Corrupción y costos de transacción en la administración pública

Corruption and Transaction Cost in Public Administration

Custos de corrupção e de transacção na administração pública

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Resumen

El presente trabajo tiene como propósito analizar el fenómeno de la corrupción en la administración pública mexicana como un costo de transacción desde el momento en que los trámites de los bienes y servicios a cargo de las oficinas burocráticas son retrasados, triangulados y costosos, arrojando con ello consecuencias desfavorables para el gobierno y la economía del país. Para tal fin, el estudio inicia con el método cualitativo, idóneo para la consecución de nuestro objetivo, que analiza institucionalmente los costos de transacción que surgen de los intercambios y decisiones económicas de los agentes. Después se analiza la corrupción administrativa y los resultados de los índices de percepción que dan a conocer organismos tales como Transparencia Internacional, Transparencia Mexicana, INEGI, entre otros; por último se discute la relación causal entre la corrupción y los costos de transacción en la administración pública.

Palabras clave: corrupción, costos de transacción, administración pública.

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Abstract

This study aims to analyze the phenomenon of corruption in the Mexican public administration as a transaction cost from the very moment moment when the procedures of goods and services dependent on bureaucratic offices are delayed, triangulated and expensive, throwing thereby unfavorable consequences for the Government and the country's economy. For this purpose, the study begins with a qualitative method, ideal for achieving our goal, that analyzes institutionally the transaction cost you emerge from exchanges and economic decisions of the agents. Then analyzes the Administrative Corruption and the Corruption Perceptions Index that make public organizations such as Transparency International, Mexican Transparency, INEGI (by its name in Spanish), among others;   Finally discusses the causal relationship between corruption and transaction costs in Public Administration.

Key words: corruption, transaction costs, public administration.

Resumo

Este trabalho tem por objetivo analisar o fenómeno da corrupção na administração pública mexicana como um custo de transação a partir do momento as formalidades de bens e serviços por escritórios burocráticos estão atrasadas, triangulada e caro, jogando assim consequências desfavoráveis para o governo e a economia do país. Para este fim, o estudo começa com a, ideal para alcançar o nosso objectivo, que analisa os custos de transação institucionais decorrentes de trocas e decisões económicas dos agentes de método qualitativo. Depois de corrupção administrativa e os resultados dos índices de percepção divulgado organizações como a Transparência Internacional, Transparência do México, INEGI, entre outras análises; finalmente, é discutida a relação causal entre os custos de corrupção e de transacção na administração pública.

Palavras-chave: corrupção, custos de transação, administração pública.

Introduction

Nowadays, the transformations affecting the Mexican public administration focuses on questioning its ability to provide goods and services, especially in the efficiency and effectiveness of the Public Administration (PA), that with limited resources has to deal with in an adequate, timely, open, visible and accountability way, the needs and growing requirements of a more participatory and demanding society, becoming the most visible part of the Transaction Costs of the Government.

This contrasts with the fact that traditional administrative schemes do not necessarily led to an active participation of the society, this prevented a clear commitment to the public administration for the purposes and values of the public service. These dysfunctions favored patronage, clientelism, corruption, among other undesirable behaviors, that are still showing in many ways, particularly in increasing the administration costs. The current scenario is a public administration with serious shortfalls that have revealed the need for changes in the Administration to resolve or at least to lesser the problems.

The function of an administration goes beyond of comply with providing goods and services; should also take care of doing it effectively and efficiently. For this reason, currently public administration is in charge of rationality (effectiveness/efficiency) of the entire framework of the decision-making process: of the formulation and implementation of policies (Aguilar, 1990, p. 170). Its main objective also includes the optimization of available resources so that they are of the best quality at the lowest possible cost.

However, when the public administration is little effective, inefficient and poor in terms of transparency and accountability with regard to the fight against corruption, consequently the application of the law and the protection of the property are poor and generate high costs of transaction. This can lead to low levels of investment and economic growth.

The government (hence, public administration) is not free of costs for the state, when making decisions, designing and implementing policies, incurs expenses recruitment information and exchange of property rights. Even government intervention is another transaction cost (Ayala, 1996, p. 349).

Method

The proposed methodology has a qualitative character and is ideal for achieving our objective, which is to analyze the phenomenon of corruption in Mexican public administration as a transaction cost from the time the formalities of goods and services by bureaucratic offices are delayed, triangulated and costly, creating unfavorable for the government and the country's economy consequences. For this, the work is developed in four phases. The first phase is the institutional analysis of transaction costs as an interdisciplinary field that seeks to explain the different levels of economic performance or agents, in terms of productivity, efficiency and equity. The second phase comprises the conceptual approach of administrative corruption of public officials who abuse their office by demanding bribes and kickbacks for their personal benefit. The theoretical construction permit explain and understand the results, in the third phase of qualitative indicators on corruption disclosed organizations such as Transparency International, Transparency Mexico, INEGI, among others. This leads us to discuss in the fourth phase the causal relationship between corruption and transaction costs in public administration.

First phase: institutional framework of transaction costs

Within the neo-institutional theory it has been developing the approach to transaction costs, whose precursor was Ronald H. Coase, in his seminal work "The Theory of the Firm" (1937) and whose line of work takes up and develops Oliver E . Williamson (1975, 1985, 1991, 1999), arguing that the transaction costs is the interdisciplinary field (economics, organization theory, law, politics and public administration) that seeks to study the economic organization from the institutional point of view compared, in order to minimize transaction costs arising in the exchanges that occur in the economic system. This institutionalist paradigm adopts a micro-analytical approach to the organization that leads him to focus on the transaction that takes place

in the firm trying to explain the mechanisms of governance within and its extension to other forms,[1] such as vertical integration and diversification, in order to minimize their costs.

The issue of transaction costs that determine the political and social institutions is one of the important contributions of this school. The main purpose is to demonstrate the importance of comparing different institutional arrangements[2] (transactions, contracts, incentives, hierarchy, government and management) and organizational schemes in the markets for the selection of optimal production plans beyond the costs of inputs and technologies as traditionally conceived. It also helps to understand the growth and development of a society and its impact on transaction costs when institutions interact with economic conditions that determine the potential opportunism and for its public administration, generating costs that make efficient solutions more or less possible, facilitate exchanges more or less over time, allow more or less credible commitments, and provide it with more or less reputation (North, 1990). In such a way that through institutional costs can understand the development of a sector of the economy, an aspect of political life, or organization (public or private).

Transaction costs are a variable that can explain the different levels of economic performance or agents, in terms of productivity, efficiency and equity. These can be subdivided into five orders of elements: design costs, information costs, negotiation costs (referring to the costs of processing sheets, publication, study proposal and award of the tender for the contractor and study specifications, tender registration and preparation of the proposal for the contractor), monitoring and enforcement costs (understood as necessary to enforce contracts force), and protection of property rights.

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[1] Williamson establece tres formas de gobierno: la de mercado, la jerárquica y un híbrido de ambas. En el mercado las partes son autónomas y tienen un fuerte incentivo que se deriva del flujo de ingresos. La jerárquica se caracteriza por la cooperación y los controles administrativos, implicando grandes costos burocráticos. La híbrida se presenta como una combinación de mercado y jerarquía en donde se sacrifican incentivos en favor de mayor coordinación o donde se sacrifica cooperación en favor de más incentivos.

[2] Los arreglos institucionales se refieren al entorno jurídico y político (leyes, normas y disposiciones, estrategias para la implementación de las políticas) que los hacen posibles; los actores y las entidades directas del suministro del servicio público; las organizaciones que apoyan a esas entidades en el manejo de los servicios públicos mediante el suministro de bienes y servicios; procesos, prácticas y actividades diversas.

Transfer of property rights transaction costs arise, which include institutional costs such as trading costs, design, information, monitoring, enforcement of contracts and protection of property rights (Figure 1).

Figure 1. Transaction costs
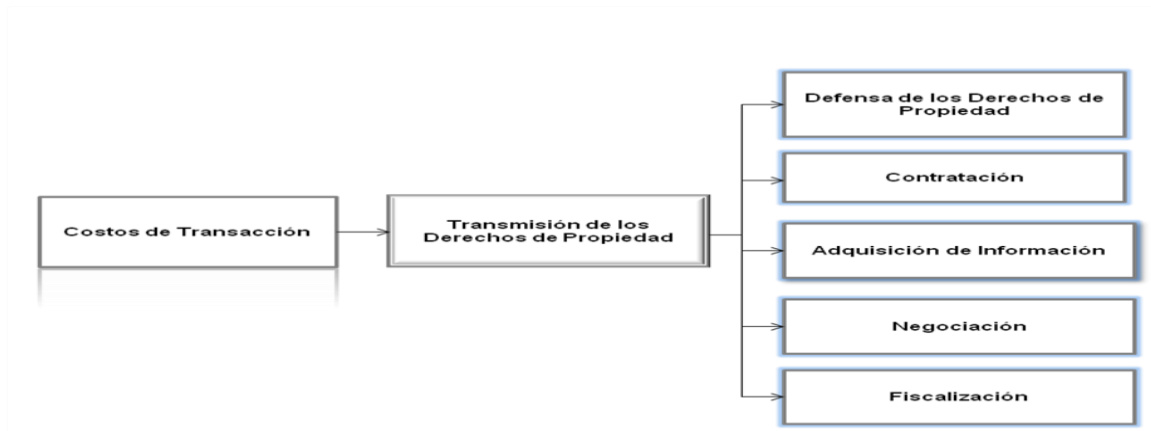
Source: Ayala (2011, p. 183).

As can be seen, the transaction costs are present in:

➢ Finding information about price, quality, availability of inputs and market conditions.

➢ Haggling between buyers and sellers to set prices and quantities, everything you need to reach an agreement.

➢ Protection of property rights.

➢ Starting a new business: permits and licenses.

➢ Regulation of business and legal framework.

In the latter case, the role that well-established institutional structures direct impact on the implementation of property rights, the fairness of the legal and regulatory system, finally, the implementation of a formal structure and informal guaranteeing effective enforcement of

institutions that create incentives to increase certainty and that in one way or another, cheapen the costs of transactions.[3]

Property rights represent an advantage over anarchy because they impose a social order against any other state. This is because the laws or regulations restrict selfish behavior and choices of individuals. Officers who violate property rights will be punished coercively by the state. How the state defines and protects property rights over time you can create lasting formal institutions that strengthen organizations and ensure the efficient use of targets that they established.

Currently, institutionalists have shown that transaction costs include, inter alia, the definition, protection and enforcement of property rights on goods or services: the right to use, the right to income derived from their use the right to exclude others from this right and the right to exchange this right for another.

From the bureaucratic perspective in the public sector,[4] by Williamson (1999), transaction costs are seen as inefficient, considering that you usually do well in some transactions, but poorly in others. Therefore it concludes that there are possibilities for the efficiency of the public sector bureaucracy, but like other forms of government (markets, hybrids, companies) have to find your site.

For a political perspective, transaction costs relating to exchanges that occur in all contractual relationships established through the rules of the political game within government structures considering mechanisms and organizational standards since an inter-temporal perspective incentives for each agent generated in the different stages of political transactions. In Figure 2 the importance of institutions is illustrated as they provide the incentive structure to influence the values of transaction costs.

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[3] El tamaño y complejidad del sistema legal y regulatorio afecta el nivel de costos de transacción. Así, la existencia de un aparato regulatorio grande y burocrático contribuye a elevar los costos de transacción, mientras que en el caso de un aparato pequeño y desburocratizado los costos pueden disminuir.

[4] El sector público es el ente encargado de realizar las actividades políticas y administrativas - programables y medibles en su connotación macroeconómica, administrativa, contable y social requeridas para alcanzar el fin fundamental del Estado: constituirse en un instrumento efectivo de promoción humana, social e individual, tanto en el plano político-social como en el económico (ver Ayala, 1997).

Figure 2. Policy Analysis transaction costs: logical sequence
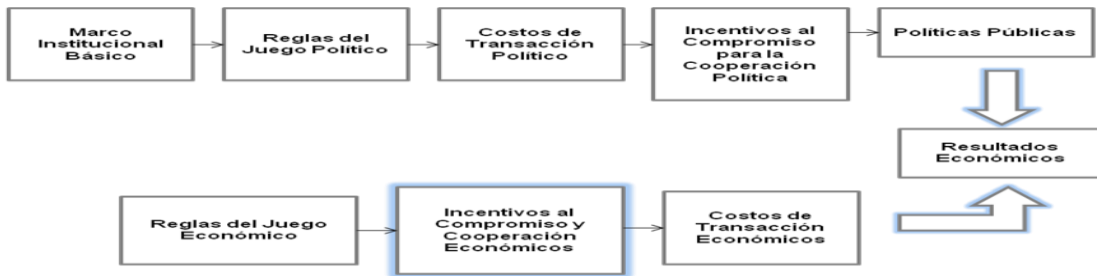
Source: C. Arias y Caballero (citado por Nienstaedt y Zerpa, 2005, p. 53).

It can be seen that the institutional framework is the foundation for the formation of transaction costs and economic results, which agents arrive after completing their mid exchanges by public policies. Thus, transaction costs influence political markets and the degree of efficiency of these transactions are made when designing a fiscal, monetary and budgetary policy. So, they give importance to the institutional structure that acts as a set of rules that encourage the election of political subjects, thus determining a political solution.

Second phase: approach to administrative corruption

Corruption is an endemic evil that permeates public life in Mexico, ie, spaces of politics, economy, administration, culture and social, are scenarios evil that eats away his insides.

Ayala (2011), a state with no sense of the public is understood as a site of advantages and privileges, which multiply as corruption progresses vertically and horizontally in its administrative and bureaucratic offices.

In this regard, several authors have defined corruption as a relationship between state and society, establishing the difference between "political" corruption and "bureaucratic" corruption. Political corruption can be seen as misuse of a service and public authority in policy formulation and implementation of such policies as administrative corruption, that is, the public authority is exercised by elected officials (politicians) and appointed (bureaucrats) respectively performing

functions of creation and implementation of public policies. Although it is not always easy to distinguish political corruption of the administration, it can be said that the main actors of corrupt acts are, first, politicians and in the second, bureaucrats (Ayala, 2011).

For Shah and Schacter (2004), corruption is listed in three main types: a) small administrative bureaucratic corruption or corruption-a large number of public officials abuse their office by demanding bribes and kickbacks, diverting public funds, or granting favors in return considerations of personal-; b) greater-the theft or abuse of a considerable amount of public funds by a relatively small number of officials-and c) "state capture" or "regulatory capture" -colusión between public and private agents to benefit private- corruption.

Generally speaking, corruption is often understood as the abuse of public office for private benefit, according to Transparency International (TI, 1994). In other words, corruption involves behavior by public officials, which may be politicians or civil servants, where these are enriched themselves or people close to them improperly or illegally, through abuse public power that was entrusted to them.

However, this general definition is so broad that is operable little. Understood in this way, the term corruption may include a variety of illegal acts, such as bribery, nepotism, extortion, fraud, influence peddling, bribery, favoritism, money laundering and so on. These are all illegal acts that certainly can be considered different manifestations of corruption, but are not equal in extent, and its causes and effects.

If we consider bribery and extortion,[5] as specific forms but common of corruption in the country at all three levels of government, together with the definition of corruption proposed by TI, you have to corruption is the violation of an obligation of a public official (Bureaucrat) or popular representative (political) in order to obtain a personal benefit in the form of money or gifts from the person who extorts bribes or.

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[5] De acuerdo con el Diccionario de la Lengua Española (2001), la extorsión es la amenaza por parte del funcionario público al ciudadano de una medida lesiva para este si no realiza un contraprestación o pago irregular a beneficio del funcionario. Por su parte, soborno es una suma de dinero u otro favor que se ofrece a una persona que ocupa una posición de poder o de autoridad pública, a fin de influir en sus puntos de vista o comportamiento.

According to the institutionalist approach, corruption has the causal relationship in the institutional design of the following: corruption will occur if public organizations encourage dishonesty; for example, through rigorous and excessive paperwork that invite citizens to corrupt authorities; if the probability that the official is punished when incurred in irregularities is low; and whether the benefits of deviating from the civil service are greater than the penalty. From the institutionalist perspective, corruption does not address moral issues, but strategic calculations.

In that way, corruption finds its most fertile ground when public decisions are made under a practical monopoly (personal or organizational), with broad discretion, without dimensional decision criteria and mechanisms without requiring accountability. On the contrary, when the decision maker is plural or power is consensual decision criteria assessed objectives and supervision and strict accountability accounts, corruption is a medium much more hostile environment.

To Uvalle (2012), an administration without supervision, controls and penalties, is reason to encourage undesirable behavior and reproduction of the bureaucratic culture that tends to consume public resources in a disorderly manner and with perverse incentives that impact the State fiscal and budget management. The degradation of public administration must be avoided by legal means and public awareness. If administrative corruption tends to grow, it means that public life is the guarantee that the productive and social processes are transparent and efficient, a situation that leads to poor performance of economic, political and social system.

Administrative corruption is the product of illegalities, omissions, inaccuracies, arrangements and, above all, design flaws institutional frameworks where epic and develops. For example, misappropriation of public budget to different objectives to consigning the budget execution; favoritism public official to someone close to hiring a public works; illicit enrichment for the benefit of public goods, among others. This implies that the implementation of the rules of public law does not have the ideal environment to be effective, especially when the will to enforce them is a set of chiaroscuro, ie, the combination of elements formal certainty, but at the same time trends toward discretion (Uvalle, 2012, p. 18).

It should be remembered, says Uvalle (2012), that the full force of the ethic of responsibility in public administration and public service is necessary to disable the various forms of corruption such as bribery, extortion, inefficiency, privileges condition, wastefulness and sinecures violating normative rules, since it tends to control the schemes of work with personal and not institutional criteria.

Third stage: results

Levels alarming perception of corruption prevailing in Mexico have lit red lights at the government's failure in its attempts to reduce this phenomenon. According to the results of the Corruption Perceptions Index (CPI) published by Transparency International in 2014, Mexico was ranked at 103 out of 175 with a score of 35/100. Our country also ranks in last place 35/35 between the countries of the Organisation for Economic Co-operation and Development (OECD). These data are consistent with the World Bank (2013), which fails to Mexico with a score of 39/100 in its control indicator corruption and places the country in 127th, as one of the most corrupt countries of the world.

As for the correlation between gross domestic product (GDP) and the index of perception of corruption, although it is not possible to establish an unambiguous relationship between the two variables, empirical evidence shows that countries with highest GDP per capita have an equally high rating in the CPI (less corrupt), while the poorest countries are those with lower scores in fighting corruption. Mexico in 2014 had a per capita GDP of $ 10 831 and a score on the CPI of 35; that is, our country has a rating in the CPI averaging countries with a per capita GDP between two and ten times lower than yours (Wedding, 2015, p. 15).

The study Consequences of Corruption at the Sector Level and Implications for Economic Growth and Development (2015), conducted by the OECD, finds that corruption has a negative impact both growth and economic development in some welfare variables that are not captured in measurements of GDP, such as sustainable development, health, safety, equity and other civic or social capital such as trust (Casar, 2015, p. 16).

Another indicator which reveals the opening degrees refers to the Opacity Index,[6] produced annually by the Milken Institute since 2000, in which Mexico held the 33 position of a sample of 48 nations and a rating of 37 points in its 2009 edition (ASF, 2014). This study evaluated 5 major areas that affect economic growth: a) corruption, b) shortcomings in the legal system, c) implementation of economic policies, d) accounting standards and corporate governance, and e) regulatory quality.

At the national level, the various studies on corruption are referenced assessments Transparencia Mexicana (TM).[7] Through the National Index of Corruption and Good Governance (INCBG)[8] have shown that in 2003-2010, corruption doubled since increased from 101 million acts of corruption in 2003 to 200 million in 2010, while its cost tripled from 10 billion 600 million pesos the first year to just over 32 billion pesos in the second, which meant that irregular payments are to carry out or evading compliance with any statutory provision grew at a ratio of two to one over the number of wrongdoing (SFP , 2012, p. 187).

Of the 35 procedures included in the INCBG, five are federal in nature: receiving correspondence; obtain military primer / exempt military service; obtain or accelerate the passport at the Ministry of Foreign Affairs; connection or reconnection home light; and spend your things in a customs checkpoint, checkpoint or border port. These procedures are located in positions 3, 4, 10, 13 and 32 of the 35 services evaluated respectively, which means that these "passing his things in a customs checkpoint, checkpoint or border crossing" is the federal service It has the worst rating with 28.3 points on the scale of zero to 100.

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[6] El Índice de Opacidad utiliza una escala de 0 a 100 puntos, donde los valores mayores significan más opacidad y los menores más transparencia en cinco áreas analizadas, las cuales se construyen con 65 variables obtenidas de las instituciones multilaterales internacionales como el Banco Mundial (BM) y el Fondo Monetario Internacional (FMI).

[7] Transparencia Mexicana es una organización no gubernamental que analiza el problema de la corrupción desde una perspectiva integral para generar cambios concretos en el marco institucional y en la cultura de la legalidad en México.

[8] El índice registra la corrupción en 35 trámites y servicios públicos ofrecidos en los tres órdenes de gobierno (federal, estatal y municipal) y por empresas particulares. El índice por servicio se obtiene al dividir el número de veces que se obtuvo un servicio mediante un soborno entre el número de veces que se utilizó el mismo servicio. Utiliza una escala de 0 a 100, donde 0 representa menor corrupción y 100 mayor corrupción.

The National Survey of Quality and Governmental Impact (ENCIG) 2011,[9] confirms the results of INCBG, as reports that corruption occurs in the three levels of government; It focuses on police, politicians and prosecutors; It occurs mainly in the procedures related to the traffic police and building permits; and that the main measures to combat the problem would punish public servants and facilitate the formulation of complaints and denunciations (SFP, 2012, p. 189).

Regarding sanctions on public servants of the APF of 1983-2012, the Ministry of Public Administration and Internal Control Organs sanctions they imposed 158,352, 87.8% (138,976) were administrative, and 12.2% (19,376) were economic, amounting to 67 922.9 million pesos. The number of penalties grew 10 times in the period analyzed, going from 5,389 in the first period to 53,296 penalties in the last period (SFP, 2012, p. 171), as seen in the following table.

Table I. Sanctions imposed by the SFP and the OIC, 1983-2012

Periodos						
Sanciones	**1983-1988**	**1989-1994**	**1995-2000**	**2001-2006**	**2007-2012**	**Total**
Total	5 389	27 891	37 275	34 501	53 296	158 352
Administrativas	4 709	25 828	31 383	28 674	48 382	138 976
Part. (%)	3.4	18.6	22.6	20.6	34.8	100
Amonestación privada	1 696	4 459	4 023	2 322	13 106	25 606
Amonestación pública	149	3 168	4 667	7 552	11 597	27 133
Suspensión	1 833	7 347	8 505	7 370	13 584	38 639
Inhabilitación	66	4 032	7 106	7 894	7 723	26 821
Otras	965	6 822	7 082	3 536	2 372	20 777
Económicas	680	2 063	5 892	3 536	4 914	19 376
Monto (millones de pesos)	1 104.10	9 189.60	5 699.80	19 578.40	32 351.00	67 922.90

Source: Secretaría de la Función Pública (2012). Informe del Resultado de la Fiscalización Superior de la Cuenta Pública 2011. México: SFP, p. 171. Recuperado http://www.asf.gob.mx/Trans/Informes/IR2011i/Grupos/Gobierno/2011_0059_a.pdf

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[9] Esta encuesta realiza estimaciones a nivel nacional y por entidad federativa, de las experiencias y percepciones de la población de 18 años y más residente en comunidades urbanas de más de 100 mil habitantes, sobre los servicios y trámites públicos que ofrecen los tres órdenes de gobierno, en 31 trámites y servicios que van desde el pago de predial, la obtención de agua potable y la licencia de manejo hasta trámites ante el ministerio público o en un juzgado o tribunal; de los cuales 9 son de orden municipal o delegacional, 12 estatal y 10 federal. La escala de calificación es de 1 a 10, donde 1 significa menor satisfacción y 10 mayor satisfacción con los trámites y servicios con lo que se ha entrado en contacto.

Of the 158,352 penalties, 87.8% (138,976) were administrative, and 12.2% (19,376) were economic, amounting to 67 922.9 million pesos. The number of sanctions increased 7 times in the first four periods, from 5389 in the first period to 34,501 sanctions in the fourth quarter and grew 10 times to pass 53,296 penalties in the last period.

Two thirds (68.3%) 94,880 administrative sanctions imposed from 1983 to 2012 were not serious, while the other third (31.7%) itself is considered serious. Non severe penalties were distributed as follows: 40.7% (38,639) were of suspensions; 28.6% (27 133) public warnings, 27.0% (25 606) to private warnings and 3.7% (3502) to subpoenas. In the case of severe penalties, 60.8% (26,821) were of disqualifications and 39.2% (17 275) to firings. Note that the types of administrative sanction more increased from 1983 to 2012 were severe, specifically disqualifications, which went from 66 in the 1983-1988 period to 7,894 in 2001-2006.

Criminal to civil servants of the APF by the supreme audit for the abatement of recurrence of irregularities, sanctions have been little or no as shown in the summary of 15 years of auditing public accounts for the years 1998 to 2013, as 664 complaints over the years only there were 12 appropriations equivalent to 0.018% (table II).

Table II. Criminal complaints
Public Accounts 1998 a 2013
(Corte al 31 de diciembre de 2015)

Estatus Legal				
Cuenta pública	Denuncias presentadas	Trámite	Reserva	Consignadas	No ejercicio de la acción penal
1988	2	1	0	0	1
1999	13	8	1	0	4*
2000	2	0	0	1	1*
2001	0	0	0	0	0
2002	0	0	0	0	0
2003	1	0	0	1	0
2004	4	3	0	0	1
2005	3	0	0	0	3
2006	4	3	1	0	0
2007	2	2	0	0	0
2008	10	8	0	2	0
2009	88	78	1	8	1
2010	140	133	2	4	1
2011	133	127	3	3	0
2012	151	149	0	2	0
2013	29	29	0	0	0
Total	582	541	8	21	12

*Previous research of ASF on the public account 2000 accumulated to public account 1999. In addition there have been 82 complaints made by simulation concept refunds, of which 66 are pending, 1 in reserve and 15 amparo. Total complaints: 664.
Fuente: ASF (2014, p. 151)

The table can be seen that does little or nothing to the ASF detect and verify numerous crimes that cause grief to the exchequer if those responsible are not brought to trial and punished according to criminal legislation. Despite the actions taken by the government to combat corruption, such as legal reforms to clarify the responsibilities of public servants, improve internal control mechanisms, establish professional career service, among others, they have not been sufficient to improve the perception of society towards corruption in public institutions.

Fourth phase: discussion

Administrative corruption increases transaction costs from the time the procedures and services by bureaucratic offices are delayed, triangulated and costly. In particular, corruption in public procurement causes a series of high costs and serious consequences with repercussions not only economic, but also political and social because of the various ways in which this can occur.

The authority has government agencies that perform a series of processes which involve the recruitment and management of human resources (bureaucracy), purchase of materials and supplies (procurement), financial resource management (public spending) and delivery of goods and / or services produced. Governmental authority to administer these resources areas of public-private interaction and / or public-public arise in which there is a likelihood of illicit and dishonest practices.

Paolo Mauro (1995), the negative consequences of corruption distort the economy, especially in macroeconomic variables, which contribute to administrative inefficiencies in public sector projects and create privileges in the private sector. So both domestic and foreign investment is reduced and the application of new ideas and technological innovations and therefore reduces economic growth.

A direct consequence is related to the higher costs of transaction originated in unofficial payments made by public officials in public procurement processes; these irregularities in procurement processes coupled with losses of default, generate costly transferred to a higher price of traded goods and services.

Corruption increases transaction costs because it increases administrative inefficiency as a result of the introduction of unnecessary delays and requirements to force payment of bribes. For example, the only study called Index Honesty and Efficiency in Generating Public Infrastructure, prepared by the company CEI Consulting & Research presents an analysis of the cost of public expenditure exerted to build public infrastructure in Mexico covering a period of 30 years from 1973 to 2003, published in August 2005, and analyzes the Federal District (Mexico City) and the

31 states of the Mexican Republic. The focus of the study is the difference between the existing infrastructure and public spending exercised, representing resources diverted fraud, embezzlement, waste or mismanagement. The results range from 0 to 6. The values closest to 0 have a better grade in the exercise of their resources in infrastructure: Michoacán (0.149), Jalisco (0.328) and Baja California (0434). Close to 6 values reflect the worst position: Distrito Federal, Campeche and Tabasco with 5,793, 3,238 and 2,355, respectively (ASF, 2012, p. 29).

In this data there is a perception that municipal, state and federal governments exercise more spending than it really worth works on bridges, roads, schools and hospitals, among others; however, it has not been able to estimate the actual cost representing the waste of public resources in the generation infrastructure.

However, corruption is not confined to the public sector but covers the private sector, for introducing irregularities in procurement processes, allowed or reduction is promoted in the quality of products or services, promoting unequal conditions competition. For example, the diagnosis on the Impact of Fraud and Corruption in SMEs in Mexico, prepared by CEI Consulting & Research, aims to measure the economic and administrative impact of corruption in small and medium-sized enterprises, which in 2004 generated 315 thousand jobs and 42.0% of GDP (ASF, 2012, p. 67).

Meanwhile, the Survey of Fraud and Corruption KPMG (2008) noted that 44% of companies in Mexico made unofficial payments to public officials, being participants of corruption, as well as 47% of entrepreneurs and business owners face the need to make an extra-official payment to pay (quoted by Casar, 2015, p. 29)

Corruption also negatively influences the composition and government revenues, increasing spending and reducing tax revenues, deepening the fiscal deficit and becoming less productive public spending. Consequently, it can be concluded that corruption directly and indirectly influences negatively on economic growth and development of a country, strangling the economy and eroding the social heritage (ASF, 2012).

According to the Bank of Mexico and the World Bank, corruption in the country is equivalent to 9% of GDP, similar to that of Mexico Economic Watch how do we figure? (2015), which places the economic costs of corruption at $ 341 billion pesos per year, which would have added to the economy if it had reduced the perception of corruption. The loss of capital productivity (ratio between GDP and total investment) is reflected in a lower amount of investment, it is up to 5% lower in corrupt countries. For the IMF, an increase of one point on the scale from 0 to 10 in corruption generates a loss of 2% in GDP growth.

For Mexico how are we doing? (2015), another cost of the economic impact of corruption is public investment, which represented 15% in 2014, so that productive investment in that year may have been higher in 84 billion pesos in the absence of corruption. If the budget cuts announced by the Secretariat of Finance and Public Credit was $ 124 billion pesos, the reduction may have been a third of what was done if corruption is reduced.

Additionally deviations occur generating resource inequality in terms of redistribution and restricting the possibilities for citizens to attain higher standards of living, to prevent the use of public resources is optimal for the benefit of society. Similarly, and as a result, corruption can make crudest and persistent poverty by enabling and increasing income inequality and make more and more people move to join the ranks of extreme poverty.

Before the turning point that has reached the relationship between corruption and government performance, various organizations of civil society pushed for a constitutional amendment to enact a new General Law on Transparency, Access to Public Information and Protection of Personal Data, and adopt a National Anti-Corruption System in early 2015. Among the objectives of the General Law is the harmonizing local laws with the General Law and standardize the principles, criteria and procedures for analysis and weighting across the country.

The SNA seeks coordination between the authorities of all levels of government for the prevention, detection and punishment of acts of corruption and administrative responsibilities, and for the supervision and control of pubic resources. To this end, the constitutional reform grants powers to the Superior Audit of the Federation, the Ministry of Public Service, the Federal Court

of Administrative Justice (TFJA), and the Special Prosecutor for Combating Corruption (FECC). These four anticorruption axes will be joined by a coordinating committee composed of the holders of fighting corruption as well as head of IFAI, a representative of the Judicial Council and one of the Committee for Citizen Participation (Casar, 2015, p. 52).

The reform establishes the obligation of public servants to declare conflicts of interest and penalties for those who engage in these, severe penalties in terms of the criminal law applicable to public servants and / or individuals who commit acts of corruption, the holder SFP (or body that replaces it) will be ratified by the Senate a proposal by the Executive, among others.

The SFP will remain responsible for correct and investigate acts of corruption or omissions constituting administrative responsibilities and punish not gross misconduct. You must also now file complaints of acts or omissions constituting the offense before SCCF. This is the body responsible for investigating and proceeding to allegations of corruption cases referred to it by any of the competent bodies. In this respect, approval and implementation of the SNA is a step forward in the institutional arrangement of fighting corruption but its mere establishment does not guarantee anything (Casar, 2015, p. 52).

The ASF is strengthened in its powers can oversee public finances in the years to run its exercise. You can also do audits resources from federal contributions to states and timely monitor possible illegal acts committed in previous years. On sanctions, the TFJA is equipped with full autonomy to dictate their failure to punish public servants in the three branches by serious administrative responsibility and autonomous bodies of the federation, and if necessary, the states and municipality entities.

However, to be successful this reform will have to create institutional capacities as Jocelyne Bourgon (2010) points out, public administration requires building the collective capacity to achieve public results evaluating the trends of the past and preserving existing capacities. That is, this collective capacity will be composed of: a) institutional capacity b) organizational capacity, c) and d anticipatory capacity) adaptive capacity.

Table III. Pubic institutional capacities to achieve results

Capacidades	Significado
Institucional	El Estado tiene la capacidad de hacer leyes y lograr que se cumplan; de establecer impuestos y gastar sin corrupción; de separar los poderes legislativo, ejecutivo y judicial; y de rendir cuentas por el ejercicio del poder. Para el caso de México, la construcción de esta capacidad podría tomar años.
Organizacional	Genera las bases para lograr resultados públicos. Ello significa que se pueden entregar bienes públicos de alta calidad al menor costo posible para la sociedad; que los usuarios pueden realizar un proceso de retroalimentación que permita continuos mejoramientos e innovaciones en los servicios entregados de manera centralizada; y que se utilicen modernas tecnologías de información y comunicación, lo que permite reducir el número de intermediarios y empoderar a los usuarios a lo largo del proceso de suministro de servicios.
Anticipatoria	Significa que los gobiernos tengan la capacidad de anticipar, detectar e intervenir proactivamente cada vez que sea necesario. También implica construir una capacidad colectiva para anticiparse, innovar y adaptarse.
Adaptativa	Se refiere a la capacidad del gobierno para construir y promover la capacidad colectiva de aprender y adaptarse y asegurar una distribución más equitativa de los riesgos, como una manera de mitigar los impactos negativos en las sociedades vulnerables.

Source: elaboración propia a partir de Bourgon (2010).

In this sense, power relations are modified leaving behind pyramidal relations, centralized practices, interventionist policies, the economic monopoly of bureaucracies, the opacity of bureaucratic offices, public interest mainly defined by the authority and lack of spaces for the organization of society has a margin of conduct in the definition of collective affairs.

Conclusions

The existence of laws on transparency, budgetary rules, the creation of new organs of management control and building a system of accountability has meant a breakthrough for combating corruption within the administration public, but has not been enough. The problem is primarily in the effectiveness and not on the existence of corruption institutions per se. While the bodies responsible for the fight against corruption have budgetary autonomy, technical and management (ASF, SFP), in the Mexican case the institutional arrangement does not guarantee a constitutional autonomy so that they have greater powers in the control system and make its

recommendations and observations are addressed by the entities audited more quickly and opportunity, and are binding with the rule of law.

Creating SNA opens the way to a new institutional framework to combat opacity and accountability of government offices, but its mere establishment is no guarantee of anything. While the government fails to communicate that from the public administration ensures the public interest, no rules, no institutions or sufficient sanctions to change the low rating of the population in fighting corruption and, therefore, public administration becomes the most visible part of the government transaction costs, thereby fostering conditions of uncertainty in society about the low levels of investment and economic growth.

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