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Corruption and Democracy: Comparative Dynamics of Uruguay and Venezuela

Benjamin Linstad

International Relations

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benjamin.linstad@gmail.com

Noragric

Department of International Environment and Development Studies

The Faculty of Landscape and Society

P.O. Box 5003

N-1432 Ås

Norway

Tel.: +47 67 23 00 00

Internet: <https://www.nmbu.no/fakultet/landsam/institutt/noragric>

Declaration

I, Benjamin Linstad, declare that this thesis is a result of my research investigations and findings. Sources of information other than my own have been acknowledged and a reference list has been appended. This work has not been previously submitted to any other university for award of any type of academic degree.

Signature Benjamin Linstad

Date.....

Abstract

This thesis examines the dynamics of corruption and its impact on democracy in Uruguay and Venezuela. It focuses specifically on how these nations differ in their approaches to handling corruption. By analyzing their recent political history within the context of corruption and democratic stability, the study employs multidimensional, analytical, and comparative methods to find and explore these differences. In that process, this thesis establishes a theoretical framework that defines corruption and democracy, acknowledging their complex nature. Assuming that corruption has a destructive effect on democracy, the research delves into various scholarly sources and investigates how different types of corruption undermine political institutions and processes, and thus weakening the stability of democratic governance. With a mixed-method approach and a combination of secondary source analysis and contextual case studies of Uruguay and Venezuela, the study then presents the patterns of corruption's impact in each country, particularly the mechanisms through which corruption perpetuates and worsens democratic weak points, contributing to political deterioration and distrust of the society towards the government. Ultimately, the thesis seeks to present nuanced patterns of corruption's impact in each country, offering insights into the pathways through which corruption undermines democratic structures and fosters political decay.

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1. Introduction

Corruption has been present within societies for centuries and is still a common occurrence in modern times (Farrales, 2005). Its interplay with democracy is an important area of study in political science, particularly in regions like South America and Africa (Yeboah-Assiamah, 2014), where less developed countries are more exposed to corruption compared to the Global North. This thesis explores the dynamics of corruption and its impact on democratic systems, with a specific focus on two contrasting cases: Uruguay and Venezuela. These nations represent the opposite ends of the spectrum in terms of corruption prevalence and democratic integrity, offering a comparative study on how corruption can influence democratic governance. This comparative analysis will provide insights into the conditions that lead to varying corruption dynamics in Uruguay and Venezuela. This inquiry does not only seek to contribute to the academic discourse but also to offer the reader some knowledge on the topic, as well as raise awareness of today's political reality and issues. This study is conducted with a holistic approach, as corruption does not impact all democracies in the same way. Different political cultures and institutional frameworks can either be more resilient or more vulnerable to it. By reviewing how Uruguay and Venezuela, countries with currently the most contrasting political systems and situations in South America, address and react to corruption, this study will attempt to bring the spotlight on the underlying conditions that influence corruption's impact on democratic governance.

1.1 Relevance and significance of the topic

The topic of corruption is an ongoing issue faced globally, influencing both public and private sectors and affecting countless lives. Its presence is at times hidden and unnoticed, but its impact on democratic systems and the well-being of citizens can be severe and long lasting (Yeboah-Assiamah et al., 2014).

Uruguay has often been cited as a model of good governance and low corruption within Latin America, making it an ideal case for studying the protective factors that preserve and enhance democratic processes. In Venezuela however, corruption has overtaken the political system, leading to significant democratic deterioration and societal distress.

Those differences put the two countries on the opposite ends of the scale, clearly showing the contrast between how corruption functions in their governments. By examining them, this thesis aims to uncover the patterns by which corruption impacts democracy.

The significance of this research lies not only in its contribution to academic discourse but also in its practical implications. Understanding the conditions under which

corruption either thrives or ceases to grow, and the mechanisms that control it are essential for those in charge of creating and following anti-corruption agencies.

1.2 Approach to the topic

This study is conducted with a multidimensional and analytical approach, combining qualitative, quantitative, and comparative analysis methods. The aim of this thesis is to explore the relationship between the governments of Uruguay and Venezuela with corruption and identify the conditions that either encourage or prevent it in both countries. It also seeks to understand how corruption influences democratic institutions in those two nations. This will allow me to discuss the specific socio-political and economic variables that contribute to or either spark or reduce corrupt practices in each country. By studying these contrasts, the thesis attempts to illustrate more general implications of corruption on democratic governance. However, this dissertation is not intended to develop policy recommendations or solutions to corruption, but to raise awareness on the subject, and provide some understanding of its dynamics and implications in the context of political discourse.

The theoretical approach of this thesis involves a conceptualization of democracy and corruption. It reviews existing literature and theories to define these concepts and to explore their interconnectedness. This includes discussing different forms of corruption and their unique impacts on democratic systems. The analytical side of the research examines primarily the dynamic of corruption in Venezuela, and Uruguay's resilience to it. It enquires the political history and current state of Venezuela, looking at how corruption has become intertwined within its political structure, mostly due to economic mismanagement, the oil boom, and authoritarian governance practices. Turning to Uruguay, the analysis explores the factors contributing to low corruption levels, strong institutional frameworks, effective judicial systems, and a cultural emphasis on transparency and accountability. A comparative approach will set these two countries next to each other, to find differences between them in the context of the main topic of this thesis.

The main argument of this thesis focuses on how corruption undermines democratic stability. I explore it through the lenses of political instability, weak rule of law, and eroded public trust. The thesis argues that corruption does not only lower the effectiveness of democratic institutions but also diminishes the citizens' loyalty and trust in the political process, which are the foundation for a healthy and functioning democracy.

1.3 Research question and objectives of the thesis

The main research question of this thesis is "How do the different corruption dynamics in Venezuela and Uruguay impact democratic governance?". It focuses on identifying factors causing corruption on varying levels, and its influence on democracy in Uruguay and Venezuela. This shall be done by analyzing socio-political, cultural, and historical influences, their involvement in corruption in each of the two nations, and then by comparing the results with each other, highlighting the differences between them. In the beginning stage of gathering data for conducting this research, I shall review the theory of the concepts of democracy and corruption, their impact on each other, and how they cooperate. Additionally, I will analyze some available methods of measuring corruption and review their reliability.

The objectives of this dissertation consist of finding and analyzing the conditions that contribute to different levels of corruption in those Venezuela and Uruguay and exploring if and how it contributes to changes in their governmental systems. Another objective is to compare the impact of corruption in those two nations, to show how both countries have addressed corruption in the recent past and to find out which measures have been successful or unsuccessful. The last objective of this research is to contribute to the general understanding of the relationship between corruption and democracy.

1.4 Structure of the thesis

The thesis is divided into six chapters and a reference list. The introduction presents the topic and the research question, as well as the objectives of this thesis. It is followed by a theory chapter, where I lay out relevant data and research results from different academic sources and theoretical frameworks such as journal articles, book chapters and primary sources and relevant data sets. This part talks about the definitions and conceptualizes corruption and democracy. In addition, it explores the impact of illegal activities on democratic governance systems in Venezuela and Uruguay. That part forms a foundation necessary for the analysis and discussion in subsequent chapters. The third chapter focuses on methodology of the research. Here, I explain the process of data collection, justify the selection of sources, and address the limitations and weaknesses of my research. I discuss factors such as language barriers and time constraints, highlighting the challenges encountered during the information gathering process. In the fourth chapter, I put the spotlight on the specific cases of Venezuela and Uruguay, applying the information from the theory chapter. I analyze their recent and current relations with corruption, the state of democracy within them and their ways of addressing it. The fifth chapter is based on the theoretical framework built in the previous chapters. With the

gained knowledge, I conduct a comparative discussion of the two cases and draw conclusions. In the last chapter, I summarize and list the key findings, revisit the research question and thesis objectives, and discuss whether and how they were researched. In the very end I reflect on limitations of this study and identify potential avenues for further research.

2. Theory

Over the past decades, the topic of corruption has increasingly gained prominence amongst scholars (Breit et al., 2015). Due to it being a worldwide issue, apart from the growing number of scholarly works, the number of new aspects of corruption has also been broadening, with focuses on its nature, origin, types, and impact on particular aspects of governance and society (Otusanya, 2011). In most cases, corruption is discussed in the context of politics, bureaucracy, and public institutions (Sikka, 2008). It is often depicted as a negative process, and metaphorically compared to cancer (González de Aragón, 2004), a foreign body which inhibits order and structure. Bribery, embezzlement and other forms of it inflict development and affect practically all aspects of governing a country (Underkuffler, 2013). In academic literature, a lot of attention is paid to the coexistence of democracy and corruption, pointing out the negative effects of corrupt practices on democratic governance. In this chapter, I critically review relevant research on corruption, democracy, and their intertwined relationship. This chapter also aims to gather information about corruption and democracy in general, to create a set of tools to apply them to the specific cases of Uruguay and Venezuela.

2.1 Definition of democracy

In the following chapters of this thesis, I will be focusing on democracy in Venezuela and Uruguay. To do so, understanding it first is essential. This section therefore dives into conceptualizing and discovering the definition (or definitions) of democracy, its characteristics, and types.

A sturdy and reliable structure is vital for creating and sustaining a strong community. There have been many variations of government forms, none of which can be called universally optimal. In fact, as a society, we deal with systematic flaws and issues on a daily basis, in forms of inequality, unfair treatment, riots, protests and discontent. Whether it be due to imperfections of the system or deviations from it is a discussion for a different dissertation topic. Ultimately, despite its downsides, democracy is often considered the most efficient political system to run a nation and is therefore the most commonly followed political system worldwide (Adam et al., 2011). As a result of its global scale, it is subject to countless influences. Therefore, the perception of a democratic system varies under intercultural, constitutional, and historical contexts.

To define democracy, let us look at its modern characteristics. The general principle of that system is ensuring free elections; democratic governance is also associated with representation, participation, citizens' accountability in governance, universal suffrage and voting rights, free elections, choice of political parties and free media (Morlino,

2004, p. 10). These elements serve as the foundation for a democratic structure, processes, and institutions. With that in mind, democracy can be described as a "necessary correspondence between acts of governance and the wishes with respect to those acts of the persons who are affected" (May, 1978, p. 1). A healthy democratic structure is bound to provide a choice in elections, requiring the existence of multiple political parties. With that, citizens have an ability to vote for groups that reflect their views and opinions, and therefore have power of influencing the governance according to their preferences. Whether the particular party wins or not is irrelevant. What matters is the ability to use one's voice and support what they believe is right.

According to Rosenfeld (2001, p. 2), one of the key elements of democracy is the rule of law. Ferioli (2015) goes as far as to say that it is the foundation of modern states and civilizations, and the essence of democracy, alongside free elections. The rule of law means equality and accountability of all citizens in front of the law, including freedom of speech and expression. It ensures that every citizen is equal regardless of their background, religion, views and education in political contexts, and shall not be discriminated. Democracy is based on the unification of society on equal terms, and the rule of law is what makes it achievable (Gluck, 2012). Freedom of speech, as a part of the rule of law, refers not only to individuals, but also to the media. Independent news platforms and uncensored social media (in a political context; it does not apply to censorship of for example criminal content) are what define democracy as well. While social media is mostly built upon personal opinions, news channels ideally provide more objective perspectives, with its primary purpose being to talk about information and current events rather than characteristics on them. In context of corruption, it is a strong factor fighting it. With free media being able to spread information about any current corruption cases and events, it can create public awareness and provide checks on the government.

In a political context, democracy is a system based on the rule of law, equity, freedom and a right to choose and vote for one of multiple political parties. Although it is subject to multiple interpretations and applications in practice, depending on geographical, cultural, and economical factors, those are the primary characteristics that build it. Linz (1985) makes a disclaimer that most definitions of democracy depict a hypothetical, ideal picture of it. In reality, their complete realization is hardly possible in a long run. With that, he suggests that even if not all aspects of democracy are flawlessly applied, countries still can be considered as democratic. Even with certain shortcomings,

generally sustaining and working towards the core values of democracy is what makes a nation democratic.

2.2 Definition and conceptualization of corruption

Corruption is a phenomenon taking place in every country in the world. Ranging from harmless and not necessarily unethical, to large-scale schemes affecting large numbers of people, it is a threat to governance and keeping order in a society. Defining it is the first obstacle one faces when studying it, due to its numerous varieties, categories, contexts, scales, and those involved in it. Despite corruption following a universal fundamental principle, creating a definition covering all its kinds is a challenge. Rose-Ackerman (1999, p. 91) defines corruption as a "misuse of public power for private gain". Jain (2008) continues that in politics, that translates into unlawful use of public resources, power, or privileges for the sake of personal gain and purposes. Luo's (2005) definition is similar: "illegitimate exchange of resources involving the use or abuse of public or collective responsibility for private ends".

Conceptualizing political corruption from a holistic perspective is practical for gaining insights into its underlying dynamics and drivers, allowing it to be studied empirically. Its multifaceted nature makes it not always clear whether something is connected to corruption or not. However, there are specific guidelines and frameworks assisting in recognizing corruption by providing criteria for evaluation in particular contexts. Laurence Cockcroft elaborates on the issue of defining corruption: "Formal definitions of corruption range from decay of society to the single act bribery. Personal enrichment is nearly always a key objective, although corruption may be engineered by a group with the intention of achieving or retaining political power" (Cockcroft, 2012, p. 2).

Research on corruption can take different paths and bring altering results, depending on the chosen definition. Thus, it is important to develop a detailed understanding of the concept to accurately identify and address corrupt practices. Corruption, with its multifaceted nature, is a big threat, as it can shift forms, hiding behind favors, gifts, or staged coincidences. Distinguishing between these nuances often requires a case-by-case analysis, as many instances of corruption are not apparent and may exist within seemingly legal, illegal, or gray areas (Klitgaard, 1998).

In a democratic context, corruption has been deconstructed into three different levels of severity. The first one being grand corruption, or high-level corruption, concerning individuals with high power and a big budget, usually politicians, extremely wealthy individuals, businessmen and women, or CEOs of major interconnected companies. It

tends to take place on the highest levels of the government, involving programs and projects, run by political elites who take advantage of their access to public funds or privileges for their own economic policies (Jain, 2008). Myint (2000), together with Rose-Ackerman (1999), believes that as grand corruption takes place amongst the wealthy side of the society, it usually originates from greed, desire to stay in the office and keep the financial status, for example by boosting campaigns or preventing a different party from taking over a function to stay in a particular position. Secondly, bureaucratic corruption, also referred to as medium level, means bribery on a smaller scale, with less risk and severity of potential punishment, often for the sake of convenience. This type of corruption usually means "purchasing favors" and bureaucrats cooperating with their bosses who are partially or entirely in charge of making economic policy decisions on behalf of the government. That way, a civil servant can get more power than what is initially granted by the law or the employers (Otusanya, 2011). The third type, lowest level corruption, can be a result by need and necessity, rather than greed. Cockcroft (2012, p. 115) and Myint (2000) agree that it often hits the poorest members of the society, specifically by those slightly higher on the economic ladder. It can take place in very small and personal environments, such as small independent businesses, paying off controls, or petty theft. In more extreme cases, low level bribery can take the form of buying a driver's license, due to lack of funds for an official process of exams or securing an available spot on a train. Myint (2000) follows Rose-Ackerman (1999, p. 27) and says low level bribery is often a result of small salaries of civil servants, with insufficient funds. Corruption can become the only way of improving the quality of life. Raising government issued salaries may lower this form of corruption but is only a short-term solution which can contribute to inflation, which would then lower the value of the salaries, thereby going into an endless domino effect and keep getting worse.

Myint (2000) argues that to effectively study corruption, it is essential to break down the phenomenon into its basic components, considering factors such as types, severity, and contextual details. This analytical approach allows a comprehensive understanding of the subject, making it possible to explore its various dimensions and implications. The concept has been extensively studied and categorized, with scholars identifying the categories based on the fundamental principle of profiting from unlawful actions (United Nations, 2023). Despite those efforts, fighting corruption remains a complex and ongoing challenge that requires multidisciplinary approaches and local, national, and international cooperation. Due to shared principles, some of the categories discussed here overlap on a certain level or share major similarities.

Embezzlement can occur either independently or with multiple parties, leading to various forms of corrupt practices (Myint, 2000). Characterized by theft or unfair distribution of entrusted values or funds, it often occurs when an individual or institution abuses their authority to misappropriate resources for personal gain. For example, in a hotel setting, embezzlement might involve an employee purchasing a number of TVs, and then fabricating documents to inflate their prices, allowing the buyer to pocket the difference between the actual and inflated costs, on the expense of the hotel owners. Fraud, or deception for illicit gain, a popular form of corruption, involves manipulation, deceit, and forceful impact on individuals or political entities for the sake of profit. Fraud can rely on false information, identity theft, internet or phone-call scams, deliberately inaccurate pricing, false advertisement, or pyramid schemes. While it does not always rely on a value exchange, if undiscovered, it may result in destabilization of financial, governmental, or social structures.

Bribery, often interchangeable with corrupt transactions, is usually the first thing that comes to mind when hearing the word "corruption". Heidenheimer and Johnston (2017) say it refers to the act of offering or receiving something of value in exchange for influencing someone else's actions illegally. Bribery is usually based on monetary leverage, but it can employ privileges, gifts, favors, special treatment, line skipping. This form of corruption corrodes the integrity of institutions, distorts decision-making processes, and causes inequality by favoring those with resources and connections over others.

Conflict of interest poses significant risks to accountability and integrity, as it involves individuals making decisions influenced by their personal reasons rather than acting objectively on behalf of groups or organizations. This ethical dilemma can lead to biased decision-making, which prioritizes personal gain over the welfare of others, undermining public trust and governmental structures. Conflict of interest raises in severity depending on how big the group one represents is, as the decisions made by the corrupt person influence that group.

Extortion, or blackmailing, is understood as coercion for compliance, and compelling individuals to engage in illegal activities by threatening them with harm. Unlike bribery, which involves offering benefits for corrupt behavior, extortion is based on fear and threat leverage, forcing compliance.

Graft is an abuse of power for personal gain. It often takes a form of unpaid overtime for employees or exploitation of public resources for reasons other than public wellbeing. Graft lowers the legitimacy of governance and institutions and opposes promotion of transparency and accountability in public administration.

Identity theft, or cloning, overlaps with fraud to a degree. Holt and Graves (2007, p. 137) describe identity theft as stealing someone's identity without their knowledge for illegal purposes, such as unauthorized bank transactions, or document signing. It can be done by copying personal documents, faking them, signature forgery, or phishing. Cloning can result in false accusation of the person whose data has been stolen from. Therefore, apart from political or financial consequences of identity theft, it may also result in emotional distress, as the victims are often unaware of the situation until they are accused of a crime, they have not been a part of. Kickbacks, another form of bribery, stand for illegal payments made in exchange for favorable treatment, such as securing additional votes or receiving special privileges or favors. The main difference between them and bribery is that kickbacks often take place after a certain profitable event or action has been made. It is therefore harder to identify, as bribery is expected to take place before.

Money laundering involves creating a false front to conceal illicit origin of funds obtained, effectively masking the source of income to evade detection or prosecution. An example of money laundering can be a grocery store, a bar, or a self-service laundromat. Even with full equipment and stock, those remain unopened, but their existence is enough to allow the owner to write down "fake" income, covering the true source of "dirty money". Money laundering fuels crime, inequality, and deteriorates financial systems.

Nepotism/favoritism, though often overlooked, represents a form of corruption where personal relationships, familial ties or friendships influence the decision-making process of someone in power. The results could be preferential treatment, being given a prestigious job position without an application process, skipping lines in bureaucracy, helping someone out from getting a fine on a road. Nepotism results in unfair treatment of those who were overlooked or cut off for the sake of the person with the right connections (Myint, 2000; Otusanya, 2011).

2.2.1 Gifting, clientelism, or bribery?

Distinguishing between gifts and bribery is a common challenge in recognizing corruption of politicians. Balachandrudu (2006) and Hooker (2009) believe that in a cultural context, what is considered corruption in one context may not be seen as such in another. In the Southern Hemisphere, the act of gifting a public official for providing a service may be a common and valued customary practice and tradition, sometimes blurring the line between a corrupt act and an innocent practice (Graycar & Jancsics, 2017, p. 1015). Whether it be a gift in a physical form or a monetary reward (beyond regular salary), drawing a line between a kind gesture and bribery is difficult, and therefore applying universal guidelines on distinguishing them becomes problematic. An

indicator that can help to do so is the value of the gift or the amount of funds received. Should it be relatively low, the gestures take on a symbolic nature, which suggests that it will most likely have minimal influence on the politician's judgment and decision-making (Azfar et al., 2001). However, the interpretation of such gestures still varies depending on each case and those involved, especially on an international scale. Even if a gift is not considered, or is not supposed to be of corrupt nature, it often impacts the receiver to a certain degree, and therefore has the same outcome as bribery.

Lindberg et al. (2022) mention political clientelism as a similar term to gifting and bribery, but with its share of differences. While all three practices can involve financial transactions, it is bribery that does it most often, with a clear intention of influence. Clientelism usually operates with materialistic goods or privileges, and unlike gifting, it is specifically aimed to gain the receivers' sympathy and political support. Bribery is illegal. Gifting, in its purest form, is not. Clientelism, however, is on a gray scale, depending on the context of how it is practiced, its scale and nature. It is not always clear where on the gray scale it is, as it shares a lot of similarities with regular elections campaign. Both include promises of changes and initiatives should a candidate win (Lindberg et al., 2022). Stokes (2013) follows by saying that it should not be confused with regular campaign promises or encouragements. Fair campaigns focus on policy-based, large-scale promises addressed to the general audience, usually the entire nation. An example of a promise could be improving the national education system by increasing governmental funding to public schools by 10% over the next two years, benefiting all students in the country. Political clientelism is more specifically focused on relatively smaller groups of people. It can target communities, individuals, or groups of people in need of a particular change or are easy to manipulate. These entities can be selected because they are in strategic locations or because they represent a significant voting group that can be crucial for winning an election (Lindberg et al., 2022). Political clientelism can take a place when a candidate visits a specific town and offers to build a new kindergarten if the citizens vote for them. If this promise only targets this town, instead of a larger part of the nation or geographical area, it can be considered clientelism.

2.3 How does corruption impact democratic stability?

Boswell and Rose-Ackerman (1996) believe that democracy is generally considered the most corruption-resilient governance system of all. And yet, corruption still one of the most significant threats to its stability. This observation is supported by Diamond (2003, p. 29), who elaborates that with electoral prospects and a desire to be reelected, candidates need to build and maintain a good reputation, meaning they are forced to

restrain from illegal activities that could potentially influence their chances of remaining on their positions. In addition, the democratic objectives of ensuring civil rights and free speech both require and result in a higher degree of government transparency, making bribery a lot more difficult to conceal (Boswell & Rose-Ackerman, 1996).

Corruption is an act of abuse of public resources for private gain (Rottberg, 2019, p. 17). As the government's main purpose is to care for its society, abusing the citizens for private gain instead defies the office's fundamental responsibility. That makes it lose credibility in the eyes of citizens, which further causes them to doubt the justice system, which in severe cases, may contribute to breaking apart the democratic form of government (Transparency International, 2023, p. 14). Dishonest and corrupt projects can compromise the sanctity of the privilege of free elections, which is at the heart of democracy. Should the voting process be tampered with, the core philosophy of this form of government is eroded, posing a very dangerous threat to the structure.

Each definition of democracy leaves no place for corruption. However, in reality, a complete absence of it is not feasible. Therefore, corruption takes place in almost all governments, it poses a threat to every democracy (Johnston, 2006). A survey conducted among nearly 160 public officials and civilian representatives in over 60 developing countries reveals that corruption is perceived as the primary enemy to government systematic sustainability and development (Gray & Kaufmann, 1998). One of the reasons for it is that corporations and the wealthy class of the society often turn to bribing political officials in power of making decisions to influence their economic well-being. As a result, they can manipulate and control the political system to a large degree, without being constrained by society's democratic choices Balachandrudu, 2006. The severity of harm caused by corrupt actions, whether political or otherwise, depends on many variables. Generally, the weaker the governance system, the more space for corruption there is (Amundsen, 1999). Ferreira Rubio (2019) supports that claim and specifies:

Our research makes a clear link between having a healthy democracy and successfully fighting public sector corruption. Corruption is much more likely to flourish where democratic foundations are weak and, as we have seen in many

countries, where undemocratic and populist politicians can use it to their advantage. (Ferreira Rubio, 2019)

Another severe damage inflicted on democracy by corruption is the loss of civil trust. When society loses confidence in its government, corruption thrives, leading to tax avoidance, black market activities, and a lack of cooperation with the government (Draplova et al., 2019). The moment a corrupt scheme gets discovered and brought to the public, one of the first things happening is the loss of societal trust in the government. Seeing that the ruling office engages in unlawful use of power, the public may conclude that they are not the priority in the government's eyes, and that if even politicians cannot trust each other, neither can the society (Rottberg, 2019, p. 5). Trust is exceptionally difficult to fix and regain. Therefore, corrupt politicians often struggle to restore their reputation, and the same goes for governments; citizens who cannot feel secured by their government once are very unlikely to do so, especially until someone else takes the office.

2.3.1 Erosion of the rule of law

Underkuffler (2013) notes that corruption also deteriorates the rule of law, the "glue" holding democratic values in place. Due to disproportional and unfair privileges, the equality of all citizens in front of the law diminishes. As bribery has the power of making one immune to a certain regulation, or create new regulations over others, it violates the rule of law, discriminating those living under the same constitution. Democracy is meant to consist of fairness, justice and equal rights. Without the rule of law, all those aspects cease to exist. One could say that a system can either be equal or not, with no in between. However, as mentioned in chapter 2.1, Linz (1985) disagrees and says that even with certain shortcomings, a nation could still be called a democracy.

The existence of corruption impairs social and political stability, and general faith in the rule of law. Judicial corruption is a "cancer" or "virus" or "disease" because of the broad dangers that it presents to the rule of law and to the maintenance of government institutions. (Underkuffler, 2013)

2.4 How is corruption measured?

In addition to identifying and defining corruption, measuring it is also a challenge in studying the issue. The main purpose of measuring it to grasp the extent and severity of activities threatening governmental structures; in order to fix a problem, one needs to identify and understand it first.

This section looks at the methods for measuring levels of corruption, along with the challenges and limitations that come with it. Even though the presence and influence of corruption is noticeable, corrupt actions are difficult to translate into numbers. Due to corruption's mischievous nature, the complexity of political systems, as well as the probability of never discovering corrupt movements that went by unnoticed, collecting data to measure it poses a great challenge. Nonetheless, there have been numerous attempts and frameworks created to tackle the issue.

2.4.1 Methods of measurement

Another difficulty in working with corruption is recognition and measurement.

Measuring corruption is necessary step for the analysis part. This section discusses different methodologies for measuring corruption, used for estimating or predicting the harm and importance of particular cases. Instances such as corrupt agreements leading to illegal waste dumping in forests, disproportionate medication distribution, or the overlooking of cheating in casino games affect different groups of people, and on a different level. Depending on the outcomes of each case and the individuals affected, the severity of corruption can vary (Myint, 2000). Boswell and Rose-Ackerman (1996) look at the case from the other side, claiming that in addition to the caused harm, "corruption levels are determined by the overall level of benefits available, the riskiness of corrupt deals and the relative bargaining power of briber and bribee".

Measuring systems require a three-dimensional approach, engaging quantitative and qualitative data gathering methods, as well as subjective surveys and objective indicators. Despite each method having its strengths, the complex nature of corruption makes it tricky to measure it accurately using only one type of research. Despite the obstacles however, organizations, researchers and scholars have been creating methods and systems to estimate the levels of corruption and policy structure-destructive misconducts. With that in mind, it is important to remember that many corruption measurements and indexes are estimates and approximate numbers, since the data used to make them were almost certainly not complete and 100% accurate. To make the measurements as close to the reality as possible, methods are often combined, since some methods are not always applicable, depending on data availability, reliability, and

willingness of survey participants. Amongst numerous systems of measuring corruption, three are the most recognized worldwide: the Corruption Perceptions Index introduced by Transparency International, the Control of Corruption Index created by the World Bank (Rottberg, 2019, p. 7), and the Corruption Risk Forecast's Index of Public Integrity, which "measures the capacity to control corruption", and is "based on an equilibrium between opportunities for corruption and society's capacity to constrain corrupt behaviour" (European Commission, 2023). Their reliability stems from the large numbers of data sources, as well as the researchers cooperating there.

In spite of corruption often being about monetary profit and numbers, a qualitative approach may also be suitable for studying it, building on qualitative cross-sectional research and case studies. Through analyzing cases and scandals and conducting interviews with those who have been involved in it, one can create tools for researching the dynamics, contexts and situational "patterns" leading to corruption, specifying its course, and evaluating outcomes. However, both qualitative and case studying approaches have their flaws. "Cross-sectional work and corruption indices impose a common model upon all cases and are not particularly sensitive to qualitative variations" Johnston (2006, p. 4). As the principles of data collection need to be unionized, it neglects the differences between corruption in different parts of the world. Another weakness of the qualitative approach is the subjectivity of perception of corruption, as it may present the same data as two different variants, depending on the interviewee's interpretation Johnston (2006, p. 4).

Quantitative data analysis as a method engages numerical data collected mainly from the outcomes of previously uncovered corrupt actions, by analyzing indicators such as the number of discovered cases of corruption, the amount of monetary funds involved and the of losses and benefits. Unlike qualitative methods, numerical data makes it possible to establish more concrete statistics in order to predict and prevent monetary losses.

Objectivity indicators rely on observable occurrences, such as investigations, convictions, reports of corruption-related incidences and prosecutions. This kind of data provides tangible and concrete evidence of corrupt transactions, making it possible to make a general overview of the level of corruption in particular areas. The weak side of objective indicators is ceasing to report incidents, hiding the truth, not speaking out or convincing those who can testify to not do so.

National corruption surveys conducted by the government amongst citizens are a way of assessing the citizen's experiences and perception of corruption. This research often includes large-scale interviews and questionnaires given to a representative sample in the population. That way, the government can have an overview on corruption in different sectors, such as schools, hospitals, or universities (Rose-Ackerman & Palifka, 2016).

The Corruption Perceptions Index (CPI) (Transparency International, 2023) is likely to be the most common corruption measuring system on a global scale (Otusanya, 2011). Every year, Transparency International updates a rank of governments worldwide based on numerical data on political corruption in public sectors. The data is collected from surveys, official reports and business executives' and experts' insight, to then create a list of scores for each country and compare them. The CPI allows to accurately visualize a trajectory of corruptions in all the countries, note Budsaratagoon and Jutmaneroj (2019). They justify their trust in CPI saying that "the strength of the CPI lies in its combination of the perceived levels of corruption from various third-party data sources into a single composite index". As this approach is widely considered reliable and has been cited in countless academic publications as per Google Scholar, I believe it is a go-to source of statistics regarding corruption, and therefore I use it to illustrate the situation in Venezuela and Uruguay.

The United Nations Convention against Corruption (UNCAC) framework consists of a list of indicators for recognition, analysis and collecting data about corrupt incidents taking place in political contexts. The primary purpose of the framework is to allow nations to monitor illegal activities in the public office, create statistics and reduce the number of underground hustles. Even if the index focuses on what has already happened, it helps to prevent briberies by visualizing patterns and sources of corruption, and therefore make it more likely to track and stop them from happening in the future (United Nations, 2023). United Nations further explain:

The statistical framework recognizes the multi-faceted complexity of corruption by incorporating a multiplicity of sources that can include, interalia, administrative records related to public finances and other procedures within public administration (such as public procurement records, assets declaration records, audit records, access to information records, etc.), household and

business sample surveys on corruption, other sample surveys, including surveys of public services, expert-based interviews, individual anonymized records on individual corruption offences, anonymized court casefiles and whistle-blowing files, and administrative records derived from the criminal justice system and civil procedures at all stages of their corresponding processes. (United Nations, 2023)

Worldwide Governance Indicators (WGI), introduced by the World Bank, are a set of guidelines for measuring the efficiency and quality of governance, involving corruption. Kaufmann et al. (2011, p. 223) explain that they utilize data gathered from surveying citizens, experts, and businesses, and are based on mostly qualitative data, in order to create a multi-dimensional governance, consisting of over 200 countries and territories. Each indicator focuses on different aspects of governance, as listed by Kaufmann and Kraay (2023) in cooperation with the World Bank:

"Voice and Accountability" measures how much impact citizens have on selecting the government, as well as their quality freedom of speech, self-expression, and other human rights. "Political Stability and Absence of Violence/Terrorism" evaluates the chances of the government being destabilized or overpowered by force, violence, terrorism, and impeachment of the constitution. "Government Effectiveness" focuses on the general opinion on the standard of public and civil services, their immunity from political pressures, policy formulation and use in practice, and the government's dedication to those policies. "Regulatory Quality" estimates the public office's ability of creating and implementing cooperative guidelines and regulations encouraging and promoting the development of private sectors. "Rule of law", focuses on how much the members of the public office's follow societal, the effectiveness and predictability of the judiciary, and the power of contracts. "Control of corruption", explores general interpretation of the level of abuse of public resources for private benefit, including both low and high levels of corruption. However, Kaufmann and Kraay (2023) make a disclaimer that the WGI are based almost entirely on subjective perceptions of individuals, rather than more objective and numerical data. It is therefore worth remembering that the results and information provided by this framework can be influenced by bias or limitations in interpretation.

2.4.2 Challenges in measuring corruption

The first difficulty in measuring corruption is identification, due to a variety of its definitions. As mentioned in the theory chapter, the interpretation of corruption differs depending on the culture, subjective beliefs, and contextual nuances. Collection of statistical data requires a set of criteria and pre-established methodology, which often does not go well together with often contradictory variables and sources. Despite many attempts of creating a universal framework, the structure of corruption varies depending on each government; it is therefore difficult to accurately estimate corruption, both globally and in every country individually (Jain, 2008).

Given the undercover and subjective nature of corruption, data collection comes with a few challenges, such as identification or limited data availability (United Nations, 2023, p. 5). Wathne and Stephenson (2021) follow up by saying that the awareness of those blind spots is often not enough to estimate the error margin, as it is hardly feasible to know the extent to which the data is missing. In other words, knowing that data is missing, but not how much of it, can severely damage statistical accuracy.

Regarding the issue of limited data availability, Sikka (2008) believes that as the nature of corruption is working undercover and leaving as little traces as possible, discovering, and gathering enough variables and evidence to measure bribery is problematic. Following that thought, Jain (2008) argues that limited access to data needed for measuring corruption can also be fueled by officials. That claim is supported by the United Nations Statistical Framework of Measuring Corruption (2023, p. 6):

An additional challenge in measuring corruption is that detecting corrupted behaviors is more difficult than detecting other types of crimes as victims and institutions are not always willing or able to report and register its occurrence. The dark figure of corruption- the part of corruption that doesn't come to the attention of authorities and is not recorded – is arguably higher than other forms of crime because of the fear of retaliation and co-responsibility or direct benefit from corrupt endeavors.

Since a successful corruption deal is characterized by not being discovered, some statistical data is never retrieved. Not only does it prevent data from being discovered,

but also hides it completely, meaning it is not possible to even estimate how much is unknown. Thus, measurement results should not be understood as being 100% accurate. Another factor preventing some data from being discovered is that the victims of corruption do not always wish or are able to disclose their experiences, therefore allowing corrupt projects to go exposed, thus again skewing the statistics and measuring results (United Nations, 2023, p. 5). This leads to the issue of low transparency: Political environments with a high degree of undercover activity are a perfect place for corruption to thrive. With little transparency, corrupt actions are easier to conceal, and therefore complicating data collection. A related problem refers to subjective interpretation of corrupt cases. The data collected as an effort to draft the range of corruption is often perception-based, and hardly ever quantitative. That, combined with limited access to the real number of corruption cases, makes the results different from the reality and can only be treated as an estimate.

3. Methodology of the research and literature review

In this chapter, I will present the process of source selection, the methods employed to verify their reliability, and how I analyzed them to gather data for this research.

I will begin by discussing the methodology of secondary source analysis, along with the browsing engines used. Following, I will elaborate on how I reviewed and selected the most appropriate and reliable sources, and shed some light on the main works and their authors this thesis is based on and why I trusted them. The primary aim of this chapter is to present and backup the foundations of the thesis, to highlight its credibility.

3.1 Secondary source analysis

This research was conducted primarily by analyzing secondary sources, such as academic articles, books, websites and working papers. Considering the versatility, dynamics and popularity of corruption, democracy, and the case of Venezuelan political crisis amongst scholars, the selection of academic and non-academic sources on those subjects is particularly large. That being said, finding material was not difficult. The challenge, however, was to decide which of these sources were relevant, up-to-date, reliable, and as close to being non-biased as possible. To do that, I created a filtering system based on a set of assumptions and keywords:

Assumptions:

- Corruption has a negative impact on democracy.
- Corruption is worse in Venezuela than in Uruguay.
- Uruguay has low corruption levels.
- Venezuela has large oil deposits and generates a lot of income because of it.
- Corruption is severe in Venezuela due to factors like poverty, drug trafficking, low education, public distrust, a kleptocratic government, and greed.

Keywords:

Corruption, democracy, Uruguay, Venezuela, bribery, measurement, government, embezzlement, public trust, Maduro, Chávez.

The source filtering system was applied in a particular order. Starting with relevance, I applied the assumptions and keywords to find publications or their publishers. Academic articles were a major form of my sources, for which I browsed through services such as Google Scholar, Journal Storage, Sage Journal, Democratization Journal, and digital library catalogues. While reviewing them, I applied the next filtering stages, reliability, and accuracy. As for reliability, I turned almost exclusively to academic, published

sources written by scholars. To further investigate, I relied on Google Scholar again, to check the number of times a particular publication had been cited, and in what kind of research. Another step was to look at the reference lists, to estimate how much the source was backed up, and how much was coming from the author's judgment. Accuracy-wise, I made sure to use sources that were mostly within two decades when it comes to definitions, and the newest ones available regarding statistics.

With focus being set on each source, I again used keywords and assumptions. By applying this filter, I was able to sift through numerous publications that focus on issues discussed in this dissertation, and extract information I found useful for this research. Looking for information either confirming, debunking, or just discussing assumptions, I successfully separated the fitting data. While reading materials on paper, I marked the parts fitting my pattern with a pencil, at times highlighting the citations to trace them and further extend my library of trusted literary works. Regarding digital sources, I used a finder to search keywords, which showed me particular words in an instant. That was especially practical with lengthy texts, saving time I would have otherwise used on going through hundreds of pages and filtering out information manually.

As an additional method of data verification, I compared it from various other sources by cross-referencing. As an English, Norwegian and Polish speaker, my pool of sources was extended beyond those only written or translated into English. That way, I was sometimes able to compare the data not only by different authors, but also political and historical perceptions of separate nations. With this comparative approach, I enhanced the credibility of what I discuss in this dissertation and learn about the topic from more than just one perspective, creating a multidimensional mind map; hence, the process of writing was also an opportunity for me to broaden my knowledge more than just reading theory.

3.2 Justification and selection of sources

During the data collection process, I often relied on Susan Rose-Ackerman's "Corruption and Government: Causes, Consequences and Reform" (1999). Her works, including multiple journal articles and working papers, focus on corruption and democracy and together contain years of research on the topic backed up by numerous references, all merged with her own insight. They have been cited thousands of times on politics-related research, and subject to many reviews, which made me conclude the input was reliable. The book begins with a general definition of corruption as "the misuse of public power for private gain", which has been used in countless academic publications. It then

discusses corruption first as an economic issue, and then as political (Manion, 2001). It is presented as a complex phenomenon, and is discussed from various perspectives, illustrating, and explaining its versatility. The topic is deconstructed into separate categories, focusing on the levels of corruption, its sources, and victims (Lipford, 2000). She then discusses them with a theoretical approach, which I found very accessible due to her clear writing. The author also applies the theory onto practice by providing empirical examples, making the information more tangible while keeping all the details. By grounding her discussions in both theory and empirical evidence, Rose-Ackerman offers a particularly practical tool for researching corruption. This approach allowed me to grasp the concept of corruption more holistically. In that way, the data presented in the book showed me a comprehensive analysis of corruption that is both accessible and informative, as well as reliable (McLaren, 2000).

Another book I relied on was "Global Corruption. Money, Power and Ethics in the Modern World" written by Laurence Cockcroft (2012). It addresses corruption in a structured way, starting with some definitions, through causes, victims and results of corruption and ending with a layout of what is currently being done to combat corruption in a global context. The "Victims of corruption" chapter was particularly insightful for my thesis. In it, the author creates hypothetical scenarios and fictional characters, using them to depict different ways corruption can affect people, political, or economical systems simultaneously (Elbra, 2013). As most scholarly publications rely primarily on theory, this approach allowed me to see the issue from a new perspective, not only providing information but also letting me understand it better.

In this thesis, I often refer to a couple of Gustavo Coronel's publications: "Corruption, Mismanagement, and Abuse of Power in Hugo Chávez's Venezuela" (2006), "The Corruption of Democracy in Venezuela" (2008), "The Venezuelan Crisis What the United States and the Region Can Do" (2017), and although not used here, "Curbing Corruption in Venezuela" (1996), which I read to build a background for understanding his other publications and see if any of his claims have changed overtime. Reviewing his publications from different years, it allowed me to see the shift in his perception of the issue overtime, as the situation in Venezuela kept evolving.

Gustavo Coronel is a petroleum geologist and diplomat who cooperated with the international oil industry in Venezuela for 32 years, representing it amongst numerous countries Latin American and beyond. In 1994, he became the Chief Operations Officer of the "Corporation Venezolana de Guayana", a government Conglomerate in Venezuela

(TCFR, 2015). Further, between 1994 and 2000, he was "Founder and president [...] of Pro Calidad de Vida, an NGO organization promoting anti-corruption techniques in government and civic education for children in Venezuela" (TCFR, 2015). What I believe adds to his credibility is his position of the representative of Venezuela in Transparency International, one of the leading organizations researching corruption. His biography is also mentioned by the Journal of Democracy. Coronel's career has been closely related to Venezuelan economy and governance, giving him first-hand experience and access to it from the inside, making his research based on his own experiences, unlike many other. On the flip side, his devotion to Latin America and Venezuela, as well as losing his position in the congress may make him subject to bias. Another factor possibly responsible for bias is that Coronel was chosen as a member of the Venezuelan Congress in 1998, which was soon shut down in 1999 after Hugo Chavez was elected. Possibly feeling responsible for his country, as well as unfairly treated by the president, his research could have some personal influences, even though he does not express them directly.

Regarding online sources, I turned to governmental and organizational websites, for example those of the U.S. Department of Treasury ([treasury.gov](https://www.treasury.gov)), U.S. Department of State ([state.gov](https://www.state.gov)), U.S. Government Accountability Office ([gao.gov](https://www.gao.gov)), and Congressional Research Service ([crsreports.congress.gov](https://www.crsreports.congress.gov)). E-government sites, often ending with ".gov", are run by official agencies or institutions closely related to the government. They are believed to be credible sources of public office information, as they usually provide first-hand input (Huang & Benyoucef, 2014, p. 585). They tend to not credit authors, as the articles posted there are released as the "voice of the office", written by their researchers. Additionally, they are often bound by law to provide true information about the government, especially when talking about fact-based topics (Huang & Benyoucef, 2014, p. 586). Sitokdana (2019, p. 239) disagrees with government websites' credibility as academic sources, saying they provide information from a very subjective perspective, without reviewing third parties' outlooks. In addition to governmental websites, I used those of a more holistic approach, such as World Bank ([worldbank.org](https://www.worldbank.org)), World Bank Live (live.worldbank.org), Transparency International ([transparency.org](https://www.transparency.org)), and World Justice Project ([worldjusticeproject.org](https://www.worldjusticeproject.org)) which provided me with statistics. At times, they conducted research and surveys on similar topics with similar results, which allowed me to verify their accuracy. There is however one weakness to them. Most of those websites are scarcely reviewed by scholars; although they may be primary sources, they may be subject bias and propaganda.

3.3 Limitations and gaps in the material

As I am not a Spanish language speaker, the official language in Venezuela and Uruguay, my access to local sources from these regions is very narrow. This means that I cannot use primary sources such as daily media outlets, news TV channels, newspapers, or social media posts, as they are usually not translated, let alone officially. This absence of direct access hinders my ability to apply firsthand experience and perspectives into my research. Despite English (and several indigenous languages) also being present in both countries (Dyde, 2023), it is not official, therefore hardly any public media is released in it. Further, it creates a gap of information, not because it is missing, but because I have no way of accessing the most recent news. I decided against using Google Translate to access sources in Spanish, as I do not believe it is a sufficiently reliable tool.

The cultural differences between those countries, as well as my country of origin, may also have an impact and create bias in my understanding of public opinions or perceptions of the government. To a certain degree, it could skew my interpretation of information and therefore apply false assumptions. Additionally, I am unable to be physically present in these countries. Without firsthand experience of everyday life in Venezuela and Uruguay, conducting interviews or surveys to gather data from citizens becomes unfeasible. That kind of data would allow me to include the citizens' personal opinions and experiences in the discussion, helping me to find answers to the research question. Reading academic sources is one side of studying the reality of the issue; experiencing and hearing it from those who are impacted by them is another.

This dissertation is based almost entirely on secondary sources. Despite careful selection reliability reviewing, it is arguable whether a publication can be written or read purely objectively. Evan Ellis (2017, p. 25) believes that the Venezuelan government perceived as a political enemy and is blamed for the national crisis by the United States. With a generally negative attitude towards it, publications written by American authors may have been influenced by their personal beliefs. Presumably, that is not only the case in the United States, and sources from other countries may also be subject to higher personal prism.

As discussed in previous sections of the thesis, the undercover nature of corruption causes many instances of bribery remain undetected. This further complicates efforts to measure the true extent of it and the damage it has done to democracy. Thus, the data used in academic sources is not entirely accurate, as they can only cover the discovered cases of bribery. That leads to potential gaps in the data, and to estimations rather than concrete evidence.

4. Corruption vs. Democracy: The Cases of Uruguay and Venezuela

Uruguay and Venezuela are on the opposite ends of corruption severity scales (Statista Research Department, 2024), depicting the link between corruption levels and the functionality of democracy. In consequence, they create a particularly strong contrast, making the differences in patterns and political processes, and the role that corruption plays in shaping the efficacy and legitimacy of democratic governance quite clear and observable.

The continent of South America, consisting of twelve countries, is officially ruled by democratic governments, with varying applications in practice. The **Corruption Perception Index** of 2023 (see chapter 2.4.1) provides a ranking of most of the world's countries and territories, focusing on their level of corruption, as well as the overall quality of governance performance. According to it, Uruguay is particularly high on the scale, meaning it has a "clean" government both regionally and globally. In Venezuela's case, it is ranked as one of the most corrupt states in the world and placed at almost the very last place.

As every other nation in the world, Uruguay and Venezuela have had their share of a variety of political and societal challenges, such as drug trafficking, corruption, illicit income, and the resulting violence (Le **Pichon** et al., 2011). In Venezuela, the extent of these challenges and the approach to handling them caused severe damage to citizen's livelihood and democracy, leading to electoral interference, politicization of the judiciary, and diversion of resources from public services necessary for upkeeping a satisfactory standard of life, thus bringing misery on citizens (**Roberts**, 2020).

Before discussing the differences between Uruguay and Venezuela's relations with corruption, it is necessary to provide an overview of their political backgrounds and trends in the recent past, as well as the patterns and areas where corruption tends to take place. Through an analytical approach, those differences between the conditions of their political landscapes shall become more clear, allowing for further investigation.

To further study corruption and its impact on Uruguay and Venezuela, I explore its recent history of illicit activities, to create a canvas for further research. This chapter focuses on structures of governance, types and quality of democracy, the extent of corruption, and how it impacts those countries' politics. Starting with exploring ideal qualities of ruling systems and comparing them to reality, I then lay out the trajectories and dynamics of corruption, as well as its outcomes. I will begin by focusing on Venezuela, as the impact

of corruption on democracy is significantly more noticeable, and therefore easier to point out. Then, I will discuss the case of Uruguay, showing how the absence of certain factors that exist in Venezuela either strengthens democracy, or maintains it.

4.1 The dynamics of corruption in Venezuela

The Bolivarian Republic of Venezuela lies on the richest discovered reserves of oil in the world, estimated to over 350 billion barrels, beating Saudi Arabia by a staggering 90 billion barrels (Venezuelan & Ausman, 2019, p. 2). Coronel (2017) says that despite enormous wealth prospects, Venezuela has been struggling with extreme economic crisis, low quality of democracy and high level of corruption ever since it became independent in 1821. In one of his earlier publications (2006), he claims that it has progressively been worsening its economic condition during the presidency of Hugo Chávez. Years later, Venezuelan & Ausman (2019, p. 2) share his insight and add that it has only been getting worse since Nicolás Maduro overtook the office in 2013.

According to the Corruption Perception Index 2023 scales (Transparency International), Venezuela ranks 177th out of 180 reviewed countries and territories, where 1 is the least corrupt, and 180 being the most. On a 1-100 scale of corruption severity (100 being practically free of corruption), it is on an alarming rate of 13 out of 100. It is therefore considered the second most corrupt state in the world, right after Somalia. As for The Rule of Law Index (World Justice Project, 2023), Venezuela has been reviewed as the 10th most corrupt country, and on the 142nd spot on the average index, therefore labeled as the weakest in context of the WJP system. As López-Maya (2018, p. 71) concludes, Venezuela is therefore considered one of the most corrupt, drug affiliated and criminal nations worldwide not only today, but in the recent years. The only nations in the same or worse placement in this ranking are South Sudan, Syria and Somalia. The poor ranking performance is both a result and a cause of the Venezuelan political system being ill governed, chaotic, unjust, with most government officials exploiting their power and positions for personal gain. Between 2017 and 2022, Venezuela was one of the countries with the most highly developed money laundering systems (Risch & McCaul, 2023), where the practice was a daily norm, evident in gas industry, mining, banking, gambling, and "shell businesses" (FATF, 2018, p. 28), covering for illicit income.

According to Pring (2017), the Global Corruption Barometer research coordinator, a 2017 survey conducted in all Latin American countries shows that over 73% of Venezuelan citizens believe the police force is heavily corrupt. She also makes a disclaimer that the results are most likely skewed. Keeping in mind the statistics of

corruption, some survey respondents may have been complicit in bribery, and therefore protecting themselves from being caught or investigated upon.

One of the most severe forms of corruption in the Bolivarian Republic of Venezuela is embezzlement, where those in power squander or misuse public funds, which were initially the welfare of citizens. This has resulted in humanitarian emergency, poverty and general hostility of the state, not providing citizens with what they need, prompting a many of them to flee the country in search of a better life and escape poverty, as claimed Risch and McCaul (2023). The two scholars also point out that the very few organizations creating to combat corruption have had minimal authority and impact on the issue. Agreeing with an earlier publication of Coronel (2006), they believe that since a large number of those organizations has been controlled by the president, he has been limiting their initiatives, instead using them for his own agendas, and even if that was not the case, those being a part of it lack motivation and barely address corruption related crimes, often because they partake in them. That also concerns the primary institution standing against corruption, the Organic Law Against Organized Crime and Financing of Terrorism, whose authority is practically insignificant, as it does not investigate the state and the companies associated with it (Risch & McCaul, 2023).

In another publication on corruption crises, Coronel (2008) cites an 1875 speech given by Juan Antonio Sotillo, the former Venezuelan Minister of Finance, where he admitted that "Venezuela does not know how much or to whom it owes money. Our books are 20 years behind [...]". Over a century later, the General Comptroller of Venezuela summarized the governance at the time as "a system totally out of control", insinuating no changes for the better throughout that time (Coronel, 2008). Oddly enough, back in the 1810's, the Venezuelan Ministry of Finance Simón Bolívar established death penalty for any corrupt acts, naming them as harm of public interest serious enough to remove those associated with it. Salas (2003) concludes that yet, despite a harsh threat, corruption in Venezuela remained. In consequence, inflation has been soaring over the Venezuelan economy, reaching 500,000% between 2018 and 2019, bringing life threatening poverty and lack of resources. "In the past 20 years, 60% of the companies that existed in 1999 closed. The minimum wage is \$3/month, 90% of the population is poor, and 15% of children are at risk of dying from malnutrition" (Venezuelan & Ausman, 2019, p. 2).

Macleod (2019) reminds again that the current and previous presidents of Venezuela are to blame for the speeding the degradation of the economy and democracy in their

country. Rather than causing all the issues however, he believes that they stirred up and added to the illicit structure of the government that had been taking place before them. In the next subchapter, I will discuss some of the facts and allegations made against Hugo Chávez and Nicolás Maduro's during their time in office.

4.1.1 Hugo Chávez

Hugo Chávez was the president in Venezuela between 1998 and 2013. During his election campaign, together with his advisor Henrique Salas Romer, he made ambitious promises of a great political revolution, changes in the constitution, and reduction, or even elimination of corruption in the government (Macleod, 2019). The key proposals of his campaign were "convening a constituent assembly to write a new constitution, eliminating government corruption, and fighting against social exclusion and poverty", quoted by one of the leading voices in the fight against corruption in Venezuela, Gustavo Coronel (2006). Furthermore, he says that speaking against corruption and giving hope for a more just system had granted Chávez a great number of votes and support from the citizens struggling with the backfire of the government's illicit use of public funds, lack of social services, and severe inflation.

Venezuelan and Ausman (2019, p. 3) point out that Chávez's election program was similar to that of a reformist nationalist military, and that his actions were a planned path to gaining control over the government, services, and media. According to Coronel (2006), even though Chávez's victory had been predictable due to his promises, it was later confirmed that his election promoting campaign had received additional off-the-books funds from abroad. Emilio Ibarra, the then-president of the Spanish bank BBVA, confirmed having made a deal with Chávez to authorize deposits of roughly 1,5 million dollars to support his promotion program, as well as future campaigns of those working in his office. Coronel (2006) continues his research by discussing the beginning of Chávez's presidency, saying he had stuck to working on bringing his promises to life, reducing the poverty rate by 50%. However, soon after, the then-president began bringing the opposite of what he had promised. His ruling brought chaos to the government, raised corruption levels to the extreme, led to soaring inflation and made living in Venezuela even more difficult.

Roberts (2020, p. 8) believes that the 45th president's misconducts have been taking a toll on Venezuelan economy long after his death, fueled by the next president's strategies. As Chávez nationalized most private sectors, as well as oil sales and gold mining, the economy struggled to be sustained. Martin (2017, p. 252) elaborates that in 2013, oil's

value suddenly dropped, leading the country to a financial crisis. "This fall, coupled with the nationalization of private sectors and Chavez's failure to diversify exports prior to his death, created economic strife".

The advisory document released by the U.S. Financial Crimes Enforcement Network (FinCEN, 2019) concludes that during the 1998 to 2013 timeframe, Venezuelan economy became majorly dependent on oil exports, with the nation's net income estimated to be over \$150 billion. This number is a rough estimate due to a significant portion of corrupt oil processing and sales being conducted off the books, to keep them secret. In 2003, *Petróleos de Venezuela (PDVSA)*, the leading government-owned oil corporation, ceased disclosing its transaction history and export data, keeping these operations from being exposed and unavailable to anyone outside of the institution. By 2007, Chávez had gained ultimate political power, which resulted in a governmental system similar to totalitarianism, despite the state still being officially democratic. His mismanagement of public finances and disregard for institutional checks and balances led to chaos and dysfunction (FinCEN, 2019).

With billions of dollars disappearing from government funds, Venezuelan society began to feel the backfire and low financial support from the government, despite still paying taxes. Today, corruption continues to thrive, undermining regulations governing public funds, fair trade, and bureaucratic processes. In consequence, Venezuelans struggle with low functionality of public services, and therefore turning to bribery to gain access to them (Coronel, 2006). Chávez was also heavily reliant on nepotism, hiring his family members, friends or people otherwise related to him as candidates for state operations, often without any recruitment processes, which led to even more corruption in the government (López-Maya, 2018, p. 68).

4.1.2 Nicolás Maduro

Nicolás Maduro has been the president of Venezuela since 2013. During his time in the office, corruption has remained a common practice in the government in various forms of illicit activities. Abusing his power, Maduro engaged in "money laundering, drug trafficking, illegal mining, fraud, sanctions evasion, and public corruption", according to the U.S. Department of State (2022). The data collected between 2017 and 2022 by that same report shows that Venezuela has gained and sustained a status as one of the leading nations facilitating money laundering, not only locally, but also internationally, especially by the neighboring countries.

The severity of corruption stretched beyond Venezuela's borders, invading international financial networks, as claimed by The U.S. Financial Crimes Enforcement Network (FinCEN, 2019) in its official advisory document addressed to Venezuela, exposing how Maduro, using the state's enterprises and offshore entities, ran corruption schemes of great magnitude. These initiatives not only deprived Venezuela of significant amounts of resources, but also worsened the already overwhelming humanitarian crisis in the nation. The repercussions of widespread corruption in Venezuela drew global attention, prompting the U.S. Financial Crimes Enforcement Network to release an official advisory document addressing corruption in Venezuela, stating that Nicolás Maduro "through state-owned enterprises and offshore third parties, engaged in massive corruption that contributed to the dire humanitarian situation in Venezuela" (FinCEN, 2019). As a result of the magnitude of the damage caused by Maduro, the U.S. decided to not recognize him as president since 2019, which significantly limited his international authority. The U.S. justified that decision by saying Maduro's politics not only allows but runs illicit activities in Venezuelan government and internationally (Risch & McCaul, 2023; Hernández, 2023).

Both presidents were not the only sources of national distress. The illicit actions amongst the citizens also had significant impact on the economy and democracy, as reported by scholarly publications (Risch & McCaul, 2023; López-Maya, 2018, p. 75; Le Pichon et al., 2011; Coronel, 2006).

4.1.3 Oil, gold, and drug trafficking

The extent of corruption in Venezuela has been high for decades. The distribution of oil and gold deposits were not the starting points; they did however severely raise the level of bribery, illegal sales and tax frauds. Mining gold and extracting oil has been a great source of income wherever it takes place. In Venezuela, however, due to illegal rotation of funds, undercover transactions, export and mining, a large part of financial profit is taken away from the society, which would have otherwise been put in use for the societal development and public services. Unregistered gold mining has also been responsible for great levels of fraud, as its Venezuelan origin is often falsely changed to other countries, to avoid being tracked back. (FinCEN, 2019). Coronel (2006) comments on the case, saying that "abundant oil income and democracy, two factors that should be positive, had combined to produce a highly damaging mixture, destroying the work ethic of a great portion of the Venezuelan population". In the roughly twenty-year period between 1985 and 2005, Venezuela is estimated to have lost over 100 billion dollars (Coronel, 2006), a staggering amount of more than \$300 billion at current exchange rates in 2024 (US

Inflation Calculator, 2024). During Rafael Ramirez's leadership in the main oil company PDVSA between 2004 and 2014, the institution was involved in embezzlement of the pension fund, insurance deals, overpricing of the Orinoco oil and taking bribes for more beneficial contracts (López-Maya, 2018, p. 75).

Another major area of corruption in Venezuela is national and international drug trafficking (Le Pichon et al., 2011). Dealership in Venezuela is a thriving practice, often being a vital source of income for citizens deprived of sufficient income. As drug dealership tends to result in unofficial income, money laundering is a common practice in Venezuela. Despite the government being in chaos and hiding income sources may seem easier than in developed countries, it is still a risk of getting caught. Therefore, money laundering is easier to conduct and get away with, as it is oftentimes either poorly fought against, or not addressed at all. According to Le Pichon et al. (2011), starting from early 2000's, Venezuela has been responsible for roughly 60% of worldwide drug trafficking, particularly to Europe and Africa, through distribution from Colombia, because of the governments permissive and even encouraging attitude towards illegal transactions. Under Maduro's regime, Venezuela worked with the National Liberation Army to run drug dealership. With the president himself indulging in great corruption schemes, one could say Venezuela's government has been entirely deprived of credibility and democratic values, despite it still officially disguising itself as a democracy (Risch & McCaul, 2023). The country is also geographically close to countries deeply involved in drug production. Due to practically no functioning anti-corruption institutions, faulty law enforcement and easy money laundering, the country is prone to becoming a broker for drug trafficking nationwide and overseas. Illegal transactions and illegal goods transportation is possible for a hefty off-the-books payments going to the pockets of whoever is involved, often involving the police (United States Department of State, 2022).

Political instability and chaos have made it relatively easy to commit and conceal crimes, and to indulge in corruption and drug trafficking, resulting in skyrocketing numbers of such events. The relationship is a vicious cycle, where a weak government encourages crime, which then weakens the government further, which then encourages more crime. In 1999, the Venezuelan Minister of Foreign Affairs gave a speech on behalf of the government, claiming that corruption had done enough damage to the democracy and culture of the country, and from then on, the office would follow more ethical principles. He also promised that because of a new constitution, the government would use all its power to end corruption. It has been 25 years since making that promise, and the people

of Venezuela have yet to see the pledges come to reality, concludes Vallina-Grisanti (2019).

4.2 Is Venezuela a failed state?

Any form and level of corruption is a threat to a governmental system, attacking accountability, transparency, and the rule of law (Mapuva, 2014). The case of Venezuela is one of the most severe examples of democracy erosion in the world, clearly showing the outcomes of destructive impact of corruption. Many democratic aspects in Venezuelan government have been influenced so much that they have practically lost their functions, leading the country to an uncertain stage of governance resembling anarchy, with no fundamental system for the state to follow, ineffective democratic institutions, purchasable power and corrupt law enforcement (Rothstein, 2017).

"Failed state" is a term used for countries unable to provide security or services to their citizens, overcome by anarchy, and weak law enforcement, posing a serious threat to national stability (Ottaway & Mair, 2004). Helman and Ratner (1993) used that description as some of the first authors, defining it as a country "utterly incapable of sustaining itself as a member of the international community." Additionally, a failure of a state is partially caused by general apathy towards the government. The recent state of the political structure in Venezuela has given it the label of a failed state, as told by Coronel (2017). Venezuelan & Ausman (2019, p. 2) share some of his claims, but rather than calling Venezuela a failed state, they argue it is threatened to become one. However, due to the dynamic nature of the political situation in Venezuela, opinion-related sources published a few years ago may not apply to today's condition of the country.

One of the most harmful results of corruption is the erosion of public trust in governmental institutions and the government itself. The overwhelming corruption and its destructive impact on citizens' lives has been diminishing any remaining public trust in the Venezuelan government. Seeing as the government is the cause of the citizens' daily struggles, it is perceived as an enemy, rather than a reliable institution to turn to, leading to political skepticism and hostile attitude towards the system (Rose-Ackerman, 1999). According to Venezuelan and Ausman (2019, p. 4), a few years after Maduro's election, Venezuelan society began turning against him due to his "personalism in leadership and corruption". That is a form of public distrust, one of the most dangerous occurrences for democracy, and a factor leading to its failure.

A major part of Venezuelan society is forced to engage in corrupt practices to access basic services, since it has become a part of everyday life. This destructive and self-fueling relationship between corruption and democracy has led to a state of affairs where corruption is not just an anomaly, but the foundation and part of the political structures. The officials' greed tends to lead to the citizens' need. Corruption and being stolen from causes social unrest and frustration, and poverty to many homes, often leading to theft and riots caused by a genuine need to survive.

Corrales (2015, p. 37) says that Hugo Chávez's presidency began with the ambition of establishing a radical democracy, which then evolved into a "hybrid regime", or "illiberal democracy," combining elements of authoritarianism and democracy. This resulted in a mixed and self-contradictory governmental system. Martin (2017, p. 252) supports that evaluation, but argues that Chávez's ruling led to a "purely authoritarian regime", rather than just an imitation of it.

Anderson and Tverdova (2003, p. 104) remind one that the main principle of democracy is that the government should exist and care for the people, not the other way round. The extremely high level of embezzlement in Venezuela has contradicted and overshadowed that idea, feeding off what is supposed to be put into society welfare and using it for private profit, transforming the government into a privatized institution. They also add that it deprives social services of resources, causing an economic collapse, inequality, hyperinflation, poverty and lack of governmental support, lowering the quality of life. While the citizens are still required to pay taxes, they get little to nothing in return, meaning they become political victims of theft and feel betrayed by their own government (Anderson & Tverdova, 2003, p. 104).

The long present great corruption in Venezuela has been growing and taking over different aspects of life, currently to the point where access to food, healthcare and education is severely limited or non-existent. Over 85% of medications are practically unavailable, leaving hundreds of thousands of people in need of treatment unable to receive it (Venezuelan & Ausman, 2019, p. 2). Martin (2017, p. 252) adds that as a result, only the wealthiest can afford basic needs. Car fuel shortages, electricity blackouts, skyrocketing prices of basic goods and limited access to running water also severely worsen the quality of life, to the point of becoming hazardous for human life, threatening with lack of life-sustaining resources, whether due to lack of funds or availability. Venezuelan & Ausman (2019, p. 3) elaborate on the blackout, saying it was the result of the 2019 collapse of national electricity providers due to corruption, lack of funds and

poor management. With the government being unable to provide enough electricity to the society, Venezuelans were left without lighting, transportation, refrigerators and freezers, card payments, and the internet on daily basis.

A prevalent target of corruption in Venezuela is the election system, which significantly restricts voting privileges. The country has faced numerous accusations of electoral fraud and manipulation. For instance, presidential elections in 2018 were criticized due to multiple deviations from the rules (Hernández, 2018). These included funding Maduro's campaign with public resources, manipulating vote counting, and intimidating the opposition. Such misconduct resulted in loss of legitimacy and credibility of the electoral system, and therefore striking at the core of democracy (Polga-Hecimovich, 2021). Although submitting an election vote may be technically possible, the results are highly likely to be altered, should they not match with the governments expectations. Such restrictions of civil participation in governmental decision-making heavily impairs the citizens' ability to partially decide how their taxes are utilized, who represents them, and how public services are managed. Further, the corrupt politics in Venezuela disrupts the flow of information amongst citizens, spreading propaganda and false news through controlling the media, political censorship, and repression of those opposing and speaking out about the issues and citizens' complaints, attempting to turn against the government. This suppression coming from the government is believed to help prevent mutiny, allowing those in the office to keep profiting (Martin, 2017, p. 259).

The fall of a judiciary system is also a common cause of a state's failure. In Venezuela, the judges have been exposed to corruption and politicization, says Ray (1998, p. 126). 20 years later, López-Maya (2018, p. 69) recalls that claim and elaborates that due to heavy influence coming from corrupt politicians and pay offs, trials tend to be biased and their outcomes predetermined in favor of the briber. Take, for example, the case of Leopoldo López, a leader of opposition in 2014. He was charged and imprisoned for initiating violence during one of the protests calling for justice against the government. The trial was internationally criticized, due to clear signs of political bias in the process, disregarding evidence, and lack of just investigation; the case became a clear example of political erosion, to the point where judiciary partiality was hardly concealed, proving erosion of judicial independency and the rule of law, and therefore again undermining the foundations of democracy. Ottaway & Mair (2004) continue the discussion and add that the same applies for the law enforcement department. Policemen, investigators, and officers are deeply corrupt, making the outcome of law-supervision a matter of the price rather than what is right. Apart from unjust decisions made by policemen, incidents such

as cars being stopped for uncommitted offenses to extort payment of fake fines are also prevalent. This diminishes the trustworthiness of police enforcement and deprives citizens of protection against crimes, as it relies heavily on bribery and the personal gain of those involved.

With heavily limited resources necessary for survival and sustaining a dignified livelihood, hardly existent public services, lack of justice and protection from crime, today's democracy in Venezuela has lost its ideal form, only remaining "on paper", without proper application in practice. Especially during Maduro's presidency, the officials essentially buy power and privileges, as well as immunity from law enforcement and accountability for their crimes, which means they follow authoritarian patterns, being superior to law. That is a serious enemy to democracy, as those in charge of sustaining it lean towards a system of opposite values.

Endemic corruption, such as that seen in Venezuela, impairs economic growth and stability. Such corruption, particularly related to government contracts and resources, deprives populations of their wealth; interferes with efforts to promote economic development; discourages private investment; destroys democratic institutions; and fosters a climate where financial crime and other forms of lawlessness can thrive. (FinCEN, 2019)

4.3 The dynamics of corruption in Uruguay

Uruguay is the second smallest country in South America, with a population of roughly 3,4 million. Compared to the other eleven South American countries, it has had the longest history of democracy and has been the least corrupt for most of that time, providing justice and fairness to its citizens (Martini, 2016, p. 1). Buquet and Piñeiro (2014, p. 4) also mention a period of democratic crisis, the military dictatorship between 1973 and 1984. They add that it was the only time in the century when political parties in Uruguay were powerless, highlighting the pace of political development, as since then Uruguay has transformed completely, now proving a high level of democratic stability.

As corruption is not a hot topic in Uruguay, there are fewer publications focusing on it. Oftentimes, sources discussing corruption more generally refer to Uruguay as an

example of almost corruption-free government. It is often used as a means of comparison with other, more corrupt countries, but scholars do not broadly elaborate on cases of existing corruption there (Buquet & Piñeiro, 2014, p. 3).

In 2015, the nation was considered one of the 20 "full democracies" in the world, as claimed by The Economist's 2015 democracy index (The Economist Intelligence Unit). On the Transparency International's 2023 Corruption Perception Index (CPI) ranking, Uruguay is the 16th least corrupt nation out of 180 nations and territories, taking the 73rd place on the severity scale of corruption (100 being almost corruption-free). This puts Uruguay ahead of some of the most influential economies worldwide, like the US and the UK, proving its commitment to transparency and accountability. Those results are very close to those of The Rule of Law Index 2023, introduced by the World Justice Project. It rated Uruguay as the 21st least corrupt nation amongst 142 countries and territories, behind France at 20th place and preceding the US at 22nd. On the merged average index, it stands 25th, placed between the US at 26th place and Spain at 24th, similarly to the CPI's data. In both Americas, only Canada does better in the ranking (10th place). A survey (Statista Research Department, 2023) focusing on public opinion on the main issues Uruguay faces shows that only 2% of the population select corruption as the most severe problem. The largest percentage (37%) of the survey participants says that national security is the most serious issue in the country, particularly because of its neighbors.

According to Vaz Mondo (2011, p. 21) and Martini (2016), Uruguay became a member of the Inter-American Convention against Corruption in 1998. In the same year, the government passed an Anti-Corruption Law (no. 17060), which became a milestone in context of battling corruption. They continue by saying regulation criminalized bribery, corruption, trafficking information, embezzlement, and introduced a requirement of transparency regarding income and assets belonging to public officials. The declaration of income concerned all governmental positions, even the president and vice-president, whose reports would be released in daily newspapers. Vaz Mondo (2011, p. 22) concludes that since then, that law has been strongly followed and enforced, with numerous trials and prosecutions of governmental employees taking place shortly after. Martini (2016) mentions that around the same time Uruguay introduced regulations against money laundering, making it a criminal offense, with the punishment of up to ten years of imprisonment. Starting from 1999, Uruguay has created a national anti-corruption organization called Transparency and Public Ethics Board, and in 2007

Uruguay joined the United Nations Convention against Corruption (UNCAC) (Galeano, 2019).

Despite these high ratings, Uruguayan government is not entirely immune to corruption and bribery. One of the most prevalent forms of corruption in Uruguay is nepotism (Galeano, 2019), perhaps due to the nation's culture, which highly values supporting family members and friends, even if it means paying bribes for them or using one's position to get them a job they want;

The Uruguayan culture is a culture of nepotism and cronyism, maybe because there is a perceived need to help friends and family or maybe because people want to create their own "comfortable" work environment. Recent examples show this at the government level: The President of Uruguay, Tabaré Vazquez, ceased his son's father-in-law from his Security Service team after the Public Ethics and Transparency organism (JUTEP) recommended it; One month before that, the President removed the Board of Directors of the State Administration of Health Services (ASSE) after the Vice-president, Mauricio Arduz, hired his son's girlfriend; In 2015, the Minister of Economy, Danilo Astori, hired his wife as an assistant; The Social Prevision Bank President and Vice-president have both their couples working at the public organism. (Galeano, 2019, p. 35)

Further, Uruguay does not have a lot of opportunities for rent extraction. As of yet, there have not been any natural oil deposits discovered on Uruguayan land or within its zone of South Atlantic (Mariano et al., 2021). The country does have minimal, compared to Venezuela, access to gold and lower value minerals such as clays, iron, steel, sand and gravel. Due to the small deposits of those resources, they have very little influence on Uruguay's economy, making small profit of minerals' extraction industry (Soto-Viruet, 2023).

4.3.1 Coup d'état: The 1973 - 1984 democracy halt

Uruguay has not always been a democratic, almost corruption-free haven, according to Transparency International (Martini, 2016). Particularly between 1973 and 1984, the nation was overtaken by military dictatorship, the harshest one in its history and the only one with an impact on the government of this magnitude (Gillespie, 1985, p. 99). In that period, the dictatorship was closely intertwined with corruption, controlling, and abusing public resources for the sake of military regime. Over the 12 years of oppression,

During the military dictatorship, Uruguay was the opposite of the country it is today. The period was characterized by strict authoritarian rule, suppression of civil liberties, human rights violations, and political corruption in broad daylight, which led to a downfall of democracy Uruguay (Sondrol, 1992, p. 187). The Coup d'état, or the junta, began on June 27, 1973, when the then-president President Juan María Bordaberry gave the military advisory power as on behalf of the National Security Council. The military justified the coup as a response to political and economic instability, as well as rising leftist activity of partisans. The movement lasted for over a decade, during which the civilians' rights were restrained, taken away or not taken into account (Cook, 2020).

The military regime featured corruption, authoritarianism and violence to a degree Uruguay had not experienced before. As the military and government officials were practically beyond the law in that area, they engaged in widespread corruption, enriching themselves at the expense of the population. This overtook various sectors of society, including politics, business, and the military hierarchies itself. In addition to low restrictions of those in charge, the lack of transparency and accountability allowed corruption to flourish. The prevalent abuse of public funds meant less support for schools, healthcare, and salaries for governmental employed civilians.

The coup suspended or restricted most constitutional civil liberties, dissolved the General Assembly, and established a state of emergency. It fought against leftist parties, as well as any of their former initiatives (BTI, 2024). The BTI (2024) claims that media was subject to heavy censorship and propaganda, political parties were banned, and labor unions almost entirely suppressed, confirming Sondrol's research (1992, p. 187). Thousands of individuals suspected or convicted, often without trial, as political opponents were arrested, tortured, or exiled. To some extent period resembled war time to the citizens, due to hardly any rights or freedoms and surrounding terror. As those values are some of the key promises of democracy, the nation was no longer considered a fair, democratic country.

Despite the repression, resistance to the dictatorship persisted. Civil society organizations, human rights groups, and exiled political leaders campaigned for democracy and justice and fought for transitioning back to fair governance. In response, rising domestic unrest and international pressure, including economic sanctions and diplomatic exclusion, led to the regime's eventual defeat. The military junta agreed to step back and return to civilian rule. In 1984, the former regime officials brought back democratic elections, leading to the restoration of the previous government. Along with the end of the military era, Uruguay began the process of returning to democracy and introducing large-scale reforms to combat the corruption from the time of military unrest. Those reforms included the reintroduction of the rule of law and strengthening legal frameworks, as well as improving transparency and accountability of those in office. Efforts were also made to modernize public administration, aiming to make it more efficient and less prone to corruption. Uruguay also invested in anti-corruption agencies, providing them with more autonomy and resources to effectively investigate corruption cases. Finally, the dictatorship-free government began promoting participation amongst the civil society, as it was not used to it in the past years.

Despite positive changes, after over a decade of oppression, the legacy of corruption continued to remain within Uruguay for many years. Deep-rooted corruption networks persisted within state institutions and the society, significantly slowing down the efforts to promote transparency, accountability, and the rule of law. The culture of impunity surrounding past corrupt practices further undermined public confidence in the justice system and government integrity. The process of going back to corruption took a toll on the country's overall condition. However, slowly but surely, Uruguay kept healing. To this day, government has stuck to the rule of law and democracy, remembering the destructive nature of the past dictatorship (BTI, 2024).

4.3.2 The impact of corruption on democracy in Uruguay

Due to a low level of corruption in the government, there is little significant impact that would harm democracy in Uruguay. As in most other cases of corruption, it has a destructive impact on public trust towards the government, which Anderson and Tverdova (2003, p. 92) believe is the most significant aspect of democracy, as "disenchanted citizens are more likely to push for radical changes in the system, and that distrust of government may be detrimental to the establishment and survival of democratic life in the long run".

Democracy is a concept made for and implemented by the people; it can only function properly if the majority is satisfied with it. In Uruguay's case, the same research used to

measure Venezuelan citizens' experience with police corruption (Pring, 2017) shows that Uruguay has the best reputation out of all other participating countries. Asked about corruption of the police department, only under 19% of the respondents believed bribery to be a common practice in the law enforcement. The strong structure of Uruguayan government can recover from corruption incidents relatively fast. The area facing the worst backfire is reputation and public trust. Democracy provides the citizens with the power of influence on the office. Even rumored allegations of corrupt practices among politicians, institutions or government officials can lead to widespread doubt and apathy towards the political system as a whole.

Uruguay has however faced concerns about transparency and accountability in campaign financing, particularly during electoral campaigns. There have been allegations of off-the-books donations, misuse use of public resources, and no reports in political fundraising and spending. These issues raise questions about the influence of money in politics and the integrity of electoral processes, therefore again undermine public trust.

The most recent major corruption case was the fake passports scandal. One of the president's bodyguards, Alejandro Astesiano, has allegedly abused his access to the official government AI spying software. He has been accused of using it to find and sell sensitive information to business executives (Brand et al., 2023). The scandal has stirred the public perception of the government and undermined the safety of personal data, as well as the genuinity of those having access to it. As serious as the case is, it should not cause severe damage, since "the country's institutions are well-positioned to withstand its fallout" (John Polga-Hecimovich, 2023, as cited in Brand et al., 2023).

Erosion of public trust is a major harm corruption does to democracy in Uruguay. Cases of nepotism, favoritism, and bureaucratic inefficiencies and misuse of public funds destroy the reputation of the government, eroding public trust and undermining the principles of democracy. As democracy can only thrive with followers, lack of trust pushes them away, threatening the system and therefore leading to chaos. However, as I mentioned before, public trust in Uruguay is particularly strong, meaning it would take a significant amount of misconduct to lose it. It is, however, a possibility that corruption encourages it.

Today's corruption poses little threat in Uruguay in its current state. The prevention initiatives keep it at a low level, and keep it from having significant impact (BTI, 2024). However, the answer to the question how corruption affects democracy in Uruguay should refer to the past. 40 years ago, during the mentioned dictatorship which had the government in a chokehold, bringing severe damage to the system, to a point where it is

still noticeable today and for many years to come. Had there not been a stop and distraction in those times, Uruguay's government would most likely been more developed than it is today, perhaps with even less corruption. In conclusion, the past corruption has more negative impact on democracy in Uruguay than most crimes today. No political structure is perfect, and therefore has weak points. Even though Uruguay's democracy is strong, harm done by corruption may undermine it, possibly to a high degree, should it go untreated. To conclude, even with potentially little power, it should not be underestimated, but rather perceived as a threat that needs to be combated.

4.3.3 Whistleblower protection laws in Uruguay

A whistleblower is a person or an institution informing about an illegal third-party activity or a group, such as drug trafficking, corruption, mafias or any other, usually big-scale criminal offences, says Galeano (2019). The Council of Europe (2014) defines whistleblowing as "any person who reports or discloses information on a threat or harm to the public interest in the context of their work-based relationship, whether it be in the public or private sector". It is a tool for exposing crime and fighting it, including corruption (Schultz & Harutynunyan, 2015). Galeano (2014) elaborates that reporting crime for the sake of righteousness should not have any element of revenge or other personal relations with the wrongdoing party. The main characteristic of corruption is its undercover nature, and whistleblowing is a tool bringing it out from hiding. Chordiya et al. (2019) consider it to be "an effective means to curb and even eliminate organizational corruption of combating corruption".

However, whistleblowing is significantly influenced by the safety and protection of those who choose to come forward. The primary risks for potential whistleblowers can include threats, harassment, abducting, harm or even murder. In many countries, whistleblower protection laws are established to safeguard individuals who report wrongdoing, thereby encouraging more people to come forward with information about corruption. These laws typically provide anonymity and legal protections, reducing the personal risks associated with exposing corruption (Chordiya et al. 2019). Unfortunately, as of now, Uruguay lacks those protection legislations, which could significantly impact the frequency of corruption reporting within the country.

The Inter-American Convention Against Corruption, of which Uruguay has been a member since 1998, introduced the "Model law protecting freedom of expression against corruption" in 2013 (Devine et al.). Its second chapter outlines provisions for the security of individuals at risk due to reporting corruption, distinguishing between good faith

whistleblowing; "the competent authority of an act which that person considers could be an act of corruption that is liable for administrative and/or criminal investigation", and bad faith whistleblowing; "act of providing the competent authority with information on an act of corruption, knowing that said acts have not been committed, or with falsified evidence or circumstantial evidence of their commission, in order for an administrative and/or criminal investigation process to be opened" (Devine et al., 2013).

Moreover, the United Nations Convention Against Corruption (UNCAC), which Uruguay joined in 2007, states that member states should consider incorporating measures into their legal systems to protect individuals from unjust treatment when they report corruption in good faith.

Each State Party shall consider incorporating into its domestic legal system appropriate measures to provide protection against any unjustified treatment for any person who reports in good faith and on reasonable grounds to the competent authorities any facts concerning offences established in accordance with this Convention. (UNCAC, 2004, p. 26)

According to the Mechanism for Follow-up verifying the execution of the IACAC regulations in its member states, Uruguay has successfully implemented the witness protection law. The key issue is that it only applies to a very narrow range of cases. One of the reasons for it is that the minimum amount involved in the corruption case must exceed 20.000 US dollars. Galeano (2019, p. 34) adds that for a whistleblower to get protection, the case needs to concern "corruption against public administration that occur within the Departments of Montevideo and Canelones".

The lack of effective whistleblower protection laws in Uruguay does not only go against the elimination corruption but also poses a risk to those who eventually do decide to share information on illegal activities of this kind. Another factor preventing whistleblowing is the apathy. From a very young age, it is generally considered that "telling on someone" is a negative trait, which undermines a person's trust and morality. Yeboah-Assiamah et al. (2014) conclude that in order to effectively tackle corruption, it is important for Uruguay to strengthen its legal frameworks to protect and encourage whistleblowers and separate beliefs from what is the right thing to do.

5. Discussion and case comparison

There are many differences between Uruguay and Venezuela's governmental structures, which are associated with several key factors. The contrast is the strongest in their handling of natural resources, governance, corruption, and international relations concerning anti-corruption measures. The previous chapter laid out key differences between Uruguay and Venezuela, and how they affect their political stability and economic performance. This section will discuss those differences in an attempt to answer the thesis question on the impact of corruption dynamics on democracy. Relying on that information, I will now compare how and why those countries experience corruption, as well as their responses to it.

Natural Resources and Rent Extraction

Uruguay has limited natural resources, which minimizes the potential for rent-seeking that are common in countries with larger deposits of them. Venezuela, on the other hand, has enormous oil reserves that have historically been the government's primary income source. This abundance has created a rentier state economy, where most of the state revenue comes from oil exports. The reliance on oil has encouraged corruption and significant economic crises tied to oil prices, contributing to economic instability and social unrest. While that does not necessarily lead to corruption on its own, the fragile state of Venezuelan governance has been vulnerable enough to collapse from it.

Law Enforcement and Corruption

In Uruguay, the risk of being caught and the strong legal frameworks successfully prevent corrupt practices. The country has highly functional law enforcement and judicial systems that actively fight corruption. In Venezuela's case, the law enforcement is perceived as corrupt and ineffective. The normalization of corruption within its systems makes it difficult to combat, and often those whose job is to uncover corruption are themselves involved in corrupt activities.

Government Transparency and Accountability

Uruguay is known for its high levels of government transparency. It has multiple checks and controls through regulatory institutions and a civil society that keeps the leaders accountable. Public scandals related to transparency usually result in immediate governmental responses, proving its disapproval of corruption. In contrast, Venezuela exhibits extremely low levels of transparency, with much of government operation entirely mystified. This is caused by a lack of functioning institutions to question or

investigate government actions, making corruption more prevalent and rarely disclosed to the public.

International Anti-Corruption Participation

Uruguay takes part in international anti-corruption initiatives and complies with global standards, which helps to stick to its domestic anti-corruption measures. That is due to the government's willingness to better its structure and eliminate factors threatening it. Venezuela has been the opposite and is significantly less active or effective in participating in international anti-corruption efforts. This isolation has almost eliminated its ability to combat corruption effectively and has limited external support for governance reforms. One of the causes of it could be the low genuineness of the government; with a majority of it being corrupt, there are not enough voices in it speaking up against that issue.

Kleptocracy in the government

Another significant difference between those two countries is kleptocracy. The overwhelming extent of corruption in Venezuela leads to a conclusion that its government is highly kleptocratic (Evan Ellis, 2018). Grossman (1999) claims that this kind of government is a phenomenon tightly related to corruption, and Rose-Ackerman (1999) elaborates that it is associated with a ruler (The President and the Office) whose main objective is personal, mostly monetary gain on the expense of the nation. Fan (2006) adds that just like corruption, kleptocracy is related to rent extraction. In Venezuela, kleptocracy is an everyday reality.

In Uruguay however, that used to be the case during the military regime, particularly because of violence. "Kleptocracy is the closest political system to the ideal type of power as domination or oppression [...] in which the extraction of economic resources take place through the coercive threat of violence" (Haugaard, 2023). These days, the Uruguayan government is the opposite of kleptocratic. With very few officials engaging in corruption or aiming for illicit gain through their connections, there is no place for kleptocracy there. Kleptocracy is a direct way to corruption. While the Venezuelan government is entirely overwhelmed by it, Uruguay is not. The all-or-nothing difference is one of the factors creating the huge contrast between the political situations in those nations.

5.1 Why is there more corruption in Venezuela than in Uruguay?

The big contrast between corruption levels in Venezuela and Uruguay have their origins in various aspects of governance. Venezuela has had a very long history of political and economic instability, which worsened especially under the regimes of Hugo Chávez and Nicolás Maduro. The accumulation of power in the executive branch, alongside the deterioration of democratic institutions, has created an abundance of easy targets for corruption. The corrupt government's control over major economic sectors, such as the oil industry and gold mining, has resulted in severe misuse of common welfare. Uruguay, on the contrary, shows an advanced degree of political stability and functioning anti-corruption institutions. The country has a long history of strong legal frameworks and effective governance. Even though the nation experienced a democratic crisis during the military dictatorship, the events of that time remain today as reminders of the dangers of weak democracy (Buquet & Piñeiro, 2014; Gillespie, 1985)

The differences in corruption levels between Venezuela and Uruguay originate from their approaches to governance, economy and resource management. Venezuela's poor decision regarding oil wealth distributions and lack of governmental transparency created many areas for corruption to thrive. The extent of it weakened the impact of anti-crime institutions, both by bribing them and due to the possibility of their members also being corrupt. On the opposite, Uruguay's consistent and stable policies and reforms have nurtured a robust environment where corruption is less likely to thrive, demonstrating the critical importance of accountability and effective governance in combating corruption.

When corruption scandals are rare, they are relatively easily detectible, since they create a high contrast with the otherwise well-functioning system (Myint, 2000). In Venezuela, corruption is extremely common, which makes it severely more difficult to detect. What makes it even more complicated is that due to it being so widespread, the likelihood of an agent in the process of detecting it being corrupt himself or herself is very high. This could be one of the reasons for there being more transactional crimes in the country than in Uruguay. However, in the current state of the politics, that does not make crime identification significantly more difficult, since corruption has become obvious and at times not even concealed. The case in Uruguay is the opposite. As the dishonesty level in the government is low, anomalies are more noticeable. The more a crime clashes with the norm, the more obnoxious it becomes. The more common it is with the usual, the less apparent it gets.

The Venezuelan government had a great chance of building a thriving nation, had it started with working on the foundations. With Venezuelan society, infrastructure and services had been in a bad shape, supporting them with the oil industry benefits would have secured the roots of economy, to then steadily and introduce development strategies. Venezuela is to blame for putting itself on the path of self-destruction. By analyzing the recent political and economic trajectories in Venezuela, one of the main reasons for raging crisis is the unexpected amount of assets disproportionately little effort, and no experience in dealing with it. The overwhelming access to an enormous amount of wealth turned out to be destructive, since the government had already been in bad shape before and was not prepared or skilled enough to utilize the funds in a sensible way and ensuring their growth by investing them.

The funds that could have supported fundamental sectors like healthcare, education, and modernization were instead put in overconsumption and to support political projects of the "Bolivarian Revolution" (Venezuelan & Ausman, 2019, p. 2). Investments were made in overly ambitious infrastructure projects, such as refurbishing roads and reconstructing schools, often neglecting more pressing needs. This short-sighted use of resources resulted in the creation of numerous non-essential public sector jobs, which did not contribute to productivity. For example, an estimated 500,000 individuals were employed in positions that provided little to no value, such as toilet guards or elevator operators. These jobs, as Riise (2013, p. 32) notes, were vulnerable and were among the first to be eliminated when oil prices dropped, and budget cuts became necessary. The Venezuelan government has been accused of severe lack of transparency and accountability of its actions, to the point where it is often entirely unknown who is responsible for what, making it an almost entirely undercover and privatized institution. As it is contrary to democratic values, it also creates a perfect environment for corruption, since the factor of being caught is de facto not a real threat, due to lack of evidence.

The case of Uruguay is the opposite in many aspects. Soon after the end of the dictatorship and re-democratization, a wave of prosperity followed. The period between roughly year 1990 and 2002 brought significant economic improvement due to marginal inflation and dropping unemployment rates.

As of 1996, Uruguay passed a reform of elections, the "presidential second-round majority election system" (BTI, 2024), opening a competition between parties with different views. With the left Frente Amplio party winning in 2004, Uruguay once again entered an age of economic boost and rapid development, raising employment statistics,

civilian salaries and reducing poverty. The Bertelsmann Stiftung's Transformation Index of Uruguay (2024) concludes that the fruitful period has slowed down overtime, yet its impact has created a strong structure in Uruguayan society and government, providing security of livelihood to this day, the long-lasting prosperity, strong and fair government, secure income and high functioning social services. The need and opportunities for corruption are scarce, as few experience poverty. In Venezuela, a culture of hustling and normalization of corruption has grown among the society, seen as a necessary means of survival given the economic conditions. This cultural aspect has been fuelling corrupt practices and severely limited any efforts to create a healthier and more transparent government. Uruguay is the opposite, as it has cultivated a culture of integrity and transparency, which is maintained by active civil society organizations and the exercise of freedom of speech and expression. These societal differences also explain why the corruption levels are very different between those countries.

5.2 Why does Uruguay handle corruption more efficiently than Venezuela?

Castellano (1996) says that due to Uruguay's long history of sustaining democracy, it created a welfare state "that implied a joint process of building political and social citizenry". Buquet & Piñeiro (2014, p. 4) refer to his comment and further explain that José Batlle y Ordóñez, Uruguay's president in 1903-1907 and 1911-1915, implemented significant changes in social, economic, and political areas, improving the overall quality of life of the citizens. He secured free elections, secularism (separating the church from the government), and introduced an 8-hour working day, ensuring the work environment and time would not overexploit the workers. During the process of analyzing sources published even decades apart, the data on the state's political, economic, and corruption-related situation has not undergone severe changes. If anything, the ranking placements, and survey results have only been improving.

Democracy is about making the people satisfied. With a society being content and treated well by the government, a phenomenon of patriotic loyalty occurs. As a further result, democratic structure gets stronger, ensuring more stability of the government (Rose-Ackerman, 1999, p. 363). According to the Bertelsmann Stiftung's Transformation Index, as of 2024, Uruguayan government grants equality of race, gender, language, sexual orientation, and religion, not allowing discrimination to take place in the government or law enforcement. Freedom of expression is fully respected, with no traces of censorship or alterations made by third parties, also on online posts.

Secularism was introduced in the country over a century ago, which also brought the government towards neutrality and fair treatment of all regardless of what the church teaches. Further, 100% of the society is provided with electricity, and nearly the same percentage has access to clean water and hygiene essentials.

Article 39. of the 1830 Uruguayan Constitution grants the right to form political groups aiming for a particular demand, meaning the right to publicly state one's beliefs and needs to get a response from the government and influence other members of the society.

All persons have the right to form associations, for any purpose whatsoever, provided they do not form an association which the law has declared unlawful.

(Uruguay Constitution, 2004 [1966; 1985])

This article is a crucial part of Uruguayan democracy, as it is part of freedom of speech and power of influence. With the citizen's having a voice and being heard, going against the government is not as "tempting" as in Venezuela, since it lets its people negotiate with it, rather than restrain them with an authoritarian approach.

Uruguay's resilience against corruption has been built by several factors, with governmental stability being the primary one. Looking at literary sources chronologically (Gillespie, 1985; Moreno, 2002; Buquet and Piñeiro, 2014; Martini, 2016; Pring, 2017; Brand et al., 2023) one can notice a pattern of changes in Uruguay's political, economic, and corruption-related situation that is very steady and, and usually for the better. That highlights the steadiness of the government.

Vaz Mondo (2011) says that contrary to Venezuela, Uruguay has not experienced a sudden, overwhelming income wave shaking the entire system. As a result, the government never had the ability of rent extraction. Martini (2016) agrees and adds that over 80% of governmental expenditures remain similar each month, "which limits discretionary allocation of resources and therefore the opportunities for corruption". This plays a critical role in minimizing corruption by limiting the power of officials, since the amount resources is simply not big enough.

One significant difference between Uruguay and Venezuela is the relationship between the government and its citizens. In Uruguay, the population generally feels heard and respected by their government. The situation in Venezuela is almost the exact opposite, where citizens are often ignored or mistreated by both law enforcement and the

government. The feeling of respect and engagement in Uruguay builds a cooperative relationship between the state and its citizens, which helps to sustain in the nation's stability and governance. Uruguay's commitment to maintaining fair law enforcement and providing essential public services is one of the factors keeping a healthy relation between politics and society. This includes sustaining rights and freedoms, which also creates a sense of trust and cooperation between the government and the people. This is a strong factor keeping corruption from taking over, since there is less need or areas for it. Going back to law enforcement, the Uruguayan judicial system is considered highly independent, uncompromised, and unimpeachable by illegal schemes.

The heavy contrast between the situations in Venezuela and Uruguay can also be attributed to the severity of corruption in the Venezuelan government. There, corruption is deeply rooted within the highest levels of government, interfering stopping any significant anti-corruption efforts. The government not only fails to address corruption but, in many cases, actively supports or engages in it. This is evident in the way the country has allowed corruption to become a norm rather than an exception. According to Risch & McCaul (2023), "the ongoing political instability in Venezuela provides a permissive smuggling environment [...], and Venezuela's corrupt political and security infrastructure enables officials to participate in, and profit from, these illicit activities."

Uruguay's membership in multiple anti-corruption organizations both nationally and internationally gives it significant power over corruption. It cooperates with organizations such as the Union of South American Nations (UNASUR), Inter-American Convention against Corruption, and United Nations Convention against Corruption (UNCAC). Contrary to Venezuela, which does not belong to any organizations of this sort.

6. Summary of key findings

This section sums up the theory, analysis, and results of the research from the previous chapters. By listing key findings, I will review this dissertation and provide final conclusions, and then discuss possible limitations, and avenues for further research of the topic in the end.

Political corruption does not have a universal definition containing all its characteristics but is generally understood as a misuse of public resources for private gain, which poses a threat to governance and the rule of law worldwide. It undermines democratic institutions, slows, or prevents economic development, and contributes to governmental instability. By contrasting the corruption dynamics in Venezuela and Uruguay, it becomes clear that the scale, impact, and manifestations of corruption can be very different depending on governance frameworks and socio-economic contexts.

In Venezuela, corruption has been prevalent long enough to have become the foundation of its political and economic landscape. This deterioration can be attributed to a couple of interconnected factors, such as political power and lack of accountability. Venezuelan officials have historically accumulated power beyond their legal mandates, which has led to a compromised judiciary and weakened law enforcement. This concentration of power has resulted in an immunity and lack of accountability, where governmental officials escape prosecution, further fueling a cycle of corruption. Mismanagement of wealth coming from oil and gold deposits trade have also contributed the economic downfall in Venezuela. The funds that could have supported critical sectors like healthcare, education, and modernization were instead put in overconsumption and to support political projects of the "Bolivarian Revolution" (Venezuelan & Ausman, 2019, p. 2). Investments were made in overly ambitious infrastructure projects, such as refurbishing roads and reconstructing schools, often neglecting more pressing needs. This short-sighted use of resources resulted in the creation of numerous non-essential public sector jobs, which did not contribute to productivity.

This has further led to a self-fueling cycle of corruption. As each aspect of society becomes affected, from high-level officials to civilians, the integrity of the entire system falls apart. This widespread corruption has been worsened by external factors such as drug trafficking. The mismanagement of these resources, characterized by poor planning and kleptocratic governance, has led to hyperinflation, severe shortages of food, electricity, water, medicine availability and a nearly complete breakdown of public services. The resulting economic chaos has made many Venezuelans turn to low level

corruption as a survival mechanism, as it may be impossible to get access to goods or services otherwise. On the other side of the scale, Uruguay has had a much more stable and transparent governance structure. Some of the reasons for it are the anti-corruption institutions. Uruguay has invested in national democratic anti-corruption institutions, as well as being a member of similar organizations on an international scale. Economic stability and fair resource distribution has also had a big impact on preventing corruption from overtaking. Unlike Venezuela, Uruguay has sustained a more balanced economy and a more thought-through distribution of natural wealth. Cultural and social norms amongst Uruguayans display high levels of trust and loyalty in their government, which is a cultural factor in sustaining democracy. That can be attributed to the fact that the citizens are in a way taken care of, meaning they are provided with necessary services and having to hustle to get them. In Venezuela, the overwhelming corruption has led to social and economic challenges, especially in sectors like free elections, healthcare, and education. Funds that could have been used to essential services were drained thoughtlessly with no regard to sustainable investments in the future. In contrast, Uruguay's management of public funds has been benefitting the whole community, supporting sustained economic growth and societal well-being. The focus on long-term infrastructure projects and essential services has caused public trust in the government and has helped maintain a more corruption-free environment.

6.1 Conclusion

The differences in corruption between Uruguay and Venezuela can be traced back to several intertwined factors that contribute to their contrasting situations. Despite both countries operating under democratic frameworks, the nature and impact of corruption in them are significantly different, primarily due to variations in their economic structures, institutional integrity, and public engagement with government processes. Venezuela is currently facing one of the most severe political crises globally, marked by significant corruption, raging crime, and a severe economic downfall. On the other side, Uruguay is recognized for its stable and sustained political systems, often compared with the most transparent countries globally. The degree of corruption is arguably the most significant factor distinguishing these two nations. The answer to the research question of this thesis, "how do the different corruption dynamics in Venezuela and Uruguay impact democratic governance?", is complex and multidimensional.

Amongst numerous factors contributing to the different dynamics of corruption, poor management of the revenues coming from natural resource market seems to be one of the key origins of corruption in Venezuela. Uruguay's minimal levels of corruption seem

to be partly sustained not only by its policies, but also by not having experienced disproportionate income boosts that would shake an unexperienced economy and give an opportunity for its mismanagement.

6.2 Limitations for future research directions

The issue of corruption in Venezuela's highly dynamic and becoming more severe day by day. As a result, further research may require updated sources, such as updated Transparency International statistics, newer publications, and everyday media. As with my personal limitations in research this topic, relying only on secondary sources and not being present in Venezuela and Uruguay may result in bias, since all the information in those is written by someone else. With that, the researcher filters and shares the data through their perception, possibly altering the nuances or allowing opinion-related aspects to impact their claims.

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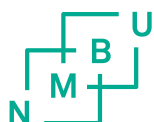
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Norges miljø- og biovitenskapelige universitet
Noregs miljø- og biovitenskapelige universitet
Norwegian University of Life Sciences

Postboks 5003
NO-1432 Ås
Norway