matters more” in democracies than in other political regimes, it follows that effective accountability matters more too.

### **The Web of Accountability Institutions in Brazil**

The study of accountability and political corruption poses a great challenge to political scientists. For academics accustomed to inhabiting narrow institutional bailiwicks—the study of specific institutions such as Congress or the courts, or specific approaches such as the study of judicial or electoral behavior—the question of how to fight corruption requires a major readjustment of analytical perspective.

Rather than focusing on institutions in isolation, we are forced to switch to a wide-angle lens and a more broadly systemic approach. Successful accountability requires the cooperation of institutions across various branches of government, as well as the private sector and society more broadly. The vibrant academic debate engaged over the past decade about various adjectives associated with democratic accountability—for example, “vertical,” “horizontal,” “intrastate” and “social” accountability—both illuminates and obscures this complementarity.<sup>7</sup> For while these distinctions enable us to distinguish different types of relational hierarchies and distinct relations of answerability, a robust accountability process requires all actors

to be both principals and agents, objects of oversight and overseers themselves. In sum, a comprehensive approach to accountability must encompass what has been variously termed the “web” of accountability institutions (Mainwaring 2003, 29–30) or “national integrity systems” (Pope 2000).

Because of the broad comparative pretensions of much contemporary research, the extant literature provides equally broad prescriptions for fighting corruption: “The prevailing approach stresses the need for economic reform, the strengthening of the protection of private property and the rule of law; the reduction of state regulations, the elimination of red tape and the downsizing and professionalizing of the bureaucracy; the broadening of press freedoms and electoral competition; and greater citizen involvement to apply the needed pressures for reform and to alter public tolerance of corruption” (Morris and Blake 2009, 9–10).

Such prescriptions often take the form of one-size-fits-all admonitions. As such, they ignore country-specific interactions and idiosyncrasies. A collaborative case study such as the present volume on Brazil allows us to delve more deeply into the multifaceted accountability process in all its complexity, without concern—at least initially—for the distractions and simplifications that might be posed by cross-national comparison. Our focus on a single nation also allows us to hold the analytically troublesome variable of culture largely constant.

There is a long tradition of explaining corruption in Brazil as the result of cultural traditions, whether it is the absence of a clear separation between public and private, as in Faoro’s depiction of patrimonialism (Faoro [1958] 1996; see also Domingues 2008; Fernandes 1975; Roett 1999); Sergio Buarque de Holanda’s ([1936] 1971) discussion of the transplanted Iberian traditions of trust conditional on family networks; Da Matta’s (1979) discussion of the figure of the *malandro*; or the frequent invocation of the *jeitinho* as a particularly Brazilian form of social adaptation.<sup>8</sup>

Indeed, there is undoubtedly some justification for appeals to culture in the Brazilian case. Recent research illustrates that Brazilian elites act in ways that reveal a cross-culturally high level of abuse of the perks of public office, even by Latin American standards: under equivalent enforcement conditions, for example, Brazilian diplomats outperformed all of the countries in the region in their abuse of diplomatic parking privileges in New York City (Fisman and Miguel 2006).<sup>9</sup> Recent survey research finds that informal practices such as the *jeitinho* are closely linked to tolerance

for corruption more broadly (Almeida 2001, 2007, 2008)<sup>10</sup> and that “social acceptance of corruption influences citizens’ perceptions of important aspects of democracy” in Brazil (Moisés 2009, 5). Others find evidence of “neopatrimonialism,” by which the state and its civil servants have adopted patrimonial practices in a more modernizing guise that nonetheless benefits actors within the state at the expense of society more broadly (Schwartzman, cited in Domingues 2008).

These culturally oriented arguments are a wise reminder that institutions can never be analyzed out of context. Effective norms require some correspondence with popular beliefs if they are to stick (F. Reis 2008, 391–92), and government institutions do not operate in a vacuum: their rules and members draw on popular beliefs and values both for their normative bearings and to legitimate their decisions. But what we perceive as culture may also reflect beliefs about status. There is a saying in Brazil that each monkey has his branch (*Cada macaco em seu lugar*): in other words, a low-status person has no business meddling in the affairs of the elite. As Vieira (2008, 52) notes, that phrase has practical implications: those who are low on the totem pole may not feel they can exercise the social controls needed to impede the abuse of power. As a result, in a country long marked by tremendous social inequalities, perhaps we should not be surprised that the elite have historically allocated themselves special privileges, whether formally, through special standing for politicians in the legal system or separate jail cells for college graduates, or informally, through nepotistic hiring practices that blur the lines between private and public.

But throwing up our hands in the face of these phenomena and arguing that they are the outcome of an intractable “culture” seems overwrought, especially given recent improvements in overall structural conditions, and especially in light of democratization’s important effects in ameliorating the lockhold of elites on power and in reducing economic inequality.<sup>11</sup> Perhaps as a result, as Carvalho (2008, 242) notes, rising education, declining poverty, and increased civic consciousness mean that Brazilian voters today are less dependent on government favors and more demanding of political reforms and accountability than ever before.

Further, while institutions are deeply embedded in society, and it is thus difficult to isolate the prevalence of corruption or the absence of accountability from the predominant culture, the opposite is also true: culture may well respond to shifting institutional performance. Moisés and

Carneiro (2008, 2; see also Moisés 2008) note that survey research around the world shows a close association between attitudes about the legitimacy of democracy and clusters of beliefs about the effectiveness of democratic institutions, as well as about satisfaction with regime performance. Brazil is no different; and although this may be troubling when we observe how low public confidence in many democratic institutions such as Congress has sunk, it also suggests that institutional improvements can contribute to improving attitudes about institutions and the democratic regime. Apathy, mistrust, and other traits of citizen involvement in politics are not static but may well respond to improvements in institutional operation. A virtuous cycle may be possible, whereby institutional gains translate into greater citizen involvement in accountability, greater accountability strengthens institutions, and this in turn increases diffuse societal trust, both in individuals and in institutions.<sup>12</sup>

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. We are helped in this regard by our decision to conduct a single-country study. In a country that has long been painted as *sui generis* because of its supposed cultural predisposition to various forms of informal and frequently corrupt behaviors, holding cultural factors constant may enable us to avoid needless simplification and elicit specific recommendations of direct relevance to policy makers.

Because Brazil has long been tagged as a nation where informal institutions play a significant role in the political game (e.g., Desposato 2006a; Geddes and Ribeiro Neto 1999; Roett 1999; Samuels 2006a), it also poses interesting theoretical questions of wider interest, complementing research on the role of informal institutions in Latin America (e.g., Fernandez-Kelly and Shefner 2006; Helmke and Levitsky 2006) and elsewhere around the world (e.g., Tsai 2006; Kitschelt and Wilkinson 2007). The definitional elasticity of corruption poses complex questions in the Brazilian case because of the presence of informal behaviors such as exchange politics and clientelism that are normatively troublesome but not necessarily illegal. For example, if a leading politician bargains vigorously with the federal government for funding to build an oversized airport in his home state, names it after his deceased son, and then locates it near an avenue that is named after himself, is this corrupt? Surely it qualifies as “misuse of public resources for private gain” (a common definition of corruption), and most

observers would find this case—drawn from the real-life experience of the late Senator Antonio Carlos Magalhães of Bahia—to be highly questionable. But it is not technically illegal.

In this book we have thus walked a fine line. On the one hand, we analyze real cases of accountability only when *formally* illegal behavior—that is, corruption that breaks an existing law—is allegedly present. But we do not shy away from discussing related gray areas, in part because they are theoretically interesting and in part because of a suspicion that weak accountability for *formally* corrupt behavior carries over into tolerance for *informal* practices, such as clientelism, that may not be illegal but are questionable from a normative democratic perspective.

A second reason for a single-country study, alluded to earlier, is substantive. Brazil is the world's fourth-largest democracy, the fifth-largest country by population, and source of more than a third of Latin American regional GDP. As Brazilian democracy evolves past some of the simpler institutional threats of its early transition, political corruption increasingly appears to be one of the main hurdles to achieving the promise of a consolidated and robust democratic polity. Under these conditions, a sustained investigation of the accountability process at the federal level stands to offer important new knowledge about politics in a country that is one of the leading objects of comparative research.

Third, because our case study of Brazil is both intensive and extensive, we are able to develop the theme of *interdependence*. We focus especially on three aspects of interdependence: the interdependence of phases of the accountability process; the interdependence between institutions in the accountability system; and the interdependence of sanctions in the accountability system. Reflecting briefly on each for purposes of illustration:

- Consider the likelihood of an effective accountability process if the principal phases of the accountability process—oversight, investigation, and sanction—are out of sync. In the absence of competent oversight of potential wrongdoing, or if there is no effective investigation of red flags raised in regular audits, it is doubtful that corruption can be effectively targeted. Likewise, without effective punishment, oversight is unlikely to be robust, especially if the targets of monitoring efforts remain in a position to threaten those charged with overseeing them. And in the absence of effective oversight, the universe of cases

investigated is likely to be highly contingent on chance and the appearance of the occasional whistle-blower.

- In terms of the interdependence between institutions, each institution in the accountability process relies heavily on the others to complete its work, whether this link is direct and formal (such as the relation between police and prosecutors) or indirect and informal (such as the link between media and prosecutors). Without independent media, for example, what are the chances of corruption coming to light and being effectively prosecuted? Without an efficient judicial process, will police investigators or prosecutors alone be able to effectively hold the line against corruption? Without effective audits, will congressional investigators be able to track corruption networks and effectively uproot them?
- Finally, in terms of the interdependence of sanctions, at least four types of overlapping sanctions may contribute to curbing political corruption:<sup>13</sup> electoral sanctions, such as failure to win reelection; political but nonelectoral sanctions, such as congressional censure or removal from office; reputational sanctions, such as negative media coverage; and legal sanctions, such as criminal or civil judgments. Once again, the various types of sanctions are interdependent. Can we really expect congressional representatives to stick their necks out and force their peers from office if these political sanctions do not result in later electoral or judicial punishments that permanently remove wrongdoers from the political game? Likewise, will auditing bodies or police investigators actively pursue corrupt political targets if there is little chance of these targets being removed from office?

With these issues of interdependence in mind, we pursue accountability here from the perspective of the full web of accountability institutions at the federal level. As figure 1.1 illustrates, even at its simplest—without taking into account specific component bureaucracies—the web of accountability is quite complex. (Note that our model here is highly stylized: the connections between the nodes are a goal, not necessarily a reality, as this volume makes abundantly clear.) Accountability institutions operate within each of the three branches of government, with further support from autonomous institutions such as the *Ministério Público* and the media.

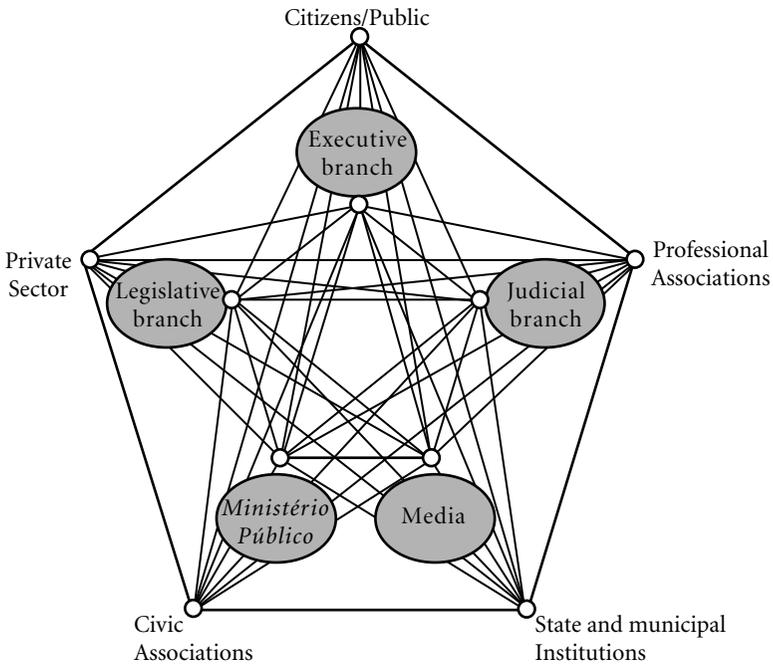


Figure 1.1. The Web of Accountability Institutions in Brazil

They are helped along by individual citizens, acting in diverse roles (e.g., as individual voters or as whistle-blowers). Private-sector businesses and state and municipal institutions clearly play roles as well, whether in denouncing corruption, creating codes of ethics for their operations, or pressuring federal agencies for resolution of specific issues. Nongovernmental civic associations and watchdog groups with an interest in corruption have also proliferated over the past two decades, with groups such as *Transparência Brasil*, *Congresso em Foco*, and *Movimento Voto Consciente* compiling, analyzing, and publicizing information about politicians and corruption. Meanwhile, professional associations such as the bar association (*Ordem dos Advogados do Brasil, OAB*) and the national association of judges (*Associação dos Magistrados Brasileiros, AMB*) have spearheaded public awareness campaigns, as well as leading public campaigns for reform.

The interdependence of institutions, accountability processes, and sanctions in the web of accountability is shaped by four important dimensions of each individual institution listed in table 1.3.

Three broad issues raised by the table are apparent in the contributions to this volume. First, the degree of institutional autonomy is important because accusations of corruption so often can be used as a political tool. Some institutions (e.g., the Federal Police, which is subordinate to the executive branch) are much more highly susceptible to politicization in this regard, so even when they are acting on the best of intentions, their motives can be easily questioned. But autonomy also plays an important role in determining how far individual members of each accountability institution can and will go in pursuing potential targets, since one common way of restricting autonomy is by threatening individual bureaucrats' career prospects.

Second, our framework stresses the importance of proximate institutions—those with which any given institution is required to interact regularly. One question raised by many of the contributors to this volume is to what extent Brazilian institutions of accountability are competing, overlapping, and noncooperative. Some degree of institutional friction is a *sine qua non* of interaction between bureaucracies, of course. But in a relatively young democracy, such conflict may be particularly apparent and unresolved, with potential drawbacks for the accountability process. Further, as several scholars have noted, the strength of formal institutions may be inversely related to support for governments perceived to be corrupt (Manzetti and Wilson 2008; Stokes 2005). In other words, practices such as clientelism may garner electoral support if formal institutions are weak. The concept of proximate institutions expands this perspective, illustrating that even if formal institutions are strong, friction between them may contribute to a weak overall institutional framework; as a result, even individually strong institutions—if they are embedded in a weak overall accountability system—may coexist with public tolerance and support for corrupt behaviors.

Third, both figure 1.1 and table 1.3 point to a central pitfall of trying to evaluate accountability solely in terms of principal-agent relationships: given the multiplicity and overlapping nature of such relationships—which include interdependent phases of accountability, interdependent institutions, and interdependent sanctioning processes—any attempt to

Table 1.3. Key Dimensions of Institutions within the Web of Accountability

<i>Dimension</i>	<i>Definition</i>
Scope	The responsibilities attributed to an institution and the effect these have on the institution’s reach. Some institutions may have broad mandates (e.g., the media), while others have very narrow mandates (e.g., audit institutions). Some institutions may focus largely on the political class (e.g., congressional boards of inquiry), while others have a broader remit (e.g., federal courts). Scope is therefore an important consideration in terms of the possibilities for effective action by any single institution.
Autonomy	An institution’s ability to choose what cases to address and how to prioritize its efforts, as well as its ability to act without undue concern for the reactions of other institutions. Some institutions may be able to act with considerable autonomy (e.g., the Ministério Público), while others are hierarchically subordinate (e.g., the Federal Police to the executive). <sup>a</sup>
Proximate institutions	Institutions with which a given institution must closely and frequently interact. Some institutions in the web of accountability have no proximate institutions: the media, for example. Others are greatly constrained by their relation with proximate institutions: the Federal Police cannot prosecute crimes directly in the courts, for example, but instead relies on the Ministério Público to carry its cases forward.
Activation	Whether an institution can act proactively or whether it instead reacts directly to others. Audit institutions, for example, may proactively determine what institutions should be audited, just as the Federal Police can proactively determine what cases to investigate. Courts, on the other hand, tend to be reactive, requiring activation by an external actor before they can take on particular cases.

<sup>a</sup> Even for nominally autonomous institutions, however, autonomy is of course a relative concept: a formally independent institution such as the Supreme Court may well restrain itself and act cautiously to avoid triggering a hostile reaction from other institutions or the broader public.

reduce the interactions to simple dyadic relationships may ignore significant complexity.<sup>14</sup>

Even more institutions are involved in the accountability process at the federal level than figure 1.1 can illustrate. Within the executive branch alone, a host of institutions can potentially play a role in the accountability process. There are advisory boards, such as the Public Ethics Committee (Comissão de Ética Pública), which directly advises the president and his staff. The Federal Police have played an increasingly important role as a major investigative body in recent years, helping to disrupt nests of organized crime and corruption. The Central Bank and the Federal Revenue Service perform an important oversight role in tracking financial flows, aided by cross-bureaucracy working groups such as the Council for the Oversight of Financial Activities (COAF). Lawyers in various bureaucracies such as the Revenue Service, the social security bureaucracy, the Advocacia Geral da União (AGU), and the Justice Ministry share duties in pursuing corruption investigations.<sup>15</sup> And the Controladoria Geral da União (CGU) has been an important oversight and auditing body since its creation in 2001. Although the CGU has tended to focus its efforts primarily at the state and municipal level, often its investigations lead back to the federal level, as in the 2006 *sanguessuga* scandal, when national congressmen were found to be receiving kickbacks in transactions that were being audited at the municipal level.<sup>16</sup> Most of these executive bureaucracies are by design not very autonomous of political pressures, are fairly reactive, and tend to have a narrow scope of action. Also by design, all rely on proximate institutions to carry forward any corruption investigation, especially if it involves prosecution in the courts, in which case the Ministério Público must perforce be involved.

The legislative branch also contains a number of overlapping bodies, in addition to the elected representatives themselves. Each house of Congress has its own permanent ethics committee, and with approval of a third of their members both the Senate and the Chamber of Deputies can create an ad hoc investigatory committee, known as a *comissão parlamentar de inquérito* (congressional committee of inquiry; CPI).<sup>17</sup> These CPIs have been one of the most active components of the overall accountability process at the federal level, bringing to light a great number of accusations of political corruption and murky dealings. Also tied to the Congress, but somewhat autonomous from the day-to-day politics of legislators, is the

Federal Accounting Tribunal (Tribunal de Contas da União, TCU), an accounting body that has played an important role in monitoring spending at the federal level.

Congressional accountability institutions are a mixed bag with regard to the four dimensions of scope, autonomy, proximate institutions, and activation. The TCU, for example, is proactive, but its scope is restricted by strictly regimented audit procedures. Further, the TCU has historically had little practical autonomy from politicians and relies heavily on proximate institutions to carry forward any investigation. Congressional investigations by CPIs, on the other hand, have almost unrestricted scope and can theoretically occur autonomously, although the executive branch's strong influence over legislative majorities has restricted their effectiveness considerably. Further, given the inherently political nature of CPIs, their results seldom are of great consequence in terms of imposing legal sanctions against wrongdoers.

One of the most unusual accountability institutions in Brazil is the Ministério Público. Under the 1988 Constitution, this prosecutorial body is formally independent of the other three branches of government, with guaranteed budgets and career incentives set with little outside interference. As a result of this almost complete autonomy, the federal Ministério Público has been called a "fourth" branch of government and has played a fundamental role in choosing cases to investigate and prosecute (Arantes, this volume; Arantes 2002; Kerche 2007; Mazzilli 1993; Sadek and Cavalcanti 2003; Sadek 2008). Although our focus here is largely on the federal Ministério Público, it is worth noting that all of Brazil's twenty-six states, as well as the Federal District, have their own state Ministérios Públicos, which also often play a significant role in prosecuting corruption. The autonomy of the federal Ministério Público (and many of its local counterparts) is remarkable, and the scope of its prosecutorial work is almost unlimited. But although it is not as reactive institutionally as the judiciary, the small size of the federal Ministério Público has somewhat restricted its role, while its reliance on proximate institutions such as the Federal Police (for investigation) and the courts (for trials) has also limited its efficacy, as later chapters will demonstrate.

The federal judiciary and the electoral courts are the recipients of much of the Ministério Público's effort. Within the federal judiciary, most cases begin at the level of the federal trial courts and then work their way up

through the regional federal courts (TRFs) to the Superior Justice Tribunal (STJ) and the Supreme Federal Tribunal (STF).<sup>18</sup> In the electoral courts, likewise, there are local level courts, regional electoral courts (TREs), and the Superior Electoral Tribunal (TSE), which has played the greatest role in regulating federal politicians' behavior during campaigns and elections. Both court systems are quite autonomous from other branches of government: the Brazilian judiciary is one of a handful of Latin American court systems considered truly independent (Kapiszewski and Taylor 2008). It also has a broad mandate to intervene in a number of potential arenas. But like courts elsewhere, the Brazilian judiciary is largely reactive, and its effectiveness in the accountability process relies heavily on proximate institutions, and especially on the quality of cases forwarded to it by the Ministério Público, with contributions from antecedent institutions such as CPIs and the Federal Police.

Finally, of the five institutions at the center of figure 1.1, the Brazilian media have been one of the most effective forces in bringing some types of corruption to light: the *mensalão* scandal, for example, took off when disgruntled politicians in the government's congressional alliance tipped off the press to bribes collected in the Postal Service. A surveillance film of a bribe being paid to a political appointee in the Postal Service was aired on national television, fueling widespread public indignation. Despite their shortcomings, the multiplicity and dynamism of national media have allowed the press to play a crucial role in the federal accountability process, proactively investigating, triggering reactions by other accountability bodies, and serving as an important link to society more broadly. While not all media organizations are autonomous of political pressures, the pluralism of the national press is a useful antidote: the scope of media coverage is broad, and the media cooperate closely with both central institutions and civil society organizations (as depicted in figure 1.1).

## **The Book Ahead**

In sum, Brazil's maturing democracy contains a variety of actors who play a dynamic role in monitoring, investigating, and punishing political corruption. Perhaps as a result, public awareness of corruption has probably never been greater, which is both a reason for celebration and a cause

for concern. Celebration, because it offers the opportunity for potentially meaningful reform. Concern, because there may well be a limit to citizens' patience with political corruption and impunity, and because comparative research on Latin America shows that experience with corruption effectively undermines the legitimacy of democratic institutions (Seligson 2006). With these limits in mind, this collection considers the performance of the Brazilian federal accountability system with an eye to (1) diagnosing the system's strengths, weaknesses, and areas of potential improvement; (2) taking stock of recent micro- and macro-level reforms; and (3) pointing toward the implications of the various dimensions of the accountability process for Brazil's young democracy.

The book is divided into two sections with different foci and approaches. The first three chapters investigate the complex relationships among representative institutions, electoral dynamics, and public opinion. Because of their concern with the interaction between voters and politicians, these chapters adopt an approach much more closely focused on individual actors than the second section, which is broadly institutional in approach. The five chapters in the second section focus largely on non-electoral dimensions of accountability: the media, accounting institutions, police, prosecutors, and courts.

The rather banal corruption at the heart of the rather shocking *mensalão* scandal was hardly a rarity in Brazilian democratic politics, as table 1.1 makes abundantly clear. In chapter 2, Carlos Pereira, Timothy Power, and Eric Raile dissect the sensational *mensalão*, which absorbed the attentions of President Lula's administration between 2004 and 2005 and briefly seemed to threaten Lula's chances of reelection, as a case study of "cash for policy" political corruption. As they point out, a number of factors may have contributed to the government's need to provide its allies side payments (or "allowances"; hence the name *mensalão*) in order to keep its coalition together and govern effectively. Among these were institutional factors, such as the unique patterns of executive-branch dominance of legislative coalitions that have evolved in Brazilian democracy. Also present were contingent factors, such as the ideological distance between the incumbent Workers' Party (PT) and its coalition partners and the PT's insistence on filling many ministerial slots with its own members. But perhaps the most intriguing findings here refer to the broader lessons that can be drawn from this specific scandal. The configuration of political institutions is a contributing but not

a determining factor: other Brazilian presidents have operated in the same basic matrix of coalitional presidentialism without resorting to side payments. Leadership and strategic bargaining also matter, as does the transparency of transactions between coalitional partners.

But once corrupt behavior has been uncovered, what repercussions do allegedly corrupt politicians face? In chapter 3, Lucio Rennó points to the extraordinary difficulty of imposing electoral accountability for political corruption. Through a study of voters' responses to the *mensalão* in the 2006 presidential elections, Rennó shows that corruption can influence voters' decisions but does so in highly uncertain and contingent ways. The multidimensionality of retrospective voting means that corruption is not the only factor voters weigh in voting decisions, and while scandal increases ambivalence toward candidates, such uncertainty may be balanced out by other issues, as well as by long-term ideological leanings.

Brazil's double-ballot majoritarian presidential election system, however, provides voters with an additional means of illustrating their displeasure and castigating presidential candidates: by voting punitively in the first round while reserving the right to vote strategically in the second. Using individual voting data, Rennó shows that the *mensalão* scandal indeed had an effect on the presidential election, but largely because left-of-center voters had two chances to voice their opinion: first, by voting their displeasure over the scandal and denying Lula a first-round victory; but second, by voting strategically to avoid a less desirable alternative, the election of a center-right candidate. Voters were thus able to send a message and punish the incumbent in the first round without defying their aggregate ideological preference in the second.

In chapter 4, Pereira, Rennó, and David Samuels similarly ponder the effectiveness of "vertical" or "electoral" accountability in a political system that has long been marked by tolerance for corruption at both the mass and the elite levels, but they focus specifically on congressional elections. Survey research (e.g., Almeida 2007) suggests that "delegative" voters among the Brazilian public may tolerate corruption because they believe politicians' purpose is to resolve citizens' individual problems, in personalistic or clientelistic ways. But the authors point to a puzzle posed by the 2003–6 legislature: federal deputies involved in scandal had a lower probability of running for reelection, as well as lower chances of winning reelection when they ran. Although impunity sometimes prevailed in the congress-

sional arena (a number of deputies were absolved by their peers), it did not reign in the electoral arena.

What causal mechanisms are at work here? The authors go beyond voting behavior alone, testing hypotheses about the interactions between electoral institutions and two other components in the web of accountability: business elites and the media. To what extent is electoral accountability enhanced by elite mechanisms, such as punishment via the withholding of campaign funds? And to what extent are such punishments reinforced at the mass level by media exposure? The authors' conclusions suggest a variety of dimensions of electoral accountability that go far beyond individual voting behavior alone.

The second section of the book, on nonelectoral institutions of accountability, kicks off with a look at an institution that appears at the crossroads of many, if not most, institutional interactions in the web of accountability: the media. As Mauro Porto notes in chapter 5, the media serve as a central clearinghouse between governmental institutions, helping to build complex narratives from fragmentary shards of evidence emerging in the public sphere. By providing visibility to issues, claims, and individuals, and by focusing public attention on certain events, the media have become a central institution in the accountability system.

Yet despite an increase in the number of exposés of political corruption over the past generation, the media's role within the accountability system is ambiguous. News organizations are not well designed to cover all types of corruption, and they tend to assign priority to sensational scandals while ignoring less dramatic but equally pernicious forms of corruption. More importantly, the media have grown increasingly professional, autonomous, and assertive, but government institutions increasingly recognize the media's importance and have shaped their actions and institutional strategies accordingly. The media themselves now rely heavily on government institutions for stories, leading the press to lean on the crutch of "journalism about investigations," rather than engaging in the far more demanding task of "investigative journalism." As a result, despite vital improvements in media independence over the past generation, Porto argues, there is a significant risk that corruption coverage will be politicized, manipulated, or incomplete.

Accounting is a dreary profession, and accounting institutions are perhaps as a result understudied. But as Bruno Speck illustrates dynamically

in chapter 6, they are vital players in retrospectively holding public officials responsible for misconduct, as well as in prospectively driving public administration reforms. After developing a broadly applicable general framework for understanding the autonomy and various roles of audit institutions, Speck uses it to evaluate the strengths and weaknesses of Brazil's most important government accounting agency, the TCU.

Speck finds that in comparison with many of its peers in the rest of Latin America the TCU is institutionally quite strong and its audits are technically quite rigorous. However, he also finds flaws, highlighting the politicization of top leadership posts, the TCU's inability to impose sanctions without the active engagement of its peer institutions, and the TCU's resulting reliance on weaker types of sanction that require little cooperation with peer institutions. The result of this interaction with the TCU's proximate institutions is that despite the TCU's laudable role in monitoring and investigating allegations and in proposing reforms, its effects on accountability in the political system as a whole are weaker than might be expected.

What explains the apparent legal impunity of politicians charged in political scandals? In chapter 7, Matthew Taylor points to two central weaknesses of the court system. First, the electoral courts that oversee campaigns and elections are in many ways an elaborate fiction, by which political parties agree to turn a blind eye to each other's worst lapses. Second, the difficulty in holding corrupt politicians accountable is a direct result of the federal judiciary's broader institutional deficiencies: the system is delay ridden and formalistic, and it provides special protections to public officials. Yet—and in this regard Brazil is to some extent idiosyncratic—the problem is not usually the willful breaching of the law by judges or prosecutors. Instead, it is precisely the strong adherence to law and procedure as they appear on the books that weakens accountability by binding judges to stringent and often unhelpful legislation.

Courts have a direct effect in providing legal sanctions, but they also have indirect effects in strengthening the likelihood of the imposition of sanctions elsewhere in the political system. As a result, Taylor argues, even if it were possible to approve an ideal political-electoral reform that unambiguously improved accountability between citizens and their representatives, in the absence of changes in the judicial-legal framework the pursuit of probity would likely continue to be undermined by the weakness of the punishments forthcoming from judicial institutions.

Two other accountability institutions have been dramatically reshaped over the past generation in Brazil: the Ministério Público and the Federal Police. As Rogério Arantes describes in chapter 8, the Ministério Público, Brazil's prosecutorial body, has been charged with defending broad societal interests and has gained such autonomy from the other branches of government under the 1988 Constitution that it has become a "fourth branch" of government. More recently, the Federal Police has become an increasingly active and potent force in investigating and rooting out corruption in the public arena, both at the federal level and, increasingly, at the state level.

As Arantes notes, the Ministério Público and the Federal Police are increasingly working with each other and the judiciary in a triangular fashion to impose accountability. But there are procedural choices involved in any strategy to reduce corruption, and the tactical choices between political, civil, and criminal proceedings can often lead to different types of accountability, ranging from public "reputational" shaming to the disruption of criminal networks, and from civil punishments such as fines to criminal jail sentences. Prosecutors and police are forced to make a tough choice between tactics on the basis of their perceived effectiveness and the probability that they will actually have some effect on corrupt players. Further, while there has been considerable improvement in the triangular game between the Ministério Público, the Federal Police, and the courts, their cooperation is nonetheless marked by ongoing tensions and rivalry.

So far, the analyses have focused primarily on the federal government, and rightly so, as this is the focus of the volume. Fiona Macaulay, however, points to one shortcoming of this approach in Brazil's decentralized federal system. As she emphasizes in chapter 9, although federal agencies are playing an increasingly active role in fighting political corruption at all levels of the federation, much of the effort is still carried out by state police, state prosecutors, and state courts.

Because these institutions are largely autonomous of their federal counterparts and respond to local political contexts, they introduce a wild card into the accountability process. They play an essential role at the federal level, and not always for the better: perhaps most important, they may introduce state-level "networks of influence and corruption" into already complicated federal accountability processes and further complicate

interinstitutional coordination and cooperation. Macaulay's chapter is an important reminder that the complex web of accountability extends beyond the federal government, and indeed, that many corrupt acts originate much further down, whence they often rise by tortuous paths to the three branches of the federal government.

Our final chapter aims to tie the diverse strands together, producing two sets of conclusions. In the first, we contemplate the policy implications of our study, considering more closely recommendations that may contribute to the effective fight against political corruption and for ongoing accountability in Latin America's largest democracy. In the second, we draw analytical lessons that will be of special interest to social scientists interested in the functioning of accountability networks, pointing as well to some of the comparative implications that emerge from this comprehensive study of the Brazilian federal case.

## Notes

1. Accountability has many meanings and many ends. At its broadest, accountability simply "implies that some actors have the right to hold other actors to a set of standards" (Grant and Keohane 2005, 29), such as the efficiency or efficacy of public policies. Given this volume's interest in unlawful *political* corruption, the standard we employ is accountability to ensure the probity and public-regarding nature of policy and the policy-making process. We recognize, however, that there may be tensions between the various criteria of accountability, including between criteria of probity, efficacy, and efficiency.

2. Given the size of the Brazilian economy, these estimates are staggering in absolute terms. To give some regional perspective, in 2007 the GDP of Ecuador was equivalent to 3.5% of the Brazilian economy; the Dominican Republic, 3.1%; Guatemala, 2.6%; and Costa Rica, 2.0%. If the conservative estimate by the Federação das Industrias do Estado de Sao Paulo (FIESP) is correct, this would imply that Brazilian corruption amounts "only" to the GDP of Panama (1.5% of the Brazilian GDP) (International Monetary Fund 2008).

3. Transparency International's index has been criticized on a number of fronts, including the fact that it ignores whether a country is democratic, so that countries like Qatar, Taiwan, and the UAE do better than Brazil, Mexico, or Argentina on the index; it does not take into account historical context or evolution over time; and, from a purely methodological perspective, it is very imprecise, with large confidence intervals around the estimates, and estimates that are strongly correlated to GDP per capita. For these and other critiques, see Abramo (2006) and Avritzer (2008).

4. The year 2004 was the last that the Global Corruption Barometer included Brazil in its survey group.

5. Indeed, as Montinola and Jackman (2002, 169) point out, “Countries like Argentina, Brazil and Peru . . . adopted neoliberal economic reforms, including reductions in government expenditures, and encountered apparent increases in corruption” (see also Manzetti and Blake 1996; Weyland 1998). It is worth emphasizing that the economic role of the Brazil state shifted in the 1990s through privatization and stabilization, so that the state is no longer as involved in day-to-day business decisions regarding telephony or electricity distribution. But contrary to the common assertion, the state did not shrink: on the contrary, the total tax take by all levels of government rose from under 25% of GDP in 1991 to over 37% in 2008.

6. For a discussion of the relationship between inflation and public ethics with great relevance to the Brazilian case, see Giannetti (1993).

7. A particularly useful and comprehensive discussion of accountability that addresses its many dimensions and tensions can be found in the first four chapters of Mainwaring and Welna (2003); see also Przeworski, Stokes, and Manin (1999) on electoral accountability and Schedler, Diamond, and Plattner (1999) for a mixed approach. In addition to focusing on *both* electoral and nonelectoral dimensions of accountability, our use of the term here differs from Mainwaring’s definition in that we focus not only on formal accountability relations but also on broader informal controls by actors that do not necessarily have a *formalized* relationship of “oversight and/or sanction relative to public officials” (Mainwaring 2003, 7). Our conceptualization further incorporates actors from the media and civil society organizations that Mainwaring would prefer to exclude (although the Mainwaring and Welna volume does include a useful synopsis of Smulovitz and Peruzzotti’s arguments regarding “social accountability”; see also Smulovitz and Peruzzotti 2006). While pursuing this broader conceptualization of accountability may blur definitional boundaries, it is necessary if we are to accurately portray the Brazilian accountability process. Indeed, as later chapters will illustrate, because formal controls are often quite weak, accountability in Brazil frequently relies on nonformal accountability relations, as well as informal “reputational” sanctions.

8. A *malandro* can be defined as a charming but streetwise rogue; at its core the concept reflects the notion of a person who goes around formal rules to get things done, often winking at the law in the process. Keith Rosenn defines the *jeito* (*jeitinho* is the diminutive form) as “the practice of bending legal rules to expediency.” As he notes, the existence of the *jeito* “enables a society to continue individualistic, traditional patterns of behavior despite the state’s attempt to substitute more progressive, achievement-oriented patterns of behavior via the formal legal structure” (1984, 43).

9. There were 29.9 violations for each Brazilian diplomat, by comparison with 16.5 per Chilean, 4.0 per Mexican, and 3.9 per Argentine.

10. But see the forceful critique in Vieira (2008).

11. The Gini coefficient for Brazil hit a high of 0.64 in 1989 but has declined continuously since 1993, reaching 0.548 in 2008. Data accessed at “IPEA Data: Renda—Desigualdade—Índice de Gini,” [www.ipeadata.gov.br](http://www.ipeadata.gov.br), under “Social,” “Temas,” “Renda,” and then, in the list “Series,” “Desigualdade—Índice de Gini,” July 11, 2009.

12. As Philp states the ideal, “One way of characterizing integrity-based systems is to say that they are ones in which we trust those holding public office. . . . Without trust we would be demanding strict compliance, not accountability. Indeed, the key issue is not whether we trust a particular individual (binary trust) but whether there are high levels of diffuse institutional trust, so that we trust the individual because we trust the institutional framework, not the other way around” (41).

13. Discussion of various types of sanctions can be found in Taylor and Buranelli (2007) and Grant and Keohane (2005).

14. See Philp (2009) for a critique of the principal-agent approach to accountability.

15. The Justice Ministry, however, has traditionally had the greatest role in setting legal policy within the executive, coordinating investigations across bureaucracies and choosing reform priorities.

16. There are more than 5,500 municipal jurisdictions in Brazil, and the legal status of municipalities is constitutionally recognized.

17. Joint CPIs are also a possibility, with approval from one-third of the members of both houses.

18. As later chapters will illustrate, however, many politicians’ cases jump the queue and are heard directly at the STF. Taylor’s chapter in this volume explains that the STF and STJ are not formally a part of the federal judiciary, although for our purposes we can bundle them under this term, since these courts sit at the apex of the judicial system.