

# U4 Expert Answer



## Overview of corruption and anti-corruption in Bolivia

### Query

*Please provide an overview of corruption and anti-corruption in Bolivia*

### Purpose

The report will be used in the creation of the Swedish Development Co-operation's anti-corruption plan for Bolivia.

### Content

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### Caveat

Bolivia has undergone profound political changes and institutional reforms in recent year, with a new constitution adopted in 2009 and an anti-corruption law in 2010. It is thus a very early stage to assess the relevance of the new anti-corruption framework and its impact on the level of corruption in the country.

### Summary

Corruption in Bolivia is present at all levels of society. The judiciary, the police and the public administration more broadly are perceived as the most corrupt institutions of the country. Bolivia is dependent on its natural resources and this sector, worldwide, is notoriously prone to corruption. With the development of the country's lithium plan, it is crucial for Bolivia to create the necessary safeguards to ensure maximum social benefits.

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 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.

**Author(s):** Sofia Wickberg, Transparency International, [swickberg@transparency.org](mailto:swickberg@transparency.org)

**Reviewed by:** Marie Chene, Transparency International, [mchene@transparency.org](mailto:mchene@transparency.org); Viviana Esprella, Transparencia Bolivia, [viviana.esprella@transparenciabolivia.com](mailto:viviana.esprella@transparenciabolivia.com); Robin Hodess, Transparency International, [rhodess@transparency.org](mailto:rhodess@transparency.org)

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## 1. Introduction/Context

Bolivia's macro-economic performance has improved in the last decade, largely due to natural resources revenues. Bolivia is a resource rich country (forests, hydrocarbons and rare earth minerals) but remains one of Latin America's poorest countries with an annual per capita income of USD2,283 (US Department of State, 2012). The informal economy plays a significant role in the Bolivian society (up to 80% of the workforce in 2008 according to the World Bank) and one of the consequences is unequal access to social security and high poverty levels for certain groups (World Bank, 2008). According to some reports, it is high levels of corruption within the elite and the administration that cement social inequalities and impede efforts made to reduce poverty (Business Anti-Corruption Portal, 2012).

Drug production and drug, arms and human trafficking, as well as smuggling of migrants are serious problems in Bolivia (UNODC, 2010). The government abandoned the US-driven war on drugs and officially recognized the coca leaf's role in indigenous cultures. The cultivation of coca leaves exceeds the demand for traditional legal use and has led to a rise in drug production and trafficking (US Department of State, 2011). This situation coupled with the corruptibility of the police and customs has led to increased insecurity and a rise of criminality. It is important to note that even though organised crime is a significant issue in Bolivia, the problem has not taken the same proportions as in some of its neighbouring countries (UNODC, 2010).

During the second half of the 20<sup>th</sup> century, Bolivia was the scene of a constant alternation between civilian and military governments, some of which being notorious for human rights abuses and drug trafficking. In 1985, Paz Estenssoro's government managed to bring stability back to Bolivia, ended the sequence of military coups and, for the first time, all political actors committed themselves to democracy (US Department of State, 2012).

Bolivia has gone through deep political and economic changes and taken notable steps towards increased transparency in the last decade. Evo Morales, elected president in 2005, started what some have termed a "cultural and democratic revolution" (France Diplomatie, 2012), nationalizing the country's natural resources and empowering Bolivia's indigenous people. Still, Bolivia is highly fragmented along ethnic lines (Svending, 2011). The Constitution adopted in 2009 declares Bolivia a plurinational State with autonomies, explicitly

recognizing indigenous forms of self-government and granting new powers to municipal, departmental and regional administrations. The new Constitution has strengthened the power of the executive branch of government, although some observers believe that horizontal control of government is insufficient in Bolivia's institutional structure (Schilling-Vacaflor, 2012).

According to the 'Latinobarometer' in 2010 Bolivians were the most disgruntled with democracy on the entire continent. The support for democracy has decreased since 2010 and nearly half the population think that improvements to democracy require reducing corruption (Latinobarometer 2011).

## 2. Overview of corruption in Bolivia

Despite the government's recent efforts to fight corruption, it exists at all levels of society. Facilitation payments are so widely used that experts describe corruption as an "institutionalised and socially accepted norm" (Business Anti-Corruption Portal, 2012). The World Justice Project reports that Bolivia faces serious transparency and accountability challenges in its administration, embedded in an environment marred by impunity and corruption.

### Extent of corruption

Transparency International's 2011 Corruption Perception Index ranks Bolivia 118<sup>th</sup> out of the 183 countries and territories assessed, with a score of 2,8 on a scale from 0 (highly corrupt) to 10 (very clean). TI ranks Bolivia better than Venezuela or Haiti, but worse than Chile, Brazil or Argentina.

Similarly, the World Bank's Worldwide Governance Indicators (WGI) place Bolivia in the lowest half of the percentile ranks, with a score of 38,9, on a scale from 0 to 10, in terms of control of corruption. Bolivia's score has declined in comparison to 2007 (43,7) but improved since 2009 (29,2). This shift could be a consequence of the political unrest the country underwent in 2008. Bolivia's score on rule of law constantly fell between 2003 and 2010, when the confidence in and respect of the rule of law improved slightly according to the WGI. This change in trend may be due to the adoption of a new Constitution and the creation of new integrity structures.

The citizens' pessimism regarding corruption has increased slightly since 2007: in 2011, 80% of the surveyed citizens thought that corruption had increased or stayed the same in the last three years, whereas, in 2007, 65% expected corruption to increase or stay the same in the near future. A 2010 report from LAPOP interestingly shows that Bolivia is situated in the middle group of surveyed American countries when it comes to citizens' perception of public sector corruption but is placed second on the scale of the number of citizens having paid a bribe. According to this report, citizens' experience of corruption is more significant than the perception they have of corruption in their country.

Business executives, on the other hand, perceive corruption as a less significant obstacle to doing business in Bolivia today (3% of respondents) than in 2009 (12% of respondents) according to the WEF Global Competitiveness Index.

## Forms of corruption

### *Political corruption*

The electoral process in Bolivia is generally seen as free and fair. The government has taken numerous steps to reach the highest possible number of citizens and to make the country's political life more representative (facilitation of party formation, voter registration, etc.). One notable initiative is the introduction, in 2009, of a biometrically based electoral roll (Bertelsmann Foundation, 2012). However, the European Union's observation mission detected widespread abuse of public resources by the incumbent candidates during the 2009 general elections. "Voluntary" contributions were taken from civil servants and the campaigns were financed partly through civil servants' salaries, later compensated by a bonus (Speck, Fontana, 2011).

The safeguards to ensure the integrity of political party financing and the financial support of candidates are largely insufficient, augmenting the possibility of political corruption. Bolivia scores among the weakest of all countries surveyed by Global Integrity on this issue in 2010. Some of the deficiencies highlighted in the report are the absence of limits to political donations and the fact that there is no obligation to disclose such contributions (Global Integrity, 2010). The CRINIS study undertaken by Transparencia Bolivia shows that there is a lack in regulation around political party financing and that, even where there are rules, their implementation is very weak. Transparencia Bolivia

states that regulating political party financing and financial support to candidates is not on the government's political agenda and that nothing concrete has come out of the few discussions on the topic. It is important to note that 2013 will be an election year in Bolivia and that the presidential election will happen in 2014.

Moreover, despite the criminalization of illicit enrichment in the Marcelo Quiroga Santa Cruz Law of 2010, there is evidence of **illicit enrichment** by local government officials (Bertelsmann Foundation, 2012).

### *Petty and bureaucratic corruption*

Corruption has been identified by companies as one of the primary obstacles for doing business in Bolivia for years (WEF, 2012, 2011, 2010) and almost a fifth of the companies surveyed by the World Bank/IFC Enterprise Survey in 2010 expect to have to offer gifts to civil servants to "get things done". The Bolivian administrative system is burdensome and complicated, and interactions with certain public bodies such as the tax authority, the customs or the judiciary are often associated with facilitation payments to accelerate bureaucratic procedures (Business Anti-Corruption Portal, 2010). Despite the constitutional guarantee of the right of private property, it is not implemented adequately and state intervention is common (Bertelsmann Foundation, 2012). Expropriation is a major issue, mostly because the procedure of compensation is arbitrary and opaque, and anti-corruption measures are inadequately enforced (Heritage Foundation, 2012).

According to Transparency International's Global Corruption Barometer 2011, one out of three citizens admits having paid a bribe in the previous year, with the judiciary, the police and the customs being the top recipients.

### *Grand corruption*

Bolivia has recently been shaken by a major corruption scandal involving the state-owned hydrocarbon company Yacimientos Petroliferos Fiscales de Bolivia (YPFB). This case is a good illustration of the risks of grand corruption related to the lack of transparency and oversight in the extractives industry. The scandal broke when Jorge O'Connor Darlach, an executive from Cartler Uniservice, a Bolivian-Argentine hydrocarbons company, was shot in La Paz in 2009. He was allegedly delivering USD 450,000 to the family of Santos Ramirez, then President of YPFB, member of MAS and close friend to Evo Morales, as a kickback in return for

a multi-million dollar contract that Cartler Uniservice was awarded to build a gas liquefaction plant. This resulted in Ramitez's dismissal and 12-year jail sentence (Upstream, 2012). More recently, charges were pressed against two YPFB employees for bribery, abuse of state resources and illicit enrichment, in a case nicknamed "Santos Ramitez II" (Latinnews, 2012).

## Corruption-affected sectors

### *Judiciary*

In Bolivia, the judiciary is perceived as the most corrupt sector (Transparency International, 2011). The judiciary is qualified as inefficient, widely corrupt and subject to political interference (Freedom House, 2011). In practice, the equal access to justice is not guaranteed and court decisions can be influenced through bribery (Latinobarometer, 2008). In 2010, after a series of resignations, Evo Morales directly appointed five temporary judges to the Supreme Court, the Constitutional Court and the Judicial Council, challenging the independence of the institution. Prosecutorial independence is viewed as weak, and enforcement in 2011 at times appeared to focus on opposition members and sympathizers (Freedom House, 2012). The transition to the new constitutional order is in progress but the judiciary is currently the weakest branch of the State, suffering from administrative weaknesses and shortage of resources (Bertelsmann Foundation, 2012). The justice system is beset by "the pervasive culture of impunity and the widespread lack of trust" (Amnesty International, 2010). Moreover, the 2009 Constitution grants equal status to the ordinary judicial system and the indigenous justice systems, which creates many incompatibilities and makes the practice of justice difficult and time-consuming (Bertelsmann Foundation, 2012).

### *Police*

Police corruption is a serious problem in Bolivia, partly due to low salaries and lack of proper training (US Department of State, 2010). The public opinion perceives the police to be the third most corruption institution in the country (Transparency International, 2011). The Latinobarometer 2010 indicated that one of four surveyed citizens see corruption as the main impediment for the police to properly fight crime. Since January 2010, three police chiefs have been dismissed over accusations of corruption and/or abuse of power (InSightCrime, 2012). The Bolivian government announced that it will open investigations into links between corrupt police officers and drug trafficking

organisations, reinforcing the view of alleged ties between the police and organised criminal groups (InSightCrime, 2012). Finally, it is important to note that law enforcement is vulnerable to politicisation with senior officers appointed directly by the president (Global Integrity, 2010).

### *Organised crime*

Although not as problematic or high developed as in other Latin American countries, organised crime in Bolivia inevitably involves corruption, with the most significant penetration points being the police and the customs authorities (see previous and following paragraphs). Bolivia's borders and generally considered porous and the country is vulnerable to transnational organised crime (UNODC, 2010). Bolivia is one of the continent's most important coca producers and Morales recognized the cultural significance of coca leaves for indigenous communities, authorizing the traditional use of coca leaves. The cultivation of coca leaves, however, exceeds the demand for traditional legal use and leads to a rise in drug production and trafficking (US Department of State, 2011). Transparencia Bolivia estimates the revenues of coca production to amount to nearly USD 30 million. Illicit revenues from organised crime are thought to be easily laundered, and the difficulties facing all countries in tackling money laundering are evident in Bolivia. Indeed, the US Department of State describe anti-money laundering regulations in Bolivia as being insufficient and largely ineffective (REF US Department of State)

### *Public administration*

The Morales government has taken the initiative to reduce corruption in public administration (see below) but Bolivia's public administration is still seen as overstuffed, inefficient and afflicted by clientelism (Bertelsmann Foundation, 2012). It is rated as the third most corrupt sector together with the police in the eyes of the public (Transparency International, 2011). Recruitment procedures lack transparency and are subject to political interference (Bertelsmann Foundation, 2012). Careers in the Bolivia public service are contingent on political affiliations (Speck, Fontana, 2011). Political influence challenges the impartiality of the public administration and weakens public trust in state institutions.

The National Customs Service is characterized by corruption, arbitrary decisions and inefficiency (Business Anti-Corruption Portal, 2012): more than one out of three respondents report to have paid a bribe to the customs administration in the last 12 months



(Transparency International, 2011). This is all the more problematic since customs authorities play such an essential role in the fight against organized crime and their lack of resources and capacities make the country all the more vulnerable to trafficking and smuggling (Global Integrity, 2010).

The complexity of the Bolivian tax laws also creates opportunities for corruption which, as a consequence, discourages honest tax payers (Bridi, 2010). Despite not being highlighted as a corruption hotspot (Transparency International, 2011), the Bolivian taxation system is burdensome and complex (PricewaterCoopers, 2011) which might at least partially explain the high frequency of tax evasion.

The Bolivian government provides the public with minimal information on financial and budget activities. The country score 13 out of 100 on the 2010 Open Budget Index which makes it the worst performer of the surveyed Latin American countries. This, nonetheless, represents an improvement in the transparency of financial management in comparison with 2008, when the country only scored 7. The lack of disclosed budget information is a problem both at national and subnational levels. Given Bolivia's recent decentralisation and the Law of Autonomous Governments and Decentralisation, it is equally important to get an overview of the levels of budget transparency at the local level. The Autonomous Departmental Government Transparency Index, developed by the Centre for the Study of Agrarian Development (CEDLA), shows that the levels of budget transparency in the six investigated regions are very weak (CEDLA, 2011). The lack of available financial information makes it practically impossible for citizens to hold their government to accountable for the use of public money (International Budget Partnership, 2010).

### *Natural Resources (hydrocarbons, rare earth minerals)*

Bolivia possesses the second largest reserves of natural gas in Latin America and holds significant stocks of rare earth minerals. The country is highly dependent on the extractive industry, their revenues constituting almost 20% of the national budget (US Department of State, 2012). The 2009 Constitution nationalizes all hydrocarbon resources and the state-owned company Yacimientos Petroliferos Fiscales de Bolivia (YPFB) now operates in all phases of oil and gas production. The government thus controls both the operation and the regulation of the extractive sector, which, according to some commentators increases the

likelihood of corruption (Revenue Watch, 2010). The YPFB has been the scene of many scandals in recent years, ranging from nepotism in appointments to major kickbacks that led to the dismissal and sentencing of the head of the company.

The 2009 Constitution gives the right to local communities under self-government (see introduction) to control the natural resources on their land but property rights are not protected against the intervention of the central State (Bertelsmann Foundation 2012) and community members are often corrupted by state or corporate representatives (GIGA, 2012). The law of Transparency and Access to Government Information as well as the Law of hydrocarbons recognize the right of citizens to access information regarding the volume and management of extractive industry revenues but in practice these laws are poorly implemented and disclosure remains very low (Revenue Watch, 2010). Bolivia is not yet a member of the Extractive Industry Transparency Initiative (EITI) but has expressed interest in participating (Revenue Watch, 2010).

Bolivia also holds large deposits of **lithium**, used mainly to produce batteries for cell phones, computers and cars. The responsibility for the development of the lithium exploitation plan is shared between government bodies known for their lack of transparency and the frequency of conflict of interest problems (Hollender, Schultz, 2010). According to Transparency International's Global Corruption Report on climate change, the success of the government's lithium development plan will depend on civil society participation and oversight, to maximize social benefit. The government involved civil society in the initial planning phase but critics stress that only pro-government groups were consulted (Ribera, 2011).

## 3. Governance structure and anti-corruption efforts in Bolivia

### Overview of anti-corruption reforms in Bolivia

Transparency and anti-corruption were put on the political agenda in the early 2000s, with Lozada's *Secretaria de Lucha contra la Corrupcion* and Carlos Mesa's *Delegacion Presidencial Anticorrupcion*. The biggest steps however were taken with Evo Morales'

administration. The latter took a strong stand against corruption during his campaign for the presidential election in 2005 and declared a zero tolerance line against it. The Bolivian government has since shown robust political will ever since, building an auditing and oversight structure, accompanied by a range of policies on transparency and good governance in order to strengthen the public's trust (UNODC, 2010). The Morales administration established a Ministry for Institutional Transparency and the Fight Against Corruption in 2009 and passed the Law on Anti-Corruption, Illicit Earnings and Fortunes Investigation. A number of high level civil servants have been dismissed, investigated and prosecuted following corruption scandals (Business Anti-Corruption Portal, 2012). A National Council Against Corruption is tasked with monitoring progress of the National Plan against Corruption and reports to the President and to civil society on an annual basis (Transparencia Bolivia, 2012).

The Government's efforts do not go unnoticed among Bolivian citizens with almost half of the population seeing them as effective in the fight against corruption (Transparency International, 2011). This is a significant improvement in comparison to the results gathered in 2007, when just over 20% of respondents considered the government's efforts effective (Transparency International, 2007). However, Global Integrity considers Bolivia's evolution to be ambivalent: the country enjoys rather robust anti-corruption legal and institutional frameworks but the insufficient institutional capacity and resources of the administration make the implementation of the anti-corruption structure weak. Corruption is still prevalent and its level has not significantly decreased despite the improvements in the legal and institutional frameworks. The Bertelsmann Foundation asserts that the credibility of the government's anti-corruption efforts is challenged by the fact that their results so far are concentrated in highly publicized court cases. According to Transparencia Bolivia, there has been none or very little advance on the themes of open government and access to information. In addition, this organisation stresses the fact that Bolivia has a weak ethical culture and that most of the public administration have not adopted any code of ethics.

## Legal framework

### *International conventions*

Bolivia ratified the Inter-American Convention Against Corruption (IACAC) in 1997 and is party to the United Nations Convention Against Corruption (UNCAC) and the United National Convention Against Transnational Organised Crime (UNTOC) since 2005. The country was part of the piloting phase of the implementation review mechanism in 2010 but the report is unfortunately not available online<sup>1</sup>. Bolivia will be reviewed by Costa Rica and Zambia in 2012-2013. The IACAC 2012 implementation review report recognizes Bolivia's steps forward, welcoming the creation of a National Council Against Corruption, Illicit Enrichment and Money-laundering, the criminalization of illicit enrichment, the establishment of the Bolivian Institute for Studies in Transparency and the Fight against Corruption and the reinforcement of the verification asset declaration but encourages the government to address the issues of conflict of interest and whistleblower protection (OAS, 2012).

### *National legislation*

The Law on Anti-Corruption, Illicit Earnings and Fortunes Investigation (also referred to as the Marcelo Quiroga Santa Cruz Law), called for in the previous IACAC implementation report and passed in 2010, criminalizes active and passive, domestic and foreign, bribery as well as the abuse of public resources for private gain. Both individuals as well as legal entities can be held liable for bribery acts which can carry civil and criminal liability (Getting the deal through, 2012). This long-awaited law is a step forward in the fight against corruption but the fact that it allows for retroactive prosecution questions its neutrality and contravenes international standards of due process and fair trial (Human Rights Watch, 2011). The recent amendment to the Penal Code makes the criminal penalties tied to corruption offenses higher than previously (Getting the deal through, 2012), augmenting the disincentives to engage in corrupt acts. The Law on Transparency and Access to Government Information was passed to ensure the disclosure of financial and budget activities but the levels of financial transparency remain very weak (see above). The new Constitution,

<sup>1</sup> As of the 24<sup>th</sup> of September 2012, the report is not available online, the link to the aforementioned report being deficient. The Bolivian authorities assured the UNODC that they would restore it shortly.

adopted in 2009, include citizens' participation and public oversight in its fundamental pillars.

Regulations providing a framework for the integrity of political party financing and financial support to candidates are insufficient. There are no limitations on donations to political parties or candidates and the disclosure of such donation is not mandatory (Global Integrity, 2010). It is therefore almost impossible for citizens to control the origin of the funds used by political parties. The law requires public entities to adopt a code of conduct but its implementation is inadequate (OAS, 2012). Political officials are required to disclose their assets since 2010 and there are rules and guidelines governing gifts and hospitality. The Marcelo Quiroga Santa Cruz Law recently criminalized illicit enrichment, there is however evidence of illicit enrichment local government officials (Bertelsmann Foundation, 2012). Bolivia does not have any safeguards against the phenomenon of revolving doors, there are no restrictions for political officials entering the private sector after their term in office (Global Integrity, 2010).

There are internal mechanisms for civil servants to report corruption, but no legal act protects whistleblowers from retaliation. The reporting system set up by the 2010 anti-corruption law is not independent from the government (Global Integrity, 2010) and several members of the Ministry of Transparency reported having been victims of assaults and persecutions for carrying out their responsibilities (OAS, 2012).

### *Access to information*

Bolivia adopted its Transparency and Access to Government Information Law in 2004 and created a Ministry for Institutional Transparency and Fight Against Corruption in 2009, following the adoption of the New Constitution. The Transparency and Access to Government Information Law dictates that all institutions in the executive branch of government must publish their revenues and satisfy access to information requests in a timely manner. With regards to budgetary and financial information, the available information remains minimal (see above). Experts involved in the review of Bolivia's implementation of the IACAC mention that there is "a lack of awareness of the obligation to provide information; a sense of ownership of information on the part of government officials; scant training in this area; a high turnover of responsible public servants; and a sense of inability on the part of society to request information" (OAS, 2012).

## Institutional framework

### *Ministry for Institutional Transparency and the Fight Against Corruption*

The Ministry for Institutional Transparency and the Fight Against Corruption, set up in 2009, is composed of two vice-ministries: the Vice-Ministry for Corruption Prevention, Promotion of Ethics and Transparency, and the Vice-Ministry for the Fight Against Corruption. Its mandate is to develop anti-corruption policies and legislation, to ensure a strong integrity structure in the administration is strong, monitor the compliance with the rules set out and submit complaints in case corruption occurs. The Ministry is also responsible for the research and action related to the recovery of stolen state assets. Global Integrity highlights the vulnerability of the Ministry to political influence deriving from the direct nomination of its members by the president. The Ministry lacks resources which challenges its ability to strengthen the integrity system of the administration and the majority of its staff is financed through foreign donor contributions (OAS, 2012).

### *Supreme Audit Institution*

Bolivia's public institutions are controlled by the General Comptroller who is completely autonomous from the government. The General Comptroller is elected by and reports to the Legislative Assembly. His Office seems to be one of the rare administrations having sufficient resources and professional staff to undertake its duties. Global Integrity signals recent changes in officers that might compromise the impartiality of the institution. Furthermore, the government does not systematically act on the Comptroller's conclusions: the Ministry of Transparency reports a high number of cases of misappropriation of state funds and very few accusations (Global Integrity, 2010).

### *Office of the Ombudsman*

The Ombudsman (Defensor del Pueblo) is responsible for the protection of the Constitutionally guaranteed human rights. He acts independently and does not receive instruction from other public entities. The Ombudsman does not have the power to prosecute but only to make recommendations to the relevant authorities (Global Integrity, 2010). Transparencia Bolivia reports that the current Ombudsman has close ties with the MAS and obtained privileges for his family members to be placed in public institutions. The MAS denies these allegations (Transparencia Bolivia, 2012).

### *Financial Investigation Unit*

The Financial Investigation Unit (FIU) is the agency in charge of the fight against money-laundering, corruption and predicate offences through financial intelligence activities, policies development and monitoring of compliance. It is depended on the Banks and Financial Entities Superintendence. Similar to many other anti-corruption bodies, the FIU does not have the financial and human resources necessary to carry out its work properly. The FATF, in its public statement of 2012, points to the deficiencies of the Bolivia Anti-money laundering system and encourages the government to adequately criminalize money-laundering and make the FIU fully operational and effective.

### *Prosecutor General of the State*

The Prosecutor General (Procuraduria General del Estado – PGE) has the duty and power to protect the interests of the State, which he represents in legal proceedings. The office of the PGE comprises a Transparency Unit in charge of ensuring access to information, promoting ethics within the administration and developing social oversight mechanisms. The 2012 report on the implementation of the IACAC indicates that the PGE has carried out educational activities to familiarize the public with the country's laws but has failed to provide appropriate training to its staff on corruption prevention (OAS, 2012). The Ministry of Institutional Transparency criticized the Prosecutor General for impeding good coordination between the two institutions, delaying the prosecution of the pending corruption cases (El Pais, 2012).

## Other actors of governance structure

### *Media*

The Bolivian law guarantees freedom of expression and freedom of the media but the State controls the allocation of print media and broadcasting licences. Bolivia ranks 108<sup>th</sup> out of 179 on Reporters without Borders Press Freedom Index. Global Integrity stresses the risk of the government creating obstacles to the establishment of broadcasting entities. Media companies are not required to disclose their ownership, which poses a problem of transparency and a risk of conflict of interest (Global Integrity, 2010). There is a strong divide between the private media, leaning towards the views of the opposition, and the state-owned media, notoriously pro-Morales, whose influence

has increased in the last years (Bertelsmann Foundation, 2012). The media played a role in the polarisation of the Bolivian political life around the time of the last general elections, some outlets diffusing racist messages against Evo Morales and indigenous people (Reporters without borders, 2012). As a response, the government passed a controversial anti-racism law in 2010 allowing for economic sanctions and suspension of licenses of media outlets expressing racist views. Experts and journalists consider this law to be a violation of the freedom of the press (Bertelsmann Foundation, 2012). Reporters without borders reveals that the Congress has lately been working on a law to provide life insurance to journalists covering high risk cases. This is a welcomed step towards increased freedom of the press since journalists are regularly harassed by activists from the opposite side of the political board (Reporters without borders, 2012). Lastly, the government does not censor online media (Freedom House, 2010).

### *Civil society*

The freedom of assembly and association is guaranteed by the Constitution and Bolivia enjoys a vibrant and rich civil society, frequently divided among ethnic and geographical boundaries (Business Anti-Corruption Portal, 2011). Non-governmental organisations are very active in Bolivia where public participation is encouraged in line with the philosophy of direct democracy, but CSOs are regularly criticized and undermined by the Morales Government as serving foreign interests (Freedom House, 2011). There are a number of CSOs working on the issue of transparency and anti-corruption. Here is a non-exhaustive list:

**Transparencia Bolivia:** Transparency International's local chapter in Bolivia focuses on the fight against corruption and the promotion of transparency and good governance. Transparencia Bolivia published both a National Integrity System Assessment and a CRINIS report in 2009.

**Red Participacion y Justicia** is a coalition of CSOs working of citizen participation, anti-corruption and access to justice.

**Fundacion Etica y Democracia** is the civil society organisation tasked to monitor the implementation of the Inter-American Convention Against Corruption.

**Fundacion Libertad y Democracia (FULIDE)** is a non-for-profit organisation promoting the principles of liberty and free democracy. The Business Anti-corruption



Portal states that it organises debates on a multitude of topics including rule of law. FULIDE produced a report on corruption in 2005.

**Centro de Estudios para el Desarrollo Laboral y Agrario (CEDLA)** is a non-for-profit organisation and research centre promoting knowledge on labour issues. CEDLA is the organisation that produced the Autonomous Departmental Government Transparency Index (ITG).

## Joint anti-corruption initiatives

In 2010, Bolivia and the UNODC initiated the **Bolivia Country Programme 2010-2015** including a “governability and anti-corruption” component to which USD 5 million are devoted. The programme aims to align Bolivia’s legal framework with the requirements of the international conventions the country has ratified, to strengthen the institutional capacity for international cooperation and asset recovery.

The UNODC and the Bolivian Ministry for Institutional Transparency and the Fight Against Corruption have developed a series of seven **awareness-raising games** around the topic of anti-corruption. The objective of this innovative initiative is to encourage citizen participation in the fight against corruption, to promote the right of access to information. The games have been utilized in several public places such as parks, fairs and schools, and have been well received by the audience.

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