Session 17: Corruption in Mexico…and what to do about it

So how much corruption is there?
- Mexicans especially cynical about their government
- Ruling party famously corrupt
- Inside the government, corruption is open secret
- Police
- Media
- Personal and cultural sphere
- Population itself (The World Values Survey: Trust in other people)

How to measure corruption
1. Hard to get data
2. Draw a distinction between “high” and “low” corruption

What causes corruption?
- Cultural explanations (most familiar explanation)
- Social structure explanations
  - Inequality
  - Ethnic cleavage
- Institutional explanations
  - The political system
  - Overregulation
- People at the top; if they’re dirty, everyone is
- Worth noting as you think about causes that some sectors of economy are relatively dirty in almost all countries
  - Construction
  - Waste management
- Evidence cross-nationally (Treisman): What does this study suggest?

Solutions
- If you believe the problem is cultural, then education might help
- If you believe it’s the people...Zedillo fired tens of thousands of police officers
- Perhaps you’re stuck in a bad dynamic; then only the leader can really effect change
- If you believe this has to do with the political system, then electoral competition should help fix it
- Other institutional solutions
  - Draconian penalties
  - Higher salaries
  - Civil service reform
- Economists’ solution to corruption
  - Get rid of bureaucracy
  - Allow rival agencies to bid for bribes; can’t really do this with the police, and if you do, you might have more problems where they shoot at each other (Viborilla)
  - Decentralize