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Mitigating Corruption in Government Security Forces

The Role of Institutions, Incentives, and Personnel Management in Mexico

Beth J. Asch • Nicholas Burger • Mary Manqing Fu

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Summary

Corruption has been and continues to be a significant challenge for Mexico. There is a widespread belief that many government institutions—perhaps none more than Mexico's police—suffer from corruption, bribery, and a lack of accountability. At more than 400,000 officers across federal, state, and local levels, the police in Mexico play a critical role in enforcing laws, safeguarding the public, and maintaining order, but corruption, favoritism, nepotism, and a lack of professionalism serve to undermine these functions. Moreover, a growing problem with drug cartel activities and narcotics trafficking serves to exacerbate corruption and undermines police accountability, even as the drug trade makes the need for effective law enforcement more acute.

Drug trafficking—and the violence it engenders—has become so severe that the government has turned to the other major component of Mexico's security forces—the military—to provide law and order. Although the public perceives that the police forces are among the most corrupt of Mexican institutions, the military does not share this dubious distinction. Compared with the federal, state, and local police, the military is viewed as more trustworthy and less corrupt. Nevertheless, there are concerns that the increasingly close relationship between the police and military and the role the military is being asked to play in countering cartel activity will expand opportunities for corrupt behavior.

Recent administrations, from the federal government to local municipalities, have attempted various types of police reforms, all in an effort to promote professionalism. These have included national financial support programs targeted at high-crime municipalities, more stringent qualification requirements for new recruits, improved training and technology for officers, and higher salaries. Anecdotally, success has been mixed, and there has been little rigorous assessment either of the factors that most contribute to police corruption or of the reform policies to date. This report assesses the problem of corruption in the Mexican police and security forces—and the options for police reform—through the lens of economics and incentives.

Approach

The goals for the report are two-fold. First, there is a significant literature on the role of economic incentives in promoting an effective labor force and a developing literature on the causes and consequences of corruption; we aim to bring these literatures to bear on Mexico's efforts at police reform. Second, to the extent possible, we want to assess the problem of corruption in the Mexican police through quantitative data and methods.

We begin by reviewing the causes of government corruption and the lessons we can draw from the literature on personnel management and anticorruption. Although little research has specifically addressed efforts to reduce police corruption, the literature as a whole provides insight into the types of policies that are consistent with improving professionalism. Next, we review past and current reforms in Mexico and draw parallels to the economic incentives literature in characterizing Mexico's policies to promote police professionalism.

We then use empirical data to describe households' perceptions and experiences with corruption in Mexico, especially regarding the police and military. We present results from specialized, large-scale household surveys on corruption and crime that cover all 31 states and the federal district at various points over the past decade. These data allow us to assess household views of and experiences with the military and the police, both across states and over time. Although there are not sufficient public data to rigorously evaluate current reforms, we draw on household survey data to assess the indirect effects associated with reforms. Using surveys of income and occupation, we examine key inputs, including education and salaries, that theory predicts will drive police professionalism and affect corruption.

Caveats

We note three important potential limitations of our work. First, we take an economic perspective. Because this perspective has not been dominant in the existing literature on corruption in Mexico, it might offer new insights. On the other hand, our analysis does not always capture the depth of institutional knowledge about Mexican police reform demonstrated by research from other disciplines. Second, where we can, we incorporate quantitative data analysis. Nonetheless, because we do not have access to key administrative data, much of the analysis should be interpreted with caution—as we explain in more detail in Chapter Four. Finally, our analysis focuses on small-scale corruption, such as petty bribery. Although we recognize that Mexico's severe and growing problem with drug-related crime has important implications for corruption, a thorough analysis of the relationship between corruption and drug-related crime is beyond the scope of this report.

Results

The literature review on economic incentives in promoting an effective workforce highlights the importance of weak institutions, a term used in the development literature to refer to such country attributes as the lack of property rights and free markets, as determinants of corruption. Economic institutions are stronger when there are constraints on those who hold power, when power is shared by a broad base of people and institutions, and when there are fewer economic rents to extract, such as those that arise from drug money, from private organizations. Incentive mechanisms can play an important role in promoting workforce management only if leaders and those who define these incentives act in the public interest and are not corrupt. In this case, various mechanisms can improve performance, including promotion systems, pay growth over the career, pay for performance, screening mechanisms, and bonuses. The experience of the U.S. military provides ample evidence of the effectiveness of these mechanisms in the public sector. In the context of corruption, the literature highlights the role of higher pay

and dismissal for corrupt employees, though there is only some empirical evidence to support this overall approach.

There is a long history of police reform in Mexico. Previous reforms have been designed to reduce corruption and improve police professionalism, but they have often been uncoordinated across jurisdictions and administrations. At the federal level, there have been multiple, significant reorganizations, either to create new police forces or to combine existing ones. But there is little continuity in reforms across political administrations, something that is true of municipal and state policies as well. More recent federal programs, including the Public Security Support Fund (Fondo de Apoyos para la Seguridad Pública, or FASP) and the Subsidy for Municipal Public Security (Subsidio para la Seguridad Pública Municipal, or SUBSEMUN), are designed to provide structured, targeted financial support for state and municipal police forces. Although it is too early to tell whether these programs are effective, they represent a more coherent effort at achieving an evidence-based approach to improving professionalism.

We find that the police are perceived as highly corrupt, a result that is relatively stable over time and consistent with widespread beliefs about Mexico's police. In contrast, the military are rated the least corrupt government institution, and nearly as low a rating as the church's. However, national trends in corruption perceptions mask more subtle results. Household experiences with corruption are not highly correlated with perceptions: People who are in states where bribes are paid more frequently are not in states with a higher perception of corruption. Moreover, although overall bribery rates have increased between 2001 and 2007, rates of bribes paid for services associated with the police and to most types of police (e.g., state, federal) have remained stable. Relative to overall corruption in terms of bribes paid to any public servant, police corruption appears to have declined.

Due to data limitations and the way reforms have been implemented, we are unable to assess empirically whether past reforms have been effective at reducing corruption. There are few publicly available administrative data on key variables of interest, including police wages, pensions, or other long-term benefits. We lack specific data on key features of past reforms, such as when and how they were implemented; moreover, reforms were often initiated by new administrations or in response to major events, making it difficult to disentangle the effects of reforms from other policy and economic changes.

Instead, we focus on the available microdata on key inputs that the theoretical literature says should affect police professionalization and performance, and we find potentially encouraging evidence of progress. Data from 2000 indicate that, relative to a comparable general population, police and other security-sector workers have lower educational attainment and receive less compensation over the course of their careers. In particular, older officers, who should earn higher wages based on experience, actually earn the same as or less than new recruits. In 2000, fewer police officers had high school diplomas than did nonpolice personnel. For 2008, however, educational attainment is higher for police than the general population, and wages increase across all age cohorts. According to cross-sectional data, average wages across age groups remain relatively flat compared with those of non–security-worker populations; older officers continue to have relatively low salaries.

In summary, the results are suggestive of progress on several fronts. Although police corruption has remained generally stable at a high level, bribes paid to public servants in general have increased in recent years; *relative to bribes paid to all public servants*, police corruption appears to have fallen. We do not want to overstate this finding: We see no evidence that police corruption is actually falling. Numerous police reforms have been introduced at the federal,

state, and municipal levels, and, although whether these reforms were implemented successfully is less clear and reforms can lack continuity, the types of reforms being introduced are ones consistent with the literature on incentive mechanisms for effective workforce management. Our empirical analysis of household data points to some positive indicators in terms of some of the key inputs that can affect police professionalization and performance. Education and pay levels of police have increased in recent years, though wage growth across age groups still remains relatively flat. Although these indicators of progress are encouraging, they must be assessed against a backdrop of continued drug violence in Mexico, kidnappings, and even wholesale firings of security personnel for corruption. Thus, it is clear that more progress is needed.

Recommendations

Recent police reforms are consistent with the types of reforms that the literatures on workforce management and corruption indicate are effective, and these policies should continue. Nonetheless, there is room for improvement. Of particular concern is the lack of continuity in reforms arising from the Mexican election system, in which politicians can serve only one term. Election turnover leads to new appointees and new reforms, and this cycle repeats. Previous research suggests that election continuity could reduce corruption and that Mexico should move toward seeking greater continuity in its reform efforts. This must be balanced, of course, with the need to remove corrupt employees from their positions; nevertheless, continuity of policies and incentives can coexist with changes in leadership or the workforce.

In addition, reforms lack coordination across municipalities and between municipalities, states, and the federal government. Greater coordination could improve the effectiveness of reforms. But coordination and centralization are not the same. In June 2010, Mexico's National Public Security Council agreed to unify the municipal police in Mexico under their respective states. Although such unification can improve coordination through better communication, care must be taken to ensure that concentrating police forces in the hands of a few institutions in this way does not lead to greater corruption.

Mexico's police reforms could also benefit from increased transparency and accountability stemming from better data collection and analysis by the government. Much of the data on crime, corruption, and law enforcement in Mexico are available, but only in an ad hoc form from private organizations. High quality publicly available data are needed to enable the public to audit and report on crime, corruption, and law enforcement on an ongoing basis. An independent commission should be appointed to identify the data that should be collected and maintained, who should maintain them, and what efforts would be required to ensure completeness, accuracy, and ease of availability. Furthermore, to eliminate the potential for corruption in the collection and reporting of data, an independent organization should be charged with auditing the data for accuracy.

Finally, more evidence is needed on the effectiveness of police reform efforts and on identifying ways to improve the reform process. We discuss a set of specific research initiatives that could be pursued to provide better data and to guide police reform. These studies include assessing recent municipal reform efforts, understanding the effects of political discontinuity on corruption, and surveying a nationally representative sample of Mexican police. Although the specific studies should be guided by the policy community, the key is that future efforts

to combat police corruption in Mexico should include a plan to collect and analyze data on police activities and outcomes, which would increase transparency and improve policymaking.