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The Poverty-Corruption Nexus

Laura Alonso explains why the battle against corruption must be waged on many fronts

David Pedroza

LAURA ALONSO was appointed head of Argentina’s anti-corruption office by President Mauricio Macri in 2015 after serving in the Chamber of Deputies and as executive director of the Argentine chapter of Transparency International. She is a graduate of the University of Buenos Aires and holds a master’s degree in public administration and public policy from the London School of Economics and Political Science. In this interview with *F&D*’s David Pedroza on June 22, Alonso explains why addressing corruption is crucial in the fight against poverty, how various actors from the public and private sectors must be involved, and how technology can be deployed to improve transparency.

F&D: Which areas of government are most affected by corruption?

LA: At a level of what could be called “big corruption,” the highest levels historically seen in Argentina—the risk zones—are the usual ones: big infrastructure works, extractive industries, and customs. That is why we are attacking it with different measures, to try to lower the risk, increase control and transparency of the procurement and contracting processes—the behavior and assets of public officials and the strengthening of the internal audit system of each area.

F&D: You have said that the Argentine government sees the fight against corruption as part of the fight against poverty. What is the relationship?

LA: People living in poverty are victims of corruption because it generates, along with inefficiency and poor administration of the state, low-quality public services and infrastructure investment, which directly affects the quality of life of these people. The first victims of corruption are always those most in need. They are also deprived of new employment opportunities, because we all know that corruption is, sadly, a factor that deters quality private investment.

F&D: How should the private sector get involved?

LA: It is vital to involve the private sector in the prevention of corruption through good business practices and also by encouraging companies to report when irregularities arise in public procurement or contract negotiations. In the case of public-private alliances, the anti-corruption office launched a high-level reporting mechanism, which received technical advice from the OECD [Organisation for Economic Co-operation and Development] and the Basel Institute on Governance. During the first public-private partnership project of the National Directorate of Roads, eight contracts have already been signed, and no reports of corruption were recorded for this process, which shows that both the process design as well as the incorporation of integrity clauses—and this high-level reporting mechanism—contributed to generate trust among investors who came in massively to bid, including foreign investors who had never done so in Argentina.

F&D: How has the government used technology to fight corruption?

LA: In Argentina, the administration was far behind in matters of technology. Since the creation of the Modernization Ministry, there has been significant progress on administrative modernization, starting with the incorporation of electronic files that allow electronic management of most internal administrative procedures, providing greater transparency and oversight of each procedure. It has also generated the incorporation of remote procedures that has accelerated the customs-clearing process and allowed for better oversight. President Macri has signed a decree that launched the reform of electronic files, as well as the implementation of an important, broad, open-data and open-government policy. We are working very hard on the interoperability of databases owned by the state, which has allowed—in the case of the anti-corruption office—along with the electronic files, more control and a broad overview per area of critical processes within the administration, allowing us to generate statistics and cross-check data.

F&D: It sounds like a multipronged effort.

LA: It is the desire of the presidency to go forward with all aspects—administrative, operational, executive, and legislative—that guarantees the sustainability of these small and big reforms that have improved the administrative process exponentially. And it hasn't been gradual. There have been changes that were truly a shock, such as the incorporation of electronic files, which involved training tens of thousands of administration public servants who were used to processing their files on paper. The National Modernization Council has worked so that provincial administrations also incorporate electronic files, and great efforts are being made so that the judicial authorities also go this way. When we arrived at the anti-corruption office, we didn't have access to any state database. Now we have access to over 15 databases. In the last year of our administration there will be massive database cross-checks, which will allow us to check on the financial interests and assets and cultural and social backgrounds of public servants.

F&D: What has been done to make data more widely available to the public?

LA: All databases can be found on the website www.datos.gob.ar. Data catalogs are posted there regarding the affidavits of the 45,000 executive branch civil servants who declare their assets and

financial interests to the anti-corruption office. It's the only country that publishes a big part of that information openly, updated annually. There's also information on mining, the exploitation of gas and petroleum in Argentina, population and education data, and data linked to public health and the economy. Argentina has restored and increased its historical levels of budgetary transparency, something that had taken an unfortunate step back in past years. Also, Argentina has restored the quality of its public statistical system, which is not minor data when it comes to reporting to international agencies.

F&D: What is the next milestone?

LA: In the coming months we are preparing a national anti-corruption plan for the next five years, which will not only be based on the responsibilities of the anti-corruption office, but which will also involve all government areas and ministries, so that each one can collaborate with specific sectoral policies within their areas of competency, including key decentralized agencies such as the Social Security Administration, Tax and Customs agencies, or, for example, the agency that regulates food and medicine quality in Argentina.

F&D: How do you measure success?

LA: No country in the world can recover from the disease called corruption, because those countries with high levels of transparency and internal control usually have poor practices abroad. Therefore, it seems to me that multilateral work to prevent and fight corruption is essential. Argentina participates in the OECD public integrity officers group and is chairing the Group of 20 anti-corruption group. Though no country can escape it entirely, what differentiates countries is the treatment applied institutionally to this disease. I believe success can be measured, in the case of Argentina, in reforms, big and small, that are continuous and sustainable, that are not only implemented at federal or administration levels, but that also involve the judicial branch, the provinces, the municipalities. If this agenda of big and small reforms is kept throughout the coming 10 years, that would be the measure of success for this phase. **FD**

DAVID PEDROZA is a communications officer in the IMF's Communications Department.

This interview has been edited for length and clarity.