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## Transparency in South American Central Governments



Paola M. Hermosa<sup>1</sup>, Susana Jorge<sup>2</sup>,  
Elena Urquía-Grande<sup>1</sup> and Cristina del Campo<sup>1</sup>  
<sup>1</sup>Universidad Complutense de Madrid, Madrid,  
Spain

<sup>2</sup>Research Centre in Political Science (CICP) and  
Faculty of Economics, University of Coimbra,  
Coimbra, Portugal

### Synonyms

[Accountability](#); [Corruption](#); [Socioeconomic development](#); [Transparency](#)

### Definition

The term “transparency” in economics and finance is defined very broadly as a process by which information about existing conditions, decisions, and actions is made accessible, visible, and understandable. Transparency is understood as the effective flow of information or as the process in which the information is prepared and disclosed in a safe, understandable, and timely manner (IMF Working Group 1998; Kopits and Craig 1998; Vishwanath and Kaufmann 1999). In particular, transparency is the opposite of secrecy (Florini 2000). One of its main underlying

assumptions is that transparency is always closely connected to accountability.

Transparency in public administration gives greater openness about political and economic decisions and promotes the accountability of organizations (ibid.). Therefore, the need to establish transparency mechanisms is essential to improve public managers’ decision-making and to optimize the information then disclosed to the citizens. Finally, economic development and transparency go together. Logically, transparency is negatively correlated with corruption and positively correlated with economic development.

Corruption and socioeconomic development indicators help analyze how countries have evolved and how they are positioned relatively to each other, to support transparency. It is important to realize how these countries have behaved and the main differences because the best transparency practices can serve as example for the others.

In the last two decades, South American countries’ indicator interrelationships with transparency towards accountability have displayed several differences (del Campo et al. 2020). Regarding the contextual issue and the analyzed indicators, Uruguay and Chile can be identified as the best performing countries, while Venezuela leads the list of the least transparent countries. The Human Development Index (HDI) shows that Chile and Argentina have very high human development. In recent years, Chile, Uruguay,

Brazil, and Colombia have presented a progressive growth.

## Introduction

Currently, at an international level, governments are making great efforts to reduce and control certain economic variables to improve public services performance (Heinrich 2002; Propper and Wilson 2003). There is also a need to establish transparency mechanisms to improve public managers' decision-making and to optimize the information then disclosed to the citizens (Meijer 2013).

The importance of information for effective democracies is essential (Hood and Heald 2006; Stiglitz 2002) as well as transparency promotion (De Simone et al. 2017; Florini 1999). Therefore, the disclosure of key indicators and their comparability is crucial, as it reinforces the democratic relationship between governments, citizens, and international communities, contributing to increase the citizens' trust and their feeling of safety (Rodríguez et al. 2015).

In the same line, in the contemporary global discourse, large questions of legitimacy, effectiveness, and accountability of governance matters are raised (Backstrand 2008). The appropriate arrangement to assure the public financial sustainability "value for money" is transparency of information in governments (Jaeger and Bertot 2010). The key to achieve a better governance is recognizing the importance of information for effective governance democracies (Stiglitz 2002) and the role of the international financial institutions in promoting fiscal transparency (Vishwanath and Kaufmann 1999).

Transparency in public administrations gives greater openness about political and economic decisions and promotes organizations' accountability (Bushman and Smith 2003). The key to enhance transparency is to pay attention to incentives to disclose basic information because if there are incentives for information disclosure, the actors' behavior can be modified and adjusted toward best practices (Florini 1999).

Academic literature has highlighted transparency as a requisite toward accountability (Lourenço 2015; Fox 2007). Furthermore, previous research identifies accountability as the concept intertwined with transparency that implies actors being held responsible and having obligations to act in ways that are consistent with accepted standards of ethical behavior (Schedler 1999). Thus, mechanisms for appropriate accountability must adhere to the delegation and participation of public managers (Grant and Keohane 2005).

The disclosure of corruption indicators is crucial as a best practice of transparency toward accountability. When studying abuse of power, the democratic governments of the world demand adherence to transparency in their management (Han and Demircioglu 2016).

While there seems to be a wide range of literature addressing management transparency and accountability issues at the organizational level within the public sector, there is scarce research about the link between countries' performance and transparency and accountability. This paper aims at contributing to fulfill this gap, as it addresses countries' corruption and socioeconomic indicators' relationship toward transparency and accountability. In particular, considering the context of South American (SA) countries, this research analyzes trends and main differences between countries regarding corruption and socioeconomic development indicators.

## Transparency, Accountability, and Socioeconomic Development

There are academic research and world institutions' reports addressing interrelationships between corruption and socioeconomic development indicators, toward transparency and accountability. According to those, it is expected that less corruption and better socioeconomic contexts will favor transparency pushing for improved accountability.

Transparency is researched as a cause for greater efficiency and effectiveness. When the

economic development increases, citizens expect to receive better services and require more information to assure that their taxes are being used effectively. Filgueiras (2016) points out that a transparency policy perspective through normative arguments, principles, and rules for the construction strategy in the accountability concept toward stronger public management processes improves the quality of information.

At the same time, when studying the way in which corruption affects transparency, the democratic governments demand adherence to transparency in their exercise, as “corruption” is undoubtedly the biggest obstacle in the delivery of aid and development (Mauro 1995). It has been demonstrated that reducing corruption has a significant impact on economic development and investment. Important evidence about corruption was presented in a study on the Corruption Perception Index (CPI) by Transparency International (2018), ranking 180 countries and territories by their perceived levels of public sector corruption (according to experts and business people). This index uses a scale of 0 to 100, where 0 is highly corrupt and 100 is very clean. Currently, still more than two-thirds of countries score below 50 on this year’s CPI, with an average score of just 43.

In order to achieve accountability, public administrations’ transparency is one of the major issues (Romzek 2000). In this context, Guthrie et al. (2010) address the concept of sustainable accountability, arguing that it plays an important role in the provision of public services. Transparency, as a requisite for accountability, should help users to evaluate the capacity of an entity to meet its sustainability commitments. In a different line of research, other authors (Alcaraz-Quiles et al. 2018) have pointed out that transparency is positively linked to the levels of Internet access, electronic government, and sustainable economic development. Evidence of governments’ ICT efficiency shows that they are improving its transparency and accountability (Pina et al. 2007, 2010).

Several international organizations, such as the G-20 and the International Federation of Accountants (IFAC 2013), have demonstrated

the need to increase transparency and accountability in public administrations to achieve sustainable development. Factors, such as public administration organization, the size of the jurisdiction, and the audit of financial information by private firms, can influence on Internet Financial Reporting practices in the public sector (ibid.). Rodríguez et al. (2015) find that the international financial reporting standards through the use of new accounting models, as the introduction of the fair value accounting, aim to improve governmental transparency and accountability.

Some studies associate accountability as a human right of public value creation (Douglas and Meijer 2016; Hood 2010). Accountability and transparency as principles of governance complement one another smoothly to produce countries’ good governance. Observers often cite transparency as a response to the accountability concerns of global actors and how the disclosure and openness affect their behavior and their actions to be transparent (Hale 2008). Other researchers relate accountability with corporate social responsibility reporting platforms, enabling transparency for accountability (Bauhr and Grimes 2014).

The worldwide increase in access to information laws reflects a growing concern for transparency, accountability, and participation in the economic and political mechanisms. Calland and Bentley (2013) conclude that the Freedom of Information (FOI) legislation often plays an important part in state- or citizen-led transparency initiatives as access to information is having an impact on socioeconomic conditions.

To assess commitment of transparency and accountability in public sector, Radcliffe et al. (2017) propose administrative control by asking five questions about the level of disclosure to citizens by public sector organizations and governments regarding financial and performance reports; how taxes are being spent; organizations’ or governments’ achievements and what remains to be done; and how citizens are being affected by specific programs.

The idea underpinning the studies about accountability practices on performance is that

they permit meaningful cross-country comparisons as well as monitoring over time, using aggregate and individual indicators. Additionally, the study of accountability is a challenge that public administrations must face. The advantages of considering transparency and social accountability strategies to improve the lives of marginalized groups are increasingly being used in an effort to expand basic public services (Joshi 2017).

Likewise, the use of digital technologies through online and offline tools can bring policy making and accountability of public decision-making to be more participatory in developing countries. A recent evidence of online participation through civic technology and e-democracy platforms is presented by Rumbul (2016), who identified how citizens use civic technologies and how these platforms shape their attitudes and opinion concerning their respective governance structures; the author found the number of users believing that such civic platforms enable them to hold governments and politicians to account was extremely high across all surveyed platforms. In addition, Rautiainen et al. (2017) suggest that different governments have incorporated the promotion and development of advances in information and communications technologies (ICTs). This adoption, such as developing websites for public entities, data portals, social media tools, and online meetings, has caused a significant change in the relationship between governments and their different stakeholders in order to promote government transparency toward the countries' growth.

## South American Countries' Context

This section provides a review of the recent academic and professional literature addressing practices and issues related to the aforementioned topics, in the South American countries' setting, that include concepts such as social accountability (Joshi 2017), e-government (Bayona and Morales 2017), the perception of corruption (Relly 2012), the public sector reform (Gálvez et al. 2012), and financial accountability (Rodríguez et al. 2015).

The promotion of ICTs by governments toward transparency and accountability is significant and has gained an increasing weight with authors proposing accountability indexes applied to SA governments (Hermosa et al. 2019). Several South American countries, such as Argentina and Venezuela, have applied the model of e-government development, where urban information and interaction are the most developed components but not transactions and e-democracy, being transaction services one of the most sensitive aspects of the development of official web pages (Bayona and Morales 2017). The analysis about e-democracy and trends suggests that all governments have developed portals and have a strategic and/or action plan. For example, the creation of a sectorial forum has been promoted in Bolivia; virtual legislative programs in which citizens may participate have been created, such as the virtual parliament in Peru and virtual senator in Chile, which allows people to know and discuss bills; virtual mailboxes have been implemented to write to the president in Paraguay; the strong use of ICTs was the constitutional convention in Ecuador. However, there is a great difference among actions (Welp 2010).

The perception of corruption is an issue related to the lack of governance. Canache and Allison (2005) argue that Latin America countries are quite aware of the seriousness of corruption in their countries. The negative side of mass opinion on corruption is that pervasive misconduct can trample public sentiment toward democratic politics. Inadequate anti-corruption strategies may affect users' economic decisions and efficiency (Relly 2012). As a result, it should be considered the examination of the determinants of corruption (Berthin 2008) as well as the influence of information access on the control of corruption and the capacity to design and implement transparency (Relly 2012) together with the anti-corruption strategies' design that can be useful to articulate a long-term vision against corruption.

Gálvez et al. (2012) describe that experience in self-regulation is the factor that most influences in the requirement of transparency. Using the public sector reforms, Ramio (2008) explains the positive association between innovation strategies and

more effective and efficient public services, although there are important risks related to the introduction of institutions based only on private sector values.

In this modernization process of the public sector, a key concept is accountability, which can influence the success of public administration reforms (Schedler 1999). There has been a great advancement of public finance systems, namely, by the issuance of a series of public sector accounting standards (IPSASB 2017) in order to increase the quality of financial statements to improve financial transparency (Rodríguez et al. 2015).

Transparency and accountability practices have been analyzed by a number of academic and professional studies in many South American countries, although no studies or reports were found about Suriname and Guyana.

In the case of Argentina, the renegotiation of the external debt, the inability of political parties to represent large sectors of the citizenry, and the weak judiciary system are some of the factors that are undoubtedly reflected in the budgetary resources allocated to the public sector and threaten the very foundations of a minimally civilized social coexistence. Currently, there are a growing number of organizations responsible for measuring the degree of transparency and ethics of public bodies at international, regional, and national levels (Aldao et al. 2015; Carmona et al. 2013).

In **Bolivia** the level of public information disclosure is still low. There has been an overall absence of a culture of transparency, which has not been able to advance due to little democratic experience, bureaucratic inefficiency, tradition in corruption with more or less intensity in the different governments, absence of a democratic culture in citizenship with the principle that people have the right to demand accountability, and public official giving in to inefficiency (Apaza 2012).

Five main transparency measures stand out in **Brazil**: in 1997, the possibility of following up remote biddings by any citizen through the Purchasing Portal of the Federal Government Purchases ([www.comprasnet.gov.br](http://www.comprasnet.gov.br)); in 2000, initiatives to inform citizens about public

decisions or as tools to improve governance, such as the promulgation of the fiscal responsibility law and municipal public finances law; in 2004, the creation of the federal government transparency portal ([www.portaldatransparencia.gov.br](http://www.portaldatransparencia.gov.br)); and in 2007, the creation of a computerized system of management “siconv” (<http://portal.convenios.gov.br>), for the process of voluntary decentralization of resources toward the states, municipalities, and non-profit private entities; and) Law 5228/2010 of access to public information (Moreira and Claussen 2011).

In **Chile**, the institutional transformation represented by a policy of transparency was complex, since it implied the modernization of the state and a change in the way of doing things. Among several initiatives, there were the creation of the National Commission on Public Ethics in 1994, Law 20285/2008 on access to public information, progress in reforms of state regulations to social control – the law of lobby ([www.infolobby.cl](http://www.infolobby.cl)), the probity of public officials ([www.infoprobidad.cl](http://www.infoprobidad.cl)), the financing of political parties, hiring of the state and public works awards, Law 20128/2011 of fiscal responsibility, the improvement of factors such as the functioning of public services, public sector contracts, and innovation in making data visually accessible in contexts of limited digital management (Zalaquett and Muñoz 2008; Sousa 2010; Moya et al. 2012).

**Colombia** has been a pioneer in the hearings and public disclosure of the preliminary projects of administrative acts, namely, in the Constitution of 1991. Since then there were the issuance of laws to incorporate new technologies: Law 962/2005 that structures the online government strategy, the Decree 1151/2008 of electronic government, the creation of the Anticorruption Statute in 2011, and the creation of an open public purchase system, the Decree 4170/2011 – the portal Colombia Compra Eficiente (Gómez and Montesinos 2014).

In **Ecuador** there has been some progress in laws on access to public information (Organic Law on Transparency and Access to Public Information – LOTAIP – 24/2004) that establishes the publication on the Internet of, e.g., the budget, information on salaries and benefits of public

servants, concessions, permits and contracts, subsidy programs, and results of audits of the internal and external control bodies (Cunill 2006; Jara 2017).

In **Paraguay** there have not been significant measures, although it has begun the construction of bases for the fight against corruption, with the National Integrity Plan (PNI) of 2002, and the creation of the Transparency International Paraguay chapter (Velázquez and Pereira 2008). More recently, there was also the creation of the National Anti-Corruption Secretariat (SENAC) by Decree 10144/2012 and the National Corruption Prevention Plan of 2016, and, within the policy of greater transparency of information, the country entered the Open Government Partnership initiative in 2017 (Andrade et al. 2019).

**Peru** started promoting citizen's participation in the monitoring and control of public administration with Law 2630/1994 and Law 27806/2002 of access to public information and its regulation. The implementation of the Standard Transparency Portal was approved to Public Administration entities (DS 063-2010-PCM), and the Directive 001-2010-PCM/SGP established "Guidelines for the Implementation of the Portal of Standard Transparency in Public Administration Entities," setting the obligation to have certain information in the standard transparency portals. Lately, the country entered the Open Government Partnership, and there was a specific initiative, at national and regional level, for Transparency in Extractive Industries (Da Cruz et al. 2016).

In **Uruguay**, the application of ICTs in government, namely, e-government, has been considered an important strategy for government reform, highlighting the possibility of transforming the fundamental relationships between government, citizens, companies, and other interest groups. The country has passed anti-corruption measures, such as Law 17060/1998 on anti-corruption of officials or the "Crystal Law," the creation of the Transparency and Public Ethics Board (JUTEP) by Law 17.060/1998, recent advances in a retributive justice, judges more liberals and more receptive presidents, the creation of the Consultative Council by Law 18250/2007, which is composed by the Judicial Branch, the Legislative Branch, the

Public and Prosecutor's Office, the academy and the civil society, and the creation of the Law on the Right of Access to Public Information LDAIP, Law No. 18.381/2008 (Skaar 2013).

**Venezuela** has been in an emergent situation; eradicating corruption requires re-engineering in the justice system, comptrollers, and police. So far, there is no law on access to public information, so citizens should demand the approval of such a law because in no case must it depend on the will of an official or a political leader (Belloso and Primera 2015).

These above-referred studies highlight that, in the majority of the South American countries, there has been an accelerated progress in regulations and laws on access to public administration information, especially referring to critical issues, the budget being the most important. Those countries have ratified international conventions, created anti-corruption offices for criminal responsibility, and established bodies for the protection of whistle-blower corruption reporters. Some case studies highlight experiences and situations in South America that are related to transparency and the fight against corruption.

## Data and Methodology

This paper uses data from the 12 South American countries for the period of 1996 to 2016. These countries are, in alphabetic order, Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Guyana, Peru, Paraguay, Suriname, Uruguay, and Venezuela.

Given that the objective is to analyze how countries behave in terms of certain indicators, associating these with transparency and accountability issues, secondary official sources of data have been used. Accordingly, the indicators used in the study were collected from the together: "databases" of Transparency International (2018), the United Nations Development Programme (2016), and the World Bank (2016). It must be noted that some data for Suriname, Guyana, Paraguay, and Brazil were missing. Missing data are a serious problem for any study and can compromise the integrity of the analyses.

A common approach to account for a large number of missing data in many analyses is to exclude the years for the indicators that have any missing data. However, as the missing values for indicators in the present study along the different years were less than 3%, those values could be estimated using linear regression.

Through the present analysis, the best countries in terms of corruption and socioeconomic development indicators and how they have evolved in the last decades toward better transparency and accountability have been identified. This analysis could also encourage a benchmarking behavior among governments of the countries considered, pushing for continuous improvements. Based on the previously described indicators, groups of SA countries that present similar characteristics are identified, trying to determine what are their most important features and their role in the whole territory of the SA continent.

## Results

Results show that the indicators such as Control of Corruption (COCO) and Corruption Perception Index (CPI) together with Gross Domestic Product (GDP) present very low levels in most of the SA countries. There is a declining trend that depicts possible problems in transparency. Uruguay is perceived as the least corrupt with the best evaluation of the South American countries, followed by Chile according to the results. On the other side of the spectrum, Venezuela ranks among the 20 most corrupt countries in the world (Transparency International 2018).

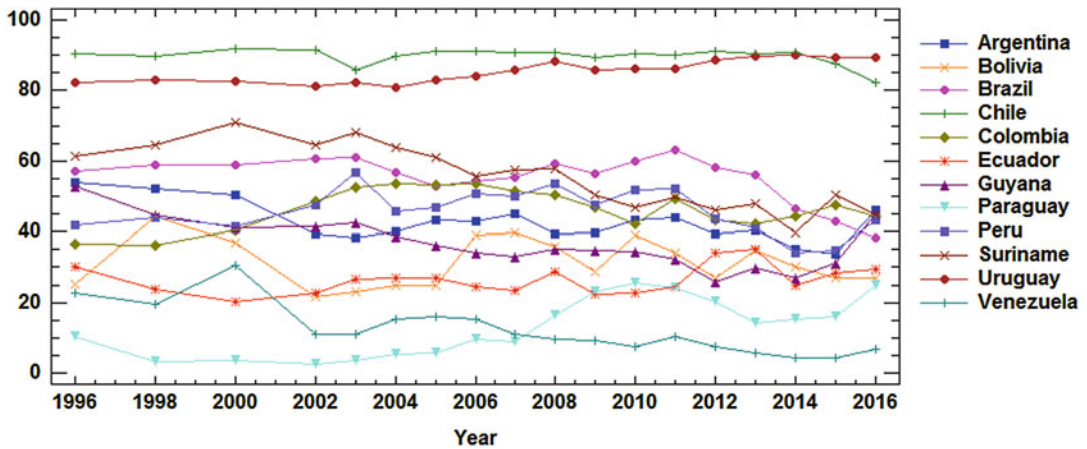
The Control of Corruption (COCO) is part of the set of the two corruption indicators together with CPI. It captures the perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption. In general, the tendency of the Control of Corruption indicator in every SA country is relatively stable with the passage of time, that is, the country that has a high COCO keeps it high all the time, while a country that has a COCO low stays with the COCO low almost all the time. It is observed that the average of the *Control of*

*Corruption (COCO)* indicator for the region of 45.05. The lowest values are in Venezuela and Paraguay, whereas the highest values are in Uruguay and Chile.

The countries with the best indicator are Chile and Uruguay, while Venezuela is the country with the lower COCO (see Fig. 1). Ecuador and Paraguay have had an improvement in the indicator in recent years, although they have low values throughout the study period.

Argentina has an initial value of 54 in 1996, which decreases smoothly with small undulations, to grow a little at the end of the study period, standing at 46 in 2016. **Bolivia** has a highly variable behavior in the indicator, starting at the value of 24 and, after several ups and downs, settling at 28 in 2016, with a slightly upward trend. **Brazil** begins the study period, at 56 and after having alternately an ascent, a descent, and a smooth ascent, it reaches a maximum value of 62 in 2011, after which it descends continuously down to 38 in 2016. **Chile** is a country with a good COCO value, which maintains a value of 90 almost all the time, with the exception of values of 85 in 2003 and 88 and 82 in 2015 and 2016, respectively. It is expected that the country will recover from the small dip in the last 2 years and have again values equal to or greater than 90. **Colombia** starts with the indicator at 36 in the year 1996, and after having slight ascending and descending variations, it is placed at the value 44 in 2016. **Ecuador** index begins on 30 in 1996, has minor ascents and descents, and is placed at almost the same value of 29 in 2016. **Guyana** begins in 52 in the year 1996 and then descends continuously until reaching its minimum at 26 in 2012, rebounding year after year to finish at 45 in 2016. **Paraguay** is one of the countries that has the lowest indicator. It starts in 10 in 1996 and drops to 2 in 1998. Since then it began a recovery behavior until reaching a maximum of 24 in 2010, then progressively decreases to 14 in 2013, and ends with a rising behavior until it reaches the value of 24 in 2016. **Peru** begins its behavior in the value of 42 in 1996 and, after gradually increasing, reaches a maximum value of 56 in 2003. After having a descent and then several ups and downs, it reaches a minimum





**Transparency in South American Central Governments, Fig. 1** Control of Corruption for the 12 South American countries, 1996–2016

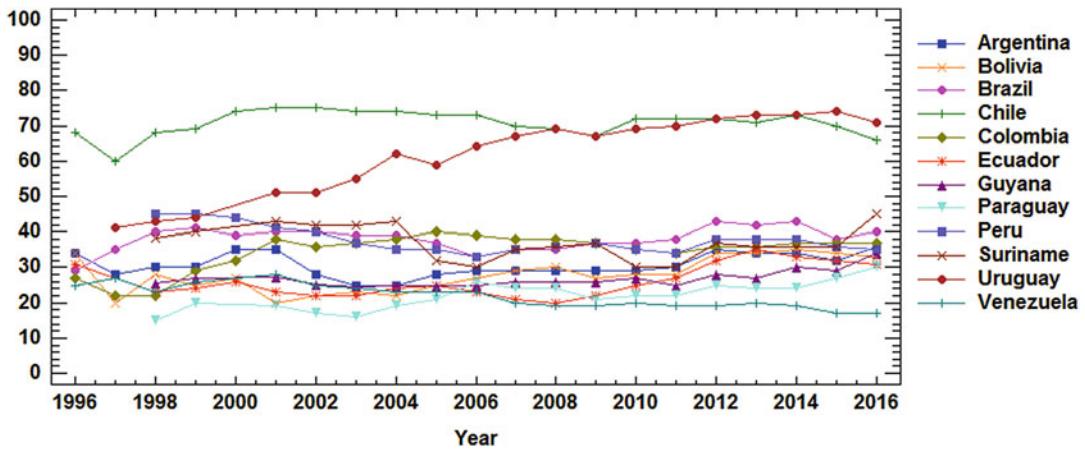
value of 32 in 2014. It finally manages to have a slight recovery and is placed at the value of 44 in 2016. The behavior of COCO is surprising in **Suriname**. It starts at 61 in 1996, reaches a maximum value of 70 in 2000, and then has a progressive decline, with small recoveries, until it reaches its minimum of 40 in 2014. It has a small recovery in 2015 and then falls to a final value of 42 in 2016. There are weaknesses that perpetuate corruption including inadequate institutional structures, mechanisms, and processes; weak enforcement such as regulation, political governance, and citizen access to information; and limited participation of the civil society. Legislative reform is necessary. **Uruguay** COCO's behavior is very good. The indicator has been almost continuously increasing from 82 in 1996 to reach the value of 89 in 2016. **Venezuela** started with an indicator of 22 in 1996, fell a little in 1998, and then reached its peak of 30.46 in 2000. Since then the tendency has been mainly downward, standing at the end of the analyzed time period at the value of 8.

The Corruption Perception Index (CPI) is an index published by Transparency International (TI) which ranks countries by their perceived level of public sector corruption, where a score of 100 indicates that no corruption is perceived in the considered country. The trends show that ten South American countries have high levels of corruption (see Fig. 2). Their global average is

only 36.22 without making significant progress in their struggle against corruption despite the fact that there are now laws and mechanisms to counteract the phenomenon. Only Uruguay and Chile are better performers in the corruption conflict.

Countries such as Argentina, Bolivia, Colombia, Ecuador, Guyana, Paraguay, and Peru obtained a qualification between 30 and 35, still very far from the best world qualified countries, for example, Canada with 82. Additionally, Brazil and Suriname obtained a qualification between 40 and 41; however, Venezuela performs worst every year. More detailed analysis follows below. It has to be noted that some values are missing at the beginning of the study period for Ecuador, Guyana, Paraguay, Peru, Suriname, Uruguay, and Venezuela.

Argentina begins on 34 in 1996, has minor ascents and descents, and is placed at almost the same value on 36 in 2016. **Bolivia** starts in 34 in 1996, drops to 20 in 1997 and 2001, rises to 22 in 2002, and then has a linear ascending behavior until it achieves a value of 41 in 2016, with small ups and downs at the end. Bolivia has undertaken significant efforts to enhance transparency. Evo Morales declared “zero tolerance” against corruption, and his government has created an institutional and legal framework that appears robust. Yet, despite these positive initiatives, Bolivia still performs below global and regional averages in



**Transparency in South American Central Governments, Fig. 2** Corruption Perception Index for the 12 South American countries, 1996–2016

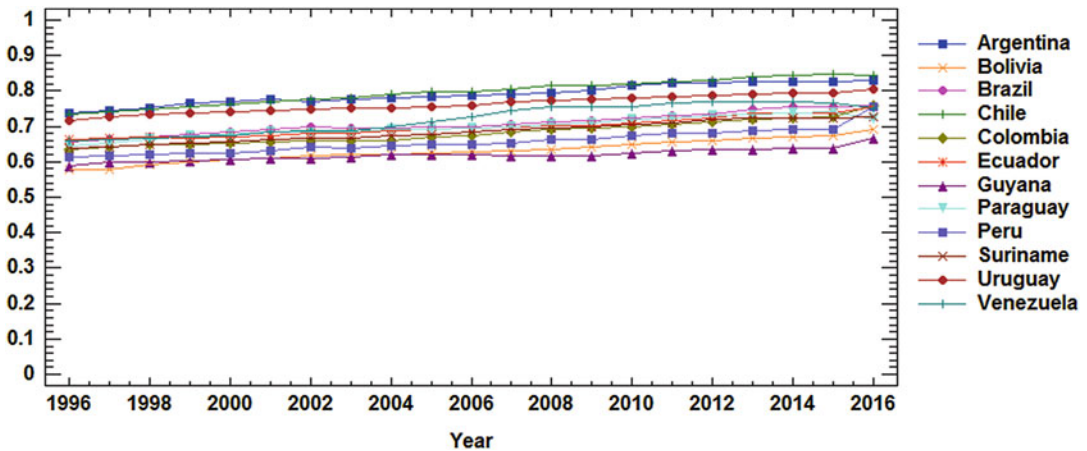
most governance areas, including corruption. The lack of capacity and resources undermine new institutions, while low salaries, lack of training, and a burdensome bureaucracy continue to create opportunities and incentives for corruption. **Brazil** obtained a qualification of 29 in 1996. It has small ups and down through the study period and is placed at the value of 40 in 2016. **Chile** standing at 66 in 2016 has lost qualification with respect to 2014 and 2015, although it has had a similar score since 1996. **Colombia** received the score of 37 in 2016 with an average rating of 34.55. The lack of adequate regulation and accountability mechanisms is a cause for concern. **Ecuador**, despite being at low levels, starts with a rating of 31 and improves the rating since 2009. It has an average rating of 26.10. **Guyana** starts at 30 and has an almost flat behavior during most of the study period whose global average stands only at 27.33. **Paraguay** begins on 15, has minor ascents and descents, and is placed at the value of 30 in 2016. **Peru** has a slight downward tendency since 1997. It has a global average of 37.74. **Suriname** starts at 38 and then has a small increase at the end of the study period, standing at 45 in 2016. **Uruguay** hovers close to Chile in South America, with a score of 71 in 2016, reaching an all-time high score of 74 points in 2015 and a record low of 43 points in 1998. **Venezuela** maintains the lowest result of 17 in 2016, with an average value of

21.84, a value that reflects the systemic and persistent corruption that exists in the country.

In terms of socioeconomic indicators, the Human Development Index (HDI), elaborated by the United Nations Development Programme (UNDP), is a summary measure of the average achievement in three key dimensions of human development: a long and healthy life, being knowledgeable, and having a decent standard of living. It emphasizes people and their capabilities as the ultimate criteria for assessing the development of a country, not the economic growth alone.

The average values of the HDI approximate countries in the SA region; still, the lowest average value of 0.62 is in Guyana, and the highest of 0.79 is in Chile; the regional average is 0.70. The trends show that most countries have a similar behavior in the form of an increasing almost linear behavior (see Fig. 3). Venezuela departs slightly from this behavior, especially at the end of the study period, in which its values have a very slight tendency to decrease. The average increase value of the indicator in the period varies between 0.08 and 0.11; only Guyana differs from this behavior, since its average growth is just 0.04.

Argentina ascending line begins at 0.74 and ends at 0.83, with a sustained increase between the starting and the ending point of 0.09. The only decrease occurs in 2002. **Bolivia** increasing curve begins at 0.58 and ends at 0.67, with a sustained growth value of 0.09. **Brazil** ascending curve



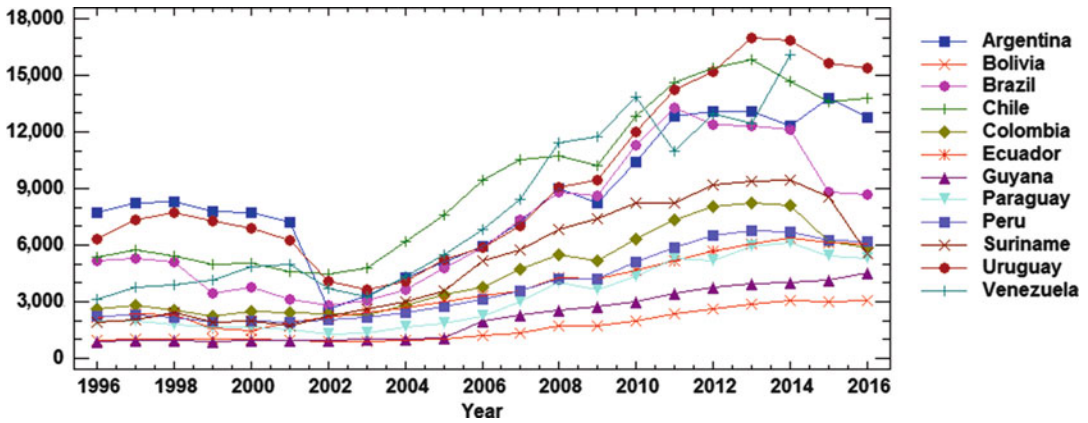
**Transparency in South American Central Governments, Fig. 3** Human Development Index for the 12 South American countries, 1996–2016

starts at 0.66 and ends at 0.75, with a sustained growth value of 0.09. **Chile** continuously increasing tendency begins at 0.74 and finishes with 0.85, with a sustained growth value of 0.11. **Colombia** ascending curve begins at 0.63 and ends at 0.73, with a sustained growth value of 0.10. **Ecuador** ascendant trend begins at 0.66 and ends at 0.74, with a sustained growth value of 0.08. The only slight decline occurs in 1999. **Guyana** continuously ascending curve starts at 0.59 and ends at 0.63, with a sustained growth value of 0.04, the smallest of all SA countries, as it was already mentioned. **Paraguay** linear ascending curve begins at 0.65 and ends at 0.74, with a sustained growth value of 0.09. **Peru** linear ascending curve begins at 0.61 and ends at 0.69, with a sustained growth value of 0.08. **Suriname** continuous increasing curve begins at 0.62 and ends at 0.73, with a sustained growth value of 0.11. **Uruguay** linear rise starts at 0.71 and ends at 0.79, with a sustained growth value of 0.08. **Venezuela** ascending curve begins at 0.66 and ends at 0.77, with a sustained growth value of 0.11. As it was previously mentioned, it is the only curve that has some undulation, with a slight descending behavior at the end of the study period.

Finally, the Gross Domestic Product per capita in Purchasing Power Standards (GDPPPS) is a widely used indicator which refers to the total gross value added by all resident producers in

the economy, as the World Bank states. This indicator will be analyzed from 1996 to 2016 as well. The trend shows that the countries experiencing the greatest expansion in 2016 are Chile and Uruguay (see Fig. 4), which also have the highest average throughout the study period with \$9,320.34 and \$9,357.03, respectively. However, several SA countries registered a negative growth in the last few years. For example, Brazil's economy has been growing negatively since 2011, and Colombia and Suriname present negative growth value since 2014.

Argentina starts with a value of \$7,721.35 in 1996 and, after having ascending and descending variations, is placed at the value of \$12,790.24 in 2016. Bolivia starts with the indicator at just \$950.86 in 1996, and, after having slight ascending variations, it is placed at \$3,076.66 in 2016. Bolivia has the lowest GDPPPS of all SA countries. Brazil starts at \$5,166.16 with a downward trend that changes to upward between 2002 and 2011. However, in the last few years that trend has turned down again with a value of \$8,710.09 in 2016. Chile started the study period with an indicator of \$5,349.80 and maintains a quite steady upward tendency up to 2013. In 2016, it shows a slight upward trend again finishing with a value of \$13,753.59. Colombia started with an indicator of \$2,620.54 reaching its peak in 2013, since when it has had a downward trend finishing with a value



**Transparency in South American Central Governments, Fig. 4** Gross Domestic Product (PPS) for the 12 South American countries, 1996–2016

of \$5,871.22 in 2016. Ecuador starts with value of \$2,155.52. After growing steadily almost the entire period, it reaches the value of \$6,060.09 at the end. Guyana begins on just \$927.19 in 1996, has a slim upward trend, and is placed at the value \$4,542.62 in 2016. Paraguay has a slight ascending behavior during the whole study period but for the last 2 years. It starts with \$2,002.69 in 1996 and ends in \$5,319.41 in 2016, with an almost continuous growth in its annual values throughout the study period. In spite of the almost linear rise for Peru from \$2,232.08 in 1996 to \$6,756.75 in 2013, the value has sunk in the last few years to a value of \$6,204.99 in 2016. Suriname starts at \$1,921.88 and has an ascending behavior until its peak in 2014 with \$9,472.01. It ends in \$5,539.07, in a quite abrupt downward trend. Uruguay starts with the indicator at \$6,317.57 in 1996, and, after having ascending and descending variations, reaches its peak at \$16,973.67 in 2013. It is placed at \$15,387.14 in 2016. Venezuela starts at \$3,151.27 in 1996 and has many upward and downward variations to finish.

After the analysis of these indicators, contrasting cases can be clearly identified, where Venezuela and Paraguay seem to be in the worst situations and Chile and Uruguay in the best. Across the SA region, the main differences are in corruption perception and control indicators, in GDPPPS. These differences reflect different routes countries have been following in order to improve transparency toward accountability.

The case of Chile seems to be derived from the fact that it has signed and ratified international treaties regarding corruption, money laundering, intellectual property, and tax crimes, seeking to increase the catalog of crimes that generate a type of criminal responsibility (Moya et al. 2012; Sousa 2010; Zalaquett and Muñoz 2008).

The findings regarding corruption are rather curious for the countries with lower values (Venezuela and Paraguay), especially when looking to the other indicators too. On the one hand, their population indicates a lower perception of corruption in the public sector, and, on the other hand, perhaps because of this perception, they have lower level or control of corruption. However, Venezuela presents high values in the socioeconomic development indicators, compared to the average of the region – HDI of 0.72 above the average of 0.70 and GDPPPS of \$7,702.89 well above the \$5,531.47 average of the region.

Accordingly, these countries should look to their neighbors’ practices, so as to reach some accountability improvements.

## Conclusions

The findings presented above show how SA countries have evolved in the last two decades, seeking for better transparency and accountability. The analysis was based on key variables of each

country's institutional context, in relation to anti-corruption policies, socioeconomic conditions, and the effectiveness of the government within the legal framework. Considering indicators representing these issues, countries were compared in the last 21 years, trying to determine their most important features and their role in the SA continent. As became evident, there are countries assuming a clear leading role, hence pushing for transparency toward accountability, whereas other countries still have a long way to run.

The previous results show that the indicator in which SA central governments have achieved a better general performance is the Human Development Index (HDI). However, Control of Corruption (COCO), Corruption Perception Index (CPI), and Gross Domestic Product per capita (GDPPPS) present very low levels in most SA countries. Namely, there is a declining trend and that depicts possible problems in the governance according to the reported figures, although more attention and study are needed.

Although in general SA countries have improved, data analyzed from 1996 to 2016 shows that in relation to Control of Corruption and Corruption Perception Index (CPI), most SA countries have not improved in the last two decades except for Uruguay, Chile, and Guyana. The highest average value in Control of Corruption was in Chile and the lowest was in Venezuela. Contrary to the index name, the higher the value is, the more transparent and clean the country is, so the highest average value in Corruption Perception Index was in Chile and the lowest average value was in Venezuela, ranking among the 20 most corrupt countries in the world (Transparency International, 2018). Regarding the performance of the socioeconomic indicators, the GDPPPS highest average value was in Uruguay and the lowest average value in Bolivia. The highest average HDI value was in Chile and the lowest average value in Bolivia. Regarding trends, Uruguay is perceived as the least corrupt with the best evaluation of the South American countries, followed by Chile, according to the results. Countries such as Argentina, Bolivia, Brazil, Ecuador, Paraguay, and Peru and Venezuela present difficulties in the tendency of most of

the governance indicators. Regarding GDPPPS, the trend shows that the countries experiencing the highest expansion with the best average are Chile and Uruguay. However, Brazil, and Suriname are countries that registered a negative growth in more recent years. Human Development Index (HDI) trend shows that all countries have an almost linear ascending behavior. However, Venezuela decreases slightly at the end of the study period.

Regarding the contextual issue and the CPI, Uruguay and Chile can be distinguished as the countries with the better performance evaluation, while Venezuela heads the list of the least transparent countries. It is important to highlight that the levels of public debt have been reduced in recent years mainly in countries such as Chile, Paraguay, and Ecuador, while Brazil, Argentina, and Colombia still tend to have a high level of indebtedness.

Additionally, it can be observed that there are countries in South America, such as Chile and Uruguay, that have the best values for their CPI and economic variables. Oppositely, Venezuela has the lowest values in most indicators. Colombia, Peru, Bolivia, Guyana, Ecuador, and Paraguay only differentiate in the GDP values, while Argentina, Brazil, and Suriname have a quite high GDP and average values in the remaining variables.

Our research is in line with Piotrowski (2009) and Filgueiras (2016), as economic development and transparency go together. In the same stream, transparency must be negatively correlated with corruption and positively correlated with economic development. Accordingly, the main findings in this study point out that better performing countries in terms of the analyzed indicators must also have better accountability. When corruption decreases and socioeconomic development increases, countries also enhance their transparency level toward accountability.

During the last decades, most SA governments have expanded their presence on the Internet with integrated platforms, so initiatives have been developed on open government in order to facilitate citizens' access to accountability processes. These results show that SA leaders in

implementing those practices are following those of world leader countries, such as New Zealand, Australia, and Canada (Pollitt and Bouckaert 2004), consequential in trends toward better transparency, accountability, and socioeconomic development.

The results of this study show how countries have evolved, as a consequence of initiatives related to transparency, online availability of information, and citizen's participation, which have been relevant to improve transparency and accountability in the SA continent. Evidence was found of significant differences across countries, which tend to reflect the level of implementation of New Public Management (NPM) reforms. However, in the better performing group, there are countries in which NPM has been implemented to a lesser extent. The worst performer overall is Venezuela, which is also the country with lower implementation of NPM and of initiatives promoting corruption control and transparency toward accountability.

Transparency and interactivity are critical elements for the accountability function of a government. Citizens are not able to hold their government accountable if they do not know about government financial information and performance reports and what is being done in specific public administrations' programs and their impact. Whereas there is evidence that the best SA countries (Chile and Uruguay) have already adopted some of these good practices, the worst performers (e.g., Venezuela and Paraguay) might have to follow the leaders if they want to improve their transparency and accountability levels.

Countries such as Chile and Uruguay have high Control of Corruption and Political Stability, indicating that these countries respond to citizens' demands for similar information. However, in Venezuela, Paraguay, Ecuador, Bolivia, Suriname, Argentina, Guyana, Peru, Colombia, and Brazil, the levels of accountability do not compensate for the traditional low levels of responsiveness.

With the e-government evolution, citizens demand to reduce the time spent on administrative tasks, especially if routine governmental transactions are possible online (Pina et al. 2009). In SA,

most governments have web sites that publish reports and services, transforming the relationship between administration and citizens. The implementation of reforms, such as those carried out in Chile, Colombia, Peru, Argentina, and Brazil, has helped countries to improve corruption control and to boost socioeconomic development. E-government can be compatible with all bureaucratic administrations styles, therefore being expected that, sooner or later, all countries, even less progressive, come to adopt it.

This paper contributes to the theoretical and empirical framework by making three important advances. First, it shows the SA countries according to corruption and socioeconomic development indicators. Second, it compares the countries to each other regarding performance in the past two decades and provides information of value for the practitioners in the form of reliable indicators and their interrelationships with transparency. Third, it creates the opportunity to advance in theoretical concepts resulting from the interrelationship between the analyzed corruption and socioeconomic development indicators. These three advances provide an international comparative perspective, which is practically nonexistent in the SA region.

## Cross-References

- ▶ [Accountability, Politics, and Power](#)
- ▶ [Anti-Corruption Policy in Regional Governments, Latin America](#)
- ▶ [Corruption, Brazil](#)
- ▶ [Ethics and Public Administration in Latin America](#)
- ▶ [Measures for Police Performance in Spain and Finland](#)

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