Social Accountability Mechanisms and Controlling Corruption: the Case of Ecuador (2007-2016)

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ORIGINALITY STATEMENT

I, Mario Hidalgo confirm that the work presented in this thesis is my own. Where information has been derived from other sources, I confirm that this has been indicated in the thesis.

Signed:

Date:

"Utopia lies at the horizon.
When I draw nearer by two steps,
it retreats two steps.
If I proceed ten steps forward, it
swiftly slips ten steps ahead.
No matter how far I go, I can never reach it.
What, then, is the purpose of utopia?
It is to cause us to advance."

Fernando Birri

DEDICATION

To those who dream of reaching the utopian.

ACKNOWLEDGMENTS

ABSTRACT

Despite the growing literature on corruption, knowledge on how to control this phenomenon is still limited. Many scholars and policymakers suggest that social accountability (SAcc) initiatives may help to strengthen public accountability and combat corruption. SAcc is understood as citizen-based initiatives, beyond voting, aiming to prevent, detect or expose corruption by holding the State accountable and seeking direct or indirect sanctions by triggering horizontal accountability. In this vein, success depends heavily on the efficiency of control agencies in officially investigating and sanctioning corrupt acts. Furthermore, evidence suggests that outcomes of SAcc initiatives to fight corruption depend heavily on the context in which they are implemented. This thesis aims to build on the knowledge of how SAcc works in controlling corruption in practice.

On this basis, this thesis focuses on three core points. First, it analyses the current debates and scholarship on corruption and how this problem has triggered many policy responses, including SAcc. It also discusses both the scholarship and empirical cases on SAcc to reach a broad understanding of its complementary role in controlling corruption. Second, this thesis offers an in-depth study of SAcc's place in the Ecuadorian anti-corruption institutional framework firmament. Ecuador is an interesting case study due to its innovative and favourable SAcc and anti-corruption institutional framework. However, the way in which SAcc is carried out depends not only on a conducive framework, but also on how it works in practice. In this context, this research also analyses how the institutionalisation of SAcc may undermine SAcc's main objective, holding the State accountable. Third, our understanding of how SAcc is practised is sharpened with an empirical analysis of two SACC initiatives: a citizen oversight initiative (*veeduria* in Spanish) in the city of Cuenca and the participatory budget in the province of Tungurahua. Taking these specific cases, this research analyses the interrelationship between citizens, control agencies and the State, at different levels, to understand SAcc's capacity to sanction corruption in the Ecuadorian context.

The findings of the research show that *veedurias* can be an effective mechanism for detecting corruption, but this outcome may be hampered by horizontal agencies' inefficiency in investigating signs of corruption. Additionally, the process of participatory budgeting in Tungurahua is mainly based on the actions of local governments and does not offer many opportunities for citizens to control budget expenditure. Furthermore, there are several structural problems in the framework that weaken SAcc's capacity to hold the State accountable. Without sanctions, there is no accountability. Furthermore, these weaknesses can make SAcc mechanisms vulnerable to being captured by the State and used to legitimise public actions.

Keywords*: corruption, social accountability, prevention, control,* veeduria*, participatory budget, citizen participation, monitoring, oversight, State capture, sanctions, Ecuador.*

IMPACT STATEMENT

This research seeks to contribute to the solutions to corruption. It does so by focusing on one of the proposed approaches to prevent this phenomenon: social accountability (SAcc). The core feature of SAcc in this thesis is the 'complementarity' that citizens can bring to the work of control agencies. Hence, this thesis engaged in an in-depth empirical study of two SAcc schemes: a monitoring initiative (*veeduria* in Spanish) in the city of Cuenca, and the participatory budgets in the province of Tungurahua, both in Ecuador. The findings of this work may prove beneficial in both academic and non-academic fields.

In terms of academia, several studies have produced empirical information on how SAcc works. However, there is still insufficient knowledge on how SAcc works in practice in a permissive legal and institutional framework. In this vein, Ecuador represents a case where, in theory, the framework fosters SAcc to control corruption. However, it is also a case where institutionalisation has undermined the capacity to sanction corrupt acts exposed by SAcc initiatives. Consequently, the Ecuadorian legal and institutional SAcc framework may prove vulnerable capture by the State. To explain how SAcc works in Ecuador, this thesis presents an analytical framework. It shows that SAcc depends on the efficient interrelationships between three actors: the State, citizens and control agencies. The framework may be helpful for future researchers aiming to understand how SAcc works in similar contexts to the Ecuadorian one.

Moreover, the regional trend indicates that the implementation of SAcc as a mechanism to fight corruption is becoming more frequent in the Americas. In this sense, considering that Ecuador has taken a 'novel' approach towards SAcc, the results of this research can be used by international policymakers constructing stronger SAcc frameworks in their contexts. This thesis also contributes to this purpose by showing how the State has not been held accountable by the SAcc structure after alarms were sounded. Focusing policymaking on these warnings could help to prevent SAcc's being used to legitimise State actions and, instead, help it to prevent and detect corruption, as intended. Similarly, to better understand the implications of these results, future studies could also address the influence of the internal and external factors on the outcomes of SAcc initiatives in a greater number of cases, using quantitative studies.

Additionally, this thesis includes many practical applications for policymakers. First, it demonstrates that the State must improve its capacity to respond to the results of SAcc initiatives. The analysis of the cases in question revealed that policymakers need to focus on reinforcing the capacity of control agencies to fulfil their role. Secondly, this research focuses on the reasons why PB is an inefficient SAcc mechanism. Policymakers engaging with participatory budgets as a mechanism to help to prevent and detect corruption should strengthen the framework so that citizens become the main actor, and that the exchange of information is efficient. Furthermore, it

is important to guarantee that the information presented by the State to its citizens is complete and sufficiently clear to be used as an accountability tool. Currently that is not the case, as some of the public information is of no use at all.

The findings and conclusions of this research will be accessible through academic and non-academic publications. As an expert in the field, the author may also contribute to mainstream media debates on the future of SAcc, and controlling corruption. Furthermore, these specialist findings could serve to engage policymakers and public servants in training on how SAcc works, and how to improve it for the control of corruption.

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Acronyms

ADB	Asian Development Bank
AP	Alianza PAIS
AUCPCC	African Union Convention on Preventing and Combating Corruption
BATF	Bangalore Agenda Task Force
BPI	Bribe Payers Index
CCCC	Commission for Civic Control of Corruption
CECLCC	Council of Europe Criminal Law Convention on Corruption
CFCT	Citizen Training Centre of Tungurahua
CIESPAL	International Centre for Advanced Communication Studies in Latin America
CNE	National Electoral Council
COIP	Comprehensive Criminal Organic Code
CONAGOPARE	National Council of Rural District Governments of Ecuador
CONAIE	Confederación de Nacionalidades Indígenas del Ecuador
COOTAD	Organic Code of Territorial Organization, Autonomy and Decentralization
CPCCS	Citizen Participation and Social Oversight Council
CPCCS-T	Transitory Citizen Participation and Social Oversight Council
CPI	Corruption Perception Index
CRC	Citizen Report Cards
CRE	Constitution of the Republic of Ecuador
CSO	Civil Society Organisation
CU	User Communities
DHP	Dejemos de Hacernos Pendejos
EMUVI—EP	Public Municipal Urbanization and Housing Company of Cuenca
UCL	University College London
ENEMDU	National Employment, Unemployment and Underemployment Survey
FCD	Fundacion Ciudadania y Desarrollo
FLACSO	Latin America Faculty of Social Sciences
FTCS	Transparency and Social Oversight Branch of Government
GADs	Decentralized Autonomous Governments
GCB	Global Corruption Barometer
GDP	Gross Domestic Product
GIR	Global Integrity Report
GiZ	German Development Cooperation
GVA	Gross Value Added
IACC	Inter-American Convention against Corruption
IACHR	Inter-American Court of Human rights
ID	Izquierda Democratica Party
IMF	International Monetary Fund
INEC	National Institute of Statistics and Census
JNV	National Housing Board

KDP	Kecamatan Development Program
LAPOP	Latin American Public Opinion Project
LOSEP	Public Service Law
LOTAIP	Law of Transparency and Access to Public Information
MESICIC	Mechanism for Follow-up on the Implementation of the Inter-
MIDUVI	Ministry of Urban Development and Housing
MKSS	Mazdoor Kisan Shakti Sangathan
NGO	Non-Governmental Organisation
NMM	New Management Model
OECD	Convention on Combating Bribery of Foreign Public Officials in International Business Transactions of the Organisation for Economic Co-operation and Development
PB	Participatory Budgeting
PDOT	Development Plan and Territorial Planning
PETS	Public Expenditure Tracking Surveys
PK	Political Party "Pachakutik"
POA	Annual Operating Plan
PRE	Ecuadorian Roldosista Party
PT	Brazilian "Workers' Party"
RPI	Right to public information
SAcc	Social Accountability
SBU	Unified basic salaries
SENPLADES	Secretariat of Planning and Development
SNAP	National Secretariat of Public Administration
SNTG	National Secretariat of Transparency of Management
SRI	Internal Revenue Service
SUPERCOM	Superintendence of Information and Communication
TI	Transparency International
TJN	Tax Justice Network
UNCAC	United Nations Convention against Corruption
UNDP	United Nations Development Program
UNODC	United Nations Office for Drug and Crime
WB	World Bank
WGI	Worldwide Governance Indicators

Chapter 1.   Introduction

Corruption and its prevention have been highly relevant in the academic and public policy arenas since the 1990s. Since the Cold War, the realisation and the awareness of the high cost of corruption to the world economy have prioritised this topic on the international agenda (Heywood, 2015; Johnston, 2015). However, despite the rise of research on the topic, the problem remains unclear and incomplete (Heywood, 2015; 2018; Johnston, 2015; Dimant and Tosato, 2017; Ledeneva et al., 2017, Rothstein and Varraich, 2017, et al.). Debates on what corruption is and how it could be handled is still vibrant.

In this context, this thesis engages in an analysis of one the proposed strategies to fight corruption, social accountability (SAcc). To do it, three core points will be targeted. First, it analyses the current debates and scholarship on corruption and how this problem has triggered many policy responses, including SAcc. It also discusses both the scholarship and empirical cases on SAcc to reach a broad understanding of its complementary role in controlling corruption. Second, this thesis offers an in-depth study of SAcc's place in the Ecuadorian anti-corruption institutional framework firmament. Ecuador is an interesting case study due to its innovative and favourable SAcc and anti-corruption institutional framework. However, the way in which SAcc is carried out depends not only on a conducive framework, but also on how it works in practice. In this context, this research also analyses how the institutionalisation of SAcc may undermine SAcc's main objective, holding the State accountable. Third, our understanding of how SAcc is practised is sharpened with an empirical analysis of two SACC initiatives: a citizen oversight initiative (veeduria in Spanish) in the city of Cuenca and the participatory budget in the province of Tungurahua. Taking these specific cases, this research analyses the interrelationship between citizens, control agencies and the State, at different levels, to understand SAcc's capacity to sanction corruption in the Ecuadorian context.

For the purpose of this thesis, 'corruption' will be understood as an act by a public official (or with the acquiescence of a public official) that violates legal or social norms for private gain. Furthermore, it will be comprehended as an act that occurs only where a personal benefit, material or intangible, is expected, typically in the form of wealth, political power and social status. This concept follows a line of thought that sees corruption as a public-

office issue, whereby one person, or a group of people, obtain benefits to which they are not entitled. Moreover, this concept specifies that benefits from corruption are not necessarily economic, but that there can also be a political benefit -to gain or maintain power- through 'clientelism' or 'state capture'. The concept explained above serves as an umbrella for specific types of corruption that will be discussed in this research. Newer debates on how to define and target corruption suggest that it is more useful to focus on specific types of corruption, rather than as a whole. Authors like Shekshnia et al. (2014) or Ledeneva et al. (2017) found it more useful to examine the problems of corruption by "slicing the corruption 'elephant' into smaller pieces". This thesis benefits from such debate by defining the types of corruption that Social Accountability (SAcc) could help to prevent or detect.

As regards to how corruption can be curbed, the literature includes several case studies in which different anti-corruption measures and mechanisms have claimed to have some success.[1] In this context, different authors (Schatz, 2013; Peruzzotti and Smulovitz, 2010; Lambert-Mogiliansky, 2014; Ackerman, 2005) argue that by reinforcing accountability mechanisms, there is a higher probability of detecting and sanctioning corruption. Initial claims suggested that this could be done by implementing mechanisms such as checks and balances, administrative rules and procedures. Newer measures to control corruption have been established in the form of horizontal accountability institutions, such as anti-corruption agencies or ombudsmen's offices. Although these mechanisms have had some favourable outcomes, they have been insufficient to control corruption (Malena et al., 2004).

As a consequence, one of the approaches to preventing corruption, on which I shall focus in this thesis, includes the participation of civil society in holding authorities and public institutions accountable for their actions. A growing number of authors have stated that accountability should be enforced by civic engagement or social accountability (SAcc) (Fox, 2015; Gaventa and McGee, 2013; Schatz, 2013; Peruzzotti and Smulovitz, 2010; Lambert-Mogiliansky, 2014; Ackerman, 2005; Malena et al. 2004; Della Porta, 2017; Bukenya et al., 2012; O'Meally, 2013, among others). SAcc mechanisms aim to expose

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[1] These mechanisms are varied and usually target different expressions of corruption. Examples of these mechanisms include: implementation of legal measures to sanction corrupt practices (Mesicic, 2015), promotion of transparency in public affairs (ibid.), regulation of financial or taxation systems (Bergman, 2003), establishing and strengthening accountability institutions (Skidmore, 1996), and involving civil society in decision-making and monitoring processes as part of SAcc mechanisms (Robinson, 2006).

governmental wrongdoing, denounce administrative corruption, and denounce violations of rights or due procedure by bringing new issues onto the public agenda, or activating the operation of horizontal agencies (Peruzzotti and Smulovitz, 2000; 2002; Malena et al., 2004). The argument is that, unlike control institutions, citizens can control the management of public resources from multiple places. As Ackerman (2005) states: "The universe of government action is so broad that it is virtually impossible [for control institutions] to 'oversee' the entirety of the operation… It is therefore necessary to complement such top-down 'police patrol' oversight strategies with bottom-up 'fire alarm' mechanisms" (p. 11). This 'complementary' characteristic works not only for detecting corruption, but also for preventing it. As such, the mere threat of society's drawing the control institutions' attention to corruption can work as a deterrent to public servants' considering committing an act of corruption (ibid.). However, for this to work, there is the need to have a SAcc framework with the capacity of applying sanctions efficiently. Sanctions are a key feature of accountability (Schedler, 1999; O'Donnel, 1999; Kenney, 2003; Ackerman, 2005; Bovens, 2007; Lambert-Mogiliansky, 2014; Kuppens, 2016). Indeed, without sanctions, there is no accountability at all.

For the purposes of this thesis, I use the term SAcc to mean **citizen-based initiatives, beyond voting, aiming to prevent, detect or expose corruption by holding the state accountable, and seeking direct or indirect sanctions by triggering horizontal accountability. Within this concept, citizen engagement must be genuine regardless of who created the initiative (social or state action).** In this context, it is understood that SAcc mechanisms have neither the capacity to hold official investigations nor to directly sanction corruption. Paraphrasing Fox (2015), SAcc lacks 'teeth' to 'bite'. Therefore, it needs the 'teeth' that horizontal agencies have in order to hold the State accountable. In other words, SAcc works mainly as a complement to control institutions by overseeing public administration and, if signs of corruption are found, triggering the alarm so that horizontal agencies can react.

As one of its contributions, this research will analyse how SAcc mechanisms work in conjunction with horizontal agencies in a specific context where a relatively new (2008) institutional and legal SAcc framework was created: Ecuador. In this regard, it must be pointed out/should be noted that the implementation of SAcc policies has grown in Latin America during the last two decades (Mesicic, 2015). Within the region, Ecuador represents an interesting case study by which to analyse SAcc as regards how to control

corruption. As will be explained in this thesis, the SAcc and anti-corruption institutional and legal framework in Ecuador has evolved to become one that has legally embedded the creation of SAcc initiatives.[2]

Following Ackerman (2005), it is desirable that SAcc is institutionalised so that it is guaranteed by the State[3]. In the Ecuadorian context, SAcc mechanisms are embedded in the Constitution of the Republic of Ecuador (2008). In addition, citizen participation in both decision-making and monitoring of public administration processes is given great importance in the Constitution.[4] Moreover, the new structure of the State goes beyond the classic *trias politica* or the three traditional branches of government – executive, legislative and judicial – to create two additional branches: the electoral branch of government, and a Transparency and Social Oversight branch (FTCS by its acronym in Spanish), which includes control agencies. Within the FTCS, a new institution, in charge of promoting and implementing SAcc and controlling corruption, was created: the Citizen Participation and Social Oversight Council (CPCCS).

To help me achieve my objective, I propose an analytical framework (section 3.4.2) that will be used to analyse two case studies: a *veeduria* (oversight initiative), monitoring the process of adjudication of the social housing project 'Los Capulies' in the city of Cuenca; and the participatory budgets (PB) of the province of Tungurahua. Both the *veeduria* and the PB are the two most used SAcc mechanisms in Ecuador (CPCCS Accountability Report, 2010; 2011; 2012; 2013; 2014; 2015; 2016). But more importantly, their specific framework by which SAcc is implemented involves the inter-relationship between citizens, control agencies and the State. The in-depth analysis of the cases will reveal specific details highlighting the different factors that influenced the final outcomes. Furthermore, analysis of the framework by which both mechanisms work, will allow this

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[2] SAcc initiatives are acts or projects that rely on civic engagement and promote or facilitate accountability. These initiatives can be fostered by the government, civil society, media, and other social actors. (Ackerman, 2005; World Bank, 2001). The Oxford English Dictionary defines an initiative as an act or strategy intended to resolve a difficulty or improve a situation.

[3] Ackerman (2005) states that there are three different levels at which participatory mechanisms can be institutionalised in the State. First, participatory mechanisms can be built into the strategic plans of government agencies, and rules and procedures can be mandated that require consulting with 'street-level bureaucrats' or otherwise engaging with social actors. Second, specific government agencies can be created to assure social participation in government activities or act as liaisons in charge of building links with social actors. Finally, participatory mechanisms can be typified in law, requiring individual agencies or the government as a whole to involve social actors at specific moments of the public policy process.

[4] More than 70 articles of the Constitution (of a total of 444) are devoted to citizen participation.

research to identify different structural problems that could undermine SAcc's main objective: holding the State accountable.

Additionally, in order to understand how SAcc mechanisms work, it is very useful to analyse the context in which SAcc is being implemented. This research includes an analysis of the political, legal and institutional contexts that directly influence the outcomes of SAcc as a whole. In this vein, this thesis found that the implementation of SAcc in Ecuador has brought mixed results.

On the positive side, the Ecuadorian framework guarantees, by constitutional mandate, the right of citizens to control public processes through SAcc mechanisms. Moreover, there is a specific institution in charge of promoting and protecting citizen participation (the CPCCS). This institution also gives technical support to *veedurias* and to the implementation of PB in the country. Also, by giving citizens an official certification of observers (*veedores*), more weight is lent to SAcc initiatives, insofar as observed institutions are aware that a control agency supports the monitoring. Furthermore, the agencies observed would have to facilitate the requested information and support the citizen's initiative. Finally, this research identified that *veedurias* can be an effective mechanism for detecting irregularities in public processes, which could be useful for control agencies.

However, the analysis also identified different problems that, as a consequence, lead to a lack of sanctions that could end up undermining the credibility of SAcc process. At the national level, there is evidence that in some cases, SAcc was captured by the State to try to legitimise its actions. Moreover, there are signs of paradoxes in participation, where citizens who denounced the government were persecuted through legal actions from within the governmental apparatus. Furthermore, in-depth analysis of the case studies found different problems within the SAcc framework, which could be undermining SAcc as a whole.

One of the key contributions of this research is pointing out to researchers and policymakers some new features of the implementation of SAcc as part of a framework ideally built to strengthen citizen participation in controlling corruption. Although this thesis does not engage in the 'political economy of institutions' debate, where it is argued that any policy generates winners and losers, I do discuss how the implementation of

SAcc in Ecuador has generated different results to those envisaged in law. In this vein, my research highlights different flaws found within the structure of SAcc that would need to be targeted if the aims are to sanction or punish corruption and to avoid SAcc mechanisms' being captured.

The analysis of the case studies allowed this research to detect what I have called 'late reporting'. When citizens are officially monitoring a public process, they have to hand in – at the end of the SAcc initiative – a final report with their findings. This report, as in the case of the *veeduria*, could be submitted months after irregularities were found. Furthermore, this report would have to be revised by the authorities of the CPCCS (the plenary of the CPCCS made up of seven councillors), who can decide if the report requires an official investigation or if it should be filed. If there is an investigation, the process would take a relatively long time (around four months in the case in question). Therefore, the period between discovering the irregularity and until the control agency revises the case could be too great, consequently hampering an efficient reaction from the latter.

In addition to the 'late reporting', the entity that accompanies SAcc processes cannot react to potential irregularities in time by itself. The analysis of the case studies shows that the CPCCS was aware of specific moments when doubts were raised regarding the adjudication process; however, the legal attributions of this entity demand that investigations could only be started after the final report of the *veeduria* has been submitted, not before. The CPCCS lacks the competence to start investigations *ex officio*, making it a mere spectator of public processes with no capacity of its own to react to corruption. This problem becomes more complex when, once the reports of a *veeduria* or the complaints of mismanagement of funds are known, official investigations are initiated. The current framework of official investigations triggered by a SAcc initiative is too bureaucratic. Different control agencies – the CPCCS, followed by the Comptroller's Office and then the Attorney General's Office – have to investigate the same case before it to goes to court, which could take years.

The reality is even less encouraging; the case studies have shown that the CPCCS does not have the capacity to investigate denunciations. For instance, as reflected in the case of the *veeduria*, (whose report was presented on November, 2016), by the time this thesis was completed (2021) the CPCCS investigation process into 'Los Capulies' social

housing had not even started. Something similar has happened in the case of the report presented by citizens from Tungurahua, regarding the implementation of the PB in that province. Although the case was investigated two years after the denunciation, the process has not yet ended in any kind of sanction.

As regards the latter case, the present thesis will analyse how this SAcc mechanism was designed to work as a management tool, facilitating governance throughout the province by coordinating actions between the prefect and local authorities at the municipal and district level. Nonetheless, this framework does not currently include citizens in the process, except at first stage of the mechanism when citizens prioritise the works for their implementation in the following fiscal year. The mechanism itself has neither a monitoring- nor a denunciation feature of its own. Furthermore, as the analysis will show, the flow of information between authorities and the citizenry is poor, which could undermine efficient external monitoring by citizens and also by control agencies. In this vein, PB in Ecuador is presented here as an inefficient SAcc mechanism.

In this vein, findings show us that the case of Ecuador is important because it illustrates the operation of the SAcc mechanisms, the promises and perils of SAcc implementation, the risk of the State's capturing SAcc by design and as part of the implementation of SAcc mechanisms. The in-depth study of SAcc as a corruption control mechanism in Ecuador adds to a limited literature on how SAcc works in practice under a permissive legal and institutional framework, and on the risks of SAcc mechanisms' being captured if different safeguards are not implemented as well.

1.1 Research Questions

This thesis' general objective is to build on the knowledge of how SAcc works in controlling corruption. On this basis, it aims to respond to the following main research question and its sub-questions:

MQ: How does SAcc work for the control of corruption in a context where its mechanisms are guaranteed in the law and have an institutional framework of its own?

Although the study of SAcc, as a response to the problem of corruption, is not new, understanding of the topic based on empirical information is still limited (Bukenya et al., 2012; Schatz, 2013). Nevertheless, many policies on SAcc have focused on strengthening SAcc and the anti-corruption legal and institutional framework. As stated above, this has been the case in Latin America, where the implementation of norms aimed at including civil society in controlling corruption has advanced during the last two decades (Mesicic, 2015). However, SAcc's efficacy in controlling corruption does not only depend on the existence of its legal and institutional framework. As this thesis shows, the outcomes of (the implementation of) SAcc initiatives are also influenced by other contextual variables. To answer the proposed research question, this thesis will respond to the following sub-questions.

SQ1: What is SAcc? How does SAcc work for the control of corruption?

To understand how SAcc can help in controlling corruption, there is a need to engage with academic debates about what corruption is, as well as the limitations represented by the lack of a single concept and measurements. Despite these limitations, there is wide consensus among scholars regarding the negative effects of corruption in society. As such, scholars and policymakers have brought different approaches to solving this problem. One of these approaches is SAcc. As stated above, several authors (Ackerman, 2005; Fox, 2014; Gaventa and McGee, 2013; Goetz and Jenkins, 2001; Malena, 2004; Peruzzotti and Smulovitz, 2002) agree that SAcc can be effective in controlling corruption. However, the intrinsic characteristics of SAcc, including its lack of competencies to hold official investigations or apply direct sanctions, makes it incomplete, unless it works alongside control agencies. For the purposes of this thesis, SAcc mechanisms aim to detect and expose corruption to trigger the alarm – so that control agencies can react to, investigate and sanction corruption accordingly. In fact, one of the main arguments in favour of SAcc's controlling corruption is the fact that the State is too big for control institutions to be able to oversee it all. This 'complementary' feature of civil society in controlling corruption is key to comprehending the importance of the interaction between the State and civil society.

SQ2: What is the state of SAcc and the anti-corruption legal and institutional framework in Ecuador? How has the political context influenced its development?

Ecuador represents an interesting case for studying SAcc due to its novel legal and institutional framework, which seeks to integrate civil society into the processes of decision-making and controlling public administration. The Constitution of the Republic of Ecuador (2008) includes SAcc as one of the pillars of the State. In this sense, more than 70 articles – out of a total of 444 – of the Constitution are devoted to the participation of civil society in public matters. Within the Constitution, SAcc mechanisms are also included and recognised.[5] Since 2008, additional laws[6] have been introduced to guarantee the use of SAcc mechanisms by the citizenry. Furthermore, the new Constitution created a new control agency in charge of promoting and guaranteeing SAcc mechanisms, the CPCCS. Moreover, this Constitution created a branch of government in charge of promoting SAcc and the prevention of corruption, the FTCS. This new branch of government includes all the control agencies.[7] The legal and institutional framework represents significant progress in promoting and guaranteeing SAcc in Ecuador.

The current SAcc and anti-corruption framework evolved as a response to social pressure regarding corruption and political instability. Between 1996 and 2006, Ecuador went through a political and institutional crisis, where the country had eight presidents, of which only three were properly elected. The political class was delegitimised and the institutions weakened. Moreover, the political crisis was caught up in different corruption scandals that impacted negatively on the citizenry's trust in public institutions. As a consequence, society demanded a stronger role in decision-making processes and in the control of public administration.

Against this background, in 2006, Ecuador elected a government that promised to write a new constitution that would reshape the country; this government was led by Rafael Correa. Through a plebiscite, Ecuadorians approved the aforementioned Constitution of 2008, which included citizen demands to have a significant role in public matters. The presidency of Correa (2007–2017) was characterised by strong executive leadership and

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[5] These mechanisms are public hearings, assemblies, observatories, user committees, empty chair, *veedurias* and any other instance of participation that the citizenry or the State promotes, including participatory budgeting and popular councils, and advisory councils (Article 100 of the constitution).

[6] Organic Law of Citizen Participation (2010); COOTAD (2010); COPF (2014). There are different regulations for the laws mentioned.

[7] CPCCS, Comptroller's Office, Ombudsman's Office and Superintendencies.

an antagonistic relationship with the opposition. Evidence shows that, during this time, the SAcc and anti-corruption framework was captured and used to the detriment of the government's detractors. Authors like Ackerman (2005) warn that once SAcc has been institutionalised and embedded in the legal framework, there is risk of what he defines as an "over-institutionalisation" thereof. In this vein, SAcc mechanisms may be co-opted by the State and used to legitimate its actions. This brings us to sub-question three (SQ3).

SQ3: How does SAcc work in practice in Ecuador? What are the conditions that influence the outcomes of SAcc initiatives as regards reducing corruption? How have these conditions influenced the outcomes of the initiatives?

Merely having a SAcc and anti-corruption framework does not necessarily reflect the effectiveness of SAcc initiatives in practice. In order to understand how SAcc works in Ecuador, this thesis develops an empirical analysis of two SAcc initiatives: a citizen oversight initiative (*veeduria* in Spanish) in the city of Cuenca, and the participatory budgets of the province of Tungurahua. As stated in the previous section, the analysis of each case explains how these initiatives work in practice and the reasons for their respective outcomes. The *veeduria* for the process of adjudication of social housing in Cuenca was highly influenced, first, by, the capacity of citizens to conduct the process of monitoring despite the challenges present along the way; second, the support of the CPCCS in Cuenca in encouraging and helping the *veedores* complete the initiative; and, finally, the lack of capacity in the CPCCS as a control agency to investigate anomalies found by the *veeduria*.

In the case of the participatory budgets in Tungurahua, an initiative by the highest authority in the province, the Prefect Fernando Naranjo, to promote such a scheme, has been a critical factor in its implementation since 2003. Another factor of great importance is the institutional design of the participatory budgets. As will be explained, this puts greater weight on local authorities instead of citizens, in an initiative that aims to have citizens decide where to allocate resources and control that allocation. The analysis will explain how these factors influenced the SAcc initiatives and what this means for controlling corruption.

SQ4: Are the SAcc mechanisms analysed able to fulfil their main objective of holding the State accountable?

As will be discussed throughout this research, sanctions are a '*sine qua non*' of accountability. In this context, SAcc mechanisms seek to make control agencies react so that corruption is properly punished. If sanctions are not applied, then there is no accountability at all. The analysis will highlight different problems that undermine the SAcc framework's capacity to sanction. As stated above, some of these problems are structural: capture by design and a bureaucratic framework. Others are related to the lack of capacity of control agencies to react to the alarms raised by citizens.

1.2 Methodology

1.2.1 Type of Research and Data Collection

In order to answer the research questions, this thesis draws upon a qualitative case study method. This method was used for an in-depth empirical study on how SAcc works for the prevention of corruption in Ecuador. Moreover, this method was chosen since it is "effective to investigate a contemporary phenomenon within its real-life context" (Yin, 1994, p. 13). The importance of context in the development of SAcc initiatives has been well established in previous studies (O'Meally, 2013; Bukenya et al., 2013; Grandvoinnet et al., 2015; Hickey and King, 2016; Fox, 2015; Gaventa and McGee, 2013; Chene, 2012; Richards, 2006). Similarly, this research benefitted from using an approach that enables a real-life contextualisation of how SAcc works (Yin, 1994).

It is also important to acknowledge that one of the weaknesses of the qualitative method, compared to the quantitative method, is the inability to draw more general conclusions from the data attained, due to the limited number of cases under analysis and the detailed information gathered. Nevertheless, by no means does this suggest that one method is better than the other. As Gerring (2006) states: "Sometimes, in-depth knowledge of an individual example is more helpful than fleeting knowledge about a larger number of examples. We gain a better understanding of the whole by focusing on a key part" (p. 1). Furthermore, when the phenomena in question are "too complex, context-bound, or context-sensitive" (p. 1), a case study method can be the appropriate approach to

building on the existing knowledge (Ragin, 1999). In other words, case study research aims to make a problem understandable, which is what this thesis seeks to do. Moreover, the knowledge generated in case studies, such as this one, becomes raw material for building new theoretical insights (Ragin, 2007).

On this basis, this thesis builds on three core points. First, this thesis analyses the current debates and scholarship on corruption, and how this problem has spawned many policy responses, one of which is SAcc. This segment (Chapters 2 and 3) relies entirely on secondary academic sources and public policy instruments. The analysis focuses on the current state of knowledge regarding what corruption is, its causes and consequences, and the responses from academics and policymakers to prevent it. The rationale behind this is that, in order to analyse how SAcc seeks to control corruption, we need to understand what the problem is first. With that foundation, the analysis moves on to understanding SAcc as an approach to preventing corruption. This included reviewing what SAcc is and understanding its complementary role alongside control agencies in controlling corruption. The discussion relies on academic approaches that explain how SAcc works. Additionally, the analysis of previous research[8] on the topic is key to understanding that SAcc initiatives are vulnerable to a different range of internal and external factors that may influence their outcomes.

Recent studies (Grandvoinnet et al., 2015; O'Meally, 2013; Bukenya et al., 2012; Hickey and King, 2016; Fox, 2015) have created frameworks that aim to explain the various contextual (external) factors that matter to the work of SAcc. Moreover, these frameworks address the relationship between internal and external factors, and how they shape SAcc outcomes. The advantage of the framework created by Grandvoinnet et al (2015)[9] is that it seeks to explain the dynamics of all the macro-factors influencing a SAcc initiative in any given context. However, in seeking to explain the whole phenomenon of SAcc, this framework, as such, is too broad to facilitate an understanding of how SAcc

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[8] See O'Meally (2013), Bukenya et al. (2013), Grandvoinnet et al. (2015), Hickey and King (2016), Fox (2015), Lambert-Mogiliansky (2015), Gaventa and McGee (2013), Chene (2012), Richards (2006), Ackerman (2005), Malena et al. (2004), and Peruzzotti and Smulovitz (2000).

[9] Grandvoinnet et al. (2015), like O'Meally (2013) and Bukenya et al. (2012), developed an analytical framework for designing, implementing, monitoring, and evaluating SAcc, and to take into account a broad range of contextual factors (p. 115). The framework was built on the premise that SAcc outcomes result from an iterative engagement between a broad socio-political context and elements of the initiative (Bukenya et al., 2012). Moreover, the framework takes into account (as do O'Meally, and Bukenya et al.) the characteristics and dynamics of civil society and State, and emphasises the interaction between the two actors at different levels and under different circumstances.

works in controlling corruption in Ecuador. Consequently, a new framework that aims to achieve that objective is proposed in Chapter 3.

The second core point focuses on an in-depth study regarding how SAcc works to control corruption in Ecuador. Ecuador is an interesting case study due to its innovative SAcc and anti-corruption framework, which is conducive for citizens who wish to engage in control of the public sphere. As stated above, SAcc and its mechanisms in Ecuador are guaranteed at the constitutional level. In this sense, and in reference to Ackerman (2005), SAcc in Ecuador has reached the third level (the maximum level) of institutionalisation. According to that author, this is the desired level for SAcc to function efficiently because citizens can create initiatives supported by the law and are less dependent on public authorities' motivations in allowing SAcc. Additionally, the institutional framework of Ecuador has created new and original institutions. First, there is a new branch of power focused on transparency and social oversight – the FTCS. Second, there is a specific institution for promoting and protecting SAcc and fight against corruption in Ecuador – the CPCCS.[10] Additionally, this institution is in charge of leading open competitions to appoint candidates to positions of control. There is no equivalent institution in any other country in the region. However, as the empirical research in this thesis shows, how SAcc performs depends not only on a conducive or permissive framework, but also on how it works in practice. As expected, implementation of public policy does not always work as it is supposed to do. Moreover, the Ecuadorian case shows that if there are not enough safeguards to protect SAcc mechanisms, they may be at risk of being captured by the State. These characteristics make Ecuador a singular case for an empirical study of how SAcc is implemented and of the red flags that the analysis of Ecuador raises for future research.

To analyse the above, I used secondary sources but complemented them with the input of local experts on SAcc during my field research. Secondary sources included academic studies, policy reports, legislation, official documents, and media reports. I started by analysing the political context in Ecuador that shaped the institutional development of the SAcc and anti-corruption framework. Here, I engaged in a chronological analysis of the period between 1996 and 2016 that revealed two logical relationships.[11] The first

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[10] Detailed information on the FTCS and CPCCS may be found in Chapters 4 and 5.

[11] A logical relationship is when X caused Y in ways that cannot be measured (Kompf, 2012).

relationship, from 1996 to 2006, was between corruption and weak institutions on the one hand, and the institutionalisation of SAcc in controlling corruption on the other. The second relationship, from 2006 to 2016, was between a strong political figure and the potential capture of the SAcc and anti-corruption framework. Therefore, the analysis focuses on how this framework evolved from before SAcc was institutionalised in 1996, to the beginnings of institutionalisation in 1997/1998 and the creation of the Constitution in 2008. The Constitution represents a significant step forward for the institutionalisation of SAcc in Ecuador. After this, the analysis moves on to assessing how this framework has been implemented.

Finally, the third core point focused on the understanding of the practice of SAcc through an empirical analysis of two SAcc initiatives: a citizen oversight initiative (*veeduria* in Spanish) in the city of Cuenca and the participatory budget (PB) of the province of Tungurahua. The case studies (chapters 6 and 7) were supported by primary material (interviews) and secondary sources (a review of scholarly literature; a review of the archives within the CPCCS; reports; media publications; publications from official public institutions; and legislation). As stated above, to facilitate the analysis of the initiatives, I proposed a framework that aims to explain how SAcc works in Ecuador. This framework will be compared to how the case studies actually worked in practice. This will be helpful in understanding the dynamic between the three actors: citizens, State and control agencies.

For this research, I conducted 25 official (recorded), semi-structured interviews with officials from the CPCCS in Quito, Cuenca and Ambato (Tungurahua), with academics and journalists, and with citizens, authorities and public officials directly involved with the cases in question. Information about the interviewees can be found in Annex 1. The purpose of interviewing actors from inside and outside the SAcc initiatives was to understand not only how the initiatives worked, but also the context in which they were held. Among the most important topics reviewed were how the initiatives were carried out; the capacity of *veedores* on the one hand, and public officials on the other, to accomplish objectives; the institutional motivations to make the initiatives work; positive and negative aspects of the monitoring process; challenges; and conclusions. Their input may not be explicitly quoted in this thesis, but they have undoubtedly helped to build a better view of the whole picture. Moreover, when new questions arose while analysing

the collected data, I contacted many of the interviewees for clarification or more elaborate explanations and received replies most of the time.

All interviewees signed a consent form in which they declared their willingness to participate in this research. None of the interviewees declared a desire to remain anonymous. However, decisions to not record or to speak off-the-record or to not consider specific parts of the interviews were respected. The interviews followed the plan approved by the UCL Ethics Committee in 2016. Additionally, I also held unofficial (un-recorded) interviews with public officials and citizens related to the SAcc initiatives, in order to gain more knowledge or to complement information.

1.2.2 Case Selection

When selecting the cases for this thesis, I also took into account the case study methodology. Different authors (Eisenhardt, 1989; Seawright and Gerring, 2008) consider that, in order to understand the problem at hand, cases may be selected having acquired extensive knowledge related to the topic. Thus, the cases were selected following an analysis of the literature and debates on corruption and SAcc. Additionally, my previous professional experience related to controlling corruption provided me with a more solid foundation regarding SAcc in Ecuador. This procedure of choosing cases based on extensive knowledge was helpful in deciding which type of cases would be beneficial for me to accomplish my research objectives. Understanding that SAcc initiatives can be influenced by internal and external conditions led me to seek cases with abundant and detailed information on how they worked. Flyvbjerg (2006) implies that the selection of cases should consider the amount of information that the case can offer for analysis. Moreover, Ragin (1999) states that it is a common practice among researchers to select specific cases, to learn more about how something works in general terms.

The case selection considers two levels: the reasons for choosing the particular SAcc mechanisms, and the reasons for selecting the particular SAcc initiatives.

Social Accountability Mechanisms

In order to give the greatest weight to this research, I chose the two most-used SAcc mechanisms in Ecuador, according to the official numbers (CPCCS Accountability Reports, 2011; 2012; 2013; 2014; 2015; 2016): *veedurias* and participatory budgeting. In the Ecuadorian context, both mechanisms have different frameworks for monitoring public processes and raising the alarm of control agencies. The first, *veeduria*, has as its main objective monitoring the implementation of public policies or the use of public resources. The second, the PB, aims to prevent corruption by including citizenry in the decision-making process and making transparent the allocation and expenditure of economic resources. Subsequently, the results of investigations or the denunciations presented by citizens from both mechanisms are supposed to be investigated by the CPCCS, as a control agency. Also, along the spectrum of SAcc mechanisms, there are those that are temporary and others that are permanent. In this sense, the *veeduria* is characterised as a temporary application mechanism, while PB is permanent. In this sense, the analysis of *veeduria* and PB also cover the main characteristics of other SAcc mechanisms that are institutionalised in Ecuador and that seek to trigger the alarm of control agencies. Following the analysis of both cases, findings on how they work can be extrapolated to the other existing SAcc mechanisms in the SAcc framework in Ecuador.

As regards the features of these mechanisms, *veeduria* is a SAcc mechanism that allows citizens to exercise their rights of participation in order to carry out the monitoring, supervision and control of public administration, prior to, during or after its delivery. According to Grandvoinnet et al. (2015, p.59), a *veeduria* could ideally help uncover,

> *'corruption and puts an end to extortion, fraud, embezzlement, bribery, and misappropriation of funds. It can also result in formal sanctions and, occasionally, the return of embezzled funds (de Renzio, Andrews, and Mills, 2011; Gauthier, 2006). Similarly, exposing malfeasance is one of the expected outcomes of social audits (Singh and Vutukuru, 2010)'.*

It must be pointed out that such outcomes would need the interaction of control agencies and the judiciary in order to officially investigate potential corruption and to sanction them accordingly.

Participatory budgeting is a SAcc mechanism that aims at "redistributing city resources in favour of more vulnerable social groups by means of participatory democracy" (Sousa, 1998, p. 462). As the PB represents only a percentage of the total budget of local governments, it can be inferred that it entails stronger monitoring and is supposed to work more efficiently. Hence, this mechanism is expected to help to prevent corruption by virtue of its process. Applying this mechanism relies on civil society having a voice in the preparation, definition and control of public budgeting. Involving civil society in the process of decision-making not only prioritises social needs in budget allocation, but also makes it easy for citizens (and authorities) to monitor how and where the money has been spent. Participatory budgeting is mandatory for the three levels of government: provincial, municipal, and district (Organic Code of Territorial Organization, Autonomy and Decentralization (COOTAD), 2010).

Social Accountability Initiatives

Due to the competences of the CPCCS described above, I officially requested permission to look for potential cases for my research within the institution. The request was accepted, and I started to meet with public servants from the Subcoordination of Social Oversight, in charge of promoting and supporting *veedurias*, and from the Subcoordination of Citizen Participation, in charge of giving support to participatory budgets. When I started to look for cases to study, my initial intention was to find two cases in Ecuador where corruption was detected and sanctioned, or where it had been efficiently reduced.

The rationale behind these characteristics was my aim to understand the key factors in influencing a positive outcome in a SAcc initiative. However, the lack of systematised information was a limitation to easily finding these cases. Moreover, when asked, public officials implied that there were no evident cases with such characteristics. In other words, they could not recall any case that fulfilled my criteria.

Moreover, within this context, two things happened. First, from the Subcoordination of Citizen Participation, a request was sent to all the provincial offices to provide good practices that fulfilled my prerequisites. The replies were condensed in a document and sent to me by official letter No. CPCCS-SNPP-2016-0898-OF. However, the information received was not helpful due to the vagueness of the answers. These facts served as an

early alert to the potential lack of sanctioning capacity of SAcc mechanisms within the Ecuadorian framework.

Second, I was granted access to the CPCCS archives, where SAcc initiatives are filed. The archives are kept in storage without classification, which made the search more difficult. After an unproductive examination, I decided to change my strategy and opted to find cases with abundant information that would allow me to study how they worked. Thus, I held a series of informal meetings with public officials with direct knowledge about SAcc initiatives undertaken in the past. From these meetings, I was able to select a number of potential cases for my research. After reviewing the available information, I ended up selecting a *veeduria* in the city of Cuenca and the participatory budgets in the province of Tungurahua.

Here, it is important to know that SAcc initiatives may be started by citizens, the State or control agencies. To make a clearer distinction between who creates the initiatives, I will divide the realm of SAcc initiatives into three categories: Direct SAcc Initiatives, Indirect SAcc Initiatives, and Joint Initiatives. From now on, I will use 'Direct SAcc initiatives' to refer to those that have been created by social actors, namely these grassroots movements and the media. 'Indirect SAcc Initiatives' will refer to those which have been created by the State, public authorities, or when they are required to be held by law (therefore, led by the State). Finally, due to the Ecuadorian context, 'Joint Initiatives' is the term I will use for initiatives created by the CPCCS, where there is a public institution that, in theory, is being led by citizen representatives.

Moving on to the analysis of my case studies, in this thesis I will focus on the 'Indirect SAcc Initiatives' in order to be able to analyse how two initiatives – created either as a result of a decision by an authority or by the State – were implemented. By selecting these 'Indirect' SAcc initiatives, I will be able to analyse the complementary role between citizens and control agencies within the established SAcc framework in Ecuador. From this analysis, it will also be possible to assess the efficiency or inefficiency of the SAcc framework at holding the State accountable through its sanctioning capacity. In this context, the real risk that the SAcc mechanisms may be captured by the State will also be analysed.

Veeduria

The case selected is the *veeduria* of the 'Los Capulies' social housing project, in Cuenca, Ecuador. This *veeduria* was considered useful for different reasons. First, there were detailed reports of the activities carried out by the *veeduria*. The reports were related to the oversight of the process of adjudication, and reflected the pro-activeness of the *veedores*, their resilience when faced with difficulties, the apparent compliance from the municipal institution, the Municipal Public Company of Urbanisation and Housing of Cuenca (EMUVI-EP in Spanish), in facilitating the required information, and strong support from the CPCCS for the *veeduria*. Second, the lack of housing has been a recurrent problem in Ecuador. Political campaigns tend to offer housing as an electoral platform, which has also resulted in probable cases of corruption, including embezzlement and the trading of influences. Therefore, a *veeduria* in this area could be effective in preventing corruption. Finally, the *veeduria* was deemed to have achieved its objectives by both the *veedores* and the CPCCS. Thus, this case was considered helpful for this research since it would allow me to examine the potential role of successful *veedurias*.

Participatory Budgeting

The case selected for analysing the implementation of participatory budgeting was that of the province of Tungurahua, in the centre of Ecuador. This case was selected for two main reasons. First, participatory budgeting in Tungurahua was the first experience of its kind implemented at a provincial level in Ecuador (in 2003). Hence, there has been more time to assess its implementation and for it to build its own methodology based on experience, which includes involving other public institutions and civic organisations in the process. Second, participatory budgets were given great importance by the prefect's government (Prefect Fernando Naranjo was first elected in 2000 and re-elected three further more times thereafter). Hence, there were greater possibilities of finding enough information to analyse the initiative.

One limitation was the scale of the initiative, since the provincial participatory budget had to deal with 44 districts and 9 municipalities. Additionally, information was not systematised, and access was only possible through hard-copy reports. Nevertheless, studying a participatory budget like the one in Tungurahua, with a long trajectory and apparent positive results, was appropriate for analysing the implementation of the mechanism in Ecuador.

1.2.3 Disclaimer

I would hereby like to clarify to readers that I am a former public official of the CPCCS, specifically at the International Relations department from 2010 until 2014. Additionally, during that time I represented Ecuador at the Organisation of American States' (OAS) anti-corruption mechanism, MESICIC, where I also served as Vice-President (2013) and President (2013-2014). In this context, I have had access to privileged knowledge and insights regarding the implementation of anti-corruption mechanisms in Ecuador (and the region), including SAcc mechanisms. Additionally, this experience allowed me to know whom I should contact for specific information within the CPCCS. As a former official, I was given what I deem as 'extra' support with the gathering of information which may have benefitted this thesis. However, I would also like to state that I have taken an analytic approach and sought to respect academic rigour throughout this research in order to avoid reaching biased conclusions.

1.3 Outline

This thesis is divided into three parts, each of which has two chapters. The first part consists of a review of the current state of knowledge on 'corruption' and 'SAcc' to build an analytical framework. The second part is a contextualisation of SAcc in Ecuador. Finally, the third part is the analysis of two SAcc cases in Ecuador.

Chapter 2, **Corruption: The Current State of Knowledge**, is divided into four sections that will enable the reader to understand the problem of corruption. The first section, *Conceptualising and Measuring Corruption*, reviews the literature on the different approaches to conceptualising 'corruption'. Additionally, I analyse how corruption is measured and the limitations of this endeavour. The second section, *Causes and Consequences of Corruption*, explores the literature on the causes and consequences of corruption, aiming to highlight the importance of continuing to study the phenomenon. Finally, the last section, *Responses for Controlling Corruption*, aims to help the reader

understand the challenges and successes faced by policymakers when they draft or implement anti-corruption policies.

Chapter 3, **Social Accountability for Controlling Corruption**, aims to help the reader understand what SAcc is and how it can help to control corruption. Moreover, it builds the analytical framework that will be used in the analysis of the case studies. The first section in this chapter, *What is Accountability?* explains what accountability is and how it can be exerted. This section includes an analysis of sanctions as a '*sine qua non*' of accountability. The second section engages with *Social Accountability*. This section discusses what SAcc is, why it is important and what types of SAcc mechanisms exist for different objectives. The third section, *Social Accountability and Controlling Corruption*, analyses how SAcc can help to control corruption, but also considers its limitations. Finally, Section 4, *Building an Analytical Framework: How do Social Accountability Initiatives Work?* analyses the literature on the importance of (considering and) creating different conditions for successful SAcc initiatives. This will create an analytical framework for analysing the two SAcc schemes at hand. Such a framework enhances the interrelationship between the three main actors of SAcc in Ecuador: citizens, State and control agencies.

Chapter 4, **The Political Context and the Role of Corruption in Ecuador: 1996-2016**, fleshes out the political, economic and social context of the country from the mid-1990s until 2016. This chapter seeks to explain the context that led to the current anti-corruption and SAcc framework in Ecuador, and how it influenced the latter's outcomes, especially at the national level. Additionally, the chapter sheds light on the context in which the selected SAcc initiatives were undertaken. Section 1, *Corruption and the De-Legitimisation of the Political Class: Political and Institutional Crisis in Ecuador from 1996–2006*, analyses the context from 1996 until 2006. This period was characterised by instability, leading to eight presidents in a decade and a severe lack of institutionalisation in Ecuador. Section 2, *'Breaking from the Past': The Rise of Rafael Correa and the Aim of Strengthening the Country's Institutionality from 2006–2010*, analyses the rise of Rafael Correa to power with the Citizens' Revolution. Moreover, this section explores the implementation of a new constitution where several popular demands were included. Furthemore, it presents the context of the first frictions between two sectors within the rulying party, the idealists vs the pragmatists (how the SAcc framework was intended to work vs how it was used). Additionally, the favourable

economic context of the country is taken into account. Lastly, the section analyses the police uprising on September 30, 2010, and its influence on Correa's political project. Then Section 3, *Consolidation of 'Correismo', Political Polarisation and Accountability Questioned: 2011–2016*, focuses on how the antagonistic strategy used by Correa to rule, became more radical, and its influence on all of the functions of the State.[12] Finally, Section 4 analyses if Ecuador represents a case where SAcc was captured by the State and used as a political tool to control and harass the opposition on the one hand, and to legitimate State actions on the other. These actions would lead to some 'paradoxes of participation' whereby citizens intending to investigate and expose potential corruption were persecuted by control agencies.

Chapter 5, **The Institutional Development of the Social Accountability and Anti-Corruption Framework in Ecuador**, analyses the SAcc and anti-corruption framework in Ecuador. The objective in this chapter is to understand the legal and institutional framework that regulates SAcc in Ecuador and how it works. The first section, *Beginnings of the Institutionalisation of Social Accountability for Controlling Corruption*, reviews the early stages of the institutionalisation of SAcc in Ecuador, focusing mainly on the legal and institutional approach from the mid-1990s until the publication of the Constitution in 2008. The second section, *A New Social Accountability and Anti-Corruption Framework*, analyses the new framework installed after the passing of the 2008 Constitution. This analysis includes, first, the creation of a new branch of power focused on SAcc: the FTCS. Second, it includes the creation of a new institution to promote and guarantee SAcc, the CPCCS, and to review the new mechanisms of SAcc included in the Constitution. Section 3, *How does the Social Accountability and Anti-Corruption Framework Function?*, analyses the implementation of the new SAcc and anti-corruption framework, in order better to understand the context in which SAcc initiatives have to be created. This section also analyses how two SAcc mechanisms – *veedurias* and participatory budgets – work in Ecuador. Furthermore, it analyses the both mechanisms' capability to react to citizens' sounding the alarm and also to sanction corrupt acts. Finally, section 4, *Has Social Accountability in Ecuador been Captured by the State?*, analyses how, following denunciations of corruption, a lack of sanctions stems from the SAcc framework. With the conclusion that the SAcc mechanisms analysed have

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[12] The functions of the State are the commonly named 'branches of power'.

structural problems in holding the State accountable, the risk of being captured by the State is real.

Chapter 6, **Case Study: *Veeduria* of the 'Los Capulies' Social Housing Project, Cuenca, Ecuador**, examines the first of two SAcc initiatives, the *veeduria*. The first section, *Description of the Local Context*, seeks to situate the reader in the specific context of the city of Cuenca, Ecuador, where the *veeduria* was held. Section 2, *Description of the Institutional Landscape Influencing the Initiative*, reviews the housing policies in Ecuador, and Cuenca in particular, and the risk of corruption in this area – hence, establishing the importance of having a *veeduria* to monitor the process of adjudication of social housing. In the third section, *Description of the Social Accountability Initiative*, I explain how the *veeduria* worked. This covers an analysis of the scope and limits of the case in question. Moreover, the analysis will include the strengths and weaknesses of the *veeduria*. Then, the analysis will focus on the process of the *veeduria*: how is it supposed to work and what actually happened? In Section 4, *Assessing the Interrelationship and Factors of Influence Between the Actors of the* Veeduria, I analyse the dynamics between (1) citizens and State; (2) citizens and control agencies; and, (3) control agencies and State. In the analysis I identify the factors influencing the *veeduria* regarding the adjudication social housing in Cuenca. Finally, in Section 5, *Characteristics of the Social Accountability Initiative*, I asses the capacity of the *veeduria* to hold the State accountable, and whether its very framework allows the State to capture this kind of initiative.

Chapter 7, **Case Study: Participatory Budgets in the Province of Tungurahua**, analyses the second case study. Section 1, *Description of the Local Context*, describes the context influencing the SAcc initiative at hand. This will include both the local context and the institutional context. The local context will help the reader understand the dynamics of Tungurahua and the needs of the citizens in the province. The second section, *Description of the Institutional Landscape Influencing the Initiative*, explains how the local government works and how the figure of the prefect has influenced the development of participatory budgets in the province of Tungurahua. This context shaped a unique experience regarding participatory budgeting at the provincial level in Ecuador. Moreover, the analysis will include the flaws of holding authorities accountable through participatory budgeting due to its framework. The third section, *Description of the Social Accountability Initiative*, describes how the participatory budgeting initiative is

being implemented in Tungurahua. Additionally, this section identifies key characteristics of the PB there. Finally, based on the flaws found in the process, I analyse the case of six districts in the province to see how the implementation of PB works. Section 4, *Assessing the interrelationship and factors of influence between the actors of the* Veeduria, I analyse the dynamics between (1) citizens and State; (2) citizens and control agencies; and, (3) control agencies and State. In the analysis I identify the factors that influence the outcome of participatory budgets in Tungurahua. Finally, as in the previous chapter, Section 5, *Characteristics of the Social Accountability Initiative*, assesses the capacity of the *veeduria* to hold the State accountable, and whether its very framework allows the State to capture this kind of initiative.

Finally, in the **Conclusions**, I summarise the *findings* of this thesis and clarify how SAcc has been influenced by internal and external factors. Furthermore, I suggest *recommendations for policymakers* looking to strengthen SAcc mechanisms in Ecuador or in similar contexts. Lastly, I highlight the *limitations* of this thesis and the opportunities for *future research*.

Chapter 2.   Corruption: The Current State of Knowledge

For the purpose of this thesis, 'corruption' will be understood as an act by a public official (or with the acquiescence of a public official) that violates legal or social norms for private gain. Furthermore, it will be comprehended as an act that occurs only where a personal benefit is expected, material or intangible, typically in the form of wealth, political power and social status. This concept follows a line of thought which sees corruption as a public-office issue, whereby one person, or a group of people, obtains benefits to which they are not entitled. Moreover, this concept specifies that benefits from corruption are not necessarily economic, but that there can also be a political benefit to gaining or maintaining power through 'clientelism' or through 'State capture'.

This concept is used as an umbrella for specific types of corruption that SAcc endeavours to prevent, detect, and sanction. I acknowledge the existence of different trends in conceptualising corruption, such as private corruption (Argandoña, 2003), but since this research analyses how the Ecuadorian SAcc framework aims to control public corruption, it will narrow down the broad range of possibilities in understanding corruption. As the analysis of this literature review will show, the trends in conceptualisation, and the understanding of corruption in general, are in permanent evolution. Definitions of corruption are partial and depend on the questions raised. In fact, the debate on what corruption consists of, is only the beginning of a series of challenges that the study of this issue must face.

Several authors and policymakers have focused on other aspects of this phenomenon. Debate on how corruption can be measured, its causes and consequences, and its potential solutions, is also buoyant. The truth is that understanding of this phenomenon remains unclear and incomplete (Heywood, 2015; 2018; Johnston, 2015; Dimant and Tosato, 2017; Ledeneva et al., 2017, Rothstein and Varraich, 2017, *et al.*). Nevertheless, these problems cannot stop researchers and policymakers from finding solutions. The current state of knowledge on corruption has advanced to agree that there is no 'magic bullet' or one single solution. Moreover, the discussion takes into account the fact that successful initiatives in one place may not work elsewhere. Hence, policymaking is moving from a 'one-size-fits-all' strategy to 'best-fit' (Heywood, 2018; Warf, 2018). In this context, the debate on causes and responses to corruption has also evolved from the

economic realm in the 1990s to a broad literature debating how, in any given context, stronger institutions, good governance, respect for the rule of law, and independent media can have a positive impact on the fight against corruption in the 2000s. In the following years, the role of civil society as a major actor in fighting corruption was incorporated in this debate, from which such studies as the present one are aiming to shed more light on such a complex topic.

This chapter aims to review the current state of knowledge on corruption, not only in order to set a baseline for what we are dealing with (and what we are not), but also, to provide the reader with a comprehensive analysis on the debates about corruption that can arise, in order to find plausible solutions. Finally, the literature on several of these solutions will be reviewed, including the one that concerns us in this research: SAcc. With these objectives in mind, in Section 1 this chapter will analyse the scholarship on conceptualising and measuring corruption. Section 2 will review the literature on the causes and consequences of corruption. Finally, Section 3 will review the proposed actions to reduce corruption.

2.1 Conceptualising and Measuring Corruption

2.1.1 Conceptualising Corruption

The first challenge in analysing 'corruption' is that the term itself embodies a broad spectrum of definitions, none of which are universally accepted. Conceptualisations have been subject to debate and change for more than 20 centuries.[13] One key feature to highlight is that, within this long debate, corruption has always maintained a negative moral or ethical connotation (Mulgan, 2005; Williams, 1999b; Bayley, 1966). Yet, defining corruption accurately is still an enormous challenge. Corruption takes place in a wide variety of scenarios and has a large range of variables, including different political, economic and social contexts. Since there is no unique definition that accounts for all

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[13] Aristotle and Plato used the term 'pthora' (which is the equivalent of 'corruptio' in Latin) to explain the decay or destruction of particular constitutions that understood corruption as a regime ruling in their own, rather than the common, interest (Bonitz, 1955; Mulgan, 2005). Cicero saw corruption as a moral and political problem in which the danger of avarice or desire for money could cause citizens to commit injustices (Buchan, 2005). Machiavelli and Guicciardini argued that "a corrupt city was one where laws were disobeyed and people lived only to further their own self-interest" (Barcham, 2005, p. 64). The debate of corruption has not remained stagnant, but has developed according to the different realities of societies across time.

existing scenarios, achieving a consensus on a definition of corruption is unrealistic (Kurer, 2015; Williams, 1999a). In fact, "there are as many different definitions of corruption as there are manifestations of the problem itself" (OECD, 2008, p. 22).

Moreover, "corruption tends to be used as an umbrella term for a wide range of complex phenomena" (Ledeneva et al., 2017, p. 4). Several authors (Nye, 1967; Leff, 1970; Gerring and Thacker, 2004; Philp, 2002; Kurer, 2015; Heywood, 2015; Johnston, 2005; Gardiner, 1993; Scott, 1972, among many others) have developed their own concepts of corruption. In addition to academics, international organisations such as the United Nations, the Organization of American States, and the World Bank, as well as non-governmental organisations (NGOs) such as Transparency International (TI), have developed their concepts or approaches to corruption in order to comprehend this phenomenon and to promote anti-corruption policies. The existence of many different definitions of corruption may be considered a reflection of the ambiguity of the term. This ambiguity is also reflected in the literature and the policies aiming to control corruption.

The large number of definitions of corruption that exist has led to the creation of different categories in order to analyse them. Three of the most common categories of models or concepts of corruption found in the literature are those created by Heidenheimer and Johnston (2011); these are public office-centred,[14] market-centred, and public interest-centred definitions of corruption. Two other influential perspectives on corruption are the legal approach (Gardiner, 1993; Scott, 1972; the International Conventions against Corruption) and the concept of private-to-private corruption (the OECD/the ADB, 2009; Argandoña, 2003). Table 1 summarises the different categories of the concepts, as well as their strengths and weaknesses.

Table 1. Categories of Concepts of Corruption

Type of concept	General concept	Authors	Strengths	Weaknesses

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[14] Some studies make a distinction between 'political corruption' and 'bureaucratic corruption' when referring to public office-centred definitions. The former is interpreted as "the abuse of office by those who decide on laws and regulations and the basic allocation of resources in a society (i.e. those who make the 'rules of the game')" (Department for International Development, 2015). The latter "occurs during the implementation of public policies. It involves appointed bureaucrats and public administration staff at the central or local level" (*ibid.*). For the purposes of this thesis, 'publicoffice corruption' or 'public-sector corruption' will refer to both political and bureaucratic corruption. The public sector "consists of governments and all publicly controlled or publicly funded agencies, enterprises, and other entities that deliver public programs, goods, or services" (Dube and Danescu, 2011, p. 3).

Public office-centred	Public office-centred definitions see corruption as any action in which a public officer strays from his duties by seeking personal gains – or gains for a third party – which do not necessarily have to be monetary.	Nye, 1967; Gerring and Thacker, 2004; Buchan, 2005; Hindess, 2005; Mulgan, 2005; Johnston, 2005; Transparency International; World Bank; Asian Development Bank.	- Broader use of public office-centred definitions in the literature (Heidenheimer and Johnston, 2011). - Public office-centred definitions are operational, since breaking rules and regulations may be easily established (Kurer, 2005).	- Public office-centred definitions tend to view corruption from the perspective of Western democratic systems; hence, cultural prejudices may distort the reality of actions in contexts that differ from such systems by deeming them as corrupt (Philp, 2002; Williams, 1999b). - Concepts may be too narrow and leave out several types of corruption.
Market-centred	Market-centred perspectives on corruption tend to explain why corruption happens rather than what it is. These perspectives suggest that it is human nature to seek maximisation of both self-interest and rent. Moreover, these definitions have adapted the market law of 'supply and demand' to the explanation of corruption. Hence, suppliers (the corrupted) expect to maximise their income, while consumers (corruptors) expect to gain influence over the actions of the former.	Leff, 1970; Williams, 1999b; Van Klaveren, 1978; Shleifer and Vishny, 1993.	- Ability to describe the essence of corruption in a way that follows market logic (Arjona, 2002). - Definitions more usable for economists, who defined corruption from, what was for them, a more familiar theoretical framework than those coming out of law and government (Williams, 1999b).	- Market-centred perspectives do not define corruption directly. - The intangibility of these 'definitions' makes them unsuitable for any attempt at identifying when corruption has taken place, thus making any attempt to measure the phenomenon useless.
Public interest-centred	These definitions find corruption to be harmful to the public interest. Thus, an act is corrupt if it favours private interests over public interests, regardless of the legality of the act. Moreover, if an act is beneficial to the public but it violates the law, it is not corrupt.	Friedrich, 1966; Gardiner, 1993.	- The strength of this definition is that it does not depend on a legal framework to define corruption. Hence, these definitions can overcome the intentions of corrupt governments to establish, through the legal system, a definition of corruption that does not harm their particular interests (Gardiner, 1993; Kurer, 2005).	- The subjective meaning of 'public interest' makes it difficult to measure. Moreover, it causes conflict over the values that should be considered in the analysis (Gardiner, 1993; Kurer, 2005).
Legal-centred	A more practical way to define corruption comes from a legal approach to it. This approach states that if a public official's act is prohibited by the law, it is corrupt.	United Nations Convention Against Corruption, 2004; Inter-American Convention Against Corruption, 1997.	- Clear and direct definition of corruption. - Public officials and citizens can both be expected to know when they are committing a corrupt act.	- Legal definitions of corruption do not encompass considerations around unethical or abusive acts because they did not violate the law. - Legal definitions depend on the notion that legal

			- Provides concrete types of corruption to focus on. - If there are any flaws in the law against corruption, the legal system can always be amended to accomplish the objective and deal with new problems.	frameworks are neutral, objective and non-political; if the law is controlled by 'corrupt' governments, "using only legal criteria to define corruption is to endorse the authority of the strong rather than the just" (Williams, 1999b). - Laws may be written in response to political interests shaped by statutory criteria, the impact of corruption on the public interest, or public opinion. Consequently, legislation in each country differs, which makes consensus on a single definition of corruption difficult to attain (Gardiner, 1993).
Private-centred	Private-centred definitions focus on corruption between and within companies or enterprises. These definitions acknowledge the existence of public corruption, but emphasise their focus on private activities.	Argandoña, 2003; Pinto et al., 2008; Soot et al., 2016; OECD and the Asian Development Bank, 2009.	- This definition brings into focus an area not considered by most academics and policymakers. - It analyses the impact of private corruption on society. - More transactions are done between private companies than with the public sector.	- This type of corruption is often addressed by civil law, unlike public corruption, which is addressed by criminal law (Brooks, 2009). - An argument criticising this definition of corruption claims that public-sector and private-sector dynamics are different, and are supported by different normative structures. Therefore, mixing both concepts increases the difficulty of defining "the attributes of corrupt acts and reduces the already low level of operationability of the concept of corruption even further" (Kurer, 2015, p. 32).

The table above synthesises many of the debates on conceptualising corruption. Nonetheless, there are other important trends aiming to solve the lack of consensus on what corruption is. New trends in conceptualising corruption tend to move away from the term itself. For instance, some scholars argue that defining the opposite of corruption can help in finding a less abstract path to studying the problem (Rothstein, 2014; Rose and Heywood, 2013). Kurer (2005) and Rothstein (2014) state that 'impartiality' is the opposite of corruption, while Rose and Heywood (2013) argue that the opposite of corruption would be 'integrity'.

However, one trend that I find more useful, due to its applicability, is that which refrains from viewing corruption as a whole and starts thinking about *types* of corruption (Heywood, 2018; Ledeneva et al., 2017; Shekshnia et al., 2014). One first general distinction of the concept is to be found in the 'grand' vs 'petty' corruption conceptualisation (Rose-Ackerman, 1999; Heywood, 2018; u4.no; transparencyinternational.com). 'Grand' corruption refers to the type of corruption that generally involves large amounts of money, occurring at highest levels of government. In this vein, 'grand' corruption can cause serious harm to a society since the diverted resources could have been allocated to public services or the implementation of public policies (*ibid.*). In a different manner, 'petty' corruption happens more on a daily basis and it is generally related to public officials dealing with citizens using public services, e.g., administrative processes in which public officers receive bribes to deliver services that should be delivered at no further cost, or to turn a blind eye to the implementation of the law, or when bribes are paid in order to avoid sanctions for violating regulations (*ibid.*). Although 'petty' corruption does not involve large sums of money, when corruption is systemic, it can harm society as badly as 'grand' corruption, since it severely undermines the institutionality of a country.

Although the differentiation between 'petty' and 'grand' corruption can be useful in ceasing to look at this as one overarching, single problem, I have found it to be incomplete. Both 'petty' and 'grand' corruption focus mainly on economic benefit. However, expected benefits from corruption can be material or intangible; the former is typically in form of wealth, but the latter may also involve receiving a benefit in the form of political power or social status. For instance, the case studies presented in this thesis present the implementation of two citizen-based mechanisms for holding the state accountable, a *veeduria* (citizen oversight initiative) and participatory budgeting. Both mechanisms count among their objectives preventing 'clientelism' or 'trading in influence' which do not necessarily have to do with economic benefit.

Along these lines, this thesis benefits from a more recent view on how concepts of corruption. This is reflected in an empirical study carried out by Shekshnia et al. (2014), who found it more useful to examine the problems of corruption by "slicing the corruption 'elephant' into smaller pieces" (p. 24). This is done by targeting specific, non-compliant practices rather than 'corruption' in general. Hence, problems identified can be targeted in a more straightforward manner. In practice, the need to solve corruption has led

international organisations to focus on its specific types, while seeking common ground that allows every country to identify what a corrupt act is. Global efforts to overcome methodological difficulties are reflected in international conventions against corruption.[15] Generally, such conventions do not provide a specific definition of corruption, but they do provide concepts on specific types of corruption. These definitions can be helpful for researchers and policymakers aiming to prevent corruption. Table 2 shows the types of corruption stipulated in international conventions.

Table 2. List of acts of corruption in international conventions

No.	Offences	UNCAC*	IACC*	AUCPCC*	OECD*	CECLCC*
1.	Bribery	Art. 15 (a)	Art. 6.1 (b)	Art. 4 (b)	-	Art. 2
2.	Soliciting	Art. 15 (b)	Art. 6.1 (a)	Art. 4 (a)	-	Art. 3
3.	Bribery in the private sector	Art. 21	-	Art. 4 (e)	-	Art. 7
4.	Soliciting in the private sector	Art. 21	-	-	-	Art. 8
5.	Bribery of officials of international organisations	Art. 16	-	-	-	Art. 9
6.	Bribery of foreign public officials	Art. 16	Art. 8	-	Art. 1.1	Art. 5
7.	Embezzlement	Art. 17	Art. 11.1 (b)	Art. 4 (d)	-	-16
8.	Embezzlement in the private sector	Art. 22	-	-	-	-
9.	Illicit enrichment	Art. 20	Art. 9	Art. 4 (g)	-	-
10.	Abuse of functions	Art. 19	-	-	-	-
11.	Trading in influence	Art. 18	-	Art. 4 (f)	-	-
12.	Laundering of proceeds of crime (money laundering)	Art. 23	-	-	Art. 7	Art. 13
13.	Conflict of interests	Art. 7.4 Prevention	Art. 3.1 Prevention	-	-	-

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[15] The UNCAC was the first worldwide legal instrument for fighting corruption. It was adopted in October 2003 and entered into force in 2005. By June 26, 2018, a total of 188 countries had subscribed to the UNCAC, of which 186 had ratified the Convention. During the round of negotiations to draft the Convention, some countries proposed that a definition of corruption should be included. These proposals for a definition can be found in the documents of the Informal Preparatory Meeting of the Ad Hoc Committee on the Negotiation of a Convention against Corruption, held on 4–7 December 2001, in Buenos Aires, Argentina: https://www.unodc.org/unodc/en/treaties/CAC/background/adhoc-preparatory.html. It was, however, decided that the text of the Convention would not include a definition. The argument was that corruption was a changeable term that meant different things to different people and that, above all, it was an evolving concept. Hence, countries agreed on targeting specific criminal offences that were generally considered to constitute corruption (Argandona, 2006). Other international instruments against corruption, such as the IACC, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and the Council of Europe Criminal Law Convention on Corruption, do not define corruption either. They only name criminal offences to guide countries in creating a solid framework for preventing and fighting corruption.

No.		UNCAC	IACC	AUCPCC	OECD	CECLCC
14.	Improper use of privileged information	-	Art. 11.1 (a)	-	-	-
15.	Participation on the crime (as a principal, co-principal, agent, instigator, accomplice or accessory)	Art. 27	Art. 6.1 (e)	Art. 4 (i)	-	Art. 15
16.	Concealment	Art. 24	Art 6.1 (d)	-	-	Art. 14
17.	Obstruction of justice	Art. 25	-	-	-	-
18.	Liability of legal persons	Art. 26	-	-	Art. 2	Art. 18
19.	Abuse of functions	Art. 19	Art. 6.1 (c)	Art. 4 (c)	-	Art. 12
20.	Bribery of members of international parliamentary assemblies	-	-	-	-	Art. 10
21.	Bribery of judges and officials of international courts	-	-	-	-	Art. 11

Source:
*UNCAC: refers to the United Nations Convention against Corruption
IACC: refers to the Inter-American Convention against Corruption
AUCPCC: refers to the African Union Convention on Preventing and Combating Corruption
OECD: refers to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions of the Organisation for Economic Co-operation and Development
CECLCC: refers to the Council of Europe Criminal Law Convention on Corruption

The UNCAC represents a global effort to fight corruption. Additionally, it represents a consensus on an international legal framework that states which offences constitute 'corruption'. Hence, it can be interpreted to mean that there is an international agreement on relating corruption to several concepts, such as bribery,[17] soliciting, embezzlement, illicit enrichment, abuse of functions, trading in influence, laundering of criminal proceeds or money laundering, conflicts of interest, concealment, and obstruction of justice. Although not included in the UNCAC, other concepts related to corruption found in the literature are clientelism, patronage, state capture, nepotism, front men (*testaferrismo*), tax evasion, conflicts of interest, improper use of privileged information and extortion, among others[18] (Nye, 1967; Laporta, 1996; Rose-Ackerman, 2008; FTCS, 2012; Philp, 2015; Rothstein and Varraich, 2017).

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[17] Analysing the five legal instruments in Table 2, the weight that bribery has on any definition of corruption worldwide is evident. The OECD convention has a type of bribery (of foreign officials) as its main target. The importance given to bribery in the international legal framework for fighting corruption supports Johnston's (2005) statement that this has become a *de facto* synonym of corruption.

[18] Getting these acts into international conventions against corruption may be difficult due to the different realities that countries face. For instance, countries with small populations may not be able to avoid nepotism as there may not be enough qualified people to run for public office. On the other hand, some countries that are considered 'tax havens' may be reluctant to agree to consider other offences as corruption; although tax avoidance is not illegal, it can be interpreted as unethical and can potentially be harmful for a society in need of those taxes. Additionally, tax havens are a common destination for corrupt money.

In view of our discussion so far, one may suppose that research on corruption could be at risk of stagnating. However, this is not the case, as research on the topic is actually increasing (Heywood, 2015 and 2018). Some authors (Williams, 1999b; Kurer, 2015) maintain that the choice of a definition of corruption must be pragmatic and depend on the scope of the research. This choice should be made with the clear aim of contributing to an explanation of corruption.

Since it is the purpose of this thesis to build on the knowledge of how civil society – through social accountability mechanisms – may help to control public office corruption more efficiently, I will use a narrower definition of corruption, derived from the public office definitions and adapted from Gerring and Thacker (2004). Thus, '**corruption' is an act by a public official (or with the acquiescence of a public official) that violates legal or social norms for private gain. Within this concept, 'corruption' will be understood as an act that occurs only where a personal benefit is expected, material or immaterial, typically in the form of wealth, political power and social status.**[19]

After the overall review of the conceptual literature, it is important that research on corruption starts from a concept that (1) serves as an umbrella for the types of corruption to be analysed and (2) that can be operative. To better comprehend this concept, we need to identify its key elements:

- Public office: The first element clarifies that we are dealing with an act that must involve public office in some form. Here, there is a conception of public office with its own rules and norms of conduct, which is supposed to serve the broader public interest.[20] Within the Ecuadorian context, the SAcc framework promotes and protects citizen participation in formulating, implementing, evaluating and controlling public policies and public services.[21] In this vein, the legal framework establishes the

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[19] This argument was developed by Kurer (2015). The argument entails that without an expected gain there is no corruption. Additionally, a failed attempt to commit a corrupt act is still considered corruption.

[20] More in Philp (2015).

[21] Article 85 of the Constitution of the Republic of Ecuador

different SAcc mechanisms that may be created to prevent and detect corruption in public affairs.[22]

- An act by a public official (or with the acquiescence of a public official): as stated above, this concept clarifies that corruption happens with the action, inaction or omission of a public official. Thus, a public official may decide "not to act", knowing that his inaction will benefit someone who should not be a beneficiary of the particular exercise of that particular office.

- Legal or social norms: As detailed in Table 1, one of the benefits of a legal conceptualisation of corruption is that it can be more practical. However, there is the risk of omitting several types of corruption that may not be embedded in the law. By including "social norms" in our conceptualisation of corruption, I am including different acts that the literature usually associates with corruption as well, that are not typified in the Ecuadorian legal framework and that harm the public interest, such as 'State capture', 'clientelism', and 'patronage'. Additionally, these types of corruption may happen without violating any law.

- Private gain: the practice of public office seeks to fulfil the public interest. However, when these legitimate interests are diverted to benefit illegitimate interests, in which those who were not formally entitled to benefit, do so, it is corruption. This benefit, material or intangible, can be personal or to third parties, typically in the form of wealth, political power and social status.

- Intentionality: legitimate mistakes should not be considered as corruption, even if they include all of the elements above.

The challenge lies in how to make such an ethereal concept operational. Following the "slicing the corruption 'elephant' into smaller pieces" metaphor used by Shekshnia et al. (2014), it is useful to identify which types of corruption the SAcc initiatives in question (chapters 6 and 7) will focus upon. Briefly, the oversight initiative or '*veeduria*' analysed in chapter 6 seeks to control the transparency and fairness of a social housing adjudication led by the municipality of Cuenca, Ecuador. In this vein, the initiative aims

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[22] Therefore, "private corruption" is excluded from this topic since the Ecuadorian legal framework does not associate corruption with illegal activities among private parties nor with harm to private interests.

to prevent 'clientelism' from happening, since social housing can be a public policy that may lead to creating a relationship between authorities and a social group that could pay back specific favours with electoral support. Or clientelism could also occur if a specific elected authority offered special benefits to any given group (over others), if support were provided to see them elected.

Other types of corruption that could exist in such a process may come from an individual applicant who could try to benefit by paying 'bribes'[23] to public officials in charge of awarding housing. The same umbrella of acts also covers 'soliciting'[24] any kind of reward by a public official in exchange for benefiting a specific person. Furthermore, it may also involve cases of 'abuse of functions'[25] and/or 'trading in influence'.[26]

The second case study (chapter 7) analyses the participatory budgets in the province of Tungurahua. PB aims to "redistribute city [or provincial, etc.] resources in favour of more vulnerable social groups by means of participatory democracy" (Sousa, 1998, p. 462). The PB are designed with the direct participation of citizens and it is in this process where corruption could be prevented or (while being implemented) detected. One specific type of corruption related to this SAcc mechanism is 'embezzlement',[27] since there could arise an intentional misallocation of resources or simply a diversion of funds for private gain. If properly implemented, PB can also be a mechanism to prevent 'clientelism' by

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[23] UNCAC defines 'bribery' as, "The promise, offering or giving, to a public official, directly or indirectly, of an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties" (Art. 15).

[24] UNCAC defines 'soliciting' as, "The solicitation or acceptance by a public official, directly or indirectly, of an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties" (Art. 15).

[25] UNCAC defines 'abuse of functions as, "when committed intentionally […] the performance of or failure to perform an act, in violation of laws, by a public official in the discharge of his or her functions, for the purpose of obtaining an undue advantage for himself or herself or for another person or entity" (Art. 19).

[26] UNCAC defines 'trading in influence' as, "(a) The promise, offering or giving to a public official or any other person, directly or indirectly, of an undue advantage in order that the public official or the person abuse his or her real or supposed influence with a view to obtaining from an administration or public authority of the State Party an undue advantage for the original instigator of the act or for any other person; (b) The solicitation or acceptance by a public official or any other person, directly or indirectly, of an undue advantage for himself or herself or for another person in order that the public official or the person abuse his or her real or supposed influence with a view to obtaining from an administration or public authority of the State Party an undue advantage" (Art. 18).

[27] UNCAC defines 'embezzlement' as, "misappropriation or other diversion by a public official for his or her benefit or for the benefit of another person or entity, of any property, public or private funds or securities or any other thing of value entrusted to the public official by virtue of his or her position" (Art 17).

including all sectors of a jurisdiction. Monitoring of budget allocations by citizens can potentially prevent both embezzlement and clientelism from happening, or to detect them if something untoward already occurred. Finally, the case of 'State capture'[28] will also be discussed since, as the case studies show, the creation of the SAcc framework could actually be a case of 'State capture' by which the mechanism becomes ineffective in helping with the control of corruption.

Debates on the topic of conceptualising corruption will likely continue to thrive. The lack of a unique concept thereof creates theoretical and practical difficulties when trying to understand why corruption exists and to analyse the most efficient way to measure and control it. At this point, it is important to reiterate that this investigation is not trying to find solutions to corruption as a whole, but deals only with the types explained above, within the Ecuadorian context.

2.1.2 Measurement of Corruption

The second challenge in addressing the problem of corruption is the difficulty of measuring it. In addition to the lack of consensus around a definition, the secretive nature of corruption has made it difficult to develop a valid way to discover its real magnitude. This phenomenon is characterised by the idea of a 'happy giver, happy receiver'. Therefore, neither authorities nor victims of corruption – e.g., citizens – are aware that a corrupt act has happened, and they cannot raise the alarm to alert control institutions or the public about it (Larmor and Wonanin, 2013). The lack of accurate information regarding levels of corruption represents a major challenge in knowing how to handle corruption, and if anti-corruption policies are actually reducing corruption.

Most scholars would agree that corruption cannot be precisely measured (Ledeneva et al., 2017). Nevertheless, the need for both researchers and policymakers to have a quantitative base to analyse corruption has led to the creation of indices and expert assessments that try to overcome the difficulties of measuring corruption (Arjona, 2002).

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[28] Although 'State capture' is a contested concept, I will refer to it as "shaping the formation of the basic rules of the game, or using the existing ones, by groups in both private and public sectors in order to influence laws, regulations and other government policies to their own advantage, creating a framework that benefits those in power, not necessarily economically" (own concept derived from Rothstein and Varraich, 2017; Grzymala-Brusse, 2008; Hellman et al., 2000; World Bank, 2000).

Transparency International, an NGO formed in 1993, started to publish its annual Corruption Perceptions Index (CPI) in 1995. According to TI, the CPI placed corruption on the international policy agenda. This perception index offered "for the first time a systematic basis on which to compare perceptions of corruption across a range of different countries year by year"[29] (Andersson and Heywood, 2009). The CPI has not only encouraged studies on corruption, but several anti-corruption initiatives have also been produced due to the existence of information published by the index (Transparency International, 2012). Without a doubt, the CPI remains the most influential index on corruption on a worldwide scale – partly due to the media coverage it draws. However, it is essential to state that, despite these positive features, the CPI has several limitations, mainly related to its reliance on perception (Heywood, 2015). After the creation of the CPI, other indices were created for the same purpose.

Table 3 encapsulates some of the most influential corruption indices. The perception-based indices, such as the CPI, are indices that measure the perception of corruption in a specific country. These indices are some of the most common sources of information (e.g., CPI, WGI, and BPI). Other sources of information are the experience-based reports, which measure the magnitude of bribery by focusing on the level of victimisation of the people being asked for bribes (e.g., GCB). Transparency reports are another mechanism to indirectly analyse the level of corruption, that target the level of transparency in a given State as a preventive measure against corruption (e.g., GIR and TCR). These forms of measurement have allowed detailed, cross-country comparisons and have proven immensely important in raising awareness of corruption (Heywood, 2015). However, indices and reports of corruption have been seriously questioned due to their methodologies and conclusions (Johnston and Paniagua, 2005; Heywood, 2015).

Table 3. Corruption Indexes or Reports

Index or report	Organisation	Objective	Methodology	Longitudinal study availability	Geographical coverage (in the last report)

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[29] The claim to be a "year by year" comparable index was discredited by TI itself in 2012, when the methodology was changed: http://www.transparency.org/files/content/pressrelease/2012_CPIUpdatedMethodology_EMBARGO_EN.pdf. This methodology started to be used in 2012. Thus, any longitudinal study of the CPI's result would be possible only from 2012 onwards.

Corruption Perception Index, since 1995	Transparency International	Bribery perception	Collection of data from different independent institutions. Surveys of businesses and experts on how they perceive levels of corruption in the public sector.	Yes, since 2012	180 countries (in 2019)
Global Corruption Barometer, since 2003	Transparency International	Bribery victimisation	Victimisation surveys of citizens.	Yes	107 countries
Worldwide Governance Indicators, since 1996	World Bank	Good governance/ bribery perception	Aggregate indicators combine the views of a large number of enterprises, citizens, and expert survey respondents in industrial and developing countries. The indicators are based on 32 individual data sources produced by a variety of survey institutes, think tanks, non-governmental organisations, international organisations, and private sector firms.	Yes	215 economies
Bribe Payers Index, since 1999	Transparency International	Bribery likelihood perception	Surveys of business executives about the likelihood of firms in the leading exporting countries engaging in bribery abroad.	Yes, only the two last editions (2008 and 2011)	28 leading exporting countries
Global Integrity Report, since 2004	Global Integrity	Transparency	Helps to understand governance and anti-corruption mechanisms at the national level.	Yes	33 countries (in 2011)
Transparency in Corporate Reporting, since 2012	Transparency International	Transparency	Report on existing anti-corruption programmes, organisational transparency, and country-by-country reporting	No	124 biggest corporations
Global Corruption Report, since 2001	Transparency International	Varied	Reports a general idea of the state of corruption worldwide.	No	102 countries

Source: Official webpages of indices and reports 2015.

The different methods for measuring corruption rely mostly on perception, or on the analysis of national or international businesspeople and experts, rather than on indicators that allow an accurate measurement of corruption. Basing results on surveyed people's thoughts about corruption may lead to inexact conclusions. Additionally, due to the lack of a unique concept of corruption, survey respondents may answer according to

their own understanding of what corruption is (Ledeneva et al., 2017). Moreover, the answers to questions about levels of corruption are subjective. What one person might see as a high level of corruption, somebody else might see as a low level of corruption (Andersson and Heywood, 2009). In other words, unavoidably, any perception of corruption is imperfect (Heywood, 2015; Ledeneva et al., 2017). Furthermore, although it has been recognised that experience-based reports may be more accurate than perception-based indices (Heywood, 2015), these reports are problematic as well (Seligson, 2006). One of the weaknesses of experience-based reports is that only bribery is covered in the analysis. Other types of corruption are not taken into consideration in these reports; therefore, corruption levels are only partially assessed. In general, neither perception-based indices nor experience-based reports deal with offences such as embezzlement, clientelism, and trading in influence.

The limitations of measuring corruption have also led researchers and policymakers to use proxy indicators. One of these proxy indices is the level of transparency. Transparency reports analyse the efficiency of legislation and institutions that promote transparency as a preventive measure for corruption; hence, they do not actually calculate corruption levels.[30] Other indicators range from surveys to calculations of where and how public money is allocated for a specific purpose, and how much of that money actually reaches its destination. Empirical examples of this are the Public Expenditure Tracking Surveys (PETS) in the education system in Uganda (Reinikka and Smith, 2004; Reinikka and Svenson, 2005) and the monitoring of Indonesian village road projects (Olken, 2007).

Despite the efforts explained above, there are no ideal ways of accurately measuring levels of corruption as a whole. Inaccuracy in measuring corruption brings different

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[30] The GIR aims to look not only at laws and policies, but also at their implementation. Its indicators identify weaknesses and strengths in national anti-corruption frameworks, in order to promote reforms if plausible ("The Global Integrity Report: 2011, Methodology White Paper", 2011).

Similar country reports are being produced by the UNCAC Review Mechanism, and the Mechanism for Follow-Up on the Implementation of the Inter-American Convention against Corruption (MESICIC). These reports are assessed by a process of mutual evaluation (among states parties with the support of 'technical secretariats') in order to identify legal gaps in the implementation of their respective conventions. Reports are based on the official answers of the states under analysis/in focus.

Another transparency report is run by TI, but this report, named "Transparency in Corporate Reporting", measures transparency in the world's largest corporations by assessing their disclosure practices (Transparency International, 2014). The evaluation is focused on anti-corruption programmes, company holdings, and the disclosure of key financial information.

limitations to studies aiming to analyse control of corruption, such as the present thesis. The lack of information regarding the level of corruption – and, as a consequence, the impact of any anti-corruption policy – constrains academics and policymakers in assessing the efficiency of the efforts to control corruption. There would appear to be no way around this problem. Shacklock et al. (2006) argue that:

> *"researchers on corruption will have to live with the weight of the 'dark numbers'. We are exploring different parts of the iceberg in order to find out more about its characteristics as well as its extents. All presented methods have their problems as well as possibilities. All our research contributes to our knowledge about the complex and diverse nature of the corruption phenomenon" (Shacklock et al., 2006, p. 192 in Heywood, 2015, p.150).*

Here this research encounters one of its limitations, namely, measuring the impact of SAcc on controlling corruption in Ecuador. However, this in-depth study of the country aims to build on the contextual knowledge of how SAcc empirically works in Ecuador. Additionally, conclusions from this thesis may be helpful for future research into more contextual indicators regarding levels of corruption.

2.2 Causes and Consequences of Corruption

The methodological challenges set out in the previous section should not distract researchers and policymakers from seeing the threat that corruption poses to society. Corruption harms the social and economic structure of a country in many ways: public money is deviated by a public official and so never achieves its social purpose; public officials who are incompetent because they were hired by relatives; a corrupt judge who takes a bribe and does not send a rapist to jail; a multinational enterprise that evades taxes, maximising its benefits while harming the local State. Corruption undermines the ability of States to develop, becoming an important obstacle to reducing poverty and inequality, among other things. In fact, there is a general consensus throughout the literature that corruption does major damage to individuals and societies and, therefore, needs to be reduced (Heywood, 2015). In order to solve the problem of corruption, it is essential to know what factors or conditions may be causing corruption, and what the consequences and costs of corruption are. To quote Heywood (2018): "If corruption is a

form of cancer (or some other disease), then corruption oncologists need a more sophisticated understanding of its DNA if they are to develop effective responses" (p. 88).

This section explores the literature on the causes and consequences of corruption, aiming to highlight the importance of continuing to study the phenomenon. Moreover, as will become evident in Chapter 4, some of the causes and consequences explained in this section can be related to the Ecuadorian case (the level of trust that an individual has in society, loss of legitimacy of the government and institutions, threats to democracy, inequality, lack of control over resources). The first part of this section reviews studies on factors or conditions that may cause corruption. This is followed by a consideration of the economic, political and social consequences of corruption. Finally, this section assesses a challenge that both scholars and policymakers have to deal with, that is, the uncertainty of determining if a specific factor or condition is either a cause or a consequence of corruption.

2.2.1 Causes of Corruption

Many researchers have analysed the causes of corruption. Although there is no catalogue on the causes of corruption, some of the principal debates are relevant for the current research. Many studies focus on specific themes such as 'type of 'public administration', democracy' and 'size of government', which are considered among the institutional causes for different levels of corruption. Economic factors, such as the 'level of income' and 'gross domestic product' (GDP), have also been examined in the literature. Finally, from the economists' perspective, several authors argue that the problem of corruption comes from individuals' endeavours to maximise their benefits.

Studies on 'public administration' (Evans and Rauch, 2000) state that a lack of Weberianism in public administration tends to increase corruption. Weberianism is characterised by a firmly established and divided chain of command, and the hiring of people with certified qualifications to perform their assigned duties (Waters, 2015). Consequently, a public administration based on meritocracy, e.g., by hiring civil servants based on their skills, is likely to be less corrupt (Dahlstrom et al., 2012 in Rothstein and Teorell, 2015). Thus, a professional bureaucracy would develop an 'esprit de corps' in which corruption is less likely to happen (Evans and Rauch, 2000; Dahlstrom, 2015). In terms of the Ecuadorian case, as will be shown in this thesis, the newly created (2008)

SAcc and anti-corruption framework was built so that, in theory, control authority staff would be designated in a technical way e.g., on their merits and not by political interests. This will be better explained in chapters 4 and 5 of this thesis.

Another topic of study within public administration is decentralisation. Unlike Weberianism and meritocracy, which are beneficial for controlling corruption, different authors have seen decentralisation as both beneficial and negative for controlling corruption. Fisman and Gatti (2002), and Goel and Nelson (2010) state that greater decentralisation acts as a deterrent to corruption. On the other hand, Fan et al. (2009) claim that greater administrative decentralisation is associated with more frequent bribery. Treisman (2015) states that his studies about decentralisation failed to show that it has any robust influence on corruption. Moreover, Torsello (2015) asks if it is centralisation or decentralisation that causes corruption. He finds that the main focus of denunciations of corruption is not the central State, but local governments. Furthermore, Warner (2015) states that decentralisation "decreases citizen oversight, as few voters watch their local governing authorities with the same care that they do to national government" (p. 127). He claims that local oversight boards would be "less professionalised" or have "fewer powers" than at the national level (p. 127). This discussion is relevant to the present thesis as both case studies are dealing with decentralised institutions. Although the cases are not conclusive in terms of how decentralisation works in controlling corruption, several comments in my interviews (I. Altamirano, personal interview, 29 Nov. 2016; E. Jarrin, personal interview, 09 Feb. 2017) echo the point that the reality is that there is a weak control of local authorities by both control agencies and citizens as well. In the case of control authorities, there is not enough capacity to respond to the oversight duties. In the case of citizens, there is a lack of interest in participating. Reasons vary but the main one is that there is no citizen commitment to the control of corruption, since citizens face other everyday priorities.

Regarding the types of democracy that may be more prone to corruption, conclusions from different cross-national studies (Gerring and Thacker, 2004; Kunicova and Rose-Ackerman, 2005) show that unitary and parliamentary forms of government help to reduce corruption when compared to presidential and federal systems. Additionally, results suggest that multi-party systems are far more corrupt than two-party systems. However, I agree with Bartory (2012) in that these conclusions are not decisive, as there are cases where the conditions of democracy at the national level are similar, yet the

levels of corruption differ significantly. Such is the case of Italy, where the north is deemed to be less corrupt than the south, although the characteristics of democracy at the national level are the same. Bartory (2012) suggests that it is perhaps not the type of democracy that causes more or less corruption, but its *de facto* implementation (in Rothstein and Teorell, 2015). What I found useful the most from these studies is not necessarily if one type of democracy may be less prone to corruption than other, but the importance of context. Bartory's argument helps us to highlight that explaining the causes of corruption through one lens (type of democracy, in general) will not provide enough information about the problem; therefore, analyses should be done taking into account more qualitative information dealing with different variables.

Finally, it has been noted that the bigger the State apparatus, the more opportunities for corruption that exist (Becker and Nashat, 1997). However, Kotera et al. (2012), through an empirical evaluation, find that the relationship between government size and corruption seems to be negative. This conclusion is supported by Goes and Nelson (2010), who point out that this may be due to greater public vigilance or to stronger institutions fighting corruption. Still, the dichotomy between both positions seems to be insufficient to assert that corruption is caused by the size of the State. Rather, this could also be a matter of State capacity and efficiency, among many other factors.

One of the main economic causes related to corruption is the level of a society's income. Gerring and Thacker (2004) declare that the higher the levels of per capita income, the lower the levels of corruption. Similarly, there is a high degree of negative correlation between the levels of corruption and a country's GDP. Charron and Lapuente (2010) also found a negative correlation between the wealth of a country and levels of corruption. Additionally, Treisman (2015) shows that bribery happens more frequently in less developed and less democratic countries.

Another potential cause arises from market-centred perspectives on corruption. These perspectives suggest that it is in human nature to seek to maximise both self-interest and profit (Williams, 1999b; Van Klaveren, 1978). Moreover, these definitions have adapted the market law of supply and demand to explain corruption. Hence, suppliers (those corrupted) expect to maximise their income, while consumers (corruptors) expect to gain influence over the actions of the former.

In the same vein, other perspectives of corruption have followed the principal-agent (P-A) model. This model focuses on the "relationship between the principal, e.g., the top-level government (politicians), and the agent, i.e., an official (bureaucrat), who takes the bribes from the private individuals interested in some government produced good" (Shleifer and Vishny, 1993, p. 3). An alternative idea derived from the principal-agent model is that the people are the principal (honest and benevolent), and political leaders are the corrupt agents (Rothstein and Teorell, 2015). In other words, the principal is the authority figure who can monitor the other's job, while the ones who do the job are the agents. This model of corruption suggests that, if government officials were presented with opportunities to engage in corrupt activities, then they would, unless they were closely controlled. As with the economists' perspective, the principal-agent model assumes that individuals look to maximise their benefits (Williams, 1999b; Rothstein and Teorell, 2015).

In view of these studies and the variables used, we can see that there have been (and will continue to be) many researchers aiming to identify the causes of corruption as a whole. There is plenty of literature that analyses the variables presented here and elsewhere. However, despite general hypotheses on the causes of corruption, new studies highlight the importance of understanding corruption on a case-by-case basis. Qualitative research is key to identifying the causes of corruption in a specific context.

2.2.2 Consequences of Corruption

Corruption may harm societies in different ways and at different levels. Many scholars and policymakers have found a great diversity of political, institutional, social, and economic consequences. Although conclusions of the research are not definite or exact, mainly due to the lack of an accurate measurement system for corruption, there is a broad consensus that there is nothing inherently good about corruption (Johnston, 2005).[31]

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[31] Although there is a general consensus on the negative consequences of corruption for societies, there are also researchers who argue that corruption could be beneficial in the short term (Huntington, 1968; Leff, 1964; Leys, 1965). The 'grease the wheels' hypothesis argues that corruption may bring positive elements to different societies, for example, by helping them to modernise, especially young democracies. Huntington (1968) claims that corruption could help in designing and implementing modernisation policies by reducing group pressure while bribing, for example, union leaders. Additionally, corruption may also accelerate

For instance, corruption can have an impact on political and institutional systems in many ways. One of them is by causing harm to the legitimacy of governments and public institutions. Corruption affects the capacity and resources of the State to meet its commitments to society, increasing social disenchantment and scepticism about public affairs. Consequently, corruption may cause the deterioration of social morality and create distrust in the government, as the public sees how the powerful and corrupt increase their dominance while the honest are left behind (Ferreiro, 1999). Additionally, distrust in the government may develop as a result of poor governance, making the implementation of public policies more difficult (Warren, 2015). This creates an escalating cycle where it is harder to control corruption and regain legitimacy.

In the same vein, many scholars have agreed that corruption may represent a threat to democracy. Poor governance may serve to justify coups, e.g., the need to oust a corrupt government (Ferreiro, 1999; Warren, 2015). This interrupted governance cycle may well be supported by citizens and victims of corruption who have become "less supportive of the way democracy functions in their society and also as belief in democracy being the best form of government" (Zephyr, 2008 in Faughman and Seligson, 2015, p. 222). Moreover, in some cases where autocrats have been overthrown and democracy is in the process of being implemented, fear of having new governments more corrupt than those overthrown may also hamper such developments (Nur-tegin and Czap, 2012).

Furthermore, corruption not only leads to a lack of trust in the political system or government, but may also lead to a political monopoly acquired by electoral fraud or an extended patronage network. In this scenario, opposing views to those in power may not be expressed. Moreover, this monopoly may result in biased policymaking or State capture, from which only the favoured groups benefit, to the exclusion of other sections

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procedures that may otherwise become stalled in long, bureaucratic or political processes. Furthermore, Leys (1965) states that corruption, while benefiting private interests, could benefit public interests as well. He also argues that spending money in a transparent manner does not mean it will help the community itself. Leys brings up the problem of not having a main concept of corruption; therefore, its interpretation depends on who is judging an act as corrupt or beneficial.

As a response, several authors developed the 'sand the wheels' hypothesis, where they argue that corruption does not speed up achieving objectives but, in fact, slows them down. Myrdal (1968) argues that "corrupt civil servants may cause delays that would otherwise not appear, just to get the opportunity to extract a bribe" (Meon and Weill, 2009). Likewise, Kurer (1993) states that corrupt bureaucrats want to preserve their illegal source of income and, for that reason, they may tend to create diversions from processes unless paid. Moreover, having contracts given by corruption does not necessarily mean efficiency, but only the willingness of a higher payer to win a contract, whatever the quality of the final product that s/he may offer (Meon and Weill, 2009). Finally, corruption may deprive poorer people of access to different resources or services since they do not have extra money to accelerate the process.

of society (Johnson, 2005; Hough, 2013; Rothstein and Varraich, 2017). In short, the more significant political cost of corruption is the harm to public confidence in institutions and representatives, the fundamental basis of all democratic political systems (Warren, 2015). This analysis is particularly relevant to the Ecuadorian case. As will be explained in Chapter 4, the economic and social crisis of the 1990s, when corruption was buoyant, led to a lack of stability. This political instability ended in 2006 with the government of Rafael Correa. Nevertheless, once again, Ecuador faced a case of State capture that led to the political polarisation of the country.

In addition to the political price, the economic cost of different types of corruption, such as bribery, embezzlement and tax evasion, has also been assessed by different international agencies. A study conducted by the United Nations Office on Drug and Crime (UNODC) et al. (2013) argues that corruption interferes with world economic development. According to the UNODC, every year, US$1 trillion is paid in bribes alone, equating to an approximate total damage of US$2.6 trillion – equivalent to more than 5% of global GDP.[32] World Bank director Daniel Kaufmann says that the figure is an estimate that includes developed and developing countries, so corruption is not a problem unique to developing countries (Banco Mundial, 2004).[33]

Studies from UNODC only include the cost of bribery and not the value produced by the embezzlement of public funds or theft of public property. TI estimates, "for example, that former Indonesian leader Suharto embezzled between US $15,000 million and US $35,000 million of his country, while Ferdinand Marcos in the Philippines, Mobutu in Zaire and Abacha in Nigeria may have embezzled up to US $5,000 million each" (Banco Mundial, 2004).

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[32] http://www.anticorruptionday.org/documents/actagainstcorruption/print/materials2013/corr13_fs_DEVELOPMENT_ES_HIRES.pdf.

[33] http://www.bancomundial.org/temas/anticorrupcion/

Alternatively, the Tax Justice Network (TJN) published a report in 2011 calculating tax evasion or the shadow economy[34] in 145 countries. Results show that around US$3.1 trillion, or about 5.1% of global GDP, were being evaded at the time. The report also shows the healthcare expenditure in those countries, in order to make a tangible comparison of the amount of taxes being evaded. US$5.7 trillion is spent on healthcare. That means that tax evasion is equivalent to up to 54.9% of total healthcare expenditure. This differs from country to country. For instance, in the US, taxes are frequently evaded: US$337,349 billion is lost annually. However, this amount represents 8.6% of the US economy, which is a low figure when compared to tax evasion in other countries. Bolivia has a shadow economy of 66.1%, Georgia of 65.8% and Russia of 43.8%. Comparing healthcare expenditure to tax evasion by continent shows that, in South America, more money is lost from tax evasion (US$376.2 billion) than the total expenditure on healthcare (US$271.7 billion). While African expenditure on healthcare is US$81.1 billion, it also loses US$79.2 billion from tax evasion. These studies show the estimated amount of money that is lost due to some type of corruption (bribery and tax evasion) and specific examples of embezzlement. However, the essence of corruption makes it very difficult to calculate the total harm that it does to the global economy.

Other consequences of corruption may include a decrease in economic growth and an effect on decision-making processes. Corruption may affect economic growth by reducing private investments, both domestic and foreign, in a country (Mauro, 1998). Entrepreneurs might be reluctant to invest their money and time if they are uncertain about achieving some goal that depends on the public sector. Moreover, economic growth may also be affected by the absence of fair competition within the market, as companies rely more on their ability to influence decision-makers than on their own capacities (Soto, 2007). Furthermore, the effect of corruption on the decision-making process might cause resources to be misplaced (ibid.). Resources may not be spent in areas where they are needed, but in others where extracting large bribes would be more easily hidden and on items for which value is difficult to monitor (Mauro, 1998).

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[34] The TJN defines the 'shadow economy' as the economy hidden from officialdom's view to ensure that tax is not paid. http://www.tackletaxhavens.com/Cost_of_Tax_Abuse_TJN%20Research_23rd_Nov_2011.pdf.

2.2.3 Cause-Effect Uncertainty

One of the problems found in the literature on corruption is the uncertainty of determining whether a specific factor or condition is either a cause or an effect of corruption. In short, some of the causes of corruption also seem to be its effects (Lambsdorff, 2006 in Rothstein and Teorell, 2015). For example, it has been argued that inequality causes corruption, but also that corruption causes inequality. The uncertainty of not being able to identify which factor is the cause of another becomes a problem when implementing policies to fight corruption. These factors include, for example, the level of generalised trust, inequality, and different economic considerations.

The level of generalised trust may be a cause of corruption. Generalised trust refers to the level of trust that an individual has in society. Hence, the more trust that individuals have in the honesty of their society, the less likely it is that corruption will happen. For instance, if a public official trusts that other officials are not engaging in corrupt activities, he will be less likely to engage in them as well. But if a public official thinks that the other officials are asking for or receiving bribes, it makes little sense for him to be 'the only one' who is not doing it (Rothstein and Teorell, 2015). Likewise, from the perspective of ordinary citizens, if everyone is bribing public officials to procure a service, there would be no motivation to act differently. Under these circumstances, "corruption and low trust can be seen as a social trap situation" (ibid., p. 87). The theory of 'social traps' or 'collective action' suggests that if everybody is corrupt (or if there were a belief that everybody is corrupt), an individual would be keen to be so as well, because s/he sees no other point in doing otherwise, or cannot afford to do otherwise (Della Porta and Vannucci, 1999; Warren, 2015). The lack of trust between public officials or between citizens to act with integrity and to avoid engaging in corrupt acts creates a new vicious cycle where corruption may be both a cause and an effect.

Another factor that is considered a cause and effect of corruption is inequality. Uslaner (2015) refers to it as the "inequality trap". According to his research, inequality causes low levels of trust, and low trust generates corruption (as described in the previous paragraph), which in turn creates more inequality. Where corruption exists, money that was intended for investment in social services for the poor may be diverted for a particular gain. While rich people may have other 'markets' in which to obtain the services they need, poor people depend, to a higher degree, on public services. Moreover, if these

services require the payment of bribes, poor people will be spending a bigger share of their income than the upper social classes – that is, if they can even afford to pay the bribes at all (Kaufmann et al., 2005; Uslaner, 2015).

Inequality caused by corruption is not only economic, but also affects people's right to access other important services. The rule of law is weaker in corrupt countries. Therefore, access to justice would become unequal as well. Furthermore, education would be is dramatically lower in highly corrupt countries, resulting in high levels of educational inequality. Education is the social policy that may have the most significant potential to reduce inequality; thus, inequality continues to grow, see Figure 1 (Uslaner, 2008; 2015).
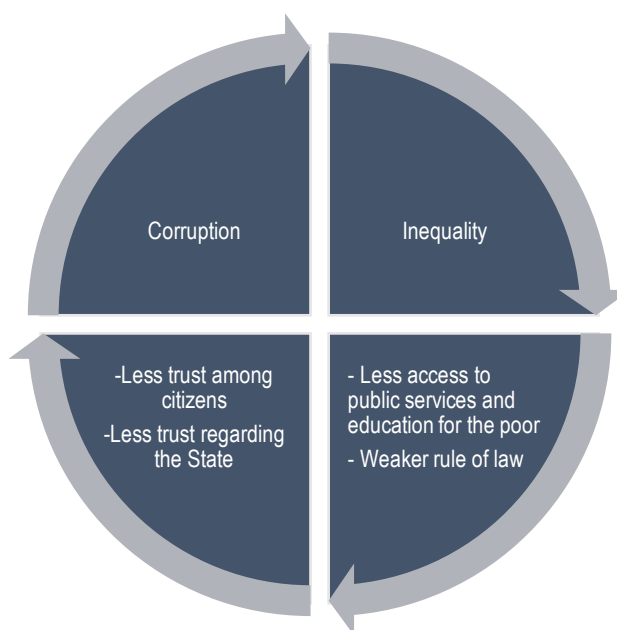
Figure 1. 'Inequality Trap'

Some authors have conducted studies to discover the correlation between economic factors and corruption. A study by Tavares (2004) concludes that, the higher the economic inequality, the higher the levels of corruption. Likewise, the lower the Gini coefficient in a country, the higher the levels of perceived transparency. Tavares (ibid.) and Treisman (2015) show that the level of development in a country is strongly negatively correlated with the level of corruption. Although these are important findings, it has not been possible to state the direction of causality between these factors and the level of corruption. Therefore, there is still uncertainty around cause and effect between these factors and corruption.

Another problem in identifying the causes of corruption is that, although corruption is a complex phenomenon that is subject to several variables, the analysis of the variables causing corruption is rarely conducted using several conditions at once. Additionally, studies about causes of corruption do not generally acknowledge the context of the countries being analysed; therefore, the outputs of the aforementioned studies lack recognition of the different factors or conditions that may build up to cause corruption (Johnston, 2015). These problems hinder the understanding of the causes of corruption and the magnitude of its effects, which are key to finding solutions to the problem.

Corruption harms different components of society. The economic cost is too high to be affordable, and the loss of money usually harms the most vulnerable people who depend on the public sector for basic services. Additionally, corruption leads to a loss of legitimacy in the government and public institutions. This may have repercussions on the governability of a country, resulting in turn in the repression of its citizens and the limitation of their rights (Kauffman, 2004).[35] Furthermore, the social cost of corruption is considerable and hard to calculate. Corruption not only perpetuates inequality (and its effects), but it also fosters division among groups within a society. The literature and analysis of the negative consequences of corruption reinforce the need to continue studying corruption in order to develop efficient anti-corruption strategies.

2.3 Responses to Control Corruption

All the challenges reviewed throughout this chapter combine to pose a significant problem for researchers and policymakers in their efforts to find responses to corruption. First of all, the lack of a unique concept of corruption causes theoretical and practical difficulties when analysing why corruption exists. Second, when this problem is considered alongside the secretive nature of corruption, the difficulty of measuring corruption accurately is highlighted. Third, the uncertainty of the cause and effect of corruption also presents a problem when trying to find solutions, as it makes it difficult to know where and how anti-corruption measures should be applied. For these reasons, tackling corruption as a whole might be an impossible endeavour.

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http://www.anticorruptionday.org/documents/actagainstcorruption/print/materials2013/corr13_fs_DEVELO PMENT_ES_HIRES.pdf.

Nevertheless, many researchers and policymakers have sought to find solutions to corruption. As in any process, the reasoning in this new wave of social sciences has evolved in recent years. From the literature reviewed to date, I find that this evolution can be summarised as follows: a first moment in which the solutions were approached from an economic perspective, away from the conception of the State. Subsequently, the need to bolster States and their administrative capacities began to be raised, mainly from a vision of strengthening governance to combat corruption. And almost in parallel, civil society is included as an ally in this battle. Despite the efforts, little progress has been seen in reducing corruption; faced with this, the search for context-based solutions is more prominent. This section aims to review the state of knowledge about these different approaches, which will open the door for the next chapter to discuss SAcc and how to control corruption.

The anti-corruption agenda took its first strong steps in the late 1990s. The lack of interest in the social sciences (Rothstein and Varraich, 2017) in solving this problem left a gap that was filled by political economists (Hough, 2013). Along these lines, a market-centred approach began to characterise studies on corruption. As explained in section 2.1, this approach saw corruption as a problem of self-interest, in order to maximise official's own profits. The proposed response of this approach was to tackle incentives for breaking the rules, either by increasing the cost of the activity itself (by making it more difficult to carry out) or by reducing the opportunities for it to happen (Philp, 2015). For example, Dahlstrom (2015) explains that one of the factors enabling 'grand corruption' to occur is coordination between politicians and administrators, or the control of one group over another. Therefore, obstructing this coordination of corrupt networks and separating the careers of politicians and administrators might help to control this type of corruption. However, as Philp (2015) infers, it will be very difficult to try to predict and overturn every existing incentive for a public officer to engage in corrupt practices, especially considering that each one could react differently to the same incentives, even compared to another officer with a similar background and under similar conditions.

However, this approach not only focuses on an incentives vs cost dimension, but it points to the State apparatus as the main cause of corruption, as explained above. The equation seems logical; if officials are seeking their own self-interest, the more officials that are in the public sector, the more chances for corruption will exist. Therefore, the

solution should be reducing the State to the minimum necessary.[36] This approach /won credence at an international level through international organisations, such as the World Bank and IMF.[37] These two organisations used their influence in this area (the economy) and pushed for economic reforms in line with their objectives, to force through (neo-liberal) structural reform (Hough, 2013, p.28). In this case, we find the perfect example of proposed one-size-fits-all solutions which today have been discredited by broad consensus.

Still, this does not mean that there are no positive features to this approach as well. There are also positive analyses, such as promoting greater efficiency within State processes, including keeping the tax system simple and avoiding 'red tape' that pushes the private sector and citizens to choose to seek shortcuts to meet their objectives (Rose-Ackerman, 1999; Bergman, 2003). Similarly, proposed institutional solutions for corruption include modernising public institutions. In order to achieve this modernisation, States may develop transparent and effective treasury departments, and spearhead procurement and auditing reform within governments (Kauffman, 1997). According to Dahlstrom (2015), institutional solutions for reducing corruption should include impartial and impersonal treatment of citizens.

Furthermore, creating a professional bureaucracy by recruiting candidates based on meritocracy "appears to be the most important feature for deterring corruption" (Dahlstrom et al., 2012, p. 666). Meritocracy may help by having independent civil servants who can develop *esprit de corps* – essentially, civil servants who would respond to the public interest rather than to individual interests (Evans and Rauch, 2000; Dahlstrom, 2015). Additionally, having a Weberian public administration has been proven to help reducing corruption (Evans and Rauch, 2000). Moreover, proposed policies also include strengthening accountability bodies (Skidmore, 1996) and pushing

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[36] In a more explicit way, Hough (2013) cites Hopkin (2002): "State intervention in economic and social life was viewed increasingly sceptically and should subsequently be restricted to a set of specific, limited activities. In practice, this was seen to mean preserving law and order and upholding a clean and transparent legal system, protecting property rights, and providing only the most essential public goods that the market could or provide. In essence, these could be restricted to 'basic preventive health care, elementary education and national defence'" (pp. 24.25).

[37] Some renowned researchers began to influence this philosophy directly in these international organisations, with a strong influence on various States. For example, Susan Rose-Ackerman, a very well respected researcher on corruption, was a visiting research scholar at World Bank, and Vito Tanzi had an important academic background before becoming director of the IMF's Department of Fiscal Affairs (Hough, 2013).

for stable legal environments (Rose-Ackerman, 1999; Mesicic 2015), that are necessary for the efficiency and transparency of a State. In this vein, the market-centred approach also converges with the legal approach to corruption.

Having laws to penalise corrupt practices may work as a deterrent. However, if the legal approach is used in isolation from other anti-corruption strategies, it may not really help in controlling corruption. Uslaner (2015), for example, states that the law itself may not afford much protection since, in many cases, the justice system and the police are among the most corrupt officials. Moreover, there is the risk of a "squeezing the balloon" effect (Fox, 2014, p. 11), whereby, while trying to block routes for corruption, new ones open up. In other words, stopping corruption may only be an illusion, and the magnitude of the problem remains intact (ibid.). Despite these potential limitations, anti-corruption frameworks need to have a legal base that allows for their implementation. Strengthening the legal framework is undoubtedly important to fighting corruption, but it is the implementation of that framework, and its impartiality/fairness, that can have a stronger impact on curbing corruption. Hence, the debate evolved to focus on the quality of governance across States.

Governance or 'good governance' analysis by itself is not new, but the link to controlling corruption emerged in the early 2000s. Contrary to the original, market-centred approach, the focus on governance acknowledges the need to analyse context as an important feature in implementing different solutions. Good governance "involves capable states exercising clearly defined sets of functions operating under the rule of law" (Hough, 2013 p.33). This apparently simple concept becomes more multi-faceted with the addition of "the rule of law". The UN defines it as follows:

> The term rule of law refers to a principle of governance in which all persons, institutions and entities, public and private, including the state itself, are accountable to laws that are publicly promulgated, equally enforced and independently adjudicated, and which are consistent with international human rights norms and standards. It requires, as well, measures to ensure adherence to the principles of supremacy of law, equality before the law, accountability to the law, fairness in the application of the law, separation of powers, participation in decision-making, legal certainty, avoidance of arbitrariness and procedural and legal transparency.

Like corruption, 'governance' and 'rule of law' are contested concepts in political science. Still, there are specific features that can be highlighted in order to understand how both concepts can be helpful in curbing corruption. Both focus on enforcing and upholding the law by means of an impartial and fair system. In this vein, everyone is equal before the law and no one should interfere with its enforcement. The latter includes the separation of law and politics, and promotes the separation of powers to guarantee the checks and balances. Therefore, the role of an independent judiciary is vital, since it is up to this branch of power to assure avoidance of impunity. Moreover, the importance of a strong, independent and fair judiciary is not only rooted in its capacity to sanction, but also owing to psychological features: "knowable securities, equally distributed, are necessary for a confident and active citizenry" (Warren, 2015, p.50). As explained in the previous section, the lack of trust in a system can create a vicious circle where corruption is more likely to occur, thus generating more corruption. If the judiciary stops impunity and raises citizens' trust in the system as a whole, the chances of reducing corruption increase. Strengthening this trust offers the potential for an active citizenry to oversee public affairs and denounce corruption with greater confidence that corrupt actors will be sanctioned. In this context, there is another actor whose role can be strengthened if a State respects the rule of law: the media.

The media can play a preventive role in fighting corruption, as it can raise awareness of the problem (Schauseil, 2019). However, its main role can be in detecting corruption and raising the alarm to both the public and control authorities (Stapenhurst, 2000; Camaj, 2013; Schauseil, 2019). Independent media has been a key counterweight to the authorities or power groups that take advantage of their position for their own benefit or that of third parties. The risk that journalists run by putting people in power in the spotlight is usually high; hence, the need for a State that respects the rule of law and freedom of expression, is critical. An important factor that makes it easier for the media to meet its objectives is the access to public information; again, there is a need for a strong legal framework that support the media in its quest. As we can see, some inter-related variables require joint implementation in order to build a framework with which to fight corruption efficiently.

Finally, the last major actor (to be studied) in the fight against corruption is civil society. In terms of the inclusion of civil society in the control of corruption, many scholars and policymakers (Peruzzotti and Smulovitz, 2002; Ackerman, 2005; World Bank, N.D.;

Transparency International, N.D.) claim that an active civil society can help to reduce corruption, either by pressing their governments to implement policies and laws, or by making sure governments enforce existing legal and institutional frameworks. "While governments may drive forward anti-corruption efforts through their law-making, budgetary and programmatic functions, civil society has been very effective in acting to ensure that such government interventions have impact" (Transparency International, 2015c, p. 7). In line with this perspective, some international conventions (IACC, AUCPCC, and UNCAC) highlight the importance of fostering citizen participation in fighting corruption. The UNCAC's mandate indicates that States should encourage citizen participation, inform society about the consequences of corruption, and promote measures that will allow citizens to participate in the fight against it, protecting their integrity and rights.

Civil society has proved effective in punishing corruption indirectly. For instance, Latin America has witnessed several country's leaders being held accountable following civil pressure. In 1996, the former president of Ecuador, Abdalá Bucaram, was overthrown following serious corruption allegations. Former president Lucio Gutiérrez faced a strong civil uprising after unconstitutionally changing judges at the Supreme Court; he was ousted from power months later. The former president of Guatemala, Otto Pérez Molina, was forced to resign in 2015, and the same happened in Peru with Alberto Fujimori in 2000 and with Pedro Pablo Kuczynski in 2018. In Brazil, Dilma Rousseff had to deal with severe mobilisations among civil society due to corruption scandals in 2016 before her impeachment. This type of mobilisation seeks, indirectly, to sanction corruption.

Moreover, civil society can also help control institutions to prevent corruption by overseeing actions within the public sector. It is nearly impossible for them to supervise every action that occurs in the State. But civil society has the potential to be virtually everywhere and sound the alarm when irregularities are uncovered (Ackerman, 2005). Furthermore, Johnston (2015) states that "any effective anti-corruption strategy requires broad-based action, trust and commitment" (p. 280). The role of civil society in satisfactorily reducing corruption can be essential, so its inclusion in anti-corruption policies should be considered when appropriate. However, despite good practices, the debate on the efficiency of citizen engagement in fighting corruption is still under debate; thus, more studies are needed to seek fuller answers in this field. This thesis aims to

build on what we know about how citizen participation, through SAcc, can help to control corruption.

At the same time, the reality of fighting corruption is harsher than merely implementing the proposed solutions explained in this section. There is probably no need to review the perception indexes of corruption, or the others presented in section 2.1.2, to realise that corruption is not being significantly reduced. On the other hand, all is not lost. Research has evolved during the last three decades from the idea of solving corruption using "magic bullets" and the "one-size-fits-all" approach – by which individual self-interest was the motto of corruption – to other, more complex views, where the problem was also seen as in political terms, with the quality of governance is at its core. Equally important is the relevance given to the analysis of context and how every case should be treated according to its realities and needs. Additionally, some scholars (Ledeneva et al., 2017; Johnston, 2015) suggest that anti-corruption policies should be implemented with cooperation at grassroots level, especially where corruption is systemic. Therefore, it is important to adapt policies to local contexts, and to make sure that civil society can feel responsible for the success of any strategy in fighting corruption. This legal base can also set the foundation for improving the institutionality that exists in a country. Finally, the aforementioned research by Shekshnia et al. (2014) suggests dividing the problem of corruption into smaller pieces. Identifying specific types of corruption can help researchers and policymakers to target these specific practices, instead of 'corruption' in general.

There is also, certainly, a strong need to keep delving into the topic. In the present case, this will be achieved by focusing on the inclusion of civil society in the fight against corruption, through SAcc mechanisms and the strengthening of control agencies, taking into account the importance of context.

2.4 Conclusions

Drawing on the vast literature related to conceptualising and measuring corruption, its causes and effects, and proposed solutions to it, Chapter 2 has explored some of the different debates around this problem. Even though the growing literature reflects the importance that academics and policymakers have accorded to corruption, we are still far from a settled understanding of it.

The fact that there is no agreement on how to handle corruption has not stopped – and cannot stop – researchers in trying to solve the problem. Although limited, some success can be claimed in the development of effective mechanisms to reduce it. Different approaches have been proposed, one of which is at the centre of this thesis: citizen participation through SAcc mechanisms. Scholars, policymakers and NGOs have focused on creating and fostering policies in this area. However, it has yet to be seen how this approach works in practice. Additionally, if the intention is to increase the effectiveness of anti-corruption tools, including SAcc mechanisms, the relevance of context cannot be dismissed. Recent literature is clear in stating that there is no 'magic bullet' to solve corruption, and any attempt to tackle it needs to be approached according to existing realities. Failure to do so could translate into a failing policy. For this reason, there is need for more in-depth studies on preventing corruption if the intention is to effectively tackle this problem.

Finally, it is important that strategies aiming to control corruption focus on specific types of corruption. As explained in this chapter, corruption can be interpreted in many ways. Without a specific target, tackling it will be more difficult. In the same vein, when analysing corruption, it could be useful to delimit the research around specific and tangible features. For the current thesis, corruption has been defined so that we can focus on public corruption. Additionally, in seeking a definition I have considered not only the violation of legal norms (as the legal approach suggests) but also social norms. What matters the most is that public office is not be used to one's own benefit or that of third parties, to the detriment of the public interest. By choosing to analyse two specific SAcc mechanisms (the *veeduria* and PB), I have delimited the types of corruption that can be targeted. These are: clientelism, embezzlement, trading in influence, and offers of trading in influence. Moreover, the thesis will also define State capture as one of the main variables that affect efficient implementation of SAcc mechanisms in Ecuador.

SAcc forms the second main pillar of this research. Chapter 3 will focus on the current state of knowledge of the topic, before proceeding to analyse it as one of the proposed alternatives for controlling corruption.

Chapter 3. Social Accountability and Controlling Corruption

Corruption hurts a country's social and economic development (Kauffman, 2004; Soto, 2003; Johnston, 2005). It may lead to a political monopoly and biased policymaking benefitting only a specific group of people while eroding the legitimacy and stability of public institutions and, therefore, of democracy (Johnston, 2005). Moreover, corruption has a social cost: it leads to the marginalisation of, and resentment among, the population, who see the 'powerful' increase their share of power considerably. Consequently, social morality deteriorates (Ferreiro, 1999). When corruption occurs, citizens – especially the poor, who rely mostly on public services — are the ones who pay the price.

As explained in the previous chapter, there are many approaches to tackling corruption. The lack of strong results in reducing corruption by reinforcing institutional accountability, has led to new strategies in which citizens become key actors in the fight against corruption. When referring to 'accountability', the term is defined as a "relationship between an actor and a forum,[38] in which the actor has an obligation to explain and to justify his or her conduct, the forum can pose questions and pass judgement, and the actor may face consequences" (Bovens, 2007, p.450). In this vein, a growing number of authors (Schatz, 2013; Peruzzotti and Smulovitz, 2010; Lambert-Mogiliansky, 2014; Ackerman, 2005; Kuppens, 2016; Malena et al., 2004; Gaventa and McGee, 2013, et al.) have stated that both accountability and transparency should be enforced by civic engagement or SAcc.

For the purpose of this research, I understand SAcc as **citizen-based initiatives, beyond voting, aiming to prevent, detect or expose corruption by holding the State accountable, and seeking direct or indirect sanctions by triggering horizontal accountability. In this concept, citizen engagement must be genuine regardless of who created the initiative (social or State action).** As presented in this thesis, SAcc does not intend to supersede classic accountability, but to complement it. As Ackerman (2005) explains: "The universe of government action is so broad that it is virtually impossible to 'oversee' the entirety of the operation… It is therefore necessary to

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[38] Actor and forum can be either an individual or an organisation.

complement such top-down 'police patrol' oversight strategies with bottom-up 'fire alarm' mechanisms" (p. 11). Hence, as horizontal institutions are physically incapable of controlling everything that occurs in the public sector, civil society can be helpful in observing processes and policies. Additionally, SAcc can act as a preventive mechanism against corruption. The mere act of having citizens overseeing public officials can act as a deterrent against the latter seeking private gain. However, as argued in this thesis, accountability, and therefore SAcc, must have the capacity to sanction corruption if such mechanisms are going to be effective in controlling corruption. Accountability without sanctions, is not accountability at all.

Returning to SAcc, as with any other policy to fight corruption, there is no one-size-fits-all SAcc strategy or initiative. Its complexity lies in the need to adapt or create SAcc initiatives acknowledging different existing contexts. The literature on SAcc (O'Meally, 2013; Hickey and King, 2016; Chene, 2012; Bukenya et al., 2012; Fox, 2015; Grandvoinnet et al., 2015; Goetz and Gaventa, 2001; Richards, 2006; Lambert-Mogiliansky, 2015; Ackerman, 2005; Malena et al., 2004, among others) highlights the importance of how such initiatives are created and how they are influenced by context. Along these lines, in order to build a successful SAcc initiative, internal and external factors must be considered[39] (Chene, 2012). Many scholars (O'Meally, 2013; Bukenya et al., 2012; Hickey and King, 2016; Richards, 2006; Grandvoinnet et al., 2015) have proposed analytical frameworks for understanding SAcc. These frameworks tend to focus on similar issues, such as the role and capacities of the State to promote and respond to SAcc; the role and capacities of civil society to lead a SAcc initiative; the interaction between civil society and the State; the access to information; and the political, economic, social, and legal and institutional contexts. Additionally, a new trend of thought is debating what is called as "Accountability 2.0". Different authors (Fox, 2016; Joshi 2017; 2017b; Gaventa and Oswald, 2019) agree that discussion of SAcc has evolved to focus on how citizens and civil society organisations (CSOs) have to interact with different actors (State and non-State, national and international) and with multi-pronged, multi-level approaches to achieve their objectives (Joshi, 2017a and 2017b). Other features of this debate focus on the need to seek "vertical integration" between citizens and CSOs with the different levels of government, and national and international

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[39] Internal factors are the conditions within a SAcc initiative, such as the strategy used, and the skills and capacities of citizens leading and participating in it. On the other hand, external factors are contextual conditions those beyond the control of the initiative, such as the political, economic, social and legal contexts, access to public information, and the political will to support the it, among other things.

actors (Fox, 2016). These trends are discussed throughout this chapter, that ends in the creation of an analytical framework that will help to analyse the Ecuadorian case at the national level, and then the two specific case studies at the local level.

This chapter seeks to analyse the current state of knowledge of SAcc in order to establish a theoretical base for SAcc, how it can help to curb corruption, and the main factors that influence the outcomes of SAcc initiatives. These are the pillars that will fulfil the objectives of this research, and help the reader understand how SAcc works in controlling corruption in Ecuador. To accomplish these objectives, first, Section 3.1 will introduce the concept of 'accountability' in order to understand the basis of SAcc, including the relevance of imposing sanctions on corruption. Then, Section 3.2 will cover the state of knowledge on SAcc by analysing its theoretical base, which includes how it is conceived, how it works, and its importance. Section 3.3 will review how SAcc is supposed to work in theory as an approach to controlling corruption. Section 3.4 will analyse the literature concerning the different frameworks that seek to explain SAcc, before introducing the analytical framework created to set out how the case studies selected for this research work.

3.1 What is Accountability?

The objective of accountability is to hold those in power responsible for their actions and to prevent any abuse of power. Gaventa and McGee (2013) state that "the argument is that through greater accountability, the leaky pipes of corruption and inefficiency will be repaired, aid and public spending will be channelled more effectively and development initiatives will produce greater and more visible results" (p. 4). But what is accountability? This section aims to assess the debates on this concept and to explain the main approaches to achieving it: vertical and horizontal accountability. Thus, we will be able to see where SAcc comes from and what its specific goals are.

3.1.1 Debates on the Conceptualisation of Accountability

Accountability is a long-standing term that has evolved over the years.[40] According to Ackerman (2005), in its most literal sense, 'accountability' means "little more than the 'ability' or the 'possibility' that someone or something can be accounted for" (p. 3). In other words, the author states that the minimal efforts to show or share with the public information about work done (such as the number of houses built or the total amount of money spent by a government during its term) could be considered as accountability. However, I do not entirely concur with this 'minimalist view' as it leaves out important characteristics of accountability, such as transparency, sanctions, performance, and the possibility of external surveillance.

Another effort to conceptualise accountability comes from Lambert-Mogiliansky (2014) who defines it as a "composite concept" in which three elements converge: (1) 'answerability' as an informational element – the obligation to justify one's action; (2) 'enforcement' as an element of incentive or effective sanction – the sanction if the action or the justification is not satisfactory; and (3) responsiveness as a monitoring element – the willingness of those held accountable to respond to the demand made. Answerability itself has two elements; the first consists of the demand for information from the principal to the agent[41] about the activities and decisions of the latter. The second is the agent's explanation or justification regarding his/her actions or inactions. With both elements, the principal is able to judge the conduct of the agent (Kuppens, 2016). For several authors, this concept of answerability is enough to reflect what accountability is (Bovens, 2007). Nevertheless, others consider it incomplete, since answerability may only be the action of informing; therefore, it is necessary but not sufficient to be considered the same as accountability.

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[40] The term 'accountability' has been traced back to the eleventh century, when King William I of England ordered the creation of the 'Domesday Books'. These books listed all the possessions that property holders had in his kingdom, in order to establish a new ruling order under a central authority in Britain (Dubnick, 2002). Later, the royal government created a structure by which citizens were audited and accounted semi-annually, which was also used as a taxation system (Bovens, 2007). Hence, citizens were held accountable for their properties by the crown. It was in the late twentieth century, with the introduction of the New Public Management in the UK, that the focus of accountability shifted towards accountability actors. The New Public Management created a business-type governance system, where the State was seen as a provider of services and the citizens as the clients (Hood, 1991). Thus, the government became accountable to the citizens. In this vein, concepts of accountability vary from simple and the 'minimalist view' to elaborate and multifactorial definitions.

[41] As explained in Chapter 1, the principal is represented either by the citizens, control agencies or a hierarchical superior, while the agent is represented by the power-holders – civil servants or politicians.

In this vein, accountability requires the possibility of imposing sanctions on, or offering rewards to, an agent for their (in)actions. 'Enforcement' may be explained as "the capacity of accounting agencies to impose sanctions on power holders who have violated their public duties" (Schedler, 1999, p. 14). Enforceability may also include rewards for good behaviour through incentive systems (ibid.). Furthermore, Brinkerhoff (2001) explains that sanctions may be formal or informal. Formal sanctions are enforced through law enforcement. On the other hand, informal sanctions may be understood as public exposure or "naming and shaming" (Kuppens, 2016). Finally, Lambert-Mogiliansky (2014) states that accountability requires agents to be in a situation to proactively supply the information necessary for them to be held accountable, either positively or negatively. Otherwise, accountability would not be possible.

Along the same lines, Ackerman (2005) defines government accountability as a "pro-active process by which public officials inform about and justify their plans of action, and their behaviour and results are sanctioned accordingly" (p. 6). I would like to highlight the idea of 'pro-activity' since it demands that public officials take the initiative of being accountable, rather than waiting for a third party to ask for information. Hence, it is pertinent to ask if this approach to accountability is pragmatic. If there is no obligation for public officials to justify their actions to citizens, why would they do so? This is even more important in a context where systemic corruption exists.

Bearing these elements in mind, Malena et al.'s (2004) definition of accountability can help us go deeper into understanding the term, which is "the obligation of power-holders to account for or take responsibility for their actions"[42] (p. 2) – in other words, for power-holders to assume responsibility for their conduct and performance. The authors maintain that public officials can and should be held accountable so as they (i) obey the law and do not abuse their powers, and (ii) serve the public interest in an efficient, effective and fair manner (ibid).

Further concepts of accountability include other conditions. Schedler (1999) introduces the participation of an external actor acting as an observer. Thus, an efficient flow of information between members of a given institution is not sufficient; rather, an observer

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[42] Malena et al. (2004) refer to, "'Power-holders' as those who hold political, financial or other forms of power and include officials in government, private corporations, international financial institutions and civil society organizations" (pp. 2–3).

should come in from the outside. Furthermore, Mulgan (2000) not only follows the same line of thought as Schedler, but he also emphasises that accountability calls for a relationship of power between the observers and the observed. He states that observers should be of superior authority, therefore with the capability to impose sanctions. Conversely, Ackerman emphasises that accountability does not need to be held by an "outsider", nor does it need to be executed by actors of "superior authority". Accountability may be enforced by actors from the same institution, or by those at an equal level of authority (such as one congressman to another, or by the legislative branch towards the executive, among many other examples). The difference between these elements of accountability has been grouped by scholars into vertical and horizontal accountability. These two concepts are reviewed in the next subsection.

Acknowledging that there are different positions regarding the concept of accountability, there appears to be a consensus among scholars (Kuppens, 2016; Schedler, 1999; Bovens, 2007; Jenkins and Goetz, 2005; Gaventa and McGee, 2013; *et al.*) regarding the two elements of which it is consists of: **answerability** and **enforcement**, as previously explained. I would argue against the element of 'responsiveness' or pro-activity – in the concept by Lambert-Mogiliansky (2014) – from officials to inform about their actions as a key element of accountability. It is not likely that an official would voluntarily give information about actions that would lead to sanctions against him/her. S/he may only have to give such information because s/he is obligated to do so. And even then, information given could be altered (to hide the perpetration of a corrupt act). As defined in Chapter 2, corruption is an act by a public official (or with the acquiescence of a public official) that violates legal or social norms for private gain. Moreover, this act is performed in expectation of a benefit; therefore, there is an acknowledgement that sanctions would be imposed if the act is discovered.

Along those lines, a concept of accountability that includes the elements of answerability and enforcement has to be pragmatic. Bovens (2007) developed a concept that is built along the lines discussed above: "Accountability is a relationship between an actor and a forum, in which the actor has an obligation to explain and to justify his or her conduct, the forum can pose questions and pass judgement, and the actor may face consequences" (p. 450). Still, it is essential to understand that there are different ways of achieving accountability. The different processes to obtain accountability may be divided into two main types: vertical and horizontal accountability.

3.1.2 Vertical versus Horizontal Accountability

Various authors (O'Donnell, 1999; Schedler, 1999; Goetz and Gaventa, 2001; Schatz, 2013; Bovens, 2007; Kuppens, 2016, among many others) principally classify accountability into two different categories: **vertical** and **horizontal** accountability. Vertical accountability, sometimes referred to as 'external' accountability, refers to the accountability process between public authorities and citizens, including electoral and SAcc mechanisms (O' Donnell, 1999). Vertical accountability may be either top-down or bottom-up: "Top-down strategies include building mechanisms, legislation, and capacity within state institutions. Bottom-up strategies maintain extra-institutional pressure to create political will, support honest power-holders, back genuine reform efforts, and creatively disrupt the corrupt status quo" (Beyerle, 2014, p. 245).

Another type of vertical accountability is electoral accountability. Electoral accountability is an important vertical mechanism of accountability in democratic states. By the power of 'the vote', citizens can hold politicians accountable, depending on their performance and conduct while in office. In other words, if an elected authority did not honour their previous campaign offers, or if they took unethical positions or actions, citizens could punish them by not voting for them again and, consequently, not returning them to their elected position. However, I agree with authors like Malena et al. (2004), and Peruzzotti and Smulovitz (2000), when they highlight that this vertical mechanism of accountability has a very limited range of action, since it depends entirely on elections, giving voters only one shot to punish an elected official. Additionally, citizens have no influence over the official during his/her term; therefore, decisions cannot be controlled (Peruzzotti and Smulovitz, 2000). A further problem with electoral mechanisms of control is that they have no direct control over bureaucrats who are also involved in the management of public resources (Kweit and Kweit, 1980). Therefore, accountability of the bureaucracy is mandatory if citizens intend to oversee how policies are being implemented and how money is actually being spent.

Traditionally, efforts to improve accountability have focused on these vertical mechanisms. However, classic top-down accountability mechanisms were found to be insufficient, especially where corruption was systemic (Schatz, 2013). The argument is that if corrupt politicians are in charge of setting an anti-corruption agenda, it is more likely that they will not act against their own interests (ibid.). For that reason, different

mechanisms were created in what has been conceptualised as 'horizontal accountability'. Horizontal accountability – sometimes mentioned as 'internal' accountability – refers to accountability *within* the public administration and *between* different public agencies and government branches (Schatz, 2013). This type of accountability seeks to have independent institutions control one another (e.g., 'checks and balances'). Moreover, new initiatives to control corruption have been established in the form of pro-accountability institutions, such as anti-corruption agencies or ombudsman offices.

Although efforts to reduce corruption through both classic vertical and horizontal accountability have had some success, it has also been acknowledged that they have limitations (Kuppens, 2016; Malena et al., 2004, Gaventa and McGee, 2013). Goetz and Jenkins (2001) talk about a "hybrid accountability" or diagonal accountability, in which vertical and horizontal accountability are combined for better results. This thesis benefits from this analysis and, as will be further reviewed in Section 3.2, considers that, in order for SAcc to successfully have an impact on the control of corruption, it needs a 'diagonal accountability' to work. SAcc (vertical accountability) needs to 'trigger the alarm' when irregularities are found so that control agencies (horizontal accountability) can investigate and sanction those irregularities. However, before going deeper into that discussion, we will review one of the main characteristics of accountability: sanctions.

3.1.3 Sanctions

Sanctions are a defining feature of accountability. As explained in 3.1.1, one pillar of accountability is 'enforcement', or the capacity to "impose sanctions on power holders who have violated their public duties" (Schedler, 1999, p. 14). The statement "impos[ing] sanctions on power holders", acknowledges that accountability is a way of exerting power over those who already possess it. Or, quoting Joshi and Houtzager (2012), "Accountability is a means of restraining power" (p.147). By that, they explain that the need for accountability comes from delegating power from the public to an individual or a group of people. Thus, they sustain that, "if power is delegated, it can also be taken away" (ibid.). This delegation of power is given to two defined groups, elected officials (politicians) and public officials (bureaucracy). The former are given the power to lead public policy creation and the latter to give technical advice and to implement policies.

In terms of elected authorities, sanctions can be exerted by electoral accountability, as explained above. It is through the vote that citizens can censor a corrupt politician, by not voting for them. This type of accountability can be directly related to the principal-agent theory, where the agent is held accountable by the principal. In this case, voters represent the principal, and the elected authorities the agent (Gailmard, 2012). However, recent history has shown us that electoral accountability is not always the best way to punish politicians, since many well-known corrupt officials get voted again and again. This type of accountability is even more difficult to apply in contexts where corruption is systemic and clientelism present. Still, electoral accountability should not be underestimated; it is a legitimate form of holding authorities accountable for their actions and, if properly used, can be an effective sanction mechanism. Moving on, another sanction directed against elected authorities is the destruction of their reputation by exposing them when they have failed to do what they were elected to do or, especially, when they have committed a corrupt act. This exposure can end in what could be the highest political sanction, removal from office (Schedler, 1999).

In the case of public officials, sanctions can come from superiors or from political authorities that are in charge of overseeing bureaucracy (Bunn, 1961; Joshi and Houtzager, 2012). These sanctions take the form of dismissal or lesser disciplinary measures. The P-A model also applies to this relation, in which the politician is the principal who oversees the agent's actions.

Furthermore, sanctions against both politicians and bureaucracy (officers) can be applied through horizontal accountability, as explained above. These direct sanctions can be sought by triggering traditional accountability mechanisms (Joshi and Houtzager, 2012). The type of sanctions depends on each country's legal framework, but they range from administrative sanctions (payment of fines or even dismissal) to criminal penalties. The severity of the sanction should depend on the severity of the offense. Additionally, it is important for sanctioning that there be respect for the rule of law. As stated in the previous chapter, for sanctions to fulfil their role, they need a framework and a context where they can be applied fairly and without leaving an image of impunity behind. Once again, I agree with the statement of 'accountability without sanctions is not accountability at all', and they need to be applied properly. If accountability mechanisms are not able to impose sanctions, there is also a higher risk that they will be captured by the State, for it to legitimise its actions. This conclusion will be useful throughout this thesis, as the

analysis of the SAcc mechanisms will focus not only on how they work, but also if, on the one hand, they have sanctioning capacity and, on the other hand, if a potential lack of sanctions may be a 'breeding ground' for their capture by the State.

Here, I agree with issues that the literature and policymakers consider already to be implicit, such as accepting that sanctions should be fair, impartial and binding. In this sense, it is intended that the sanctions be embedded in law and, therefore, that they be formalised. However, little has been said about the importance of applying these norms. As a practical example, in the following chapters I will analyse the Ecuadorian case, whose framework establishes the capacity to punish corruption; however, this does not mean that the sanctions are being applied efficiently. As I implied in the previous paragraph, if sanctions are not applied, the institutional framework loses credibility. If the framework is not credible, it is not effective, and may give way to the use of such mechanisms to legitimise State actions. This is also the case for SAcc mechanisms that, in the end, seek the same purpose: holding the State accountable. The next section will discuss SAcc in depth.

3.2 Social Accountability

This section aims to introduce the literature on SAcc, explain why it is important, and outline the types and characteristics of SAcc initiatives.

3.2.1 What is Social Accountability?

The study of SAcc is not new, but it has gained in importance since the 1990s under the good-governance agenda (Gaventa and McGee, 2013). There is some consensus that SAcc arises out of the need to strengthen accountability, by including civil society as a key actor in influencing and controlling the development and implementation of public policy, and the use of public resources (Joshi and Houtzager, 2012; O'Meally, 2013). In this sense, civil society is not a mere spectator of what public officials do or do not do. Furthermore, the citizenry may demand better public services, transparency and proper use of public money. If the contrary proves the case, civil society can expose and denounce wrongdoings, seeking informal or formal sanctions. However, SAcc is a complex topic that still needs to be broken down to understand it.

A range of understandings of SAcc have one common feature: citizens holding the State accountable. A well-known concept found in the literature argues that SAcc refers to the broad range of actions and mechanisms – beyond voting – that citizens can use to hold the State to account, either directly or indirectly (Peruzzotti and Smulovitz, 2000; 2002; Malena et al, 2004). These bottom-up (vertical) mechanisms aim to expose governmental wrongdoing, and denounce administrative corruption, violations of rights or violations of due procedure by bringing new issues onto the public agenda or by triggering a response from horizontal agencies (Peruzzotti and Smulovitz, 2000; 2002; Malena et al, 2004). Following similar concepts, we can state that, as in the case of classic accountability (Bovens, 2007), the process of SAcc requires, in essence, a relationship between an actor and a forum. In the case of SAcc, the actor is represented by powerholders and the forum is represented by civil society.

Joshi (2017b) points out that "the term "social accountability" came into use in the early 2000s to refer to citizen-led processes that demanded accountability from governments outside of formal electoral systems (p.161). However, this linear understanding of SAcc has evolved during the past two decades. For instance, during the 1990s and early 2000s, accountability was seen as a process pushed forward by different actors, and included a citizen-State framework which included only these two (State and civil society). Many authors (Fox, 2016; Joshi, 2017a; Gaventa and Oswald, 2019) agree that this framework is now of limited use. In this vein, the discussion has evolved to focus on how citizens and CSOs have to interact with different actors (State and non-State, national and international) and with multi-pronged, multi-level approaches to achieve their objectives (Joshi, 2017a and 2017b). Joshi (2017a) refers to this more complex approach as "Accountability 2.0".

Other features of this debate focus on the need to seek "vertical integration" between citizens and CSOs with the different levels of government, and national and international actors (Fox, 2016). This is relevant here, as it is important to understand not only the local-level context, but at the national level as well. Furthermore, the key point, according to Fox (2016), is to "empower pro-accountability actors" by focusing on "collaborative coalitions as an alternative to the conventional dichotomy between confrontation and constructive engagement" (p.4). In terms of these "collaborative coalitions" we understand that when implementing a SAcc initiative we can find agents of change within the public sector who are willing to collaborate in the search for accountability, and who

serve as a counterweight to those officials or other actors who impede accountability (pro-accountability vs anti-accountability forces).

However, this approach to understanding and conceptualising SAcc still has a broad scope. Joshi and Houtzager (2012) recognise a helpful division of the objectives of the different SAcc mechanisms. One approach seeks a *naming and shaming* scheme by exposing a public officer or an entity that has acted contrary to their duties or engaged in corruption, in the expectation that such an approach will have an effect. The other seeks to trigger traditional accountability, especially when corruption has been identified. Furthermore, there is also a division between SAcc mechanisms that aim to deepen democracy, and more confrontational mechanisms aiming to expose wrongdoing (ibid.).

Before proceeding to discuss our SAcc concept, it is necessary to state that SAcc mechanisms are implemented through SAcc initiatives,[43] which are acts or projects that rely on genuine civic engagement and promote or facilitate accountability. SAcc initiatives can be promoted by civil society, government, media, and other social actors (Ackerman, 2005; World Bank, 2001). Additionally, in the case of Ecuador, SAcc initiatives can be created by one specific control agency, the CPCCS. To make a clearer distinction between who creates the initiatives, I will divide the universe of SAcc initiatives in three categories: direct SAcc initiatives, indirect SAcc initiatives, and joint initiatives.

Specifically, 'direct SAcc initiatives' mean those that have been created by social actors, namely these grassroots movements and the media. 'Indirect SAcc initiatives' will refer to those that have been put forward by the State, public authorities or when they are required to be held by law (therefore, led by the State). Finally, due to the Ecuadorian context where there is a public institution, the CPCCS that, in theory, is led by citizen representatives, 'joint initiatives' will refer to those created by this institution.

Advancing to the analysis of my case studies, in this thesis I will focus on the 'indirect SAcc initiatives' in order to analyse how two initiatives, created either by decision of an authority or by the State, were implemented. The first is a *veeduria* created by a councillor from the city of Cuenca in order to oversee the process of awarding social

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[43] The Oxford English Dictionary defines an initiative as an act or strategy intended to resolve a difficulty or improve a situation.

housing. The process was led by a municipal institution in charge of social housing in Cuenca, EMUVI-EP. The second is the participatory budgets in the province of Tungurahua, a mechanism embedded in law and that is mandatory for local authorities. Both examples are carried out within a framework established by law, which will facilitate the analysis not only of the initiatives themselves, but also of both mechanisms in general. Through this analysis, it will also be possible to determine how efficient or inefficient the SAcc framework is at holding the State accountable through its sanctioning capacity. In this context, the real risk that the SAcc mechanisms may be captured by the State will also be analysed.

Returning to the analysis of the literature, another important clarification is that SAcc actions are not new. Public demonstrations or mobilisations, investigative journalism, and public interest lawsuits, among others, have been in use for a very long time. Nevertheless, greater access to information and different analytical tools have helped to increase SAcc by developing new mechanisms (World Bank, 2007). These engage more in direct dialogue and negotiation with the government. Examples of these mechanisms include, but are not limited to, citizen monitoring and oversight of public and/or private sector performance, participatory public policymaking, social audits, citizen participation in actual resource allocation decision-making such as participatory budgeting, public expenditure tracking, user-centred public information access/dissemination systems, public complaints and grievance redress mechanisms, and evaluation of public services such as administrative procedure acts and citizen report cards (Fox, 2015; World Bank, 2007).

Having taken these elements into account, using a universal concept of SAcc may be too idealistic. As with conceptualising corruption, we need a precise and operational definition of SAcc. For the purposes of this thesis, I understand SAcc as **citizen-based initiatives, beyond voting, aiming to prevent, detect or expose corruption by holding the State accountable and seeking direct or indirect sanctions by triggering horizontal accountability. As part of this this concept, citizen engagement must be genuine, regardless of who created the initiative (social or State action).** At the heart of this definition there are different elements that need to be explained:

- **Citizen-based initiatives**: citizens must be the main actor in SAcc. SAcc initiatives can be promoted or created either by citizens (direct) or the State (indirect); or, as in the case of Ecuador, also by control agencies (joint). However, citizens are the ones who have to carry out the work through the initiatives.

- **Prevent, detect or expose corruption:** due to the scope of this thesis and to the "broad range" of mechanisms that can be included in broad SAcc concepts, I will focus on mechanisms that aim to prevent, detect, sanction or expose corruption and **trigger horizontal accountability**. The nature and scope of the mechanisms used in my case studies (a *veeduria* and participatory budgets) seek to (a) prevent corruption by acting as a deterrent for officials to become entangled in corruption, and (b) to oversee and monitor public work. If any signs of corruption are detected, horizontal accountability is supposed to be triggered.

- **The "State":** in line with the definition of corruption, SAcc aims to hold the State accountable, leaving aside the private sector.

- **Accountable**: the State has to justify its actions or inactions and it may face consequences.

- **Direct or indirect sanctions**: if corruption is discovered through SAcc, citizens raise the alarm with control agencies, calling for investigation and direct sanctions (civil, administrative and/or criminal penalties). However, citizens may also seek informal sanctions such as reputational costs and social embeddedness.

- **Genuine engagement**: a key feature of SAcc is that it requires citizens' participation to exist. However, this engagement has to be genuine in order to avoid distortions to the initiatives' outcomes or to avoid giving legitimacy to corruption by the "use" of citizens by authorities.

One additional element about SAcc mechanisms is that not all of them can be used at any time of the public policy cycle[44]. When SAcc is exerted before or during the implementation of a project or public policy, it is defined as '*ex-ante* accountability'. If the accountability process is held after an action has been exercised, it is defined as '*ex-post* accountability' (World Bank, 2001). For example, building a budget or a public policy before its implementation would be considered *ex-ante* accountability, while overseeing how the budget was spent or the policy applied would be *ex-post* accountability. This is

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[44] Although the understanding of this "cycle" is disputed, we will refer to it as a process that includes: 1. Identifying the problem. 2. Policy formulation. 3. Policy adoption. 4. Policy implementation. 5. Policy evaluation.

an important feature of SAcc mechanisms, as in this research we are dealing with two specific mechanisms. The *veeduria* analysed in Chapter 6 occurs as part of the implementation of public policy, specifically when the process of receiving documentation from applicants for social housing is underway; however, it also takes place after the award process is complete. However, the official reports of the *veeduria* are presented once the process has finished; therefore, we can consider it as both ex-ante and *ex-post* accountability mechanism. On the other hand, the PB analysed in Chapter 7 is proposed as a mechanism for influencing, on the one hand, decision-making, and on the other, the monitoring of budget allocation and spending. In this case, the mechanism can cover the whole public policy cycle, making it also an *ex-ante* and *ex post* accountability mechanism.

3.2.2 Why is Social Accountability Important?

Traditionally, efforts have been made to tackle corruption by increasing and improving horizontal accountability (O'Donnell, 1999). It was believed that, by strengthening accountability, the chances of a public official being caught would increase. However, when corruption is systemic, this strategy is bound to fail. In other words, the threat of failed accountability policies is also present when horizontal accountability is reinforced in a highly corrupt context (Schatz, 2013). In this regard, some scholars (Malena et al., 2004; Ackerman, 2005) argue that SAcc can improve the effectiveness of horizontal accountability mechanisms by promoting citizen involvement in public commissions and hearings, citizen advisory boards and oversight committees. Therefore, it has been suggested that, although it is crucial to strengthen horizontal accountability, efforts to hold the State accountable should be supported by also strengthening SAcc (ibid.).

For this reason, it is essential to understand the objectives and the scope of SAcc. Malena et al. (2004) state that SAcc has three main objectives: empowerment, increased effectiveness of development, and improved governance. One of the reasons why civil society, especially the poor, do not claim their rights or become involved with the public sector is due to their lack of knowledge regarding their rights and how to demand compliance. Additionally, State institutions are "often neither responsive nor accountable to the poor" (Narayan et al., 2000 in Malena et al., 2004. P. 5). SAcc not only helps civil society to be aware of its rights by promoting initiatives, but it may also help to increase the voice of a specific group of people. Therefore, SAcc can empower civil society to

take action over its demands and to increase responsiveness from the State. Additionally, SAcc may also help to increase effectiveness in terms of socioeconomic development. This may be done by improving public service delivery through initiatives that promote dialogue and consultation between policymakers, service providers and citizens. Moreover, SAcc initiatives may also be used to prevent or detect misallocation of resources, leakages or corruption, and enhance transparency in the public sector (Malena et al., 2004). It is this last feature on which this thesis focuses.

Finally, SAcc may also be used to improve governance by involving civil society in the functioning of the State. As mentioned above, classic types of accountability may not be sufficient to hold the State accountable. Electoral accountability has been categorised as a weak vertical accountability mechanism. Furthermore, horizontal accountability may be unsuccessful in its aims if systemic corruption exists in the public sector. When systemic corruption exists, not being corrupt may be the exception (Rothstein and Teorell, 2015). Therefore, under those circumstances, governance becomes difficult. Additionally, in such a scenario, citizens may be reluctant to accept any government decision, due to a lack of legitimacy, thus harming governance.

In many countries, the State fails to provide its citizens with key services due to corruption, inefficiency or unproductive public policies. One of the causes is that public policymakers, service providers and citizens have different goals and objectives. If we add a lack of communication between these groups, we may end up with unproductive outcomes. Nevertheless, SAcc initiatives may help to overcome these realities by including civil society in policymaking and anti-corruption initiatives. This includes the need for citizens to access information, give voice to their needs and demand accountability, which, if successful, enhances their involvement in the decision-making process. Working with bureaucrats and politicians could increase the chances of achieving better outcomes, therefore facilitating good governance (Malena et al., 2004). As stated in the previous chapter, the consequences of corruption undermine the same elements that SAcc aims to improve (empowerment, development effectiveness, governance). In this sense, I agree with Malena et al. (2004) in their conception of SAcc's scope, as it is aligned with the objectives for controlling corruption.

Another important feature about SAcc is that, unlike electoral accountability, it can be applied when necessary, without having to wait for the next election. Moreover, SAcc

can exert influence not only on elected officials, but also on bureaucrats. Its range influence extends from single issues (such as demanding justice for a crime or an act of corruption) to the creation and application of public policies. One key characteristic of SAcc mechanisms is that they do not rely on a majoritarian principle. Consequently, minorities can have influence as well (Peruzzotti and Smulovitz, 2000). Moreover, small groups of citizens can push to hold a corrupt authority accountable without needing the support of the majority of voters.

The importance of SAcc is still being clarified, and, as part of this debate, some authors (Hickey and King, 2016; King, 2015; Bukenya, 2016; Fox, 2015) agree that SAcc may help to change the relationship between citizens and the State. SAcc seeks to challenge the status quo (McGee and Gaventa, 2011) and this is achieved by reordering how politics actually works (Hickey, 2016). The relationship between citizens and the State involves a social contract that may be changed by SAcc initiatives. By altering the social contract, SAcc not only helps citizens to receive better services or fight corruption, but also entirely reshapes their contexts. For SAcc to change social contracts, initiatives need to work through their contexts successfully. Hence, the debate on the importance of SAcc also leads to the consideration of how it may succeed in changing that social contract. This depends on how context influences an initiative, and how the initiative can be adapted to changes over time.

This approach to SAcc has also helped us to understand that change is achieved by designing SAcc initiatives more in line with 'best fit' rather than 'best-practice' solutions (Bukenya et al., 2012). Many authors (O'Meally, 2013; Bukenya et al., 2012; Hickey and King, 2016; Joshi, 2014; Richards, 2006; Grandvoinnet et al., 2015) have proposed different frameworks to generate theories of change that can help policymakers and social activists to achieve better results with SAcc initiatives. In this vein, these studies imply that SAcc should be understood as a political relationship between different actors, including citizens and the State, rather than a technocratic phenomenon. As stated above, this discussion is also taken up by other authors (Fox, 2016; Joshi, 2017a; Gaventa and Oswald, 2019) who highlight the need to improve SAcc results by designing SAcc initiatives in a way that considers the different actors and the factors that may influence their outcomes. This will be discussed further in Section 3.4.

3.2.3 Types and Characteristics of Social Accountability

There are many kinds of SAcc mechanisms within "the broad range" of mechanisms and actions that citizens can use to hold the State accountable. However, not every mechanism pursues the same objectives, nor are they applied at the same stages of a project or a public policy. For that matter, following the World Bank (2007), I found it useful to group SAcc practices into four different categories. First, the formulation or design stage of **policies and plans** seeks the participation of civil society in formulating or designing public policy or development plans. This type of practice can be understood to apply *ex-ante* accountability since the policies or projects are in their early stages and have not yet been implemented. Second, other practices focus on **budgets and expenditures**; civil society engages in the process of constructing budget allocations by expressing its views and concerns in specific areas that require special attention from the government (e.g., health, education, infrastructure). Additionally, citizens may raise awareness about the way in which budgets are actually spent, and sound the alarm should any diversion of money be identified. Third, **delivery of services and goods** are those initiatives in which citizens monitor how public services are being delivered to the general public, primarily related to accessibility of those services and goods, performance and quality. Finally, **post-implementation public oversight** initiatives involve the oversight of public office by citizens, mainly by creating specially-established committees. These initiatives may have different degrees of involvement and can be independent of the public sector, or they can be led by a public institution. For each of these categories, Table 4, below, provides an example of a successful SAcc initiative:

Table 4. Types of SAcc initiatives

Practices	Initiative	Details
Formulating and designing policies and plans	Law of Popular Participation, Bolivia[45]	- Created in 1994. - Objective: To broaden political participation of the rural and indigenous population. - Results: Although this law was replaced by the Law 341 of Participation and Social Oversight in 2013, it was the first step forward. Citizens pressured the government to allow them to be part of the decision-making process of public policies. Additionally, the 1994 law created oversight committees to control corruption by tracking budget expenditure.

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[45] Ströbele-Gregor, Juliana (1999). 'Ley de Participación Popular y movimiento popular en Bolivia', in Hengstenberg, Peter/Kohut, Karl/ Maihold, Günther (eds.): *Sociedad civil en América Latina: Representación de intereses y gobernabilidad*. Nueva Sociedad, Caracas, 1999, pp. 133–146.

Budgets and expenditures	Participatory budgeting in Porto Alegre, Brazil[46]	- Created in 1989. - Objective: To engage citizens in formulating a city budget in order to secure more democratic management of resources and satisfy demands in different city regions. The assemblies were formed to co-build the budget with authorities, enable participation in the allocation of resources and monitor how these resources are used (therefore, preventing corruption). - Results: Between 1989 and 1996, the percentage of households with access to water services rose from 80% to 98%, and the percentage of the population served by the municipal sewage system rose from 46% to 85%. The number of children enrolled in public schools doubled. In the poorer neighbourhoods, 30 kilometres of roads were paved each year. Because greater transparency encouraged the payment of taxes, revenue increased by nearly 50% (budget resources for investment went up from US$54 million in 1992 to US$70 million in 1996).
Delivery services and goods	Citizen report cards, Bangalore, India[47]	- Created in 1993. - Objective: To improve public services in the city, especially in the most impoverished areas. By creating report cards, citizens could give 'consumer feedback' to the authorities to raise awareness of the poor performance of public services. The problem was raised in the media as well. - Results: Report cards have become institutionalised in several public agencies that react to citizen concerns. The Bangalore Development Authority, which received the worst feedback at the initial stage, held public forums and initiated training programmes to improve customer service. Additionally, public awareness about the lack of efficient service has been raised, empowering people to complain if they receive a bad service. An ombudsman was appointed in 2000 that actively investigated public agencies and prosecuted officials found to be corrupt (Paul, 2004 in Schatz, 2013).
Public oversight	Social audits, MKSS,[48] Rajasthan, India[49]	- Created in 1994. - Objective: To audit resources expenditure to detect and expose corruption in the public sector. - Results: The MKSS is a civic group in the region of Rajasthan, "that pioneered social auditing in India" (National Institute of Administrative Research, 2009). The MKSS led public hearings to review the government's actions and whether resources were used correctly. At these public hearings, several irregularities were found regarding allocation of money. Moreover, due to pressure from society, officials sometimes pledged to return stolen money (Goetz and Jenkins, 2001). Additionally, in order to stop depending on the goodwill of some public officials regarding information sharing, the MKSS led a national campaign to demand the right to public information (RPI). The RPI Law was passed in 2000.

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[46] Bräutigam, Deborah A. (2004). *The People's Budget? Politics, Power, Popular Participation and Pro-Poor Economic Policy.* International Development Program. School of International Service, American University.

[47] Deepti Bhatnagar, Ankita Dewan, Magüi Moreno Torres, and Parameeta Kanungo (2003). *Empowerment Case Studies: Citizens' Report Cards, Bangalore.* The Indian Institute of Management and the World Bank.

[48] Mazdoor Kisan Shakti Sangathan (MKSS), or Workers and Farmers' Power Association.

[49] Goetz, Anne Marie and Jenkins, Rob. (2001). 'Hybrid Forms of Accountability: Citizen Engagement in Institutions of Public Sector Oversight in India', *Public Management Review*, pp. 363–383.

As we can see from the concrete examples above, the objectives of SAcc mechanisms can be varied and reflect the differences mentioned previously. These cases also briefly illustrate the different strategies that were used to achieve their goals. In the case of the Bangalore initiative, media visibility was helpful in drawing the public's attention and garnering support. This strategy boosted the initiative's impact by raising awareness of existing problems, which led to greater support, and empowered the people to take action. In the cases of Porto Alegre and Bolivia, the initiatives were led by the government, but they aimed to receive citizen support in designing public policies and budgets, and, as a consequence, enhance transparency. Moreover, these governments implemented mechanisms in order to receive support from citizens to detect any diversions of money diversions, or improper implementation of policies. We can also observe that there is a different level of institutionalisation between both initiatives. In the case of Porto Alegre, there is no law that supports the mechanism, while, in the case of Bolivia, participation and SAcc are buttressed by law, and are even supported at the constitutional level.

Additionally, we see that citizen participation in constructing public policies, budgets or initiatives to raise awareness about problems, can be beneficial in improving good governance. Participatory budgeting in Porto Alegre, Brazil, helped citizens to ask for more support regarding their needs, and, additionally, assisted the local government in achieving transparency and allocating money more efficiently. Similar outcomes were achieved in the case of the MKSS by having citizens both oversee the application of public policies and public expenditure, and denounce corruption.

Moreover, these practices empower people to take action against conduct considered unjust (misapplication of policies, violations of rights, denunciation of corrupt public officers, among others). Such empowerment also helps citizens, especially poor people and vulnerable sectors of society, to have a voice, forcing the State to resolve any anomalies raised. The example of the report cards in Bangalore, India, shows how SAcc can bring positive change for citizens and public service users. Additionally, the MKSS and the RPI law reflect the positive achievements that can be attained when citizens are empowered and called upon to take action.

Although the four categories of SAcc that were explained above can help the reader identify different types of SAcc initiatives, this categorisation does not explain their

internal characteristics or the scope that they may have. The complexity of SAcc initiatives has been summarised by Ackerman (2005), who proposes six different dimensions (Table 5) that may help the reader understand their characteristics. These dimensions help to explain not only the objectives of a given SAcc initiative, but also its core elements.

Table 5. Six dimensions of SAcc

Incentive structure	Punishments	←――――――→		Rewards
Accountability for what?	Rule Following	←――――――→		Performance
Institutionalisation	Low	←―――――→		High
Involvement	External	←―――――→		Internal
Inclusiveness	Elitist	←―――――→		Inclusive
Branches of government	Executive		Judicial	Legislative

Source: Ackerman (2005)

The first dimension refers to the incentive structure. This structure refers to mechanisms that use either punishment or rewards to incentivise public officials not to break rules and to perform efficiently. As explained in Section 3.1.1, accountability is a concept that includes 'answerability' and 'enforcement'; hence, it is easier to conceive of SAcc initiatives in terms of punishments or sanctions for corruption. There are two types of sanctions that SAcc may produce: formal and informal, as discussed previously. However, SAcc can also promote good behaviour among public officials by rewarding their actions. Rewards function better in a 'performance-based', accountability initiative than a 'rule-following' one. When aiming to oversee a public official's performance, levels of efficiency and quality of service can be measured according to specific indicators and perception. The best performances can then be rewarded. On the other hand, in rule-following initiatives, complying with the law is the only available possibility. Therefore, a violation of the law could only be punished.

Rule-following vs performance-based mechanisms comprise the second dimension. These characteristics are not mutually exclusive. Several experiences have proven that the best pro-accountability strategies focus simultaneously on both. For example, Malawi's scorecard project aimed to improve service delivery problems in education, agriculture, health, and water and sanitation (Wild and Harris, 2012). The project – the community-based monitoring programme – combined citizen report cards, community monitoring and social audits. The project helped local communities to achieve different goals, such as identifying shortages in the construction of new school buildings,

introducing new systems and approaches to managing the distribution of agricultural coupons, and reducing corruption and illicit behaviour, among other goals (ibid.). Thus, the project combined different mechanisms that allowed them to oversee, for example, the procurement of school equipment and, at the same time, the performance of service delivery staff.

The third dimension of SAcc mechanisms corresponds to their **level of institutionalisation** [Figure 2]. Most SAcc actions are *ad hoc* and respond to specific circumstances (e.g., suspicions of corruption in the awarding of a contract), and they disintegrate afterwards. These initiatives are commonly supported by well-meaning public servants, but they are not permanently institutionalised or embedded in the legal framework of the State. Ackerman (2005) notes that there are three different levels at which participatory mechanisms can be institutionalised. The first calls for some form of engagement, for example when the strategic plans of government agencies include participatory mechanisms or when rules and procedures can be mandated that require 'street-level bureaucrats' to consult or otherwise engage with social actors. The second level is when new institutions are created in order to build links with social actors. Finally, the third and highest level is when participatory mechanisms are typified in law, requiring individual agencies or the government as a whole to involve social actors at specific moments of the public policy process. The aim of having a high level of SAcc institutionalisation is that citizens will not have to depend on the "good will of individual bureaucrats" (ibid. p. 17) to create initiatives. However, institutionalising SAcc can also entail risk, such as the possibility of SAcc mechanisms' being captured by the State, and their being used to legitimate public actions. This is discussed in more depth in Section 3.3.2.

For instance, the Law of Popular Participation in Bolivia, cited above (Ströbele-Gregor, 1999), is an example of an institutionalised SAcc mechanism, as it was embedded in national law. Therefore, the law promoted the compliance with citizen participation by the State and guaranteed civil society's right to participation. The Ecuadorian case goes even further. Ecuador not only institutionalised SAcc in law, but also created a completely new institutional framework to support it. This includes setting up a new institution, the CPCCS, which aimed to promote SAcc, in order to improve public services and fight corruption. Additionally, this institution was, in theory, led by independent citizens who would also ascertain that control authorities were the best fit for the position through an

open competition. Through the Ecuadorian case, I have found that the literature on SAcc does not focus on the support that the State can give to citizens on denouncing or investigating acts of corruption through intermediate entities, such as the ombudsman or control agencies. Although there is literature on the general role of these entities, there has not been such extensive analysis of how intermediate entities can receive complaints and lend their support as institutions, rather than letting whistle-blowers go through all the difficulties and risks that reporting acts of corruption can entail.

Three levels of institutionalisation of Social Accountability based on Ackerman (2005)

3

Social accountability mechanisms typified in law

SAcc Capture by the State

2

Creation of specific government agencies

o Involve societal actors at specific moments of the public policy process

o Politicisation of SAcc
o When the state divides, co-opt and control civil society
o Lack of Sanctions
o Legitimation of Public Actions

1

Consultation and engagement of citizens

o Creation of government agencies to guarantee SAcc

o Mechanisms can be built into the strategic plans of government agencies
o Rules and procedures that require citizen engagement

Figure 2. Levels of Institutionalisation of SAcc

The fourth dimension is related to the depth of involvement. This refers to the mechanism's relationship with public office (Ackerman, 2005). For instance, some SAcc initiatives may be given full support by authorities and public officials who could cooperate with them not only by providing information, but also taking them through the whole process of government planning – for example, the Public Expenditure Tracking Surveys (PETS) initiative in Uganda in 1996 (Reinikka and Smith, 2004) or the participatory budgeting in Buenos Aires (Peruzzotti, 2011). Nonetheless – and this is what happens with most pro-accountability initiatives– SAcc initiatives tend to be externalist or under-involved, for example, the PETS initiative in Tanzania in 1999 (Sundet, 2008).

Furthermore, SAcc mechanisms may or may not be inclusive (the fifth dimension). Participation should be possible for every group of citizens irrespective of their political affiliation or ideologies. One of the main problems with SAcc mechanisms is the segregation of groups that are not considered 'well behaved'. Ackerman states that groups with a greater diversity of opinions among the people may have a better perspective on a problem than groups that trust the government to do a good job: "'Distrust' is one of the most powerful motivating forces for the vigilant observation of government and it is often the 'raucous' groups that score high on this criteria" (p. 22). Finally, the sixth dimension points to the branch of government at which the SAcc initiative will be directed. Although the executive branch controls most public activities, it is essential that it works alongside the legislative and judiciary branches, as the former works as the law-making body and the latter administrates justice by enforcing the law.

The use of SAcc mechanisms and their success depend on the goals they pursue and the context in which they are applied; this will be reviewed further in Section 3.4. There is no one-size-fits-all instrument that will solve all of the accountability issues. That is why these actions have their own characteristics among the six dimensions above. It is important to mention that the mid-point of each dimension may not necessarily be the best for a SAcc initiative. Sometimes, initiatives work better if they function at the extremes (Ackerman, 2005).

Comparing Ackerman's dimensions of SAcc to the initiatives studied in Chapters 6 and 7, those such as the *veeduria* would typically be "heavily weighted toward the left hand side of the table. They tend to emphasize the punishment of executive officials for breaking the rules and involve a small group of 'well behaved' societal actors in under-institutionalized and externalist practices such as consultations and workshops" (pp. 25–26). On the other hand, we may expect an initiative such as participatory budgeting to "fall on the extreme right-hand side of the table because [it is] highly institutionalized, focused on results, involve[s] citizens in the core tasks of government and involve[s] sharing the legislature's 'power of the purse'" (p. 26).

3.3 Social Accountability and the Control of Corruption

A study of SAcc as an instrument to help control corruption would not be complete without an acknowledgement of SAcc's competencies, and their limits, in this arena.

Different studies (Della Porta, 2017; Fox, 2015; Bukenya et al., 2012; Ackerman, 2005; O'Meally, 2013; Schatz, 2013, among many others) show that SAcc contribution to controlling corruption can be by preventing and detecting it. In this vein, SAcc can help by acting as a deterrent to public officials thinking of committing a corrupt act. Additionally, SAcc mechanisms can help to raise awareness of signs of corruption and also informally help to investigate public processes. Here, it is important to go back to our concept and reiterate that SAcc mechanisms are supposed to help horizontal accountability to work. Additionally, some authors (Grimes, 2008; Schatz, 2013; Della Porta and Vannuci, 2014) state that SAcc may also impose indirect sanctions on corruption, such as the publicly exposing corrupt officials by the 'naming and shaming', which could have a positive effect on either electoral accountability or on how an individual may be judged by society. Finally, SAcc mechanisms can also apply pressure to influence anti-corruption policymaking, including promoting transparency within the public sector.

However, there is still debate on the efficiency of SAcc based on the breadth of the claims as to what SAcc can deliver, and the lack of stronger analysis of SAcc's outcomes. In short, SAcc mechanisms are not able to control corruption by themselves. They lack 'teeth' and therefore they cannot impose direct sanctions. Although they can raise awareness of corruption, they cannot perform official investigations, judge or imprison corrupt officials. Hence, SAcc mechanisms are conditioned by the capacity of control agencies to respond to citizens' needs to have a direct impact on the control of corruption. This section reviews both positions: how SAcc can help in controlling corruption, and its limitations and challenges in accomplishing such an objective.

3.3.1 How can Social Accountability Help to Control Corruption?

As stated in Section 3.2.1, SAcc mechanisms seek to expose governmental wrongdoing and denounce administrative corruption (Peruzzotti and Smulovitz, 2000; 2002; Malena, 2004). Society's policing capacity is key to detecting corruption. By monitoring public officials, civil society can detect corruption cases that may not otherwise have been discovered by control agencies. As already stated, unlike control agencies, civil society can be present virtually everywhere to monitor the actions of the public sector. The limited field of action of control agencies makes it almost impossible for them to watch

over the whole State apparatus (Ackerman, 2005). In this sense, the capacity of SAcc mechanisms to detect corruption should be viewed from two different angles: **substituting horizontal agencies** or **activating horizontal agencies**. In the former, SAcc initiatives should be able to detect and impose sanctions against corrupt civil servants in order to be effective. Additionally, the substitution of horizontal agencies implies that civil society will monitor the State and hold public officials accountable by exposing their wrongdoings (Jenkins and Goetz, 1999). Since civil society cannot enforce the law, sanctions against corruption may only be 'indirect'. By exposing corruption, civil society can affect the reputation of a public official by 'naming and shaming' him (Della Porta, 2017). Assigning liability publicly in this way may force, for example, an official to quit his/her position. Moreover, if the official is an elected figure, reputational damage through scandals could affect their chances at an election.

One example of how this 'indirect' sanctions work happened after the release of the Panama Papers[50] on April 3, 2016. The leak of information exposed several authorities around the globe of having offshore companies in tax havens. One of them was Iceland's former Prime Minister, Sigmundur Gunnlaugsson. It was found that his wife had an offshore company (Gunnlaugsson himself was also the owner of this company but sold his share for US$1 to his wife) which she used to sheltered offshore, causing public outrage (*The Guardian*, April 5, 2016). Protests began the next day, demanding his resignation. Public pressure was high: between 10,000 and 15,000 people protested in front of the parliament – some sources claim the number to be up to 23,000 – in a country of 340,000 citizens. After two days of massive protests, on April 5, Gunnlaugsson stepped aside from power. In this case, civil society was able to indirectly sanction the prime minister by forcing him out of office. One key feature to highlight in these actions is that they require large-scale mobilisation and people-pressure to work. Small protests with no media impact, for example, are less likely to have an effect on sanctioning someone.

On the other hand, SAcc initiatives may also pursue sanctions indirectly by **activating horizontal agencies** (Schatz, 2013). Monitoring or policing initiatives of may be

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[50] The Panama Papers were an unprecedented leak of 11.5 million files from the database of the world's fourth biggest offshore law firm, Mossack Fonseca. The documents show the myriad ways in which the rich can exploit secretive offshore tax regimes. Among 143 politicians listed, there are 12 national leaders whose families and close associates from around the world are known to have been using offshore tax havens (*The Guardian*, Apr 5, 2016. "What are the Panama Papers? A guide to history's biggest data leak.")

conducted by different mechanisms, from un-institutionalised- to fully institutionalised SAcc mechanisms. Their objective would be to monitor public affairs, and if there were any indication of corruption, SAcc initiatives would sound the alarm and activate the horizontal agencies. Horizontal agencies would investigate the alleged acts of corruption, and then the respective institution (horizontal agencies or the judiciary) would sanction the corrupt acts accordingly (Della Porta, 2017). The citizen report cards initiative in Bangalore, mentioned above, was not only useful in improving public services, but also in reducing corruption. First, its results forced the government to make legal reforms to public agencies, reducing opportunities for corruption. Second, information gathered and exposed by the citizen report cards alerted the ombudsman, who effectively investigated and prosecuted corrupt officials (Bhatnagar et al., 2007).

These last examples show SAcc's sanctioning capacity; however, they do not reveal the preventive capacity offered by these mechanisms. SAcc may also help to prevent corruption, either by acting as a deterrent to powerholders who would commit an act of corruption, or by demanding the implementation of norms for fighting corruption. When monitoring and policing, civil society does not always find signs of corruption during their investigations, either because corrupt acts were not actually committed or because there were specific factors that did not allow them to achieve their objectives. Nevertheless, the preventive feature of SAcc lies in civil society's presence in the control of public processes. "Since society is everywhere, it doesn't even have to act in all cases to make its presence felt. The mere threat that society might sound the alarm [to alert control agencies] or respond in other more disruptive ways is often enough to control public servants" (Ackerman, 2005, p. 11).

SAcc may also prevent corruption by using observation to foster transparency in such processes (Iglesias, 2016). For example, Uganda was the first country to use PETS in the education system in 1996. This mechanism was implemented to identify if public money destined for education was reaching the schools (Reinikka and Smith, 2004). In 1995, only 24% of the yearly grant from the central government reached schools; by 2001, after the implementation of PETS, over 80% of the money was reaching the schools (Reinikka and Svenson, 2005). In that case, and in that specific context, PETS was able to influence the level of efficiency of a public policy aiming to improve education in Uganda. Nonetheless, as will be explained in the following section, it cannot be

assumed that PETS (or other initiatives) will automatically have the same results elsewhere.

Additionally, SAcc initiatives may help to prevent corruption by demanding the government to establish and promote an improved anti-corruption framework, including effective freedom of information acts, strong anti-corruption legislation, the creation of an ombudsman to field citizens' claims, or the creation of control agencies. Furthermore, civil society may "participate directly in policy formation and implementation in an effort to mitigate corruption and clientelism" (Grimes, 2008, p. 4). This policy formation may include increasing transparency, creating control agencies, promoting citizen oversight or improving services (Della Porta, 2017).

Preventive campaigns to raise awareness among civil society about the problem of corruption are other ways in which SAcc may be used to help avert corruption. For example, the Mexican initiative 'Dejemos de Hacernos Pendejos' (DHP) started in 2008 as an initiative to raise awareness among civil society regarding its responsibility in fighting corruption. DHP aimed to "break the cultural paradigm of complicity, so that society rejects corruption, apathy, and irresponsibility" (Beyerle, 2014, p. 232). Additionally, it aimed to empower citizens so that they would engage in SAcc initiatives to hold those in power accountable. DHP was able to unite several thousands of supporters to engage in initiatives to oversee Congress and to continue raising awareness of corruption within civil society. Another example demonstrating that citizen-led movements can help to create a new framework and a new culture of accountability is the case of the right to information movement in India that gave birth – as Gaventa and Barret (2010) state – to one of the strongest right to information laws in the world.

Furthermore, SAcc may also help to prevent corruption by rewarding honest politicians and public officials. By having society monitor politicians and public officials' performance, these public figures may gain in credibility and recognition among their respective communities. Hence, this could be motivation for using and strengthening SAcc, thus promoting a 'cleaner' environment (Malena et al., 2004).

3.3.2 Limitations and Challenges of Social Accountability

Although SAcc mechanisms can have a positive influence on controlling and monitoring the public sector, they are not a panacea to holding the State accountable for its actions. As Bukenya et al. (2012) state, "Social accountability interventions are clearly neither a magic bullet nor a generalised failure, which reflects the current contested nature of debates over social accountability" (p. 13). Studies on the topic, although increasing, are still limited. Furthermore, there is a bias towards reporting only successful cases (Schatz, 2013). The analysis of SAcc's effectiveness in controlling corruption is still challenging. One of the reasons for biased studies may be because many SAcc initiatives are funded by development agencies, and, therefore, the need for programmes to keep receiving economic support may lead to hiding failed initiatives or overstating positive results (ibid.). Nevertheless, there are some helpful comparative research (Fox, 2015; Bukenya et al., 2012; Gaventa and McGee, 2010; Ackerman, 2005; Schatz, 2013; Della Porta, 2017, O'Meally, 2013; Richards, 2006, among others) that shed(s) light on the topic.[51]

Another challenge in the study of SAcc is the problem of measuring impact. Again, the lack of accurate measurements for corruption limits the capacity of evaluating the impact of SAcc initiatives in curbing corruption. Nevertheless, several studies – such as Reinikka and Svenson (2005) – have shown positive results for curbing corruption from SAcc initiatives. On the other hand, some studies, such as Olken (2007) and Sundet (2008), show that SAcc initiatives may have little or no impact on reducing corruption. Olken's (2007) study on Indonesia's Kecamatan Development Programme (KDP) programme is probably the largest initiative where SAcc had little impact.[52]

Furthermore, some SAcc initiatives may take a longer time to start showing results in curbing corruption, such as the case of the citizen report cards in Bangalore, India, cited above. This initiative was successful in both improving services and reducing bribes

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[51] For instance, one of the few quantitative studies analysing SAcc initiatives is by Bukenya et al. (2012). The authors analyse 91 initiatives to determine how context shapes the potential effectiveness of SAcc initiatives. The study divided the analysed initiatives into the categories of "success", "partial success", and "failed". The study identified the factors that influenced the final outcomes. These factors will be discussed in Section 4.

[52] The study analysed the effect of SAcc (Olken uses "grassroots participation") and classic accountability (government audits) in over 600 village road projects. Results showed that SAcc had little impact due to free-riding and capture-by-elites, while governmental audits helped to reduce leakages by 8%. Still, Fox (2015) challenges the conclusion that SAcc had no impact on the results. Although community monitoring had little impact on corruption, "it was mainly the threat of community responses to the promised local dissemination of the findings that gave the audits the clout to reduce corruption" (p. 14). Therefore, the top-down and bottom-up approaches were complementary rather than mutually exclusive.

(Wagle and Shah, 2003; Paul, 2004 in Schatz, 2013). The citizen report cards consisted of three surveys (in 1994, 1999 and 2003). The surveys aimed to gather the opinions of citizens regarding the public services they received, including requesting and paying bribes. This started as a citizen initiative, but the mechanism became institutionalised in 2000 with the creation of the Bangalore Agenda Task Force (BATF). It was following the initiative's institutionalisation that a reduction in corruption was identified (Schatz, 2013). Positive effects were achieved by activating horizontal agencies, but it was only after the change in context and several years later that the initiative had an effect on reducing corruption.

However, although civil society has an almost universal reach, it is not as active as it could be. In Ackerman's words, "it is often quite dormant and apathetic. Indeed, the capacity of onlookers to not intervene to resolve problems is well known, particularly in highly modernised, urban areas" (Ackerman, 2005, p. 11). Free riding is a common problem, especially among citizens who do not perceive that their contribution will make a big difference to the outcome (Fuentes, 2006). Additionally, Philp (2001) states that no individual or group is sufficient attracted to investing time and effort in accountability unless the conditions allow them to pursue their interests (p. 371). Przeworski (2006) argues likewise by highlighting that, for instance, NGOs have their own particular interests, and they will, most likely, be prioritised over public interest.

Active participation is also influenced by the fear of reprisals from exposed officials, or what Fox (2015) calls the "fear factor" (p. 27). Thus, it becomes challenging to actually involve civil society in SAcc initiatives. Where corruption is high, participation and whistleblowing can have high costs. On the other hand, where corruption is not common, there is less need for citizen participation (Ackerman, 2005). When analysing the case of the PB in Tungurahua (Chapter 7), interviewees highlighted the lack of citizen motivation to participate in that type of mechanism due to their prioritising their basic interests (I. Altamirano, personal interview, 29 Nov. 2016; Y. Granda, personal interview, 28 Nov. 2016; F. Cevallos, personal interview, 06 Feb. 2017; J. Lavin, personal interview, 07 Feb. 2017). Hence, I concur with Philp's (2001) statement about the conditions needed to enhance citizen engagement. If basic needs are not satisfied, it is difficult for citizens to spare extra time to focus on other activities.

With regards to the institutionalisation of SAcc, as explained above, it is desirable that it be embedded in law, as long as this helps to protect citizens and to guarantee the right to hold the State accountable. Ackerman's (2005) third level of SAcc institutionalisation, explained above, describes the benefits that a legal framework protecting SAcc can have for citizens. However, he warns that there is such a thing as the 'over-institutionalisation' of SAcc. When SAcc initiatives are institutionalised, there is a risk that they may become may be co-opted by the State. In this context, as will be in the Ecuadorian case, the SAcc legal and institutional framework could be a case of "State capture" or State-sponsored undermining of SAcc mechanisms.

In the case of the former, there is a risk that the State, or the private sector through its influence on the State, may create a regulatory framework that is favourable to its interests. State capture refers to groups' in both the private and public sectors shaping the formation of the basic rules of the game, or using the existing ones, in order to influence laws, regulations and other government policies to their own advantage, creating a framework that benefits those in power – not necessarily economically[53]. In this specific case, the State – through political actors and policymakers – can create a regulatory framework that allows it to maintain control of social accountability, so that it can be used as a means of political legitimation on the one hand, or that prevents its political opponents from participating freely on the other.

In the second case, the State can exert pressure to boycott the SAcc system so that it does not work as it should. This can occur by delegitimising citizen actors who carry out, for example, investigations into public processes. Moreover, SAcc mechanisms may be used without the "genuine engagement" described above, necessary for SAcc to exist. In this vein, unauthentic citizen participation could be used to legitimise State actions on the basis of a clientelistic relationship. Additionally, pressure can be applied to both control agencies and the judiciary so that horizontal accountability cannot be triggered and, thus, undermine any citizen action against the State, fostering impunity in the process. It is important to relate this to our discussion in the previous chapter: impunity

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[53] Author's own concept, derived from Rothstein and Varraich, 2017; Grzymala-Brusse, 2008; Hellman et al., 2000; World Bank, 2000.

leads to a lack of trust among citizens in their institutions; therefore, the corruption cycle continues.

Furthermore, the State does not represent the only risk – the over-institutionalisation of SAcc mechanisms can also create a new 'elite'. This 'elite' may claim to act for the people, although they lack legitimacy or do not have a real social base to actually represent civil society. Moreover, over-institutionalisation may be related to over-representation in SAcc initiatives, which is another criticism. The fact that minorities may have a preponderant influence in demanding specific actions could lead to over-representation that, in turn, may go against the general interest (e.g., elites making specific demands on fiscal policymaking to pay fewer taxes). As Przeworski (2006) claims, SAcc "offers access to the political system to those who have resources to organise and promote their interests" (p. 330). Finally, another problem mentioned above is the lack of inclusiveness in the participation process. Not only is there a lack of trust among public officers towards citizens who are not publicly aligned with government authorities, but there is also the feeling among the bureaucracy that citizens' lack of technical knowledge of processes only slows down or impedes the accomplishment of goals set by the public sector (Halachmi and Holzer, 2010).

One of the foremost criticisms of SAcc is based on its lack of 'teeth'. In other words, SAcc may be a weak mechanism for controlling corruption or demanding effective public service delivery, since it has no real force, with which to impose sanctions (Schedler, 1999 in Peruzzotti and Smulovitz, 2002; Fox, 2015). In the same vein, it is important to state that, in the Ecuadorian context, SAcc can only hold informal investigations, that are not binding, and so can only raise awareness of potential corruption. Any findings would need to be re-investigated by formal control agencies. Furthermore, as stated above, SAcc needs to activate horizontal agencies that do have 'teeth' in order to impose sanctions for corruption. For SAcc, "[having] teeth is most usefully understood as governmental capacity to respond to voice" (Fox, 2015, p. 28). This feature is highly relevant to understanding why this research has chosen to focus on SAcc as a process that can trigger horizontal accountability. It is important to reiterate that "accountability without sanctions is no accountability at all"; thus, paraphrasing Fox, citizens have 'voice', but they lack 'teeth' to bite, which can only be supplied by horizontal accountability. As a consequence, any SAcc analytical framework would need to

consider these limitations and acknowledge the need to have control agencies as a key feature of social accountability, if the aim is to control corruption.

3.4 Building an Analytical Framework: How do Social Accountability Initiatives Work?

So far, this chapter has focused on the literature about the aims of SAcc and the arguments as to how it can help to control corruption. The following section will discuss how SAcc works. Different authors and policymakers have described the basic 'building blocks' of SAcc. However, new analytical trends highlight the complexity of SAcc initiatives, by considering the importance of internal and external factors in influencing their outcomes. Moreover, the complexity of the relationship between the different actors involved in SAcc is also analysed. Following this, a new analytical framework will be proposed for analysing the case studies in Ecuador.

Elements of Social Accountability Mechanisms

While there are many types of SAcc mechanisms, certain authors and policymakers (Malena et al., 2004; Peruzzotti and Smulovitz, 2000; UNDP, 2013; World Bank, 2007) agree that there are several core elements that are common to most approaches. The following graph (Figure 3) synthesises these main points.[54]

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[54] It is important to clarify that the graph is presented as a cycle, considering institutionalised SAcc mechanisms. However, it works as a linear strategy in the case of *ad hoc* initiatives.
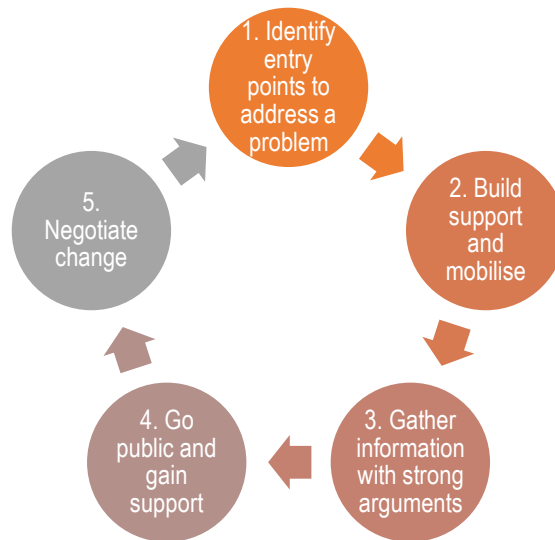
Figure 3. Core Steps of SAcc

The first step, as in any targeted problem, is planning how to undertake the SAcc initiative, depending on its specific features. This includes identifying the problem in need of a solution, the objectives pursued, and the type of mechanism that could fulfil those objectives (Malena et al., 2004). The next step is to strengthen the initiative by raising the awareness of citizens, assembling networks and coalitions, and building confidence and capacity for engagement. Depending on the characteristics of the action, it is important to build it with both the government and society. Government officials need to be trained to work with society and social actors to work with the government. Third, in order for a SAcc initiative to be successful, there exists a basic need to gather and analyse useful information to prove the need for, or achieve, the set goals.

Beyond this information-gathering stage, civilians in the SAcc initiative would have to go public and try to win public opinion and support. This can work as strong leverage when the time comes to seek a policy change or to enforce the law. This can be achieved by:

- Using the media: SAcc mechanisms usually rely on the impact they can make on public opinion, which is why they rely on the media to support and publicise what the initiative is doing or has found.
- The judicial strategy: This employs existing institutional tools to demand that the law be enforced, by using a legal claim.
- Social mobilisation: Protests are another way to attract public opinion and call the attention of the authorities to the matter at hand.
(Source: Peruzzotti and Smulovitz, 2002)

Finally, the last step is to work towards the planned goals by negotiating with public officials either for a change to a specific policy or the enforcement of the law when corruption has been detected.

The core elements, although helpful in understanding the basic process of SAcc initiatives, fail to include the importance of considering both context and internal factors in building a strategy for a SAcc initiative: "Context is crucial […] Impact depends not only on internal effectiveness, but also on the initiative's interaction with the context in which it unfolds" (Gaventa and McGee, 2013, p. 24). As has been stated, there is no one-size-fits-all solution to solve the different problems that may be tackled by SAcc (Bukenya et al., 2012). Therefore, it is important to highlight that a successful SAcc initiative in one place will not necessarily work elsewhere. For instance, the previously cited case of PETS in Uganda (Reinikka and Svenson, 2005) remains an iconic SAcc case. Its overwhelming success invited others to try to replicate the same system. The PETS initiative was replicated in Tanzania in 1999 in the education and health sectors (Sundet, 2008) but, unlike in the case of Uganda, the outcomes were not as successful. Although the surveys found that public money assigned to education and health was being diverted, there was no action from the government to solve the problem. Moreover, the lack of strong citizen involvement meant that the government's hand was not forced (Schatz, 2013). This example reflects the importance of considering the different factors (in this case, the external factors) before beginning a new SAcc initiative (Sundet, 2008).

3.4.1 Internal and External Factors Influencing Social Accountability

As pointed out, to grasp why a successful SAcc initiative or project cannot always be replicated, it is important to understand that different conditions or factors may be decisive in the success or failure of a SAcc initiative. These factors can be categorised as either internal or external to the project itself. Internal factors are conditions within a SAcc initiative, such as the strategy used or the skills of citizens leading and participating in the initiative. On the other hand, external factors are conditions beyond the control of the initiative, such as the political, economic, social and legal contexts; access to public information; and incentives or motivations for authorities to support the scheme. In order to replicate or to create a new successful SAcc initiative, both internal and external

factors should be considered (Chene, 2012). Identifying these factors requires special attention from scholars and public policymakers.

SAcc initiatives have a better chance of achieving their objectives if they are designed in a manner that allows them to circumvent the difficulties they could face. For example, if the State does not respond to the claims of the poor, an appropriate strategy could be engaging middle and upper-class citizens in the initiatives, as in the Assembly of the Poor in Thailand (Baker, 2000). Thus, special attention must be paid to the internal factors that drive the initiative. This may be done while planning the strategy for the SAcc initiative. Evidence (Richards, 2006) suggests that the design of a scheme should be flexible in order to achieve its objectives, as SAcc initiatives may need to evolve depending on the circumstances at the time (ibid.). As has been stated above, when considering replicating an initiative, it is essential to consider its adaptability to local conditions, vis-à-vis successful experiences or best practices achieved by others, as often as necessary. While creating the strategy for a SAcc initiative, it should be acknowledged that there is no one-size-fits-all solution and that background matters. However, replicated experiences are rarely reviewed, nor are they adapted to different times, places and circumstances (Woolcock, 2013). Hence, as the example of Uganda and Tanzania shows, a successful initiative in one context may not necessarily work in another.

Furthermore, it is important to take into account the human resources, skills and competencies available to the initiative. It would appear critical that the people working on any given SAcc scheme have the skills required to perform and reach the objectives set (Chene, 2012). Different SAcc mechanisms require different skills; therefore, it is crucial that participating members either possess those skills or receive training to implement the initiative. Moreover, participants should have the capacity to sustain a SAcc initiative economically, and the ability to respond to the amount of work that it requires (Carlitz, 2010). The final factor to consider is the legitimacy of the people leading the initiative to represent civil society's best interests. SAcc schemes appear to have a better chance of succeeding when the leading actors are seen as locally authoritative, legitimate, and credible by all concerned (O'Meally, 2013).

With respect to external factors, a consensus seems to have been reached among scholars that context may shape the outcomes of a SAcc initiative. Critics point to the

lack of consideration of context, especially in developing countries, and the attempts to replicate good practices without adapting initiatives to local realities (Woolcock, 2013). Despite evidence that their success is highly dependent on the political, social, economic and institutional landscape, many SAcc promoters do not take this into account (Hickey and King, 2016). As a consequence, different authors have tried to show which external factors can have such an influence (O'Meally, 2013; Hickey and King, 2016; Chene, 2012; Bukenya et al., 2012; Fox, 2015; Grandvoinnet et al., 2015; McGee and Gaventa, 2013; Goetz and Gaventa, 2001; Richards, 2006; Lambert-Mogiliansky, 2015; Ackerman, 2005; Malena et al., 2004, among others). Theoretical insights suggest that effectiveness will depend on whether the SAcc mechanism is aligned with existing local accountability frameworks as well as to the specific social and political environment (Ackerman, 2005; Goetz and Gaventa, 2001).

Several contextual factors may influence the outcome of a SAcc initiative, as suggested by the literature. Although the ones given below are not exhaustive, they are the most-frequently named factors in the literature cited above. The **political context** is related to the political system of a country, the determination and capacity to foster and help SAcc initiatives, and the political awareness of problems. The **political system** refers to the type of government in any given country, including the stability of the system, and the existence and role of political parties in SAcc. More democratic environments are more likely to positively influence a SAcc initiative than an authoritarian context. Nevertheless, democracy des not of itself guarantee the success of an initiative (O'Meally, 2013). It is also essential to analyse how the system allows civil society to be included in the accountability process.

Without commitment and genuine efforts by all levels of government to address and solve the corruption problem, any SAcc initiative will find it hard to achieve its objectives (Richards, 2006). Corbridge et al. (2005) "reveal how bureaucrats and politicians with vested interests in maintaining the status quo actively sabotaged new [SAcc initiatives]" (in Hickey and King, 2016, p. 3). Hence, in some contexts, SAcc initiatives may achieve different objectives, as long as those objectives are aligned with those of the powerholders. Political will was key in the implementation and impact of participatory budgeting in Porto Alegre, with the Workers' Party fostering the initiative's success. Participatory budgeting has been replicated in different contexts at different moments, and not all of them have had success, due to lack of support from authorities in its

implementation (Gaventa and McGee, 2013, p. 24). Another important factor to be considered is the **State's capacity** to attend to and fulfil civil society's requests or needs (O'Meally, 2013; Grandvoinnet et al., 2015). Finally, governmental awareness of a problem is another factor of influence; Grandvoinnet et al. (2015) define this as **State awareness**.

The **economic context** includes two factors to be considered: **economic growth** and **income inequality**. According to Bukenya et al. (2012), economic inequality may influence the outcome of SAcc initiatives, since it could lead to a division between classes and the segregation of socially excluded groups. Moreover, citizens' capacity for collective action is influenced by their levels of income and education.

The **social context** includes, first, the **level of participation** within the community or the country where an initiative was held. A second factor is citizens' **perception of corruption** (Chene, 2012). Some authors claim that, in order for SAcc to work, citizens "must first have a sense of the severity of the corruption problem", which depends on the degree to which they are politically informed (Arnold, 2012, p. 86). Similarly, Kuppens (2014) suggests that one of the reasons for the rise of civil society involvement is the perception of the inefficiency of public services. Third, the existence of **independent media** should be analysed. It has been suggested that having an independent media is a factor that may influence the outcome of SAcc initiatives (Richards, 2006; Gaventa and McGee, 2013; Chene, 2012; Malena et al., 2004).

Moreover, such schemes need to consider the **legal context** in which they will be developed. This includes the legal framework and mechanisms to encourage participation among civil society and NGOs in efforts to prevent corruption. This legal framework should also consider the existence of mechanisms that enable civil society and NGOs to participate in the monitoring of public administration, in order to prevent, detect, and sanction acts of public corruption. Additionally, there should be mechanisms that regulate and facilitate the **access of civil society and NGOs to information** under the control of public institutions, based on the precept that the possibility of obtaining this information is a crucial element for the success of a SAcc initiative (Chene, 2012; Malena et al., 2004; Bukenya et al., 2012). Lacking **access to information and transparency** could lead to a failed mechanism for controlling governmental behaviour. However, McGee and Gaventa (2011) rightly state that "transparency is a necessary but insufficient

condition for accountability". Ackerman (2004) too argues that transparency is not enough for SAcc mechanisms to be successful; it is also necessary that governments stimulate the participation of society. Without this inclusiveness, there is the chance that the most vulnerable sections of society will not engage in these initiatives. This is because participation is often captured by elites (by NGOs, media, academics or civilians with influence and adequate economic support to run the initiatives) (O'Meally, 2013).

Furthermore, alongside encouragement from the government to participate, there should be an **environment that reduces the fear of reprisals**, so citizens can actually use the information gathered for the purposes of accountability (Fox, 2015). It is important to highlight this last point; citizens will not be keen to act if they do not feel the gains will be higher than the costs of doing so.

Furthermore, in the **legal context**, the **level of institutionalisation** of SAcc should be evaluated. As stated above, most SAcc initiatives arise in an *ad hoc* fashion and respond to specific situations. The level of institutionalisation refers to the institutionalisation of SAcc initiatives in law or how embedded they are in the structure of the State. This factor has helped SAcc mechanisms to be effective over the long term (Ackerman, 2005; Malena, 2004) and, thus, when long-term objectives are pursued, SAcc mechanisms should be institutionalised. SAcc mechanisms can be included in the strategic plans of governmental institutions, by which institutions are required to consult or engage with civil society about their actions. Additionally, government agencies that promote citizen participation or build links with civil society can be created. Moreover, in order to avoid depending on the good will of individual bureaucrats, mechanisms should seek legal support (Ackerman, 2005, p. 17). As the third option is the most difficult to achieve, since it depends on several political actors, it may be helpful to involve political parties and the legislature in order to institutionalise the mechanism by law. Briefly, conditions should be such that SAcc mechanisms can be institutionalised if needed. Lastly, **freedom of speech** (*de facto* and *de jure*) and freedom of assembly (*de facto* and *de jure*) are also recognised as factors that may influence the outcome of SAcc initiatives (Gaventa and McGee, 2013; Chene, 2012; Malena et al., 2004).

As well as the legal context, the **institutional framework** may exert a keen influence on a SAcc initiative. As will be seen in the case of Ecuador, the existence and competences of pro-accountability agencies and oversight bodies or institutions in charge of

preventing, detecting, punishing, and eradicating corrupt acts may set different rules for SAcc to occur. They may also guarantee different rights to participation and foster SAcc. On the other hand, the institutional framework may also undermine the efficiency of SAcc mechanisms. This framework can be designed so that citizens are included but without a real voice, in order to legitimise State actions. As stated, there is a risk that SAcc may be captured by the State. When this happens, SAcc is bound to fail. As Andrews (2003) concluded in his research, "No 'accountability effect' was in evidence in cases when voice mechanisms failed to facilitate the influential expression of civic voice" (in Beyerle, 2014, p. 270). Additionally, as part of the institutional framework, it is important to analyse the efficiency of control agencies' responses to citizens' warnings. If there is no State capacity to investigate and sanction corruption, SAcc initiatives become useless in achieving their main purpose, holding the State accountable. This last feature will be pivotal in the analysis of the cases at hand.

3.4.2 Analytical Framework to Explain How Social Accountability Works in Controlling Corruption

In order to build an analytical framework, it is important to review the different perspectives on how SAcc works and how it is affected by both internal and external factors. This section will synthesise the different frameworks that seek to explain SAcc, and will then propose a framework accounting for how SAcc works in controlling corruption in Ecuador.

The most concrete studies related to the importance of context in SAcc (O'Meally, 2013; Bukenya et al., 2012; Hickey and King, 2016; Joshi, 2014; Grandvoinnet et al., 2015) have endeavoured to explain how different external factors interact with SAcc initiatives. Conclusions from these studies tend to agree on the importance not only of focusing on different factors that influence the initiative, but also on the relationships between the main SAcc actors. These approaches aim to go beyond a technical view of SAcc in which the State and civil society are seen to be on opposing sides: the principals (civil society) on one side, aiming to achieve compliance from the agents (powerholders) on the other. "Governance challenges are not fundamentally about one set of people getting another set of people to behave better. They are about both sets of people finding ways of being able to act collectively in their own best interests" (Booth, 2012, p. 11 in O'Meally, 2013). Thus, these conclusions are aligned with the new trend of understanding 'Accountability

2.0' (Joshi, 2017b) as a process where not only the relationship between the State and civil society is taken into consideration, but where the many other actors involved in SAcc are also acknowledged, and where the relationships between those actors matter as well.

Turning again to the studies, while Bukenya et al. (2012), and Hickey and King (2016), use a quantitative methodology to identify the main factors that influence a SAcc initiative, O'Meally (2013) mainly aims to create a context-oriented theory of change for new SAcc initiatives. The influence that context exerts over SAcc requires special attention when planning a new initiative; again, we highlight the importance of designing strategies in a less generalised manner, but rather on a case-by-case basis or as a best-fit mechanism. However, it is important to emphasise that not all factors are present or exert influence on every SAcc initiative. For that reason, when analysing past or ongoing schemes, there is a need for an analytical framework that allows both external and internal elements, that have influenced a specific SAcc project, to be highlighted.

The studies made by O'Meally (2013), and Hickey and King (2016), divide these factors into different groups or domains: civil society, political society, State-society relations, intra-society relations (inequality and exclusion), and global dimensions. Additionally, O'Meally includes inter-elite relations and the interaction of the SAcc initiative with pro-accountability and anti-accountability networks. Analysing these domains can be a good starting point when planning a SAcc initiative. O'Meally's research proposes a "context-sensitive theory of change" that can help practitioners to generate better citizen-led accountability initiatives. This study is important because it brings together a large part of the academic research generated up to its publication. Therefore, this research forms a direct bridge between the academy and practitioners or policymakers. Rooted in practical cases, it takes into account the importance of analysing context in SAcc.

Grandvoinnet et al. (2015), based on O'Meally (2013) and Bukenya et al. (2012), develop an analytical framework for designing, implementing, monitoring, and evaluating SAcc, to account for a broad range of contextual factors (Figure 4): the **dynamics** at play, as well as the internal factors in a SAcc intervention. The framework was built on the premise that SAcc outcomes result from an iterative engagement between a broad socio-political context and elements of the initiative (Bukenya et al., 2012). Moreover, it takes into account the characteristics and dynamics (as in O'Meally, 2013, and Bukenya et al.,

2012) of civil society and the State. The framework consists of an assessment of 'the five constitutive elements of social accountability' or macro-factors.[55] These elements are 'State action', 'citizen action', 'assessing supporting drivers of 'information', 'State-citizen interface' and 'social mobilisation'. The five constitutive elements of SAcc "respond to variable drivers that can take different shapes to influence specific paths" (Grandvoinnet et al., 2015, p. 118). Thus, these drivers seek to show how SAcc initiatives can be influenced by different factors. These elements are not independent; they influence each other. Graph 2 explains the interaction between the elements of SAcc.
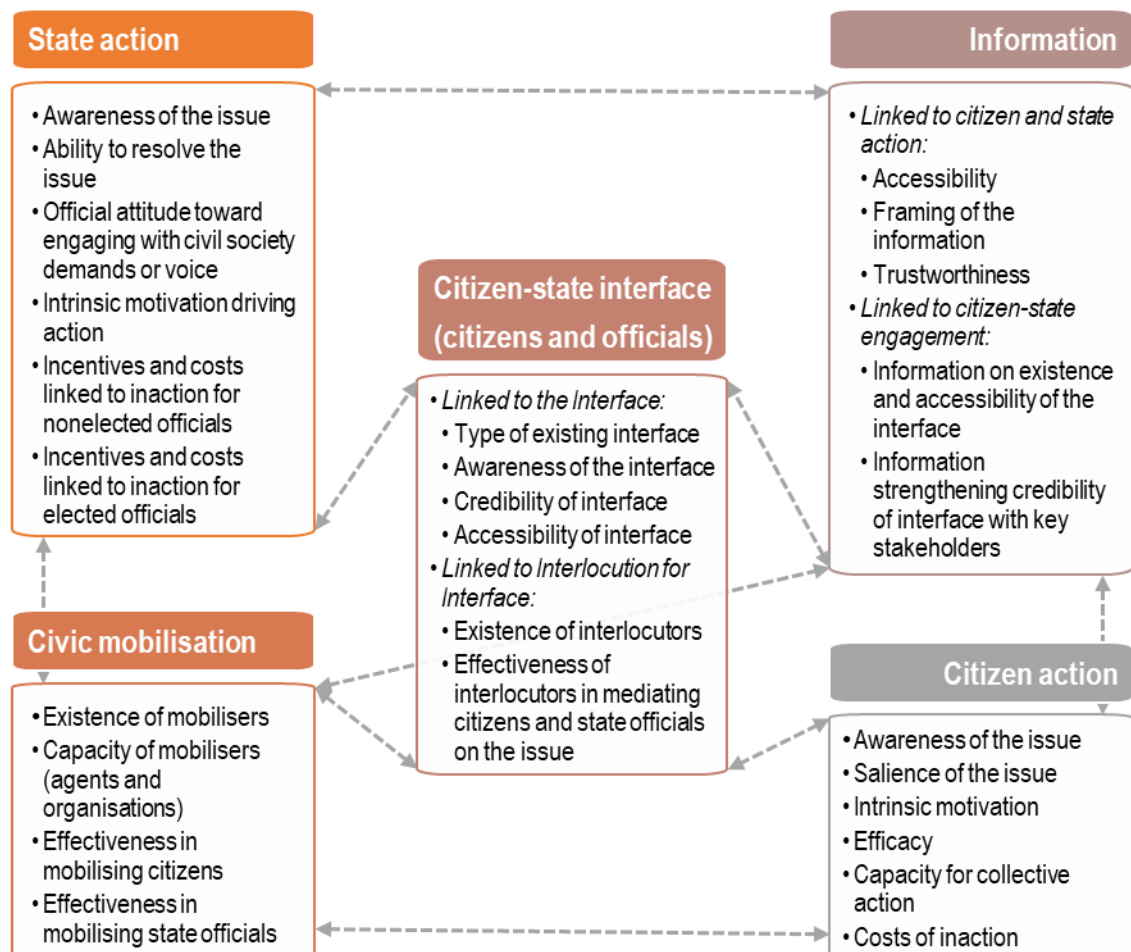
Figure 4. Social Accountability Analytical Framework and Contextual Drivers (Source: Grandvoinnet et al., 2015)

Citizen action refers to the different contextual factors that can influence the capabilities or willingness of citizens to create a successful SAcc initiative. Along these lines, Grandvoinnet et al. (2015) state that these factors include the efficacy or the perception

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[55] These macro-factors contain their own specific factors.

of citizen agency to bring about change, the ability to take advantage of the socio-political context, and the understanding of the costs of, or incentives for, citizen action depending on the issue of interest. **State action** refers to a variety of factors that may condition the role of the State (broadly speaking) or official agents (explicitly speaking) in a SAcc initiative. These factors can be political will, the ability and capacity to solve the problem (of corruption, in this case), and the costs of inaction from elected and non-elected officials.

Information is an element of vital importance in SAcc. Therefore, it is crucial to know how the information flows between the State and citizens. This is related to the level of access to information, as well as to how the information is created (e.g., it is important to consider the trustworthiness of the information). The flow of information can also influence the relationship between citizens and the State, since it can build or destroy trust between both actors. Grandvoinnet et al. (2015) suggest that the **interface** is influenced by two main factors: by the nature of the interface itself (credibility, representation, awareness, accessibility) and the existence and quality of interlocutors that mediate the interaction between citizens and the state. Finally, **civil mobilisation** refers to the existence, capacity and effectiveness of agents and organisations to mobilise both the State and citizens to engage in SAcc.

The advantage of the framework created by Grandvoinnet et al. (2015) is that it aims to explain the dynamics of all the macro-factors influencing a SAcc initiative in any context. However, the fact that it seeks to explain the whole phenomenon of SAcc makes this framework, as such, too broad to facilitate an understanding of how SAcc works in controlling corruption in Ecuador. Consequently, a new framework that aims to achieve that objective is proposed in this thesis (

Figure 5).

The proposed framework arises from a dialogue between the literature analysed in this chapter and my research process (as a whole). The debates on the importance of internal and external factors made me aware of the different influences on which a SAcc initiative is sensitive. My proposed framework is not intended to be antagonistic to the ones proposed before but to be synergistic or complementary. Ridder et al. (2014) point out: "the strong emphasis on seeking complementarities helps to capitalize on and

accumulate existing knowledge, allowing researchers to elaborate a phenomenon in greater detail" (p. 381). In this way, the proposed framework aims to complement those already examined by focusing on more specific details, specifically SAcc as an approach to controlling corruption. The dynamics set out in my framework are also informed by the analysis of the case studies selected for this research. Moreover, the proposed framework is conceived from the specificities of the Ecuadorian context, such as the level of institutionalisation of SAcc, and the legal and institutional SAcc and anti-corruption framework.

As will be analysed and explained in Chapters 4 and 5, Ecuador represents a case where SAcc is well institutionalised. Recalling the three levels of institutionalisation proposed by Ackerman (2005), SAcc in Ecuador is at the third (and higher) level. Furthermore, SAcc is not only embedded in law, but is even guaranteed at the constitutional level. Additionally, different institutions have been created to help citizens in holding their authorities accountable. Hence, the legal and institutional SAcc and anti-corruption framework in Ecuador has been conceived, in theory, to promote the complementarity of citizens and control agencies. In this sense, there are three stakeholders involved in SAcc and controlling corruption: the State, control agencies and citizens. Each has its own repertoire of actions and factors of influence that are key for SAcc to work in a context where the legal and institutional frameworks are favourable to its functioning.

Interrelationship and factors between actors for functional social accountability

- Control Actions

Control Agencies
Incentives & Capacity

- Guarantees rights of participation
- Gives technical support to citizens
- Capacity to respond to citizens needs

- Elaborates/provides information

State
Incentives & Capacity

Social Accountability Initiatives

- Political motivation to support SAcc
- Elaborate/Provide understandable and reliable information
- Relation State-Citizens (Social contract)
- Capacity to respond to citizens needs

- Complement Control Actions
- Report findings (sound the alarm)

- Access to information
- Analysis of information

Citizens
Skills & Conditions

Figure 5. Interrelationship and Factors between Actors for a Functioning SAcc.

There are two basic assumptions within this framework. First, an inherent characteristic of SAcc is that it cannot happen without citizen engagement. Thus, regardless of where the SAcc initiative begins, the dynamics of the process will always have citizens as a *sine qua non* for SAcc to work. Second, information is intrinsic to the relationships between the three stakeholders. There can be no SAcc without the element of 'information'. This will have to be either provided by the state, or it will have to be generated and accessed by both citizens and control agencies.

As regards to citizens, three main factors influence a SAcc initiative: 'skills', 'capacity' and 'commitment'. 'Skills' refers to the expertise required to perform and reach the objectives set within the initiative. 'Capacity' refers to the scope to sustain a SAcc initiative economically, and the ability to respond to the amount of work required for the initiative. Finally, 'commitment' refers to the sense of duty that citizens feel, to pursue their objectives as part of a SAcc initiative. This is particularly important, since a strong level of commitment may be key to overcoming obstacles that arise in the process.

Dynamics:

Citizens-Control Agencies

Under ideal conditions, the relationship between citizens and control agencies would be one of cooperation. Control agencies would need to be vigilant that citizens' rights to participation and oversight are being respected by the State. Moreover, control agencies would need to support citizens by giving them technical support when needed (mainly in the form of training) so the latter have the elements to carry out SAcc initiatives. On the other hand, citizens complement the agencies' control actions by either aiming to prevent or detect corruption. If corruption is detected, they are supposed to 'trigger the alarm' and draw the attention of the control agencies so that they can act accordingly. In return, the control agencies would have to respond to that call and comply with their duty of efficiently investigating any anomaly and sanctioning any corruption.

Citizens-State

One of the obligations of the State is to generate information regarding its actions. Additionally, to comply with the Ecuadorian Transparency and Access of Information Law, the State is supposed to provide that information to the public. Moreover, in order to be useful, the information would have to be both understandable and reliable. Regarding citizens, they need to have access to it, or be able to generate their own reliable information, for analysis. Thus, how the exchange of information between both actors is conducted may strongly influence their relationship. Moreover, a key factor in this dynamic is the overall citizen-State relationship. This can be better understood in terms of the 'social contract'. Hickey and King (2016) point out that the social contract "refers both to the legitimacy of political rule, including the capacity of citizens to hold rulers to account, and also the pursuit of social justice as a fundamental principle of government (de Waal, 1996)" (p. 9). Furthermore, it is important to understand that "citizens" and "State" are not necessarily two actors with specific delimitations, but that within the State there may be different institutions and also different officials acting in various ways. Some may act as pro-accountability actors while others may undermine accountability processes. Hence, the relationship between citizens and the State does not follow a linear path, but it can be more complex, as discussed when we reviewed 'accountability 2.0'.

Control Agencies-State

The relationship between the control agencies and the State in SAcc can be simplified as the former holding the latter accountable, based on the inputs by citizens. This would complete the SAcc process/objective.

As far as specific factors influencing a SAcc initiative is concerned, 'incentives' and 'capacity' (of both the State and the control agencies) are the two main factors that can influence its outcomes. 'Incentives' refers to the reasons that foster both actors' engaging with citizens. This can occur by promoting, leading, or reacting favourably to a SAcc initiative. 'Capacity' refers to the capability to respond to citizens' needs, as explained above.

3.5 Conclusions

This chapter has analysed the current state of knowledge on SAcc and explained its main features as a mechanism in helping to control corruption. First, it is important to reiterate that accountability – as the basis of SAcc – seeks to control power and prevent corruption from happening. Hence, one of the main pillars of accountability is the capacity to sanction corruption. The first premise here is that 'if there are no sanctions, there is no accountability at all'. Second, and in the same vein, SAcc's ultimate aim is to hold the State accountable. Since SAcc has neither the capacity to officially investigate signs of, nor to sanction, corruption, it functions as a complement to horizontal accountability, which does have such capacities. What SAcc can do is expose corruption, raise awareness or trigger the alarm with control agencies, and point them in the direction of potentially corrupt acts. Hence, with that scope and for the purposes of this thesis, SAcc will be understood as **citizen-based initiatives, beyond voting, aiming to prevent, detect or expose corruption by holding the State accountable and seeking direct or indirect sanctions by triggering horizontal accountability.**

Third, the literature on SAcc, especially during the 2000s, signalled the need to institutionalise SAcc mechanisms in order to guarantee citizens' rights to oversee public processes. This is important in understanding the creation of the SAcc and anti-corruption framework in Ecuador, that generated a new institutionality to guarantee such rights. However, in this scenario, there is also the risk of the State's capturing SAcc, and using to legitimise its actions. Consequently, there is the risk that SAcc initiatives will fail.

Finally, recent literature on SAcc points out that its effectiveness is heavily influenced by the context where it has been applied. In this sense, several frameworks have been developed in order to explain how SAcc works and the different factors that influence the outcomes of the initiatives. Based on a dialogue between the literature and this research, a new framework to understand how SAcc works in controlling corruption in Ecuador has been proposed. The case studies that are presented in this thesis will be analysed according to this framework, specifically by comparing how the SAcc initiatives were expected to work, and how they actually evolved.

To explain this, the following chapters will engage in an in-depth analysis of SAcc and the control of corruption in Ecuador. First, Chapter 4 will discuss the political context that led Ecuador to develop its innovative SAcc and anti-corruption framework, and how it has been used, mainly at the national level. Second, Chapter 5 will explain what this

framework consists of and what its associated promises and perils. Chapters 6 and 7 will analyse the selected case studies.

Chapter 4.   The Political Context and the Role of Corruption in Ecuador: 1996–2016

The previous chapter reviewed and analysed SAcc and how it could help to control corruption. SAcc has been defined as the broad range of actions and mechanisms – beyond voting – that citizens can use to hold the State to account, either directly or indirectly. In that sense, SAcc mechanisms can either be used to prevent or detect corruption. One of the main arguments to support the need for SAcc in controlling corruption is that the State is too big for control institutions to be aware of its many wrongdoings. Hence, the involvement of citizens in holding the authorities accountable has the potential to impact on the levels of corruption in a country. Additionally, the last chapter highlighted that context matters in the outcomes of SAcc initiatives. For the purpose of this thesis, this chapter intends to introduce the case of Ecuador by analysing its political and institutional context from 1996 until 2016, and exploring the role of corruption in defining this context.

This chapter introduces the case of Ecuador by analysing its political and institutional context from 1996 until 2016 and exploring the role of corruption in defining this context. It will be divided into three different sections. The first section will cover the political and institutional crisis from 1996 until 2006. This period was characterised by political corruption scandals at the highest levels, institutional instability and the lack of legitimacy of the political class, which mobilised civil society to overthrow three elected presidents and to demand more efficient frameworks for fighting corruption.

The second section will focus on the rise of a new political movement led by Rafael Correa, which aimed to represent a 'break with the past'. This movement was able to address the social demands of the previous decade and win the presidential elections. From 2006 until 2010, Ecuador engaged in an extensive institutional reform, including the SAcc and anti-corruption framework.

Finally, the third section will cover the period from 2011 until 2016. During this time, the government of Rafael Correa reached the peak of its popularity, before facing a strengthening opposition. Moreover, evidence suggests that the SAcc and anti-corruption framework may have been used to favour executive power; these actions had a cost. The antagonism that characterised Correa's government created a polarised

scenario between the ruling party and the opposition, in which political and control institutions started to become, once again, delegitimised. This discussion leads to chapter 5, where I analyse the institutional design of the SAcc and anti-corruption framework in Ecuador.

4.1 Corruption and the De-Legitimisation of the Political Class: Political and Institutional Crisis in Ecuador from 1996–2006

This section will analyse the context from 1996 onwards, when the political instability and corruption scandals began to shake the institutionality of the country. This political and institutional crisis continued until 2006. During that time, Ecuador had eight presidents,[56] but only three of them were democratically elected. Additionally, the corruption scandals at the highest levels of government and the delegitimisation of the political class nurtured civic mobilisation in favour of institutional reforms including better control over corruption, as well as the inclusion of civil society in decision-making processes and in controlling the State. In the social sphere, the political and economic crises had repercussions resulting in the massive exodus of Ecuadorians, but also in the strengthening of social movements in their confrontations with the State.[57] These factors would become the basis for the election of a new government that promised radical change across the country in 2006.

4.1.1 Political and Institutional Crisis

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[56] This includes the three elected presidents (Abdala Bucaram 1996-1997, Jamil Mahuad 1998-2000, and Lucio Gutierrez 2002-2005). Three vice-presidents replaced the ousted presidents (Rosalia Arteaga 1997 who was Bucaram's vice-president and replaced him, although it was only for two day before Congress replaced her; Gustavo Noboa 2000-2002; and, Alfredo Palacio 2005-2006). One interim president replaced Bucaram (and Arteaga), Fabian Alarcon (1997-1998). Finally, a triumvirate took power after ousting Mahuad made up of Lucio Gutierrez, Antonio Vargas and Carlos Solorzano, which lasted less than 24 hours (January 21st, 2000).

[57] The strengthening of social movements was a process that took several decades. During the 1960s and 1970s, the strong social movements that led the citizenry in Ecuador, as across Latin America, were the unions and the peasantry. The regional conjuncture, wrapped in the ideological bipolarity of the Cold War and the alternative between dictatorships and the return to democracy, was favourable to the strengthening of these social movements. However, at the beginning of the 1990s, they lost relevance in Ecuador. Trade unionism declined "due to several factors such as the productive reorganization and the precariousness of working conditions" (Navas, 2012, p. 116). In this sense, participation evolved in the urban sphere and split across other thematic axes, such as movements to defend human rights, and the claiming of specific rights by women's movements and environmentalists. Moreover, as trust in the public sector declined, NGOs gained in strength and became an important actor for channelling social demands and resources on behalf of the poorest sectors (Garreton, 2001 in Navas, 2012).

Following four democratically elected governments after the return to democracy in 1979, Abdalá Bucaram was elected as president and assumed office on August 10, 1996. Bucaram came to power with a populist platform that drew the attention of popular sectors and social movements against the liberal agenda of his leading contender, the Christian Social Party's Jaime Nebot. However, Bucaram's popularity did not last long, and he was ousted from power on February 6, 1997, after six months in office; large-scale protests had led to the withdrawal of military support for the executive, and Congress delivered the *coup de grâce*.

According to public opinion, the reasons for the fall of his government were the increase in the price of basic services, the elimination of a gas subsidy, and the unorthodox style of Bucaram's government. Additionally, many key members of his government were guilty of several corruption scandals, which included embezzlement, nepotism and illicit enrichment (ecuadorinmediato.com, April 5, 2005; Silva, 2004). As regards President Bucaram himself, the justice system put him on trial, calling for a ten year sentence. However, the case and sentence never went anywhere because Bucaram fled to Panama. He remained there, exiled, until 2017 when, after 20 years, his sentences expired. These cases prompted the 1998 Constitution to include, the imprescriptibility of penalties for acts of corruption (Salgado, 2016).

Following Bucaram's self-exile in Panama and the appointment by Congress of Fabián Alarcón, then its presiding officer, as interim president of Ecuador,[58] a new anti-corruption framework started to take shape. The corruption scandals during the government of Bucaram left deep wounds in civil society, requiring an investigation into the defenestrated government. Consequently, a specialised commission was formed on March 4, 1997, to investigate the alleged cases of corruption that occurred during the Bucaram government. The Anticorruption Commission was created by the Executive Decree No. 107A (1997) by President Fabián Alarcón. This commission was mainly driven by social movements that advocated "the formation of an entity that institutionalised the participation of civil society in the processes of denunciation, investigation and prevention of corruption" (Silva, 2004, p. 81). However, since its creation depended on an executive decree, its existence depended directly on the decision of the president; therefore, it was vulnerable to political threats. For instance,

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[58] In an unconstitutional move, Congress overruled the right of Rosalía Arteaga, Bucaram's vice-president and president for two days after Bucaram's ousting, to assume power.

the commission denounced the case of 'Piponazgo', where up to 2,089 advisors were hired to work in Congress from 1995 until 1997 – but effectively without pay. The 'Piponazgo' happened when Fabián Alarcón was the president of the Congress. Following the accusation, when he was already interim president of the country, Alarcón threatened that the Commission would be dissolved for "having exceeded its functions" (HOY, 1999, March 21). This threat highlighted the need for an institutionalised Anticorruption Commission that could act without fear of reprisal.

At the end of 1997, a constituent assembly was convened to prepare a constitution for the following year, to replace the one in force since 1978. The 1998 Constitution reflected progress in the area of citizen participation, as this type of engagement was recognised as one of the characteristics and purposes of the Ecuadorian State (Ortiz, 2008). Innovative forms of indirect democracy, participation and new rights in different areas[59] were established in the dogmatic section of the constitution, "which allowed the recognition of forms of participation and legitimization of the social struggles regarding the recognition of rights that had taken place in recent years" (Navas, 2012, pp. 150–151). On the other hand, the majority of the constituent assembly – made up of right-wing political parties – established a "new model of liberal development with minimal State intervention" (ibid.). In this sense, the 1998 Constitution did not help to solve the existing institutional crisis but in fact contributed to its subsequent deterioration (Massal, 2006). Civil society and social movements in general obtained greater recognition and rights, but these rights could not be exercised in the absence of a State and a system of political parties that could channel them.

However, it is important to highlight that the new constitutional framework officially institutionalised SAcc. In order to institutionalise civil society's efforts to control corruption, and to prevent political pressures from interfering with those efforts, the Anti-Corruption Commission, created by Fabián Alarcón, was elevated to the constitutional level. This was achieved after members of the commission and civil society organisations (CSOs) exerted pressure on the National Assembly, leading to the 1998 Constitution

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[59] Rights of indigenous people, the environment, communication, and vulnerable groups, among others (Navas, 2012).

(Comision Anticorrupcion, 1998). Thus, was created the so-called Commission for Civic Control of Corruption (CCCC).

The CCCC was an autonomous institution representing civil society. It was directed by a collegiate body composed of representatives of seven electoral colleges.[60] Its main objectives were to prevent and investigate cases of corruption, as well as to promote transparency (CCCC Law, 1999). To fulfil these objectives, the CCCC could investigate *ex officio* cases where corruption might have happened. Moreover, the CCCC could receive and investigate complaints from citizens. In both cases, the CCCC's mandate was to sound the alarm with the control institutions (State Prosecution Service or the Office of the Comptroller General of the State). They would then to start an investigation into the case, on the basis of CCCC documentation. Moreover, the CCCC aimed at protecting civil society when implementing SAcc. It is in this institution that the promotion of citizen oversight initiatives or *veedurias* are institutionalised. *Veedurias* are a SAcc mechanism used to monitor the proper use of public resources. The creation and objectives of *veedurias* will be reviewed in Chapter 5.

The CCCC continued its work until the creation of a new Constitution in 2008. During its existence, this entity investigated and denounced several iconic cases of corruption (CCCC, 2007). The denunciations included cases that were brought against prominent politicians and bankers and that ended in several judicial sentences.[61] The Constitution of 2008 replaced the CCCC with a new institution, the CPCCS, which will be reviewed later.

Table 6: Cases denounced by the CCCC 1997-2007

Name of case	Year	Crime	Accused Persons
Red Peñaranda	1997	Embezzlement	Trader Luis Peñaranda; Santiago Bucaram, former congressman and brother of former President Abdala Bucaram, and another 24 congressmen.

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[60] These were: the National Council of Universities and Polytechnic Schools; legally recognised professional associations from each sector that were national in character; the Ecuadorian Association of Newspaper Publishers, of Television Channels, Broadcasting and the National Federation of Journalists; the national federations of Chambers of Production; trades union, and legally recognised indigenous, Afro-Ecuadorian and peasant organisations of a national character; legally recognised national organisations of women; human rights organisations and consumer advocates.

[61] Embezzlement against ex-President Abdalá Bucaram and his Education Minister Sandra Correa; the 'Piponazgo' case against ex-President Fabián Alarcón; the case for decreeing an arbitrary bank holiday that saw deposits frozen and benefited the banks against ex-President Jamil Mahuad.

BEDE	1996-1997	Embezzlement	José Salem, former CEO of the Development Bank of Ecuador (BEDE).
Mochila Escolar	1999	Embezzlement	Abdalá Bucaram, former President of Ecuador, and Sandra Correa, former Secretary of Education.
Gastos Reservados	1998	Embezzlement	César Verduga, former Government Secretary.
Poza Honda: irregular hiring		Irregular Hiring	Members of the Manabí Rehabilitation Centre Directory.
El Niño Phenomenom: irregularities in donations	1997-1998	Tax evasion	Eduardo Sierra, representative of the Recover Guayaquil Foundation, representatives of the Ecological Foundation Bosques de Daucay, La Dolorosa, National Galapagos Islands, Rivers of Living Waters and FUDEYTUCEA.
Piponazgo en el Congreso Nacional	1995-1997	Excesses in hiring personnel, violating regulatory laws	Fabián Alarcón, former (interim) President of Ecuador, and former president of the National Congress.
Rehabilitación Social	2002	Embezzlement	Former officials of the National Directorate of Social Rehabilitation: Carlos Gil Espinosa Vallejo, Chief Financial Officer; Carlos Alfredo Vargas Gallegos, General Treasurer, among others.
Bonos Global	2003	Abuse in the exercise of functions	Jorge Gallardo, former Minister of Finances and Economy.
Miss Universe	2004	Embezzlement and abuse of authority	Lucio Gutiérrez, former President of Ecuador; Ivonne Juez de Baki, former Minister of Commerce; among others.
Former congressmen under investigation	2005	influence peddling	Marcelo De Mora Moncayo, former congressman DP-UDC, representative of the province of Bolívar.
Embezzlement by Bolívar González	2005	Embezzlement	Bolívar González, Under-Secretary of Wellbeing.

Source: Created by the author with information from CCCC (2000) and ecuadorinmediato.com (2005)

Returning to 1998, Christian Democrat President Jamil Mahuad was elected and assumed power under challenging conditions, both external and internal. Mahuad found a country in a prominent political and economic crisis, following the circumstances in government explained above. Several factors contributed to the crisis, such as: the economic impact of the armed conflict with Peru (1995); the impact of 'El Niño',[62] especially in the coastal area; the 'Tequila Effect';[63] and the suspension of lines of credit to countries with emerging economies (Espinosa, 2000). These factors combined with two other factors that were even more devastating for the already severe situation of the country: the drop in oil prices (Ecuador's main export) and the banking crisis.

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[62] "El Niño is a climate pattern that describes the unusual warming of surface waters in the eastern tropical Pacific Ocean. […] El Niño produces widespread and sometimes severe changes in the climate. Convection above warmer surface waters bring increased precipitation. Rainfall increases drastically in Ecuador and northern Peru, contributing to coastal flooding and erosion. Rains and floods may destroy homes, schools, hospitals, and businesses. They also limit transportation and destroy crops" (www.nationalgeographic.org/encyclopedia/el-nino/).

[63] Mexican crisis of 1994.

Regarding the latter, that same year (1998), the effects of the de-regularisation of the banks introduced by the neo-liberal government of Sixto Durán-Ballén in 1994 started to be felt. This de-regularisation allowed bankers to loan money to their own businesses; several of them went bankrupt. Indeed, it resulted in the bankruptcy of more than half of the banking system (Espinosa, 2000; Massal, 2006). In order to try and stop this, Mahuad and his government decreed an unplanned bank holiday and imposed a cap on withdrawals. In January 2000, Mahuad also decreed the dollarisation of the economy, impacting on the majority and benefiting the elites (Paz y Mino, 2006). During this crisis, embezzlement scandals exploded. It was proved that some bank owners gave substantial donations to Mahuad's presidential campaign. In return, it was claimed that Mahuad took decisions in their interest and "aimed for the impunity of the 'bankocracy' signalled by corrupt bankers who fled the country" (ibid, p. 94). The already harsh context of the country, the unpopular decisions of the government and the social dramas led to a rebellion that ended up overthrowing Jamil Mahuad.

The 'rebellion' was led by the indigenous movement, which started the protest at the beginning of the year. Additionally, a group of colonels of the military, led by Lucio Gutiérrez, revolted and allied with the indigenous movement on January 21, 2000. Together, they took Congress, where they established a National Salvation Junta composed of Lucio Gutiérrez,[64] as representative of the military, and Antonio Vargas, president of the Confederation of Indigenous Nationalities of Ecuador (CONAIE). Carlos Solorzano, former president of the Supreme Court, would join the Junta as representative of the citizens later, creating the triumvirate. The indigenous movement reached its peak[65] during this rebellion, after mobilising thousands of people in Quito and by adding social movements to their cause. After potential international isolation, General Carlos Mendoza resigned from the board and allowed a constitutional succession. Vice-

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[64] General Carlos Mendoza replaced Colonel Lucio Gutiérrez in the triumvirate after a few hours.

[65] Since the 1970s, the peasantry underwent a physical and symbolic change due to migration from rural areas to urban areas, which altered its structure. Furthermore, the peasant movement also began to take a position of ethnic defence that strengthened the indigenous movement (Navas, 2012). In the late 1980s, the most significant indigenous association in Ecuador, CONAIE, was created. CONAIE brought together, under one umbrella, the pre-existing, regional indigenous associations in order to strengthen their claims and promoting concrete policies. In June 1990, the indigenous people started an uprising named 'Inti Raymi'. In so doing, the movement not only became visible, but also became an important actor in the social and political context of the country (Moreno and Figueroa, 1992). The indigenous movement developed a structure in which forms of participation and direct democracy were enacted and advanced. In 1995, the political arm of CONAIE emerged: the Pachakutik-Nuevo Pais movement.

President Gustavo Noboa was invested and declared president of Ecuador on January 22, 2000.

Figure 6. Five presidents in one picture: 1996 solemn session at the municipality of Quito
(Source: *Diario Hoy*, December 7, 1996)

This picture summarises a decade of governments in Ecuador. All of the members in the picture were in power at some point. From left to right: Fabián Alarcón, president of Congress (interim president in 1997–1998); Rosalia Arteaga, vice-president (president for two days in 1997); Abdalá Bucaram, president; Jamil Mahuad, mayor of Quito (president 1998–2000); Carlos Solorzano, president of the Supreme Court (part of the triumvirate after Mahuad's ousting in 2000); (at the back) Lucio Gutiérrez, presidential *aide-de-camp* (part of the triumvirate in 2000 and constitutional president in 2002–2005).

4.1.2 "Everyone Must Go!": Lucio Gutiérrez and the Decline of the Political Class

After the government of Gustavo Noboa (2000–2003), Lucio Gutiérrez, the army colonel who led the military uprising against Jamil Mahuad, ran for president and took power on January 15, 2003. After the two political crises reviewed above (1997 and 2000), the lack of confidence in the party-political sector benefited an 'outsider'. Lucio Gutiérrez and his new political party (Patriotic Society Party 'January 21') ran in the presidential elections with a strong alliance with the indigenous movement. His political discourse of populist rhetoric and rejuvenating style drew the attention of social movements, who grouped behind the candidacy of Gutiérrez against the conservative alternative represented by Álvaro Noboa, the largest businessman in the country. However, once in power, Gutiérrez's actions went against his promises during the campaign. For this reason, the indigenous movement dissolved the alliance after six months. Its management of the

economy was conservative, and its approach to political conservative parties and the US was decisive (Pachano, 2011).

With regard to corruption scandals, practices such as nepotism, clientelism and the abuse of functions were reproduced in the government of Gutiérrez (Paltan, 2005). However, his government tried to promote a transparent image, nationally and internationally. Ecuador was one of the countries that signed the United Nations Convention against Corruption in December 2003. Furthermore, President Gutiérrez enacted the Organic Law of Transparency and Access to Public Information (LOTAIP) in 2004 (Jara, 2017).

Returning to political events that determined the fate of the government, on losing the indigenous support, Gutiérrez initiated alliances with different political parties to support his government. The final alliance was with the Ecuadorian Roldosist Party (PRE) of ex-President Bucaram. It is also worth mentioning that Lucio Gutiérrez was an *aide-de-camp* to Bucaram when he was president of Ecuador in 1996–1997. After this alliance, Congress replaced the judges of the Supreme Court of Justice and established a new court with direct links to the deposed president Bucaram. This court agreed on an amnesty for former presidents, Abdalá Bucaram and Gustavo Noboa, and former vice-president, Alberto Dahik (all accused of various crimes of corruption or erroneous decisions in the economic sphere), who returned to the country on April 5, 2005 (Massal, 2006).

These events aggravated the popular discontent against the government of Gutiérrez, mainly among the middle and upper-middle class of Quito. Unlike the rebellions of 1997 and 2000, it was not articulated movements that protested against the government, but mainly individual citizens. On the one hand, the weakening of the indigenous movement, having been part of the Gutiérrez government, became evident. Additionally, political parties lacked legitimacy to articulate citizen discontent. As in 1997 and 2000, the credibility of institutions, mainly the Congress and political parties (Figure 7 and Figure 8), was low. Allegations of corruption were also an issue during Gutiérrez's government (*El Universo*, June 7, 2004; *El Telegrafo*, November 28, 2016).

Similarly, the executive branch was significantly discredited. In this context, a series of citizen revolts started. Protestors were called 'outlaws' by President Gutiérrez in an

attempt to minimise the protests. The citizens adopted this title of 'outlaws' for themselves, and the 'rebellion of the outlaws' began. This rebellion would result in the withdrawal of support for Gutierrez by the military, and Congress (in a polemic vote in CIESPAL) removed Gutiérrez from office on April 20, 2005, this being the third overthrow in a decade in Ecuador.

The importance of the rebellion of the outlaws lies in citizens' rejection of corrupt practices triggered by unethical management of political institutions. In addition, the lack of political representation of citizens is reflected in this movement. The political parties simply represented their interests, manifested in the power struggle between the executive and Congress, as well as within Congress itself. Furthermore, the Supreme Court of Justice was politicised, aligned to specific groups of power. Thus, Ecuador faced an institutional crisis created by the failings of the political class since the country's return to democracy in 1979. As mentioned in the previous paragraph, citizen protests were key in pressuring the military and Congress to remove Gutiérrez from office. A majority of deputies self-convened in the building of the International Centre for Advanced Communication Studies for Latin America (CIESPAL), given the impossibility of meeting in the Congress building. From there, congressmen and congresswomen declared the presidency vacant due to 'abandonment of office' and appointed Vice-President Alfredo Palacio as the President of Ecuador. However, something unusual occurred – unlike the rebellions in 1997 and 2000, the protesters were not satisfied with the fall of the regime.

After the overthrow of Abdalá Bucaram and Jamil Mahuad, speeches and governments promised to 'refound' the country. However, this aspiration was frustrated by the deals made by the elites (Massal, 2006). In the case of the fall of Gutiérrez, the 'outlaws' surrounded the CIESPAL building and did not allow Alfredo Palacio, once appointed by the self-convened deputies, to give his speech in front of the people (*El Universo*, December 4, 2006). The rebellion's request was no longer limited to the president's resignation – rather, "everyone must go" (Echeverria, 2006, p. 113). The distrust was not only with regard to the president, but also with regard to the political class in general. Finally, after hours of uncertainty, Alfredo Palacio received military support to assume power.

The 2005 government crisis leaves us with **four** clear conclusions. First, there was ongoing delegitimisation of the political class and its disconnection from the citizenry

(Navas, 2012; Plaza, 2016). Second, corruption has been a recurring theme, influencing citizen uprisings to overthrow three presidents in Ecuador (Martinez, 2018; Conaghan, 2012). Third, traditional social movements ceased to be representative of the citizenry. The indigenous movement, divided, lost its weight and representation in the face of other social movements and citizens in general. Its structure and convening power were weakened by its association with the government of Lucio Gutiérrez. Additionally, after separating from that government, clientelistic practices divided the movement even further (Ramirez, 2016). Finally, the citizenry, mainly in the capital, was able to articulate its needs without the mediation of social movements or political parties (Freidenberg, 2008; Ramirez, 2005).

Once Gutiérrez's government fell, that of Alfredo Palacio tried to promote a constituent assembly (following its speech of 'refounding' the republic) but saw its intentions frustrated by the National Congress. The lack of governability was evident in a country without strong institutions and with a citizenry that was disenchanted with its political class. Control institution officials could not be designated due to political disputes between the president and Congress, or between parties within Congress.

The experience of de-institutionalisation during the decade between 1996 and 2006 was a milestone that civil society had to overcome. Although the citizens had the strength to overthrow three governments, they had no real capacity to influence policies to overcome this institutional crisis. Likewise, the lack of legitimacy of Ecuador's political sector prevented a real rapprochement with citizens (Ortiz, 2008). In the future, a force capable of representing and articulating those citizen demands would be necessary.

4.2 'Breaking with the Past': The Rise of Rafael Correa and the Aim of Strengthening the Country's Institutionality from 2006–2010

This section will analyse the political context of Ecuador between the end of 2006 and 2010. This period represents a radical change in the institutional and democratic process in the country. This started with Correa's rise to power and the Citizens' Revolution. Since the beginning of his term, the high popularity of the government allowed Correa to engage in significant institutional reform. The basis of these reforms was the creation of a new constitution, approved by a referendum, which changed the structure of the State

by creating new branches of power and institutions, and promoting the inclusion of citizens in decision-making processes and the control of the State. Unlike the previous decade, the economic context was also favourable and allowed Correa to increase public spending, which helped him to raise his approval ratings. However, this positive image was also due to President Correa's political antagonistic discourse[66] and a strong personality that, while allowing him to face the challenges of power, also caused alienation in other sectors of society. In this connection, the institutional reforms seeking to include the police force in the Organic Law of Public Service (LOSEP) and cut unnecessary benefits, created one of the biggest milestones that the Citizens' Revolution had to deal with: the police revolt of September 30, 2010.

The institutional reforms were led by Rafael Correa's political project. As reflected in polls and elections, Correa and Alianza PAIS (AP) had strong support from the electorate, which led to a way of doing politics that excluded those who were not necessarily aligned with the president. The support for Correa's political plan was so strong that his political movement won nine elections in a row.[67]

4.2.1 Rafael Correa's Election and the New Constitution

In 2007, after a decade of political crisis in Ecuador where there were eight presidents in ten years, Rafael Correa assumed power (Political Database of the Americas). Correa came into public focus after a brief spell in the Ministry of Economy during the

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[66] Throughout his term, Correa put forward a populist discourse. Following Laclau's (1987) understanding of populism, it can be said that Correa was a populist leader, dividing society into 'the people' and 'the others'. Although the use of populism as a political strategy is not new in Ecuador (Freidenberg, 2008), Correa managed to control antagonistic political debate by setting the agenda every week. Since the beginning of his government, in the same style as Hugo Chávez in Venezuela with his programme 'Aló Presidente', Rafael Correa had a media space called the Enlaces Ciudadanos, also known as the 'Sabatinas' (because they were held on Saturdays or *sábados* in Spanish). These 'Sabatinas' were presented as a weekly space where Correa would render accounts to the citizens about the activities carried out. However, this "direct contact with citizens did not intend to involve them in decisions, but rather to ratify the decisions taken through seductive socialisation that is devoid of contradiction" (De Sousa, 2015, p. 183). Moreover, the presidential speech was very effective, as it "builds empathy with citizens, even when rationally styles and political decisions are not shared by them" (Cerbino et al., 2017, p. 504). Correa also used this space to challenge and attack his adversaries. As a result, the debate in the media would focus on what was said during the 'Sabatina' (ibid.). In this sense, a reactionary response was generated by the media and the opposition, which ended up feeding the cycle.

[67] The presidential election in 2006; the referendum to call for a constituent assembly in April 2007; a majority of the constituent assembly in September 2007; the approval of the new constitution in 2008 by referendum; the presidential election in 2009; local elections in 2009; a referendum to increase executive power in 2011; the presidential election in 2013; local elections in 2014 – despite losing in the main cities, AP was the main political power in the overall results.

government of Alfredo Palacio. At that time, Correa, who was associated with the group of 'outlaws', was characterised by his tough line against the International Monetary Fund (IMF).

To understand why Rafael Correa's proposal fit so well in the electorate, it is important to remember that the political moment prior to the election of Rafael Correa and the installation of the constituent assembly (2007–2008) was plagued by citizen distrust of political parties and public institutions in general, mainly Congress. As mentioned before, this was exemplified in the wave of protests in 2005 that ended with the overthrowing of then-President Lucio Gutiérrez to the cry of "everyone must go!" The disconnect of the National Congress and the political parties from the citizenry was so deep that it served as a political and mobilising flag for Rafael Correa and his political movement, AP. AP was a movement of movements and academics from the left, as well as local leaders without a defined ideology (De la Torre, 2010). As a campaign strategy, Rafael Correa and AP did not nominate anyone for Congress. In this way, Correa reinforced his status as an outsider and his representativeness as a citizen, with a mission to curb the abuses and corruption of the partycracy and 'refound the fatherland' (Burbano de Lara, 2015; De la Torre, 2010).

Data from the *Latinobarómetro* indicates that, in 2007, only 6% of the population had 'some' or 'a lot' of confidence in the National Congress, while 93% declared having 'little' or 'no' confidence in that institution – the remaining 1% responded as 'not knowing'. Additionally, 8% of the population had 'some' or 'a lot' of confidence in the political parties, while 92% said they had 'little' or 'no' confidence. The following graphs (Figure 7 and Figure 8) show the levels of trust in the National Congress and the political parties in the decade before the census:
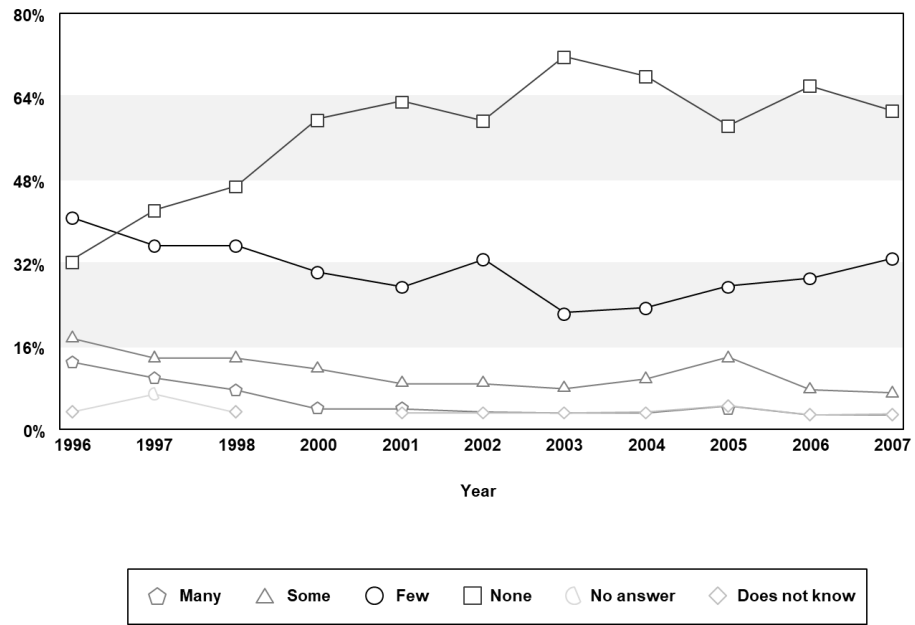
Figure 7. Confidence in the National Congress 1996-2007 (Source: Latinobarómetro)
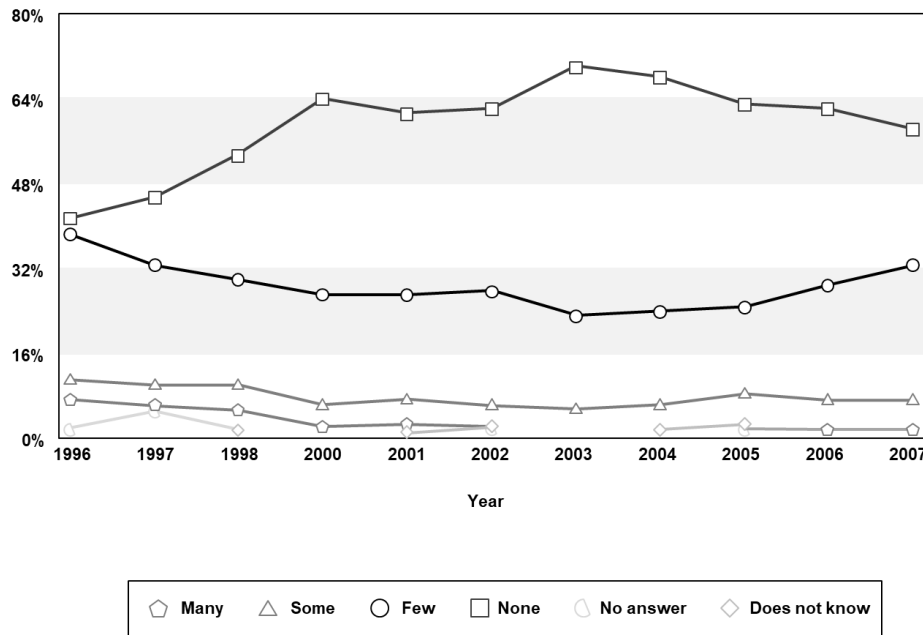
Figure 8. *Confidence in Political Parties 1996–2007 (Source: Latinobarómetro)*

The delegitimised image of political parties and Congress favoured Correa's intention of calling a constituent assembly and demanding the cessation of ongoing legislative functions. At first, this was blocked by a Congress ruled by a coalition of opposition parties and where the executive lacked a direct presence. This triggered a crisis in the legislature in which, after Correa exerted pressure, the Supreme Electoral Tribunal (TSE by its Spanish acronym) called elections for a Constituent Assembly for April 15, 2007. Subsequently, the 57 opposition deputies decided to vote and dismiss the members of

the Tribunal. In a move, the legality of which was questioned, the TSE indicated that, since it was an electoral period, it was the highest authority, and dismissed the 57 deputies (*El Diario*, January 15, 2009). This crisis had several additional chapters, but finally the popular consultation was held, and Congress made way for the start of the Constituent Assembly in November of that same year.

The call for a Constituent Assembly was supported by civil society organisations and citizen movements who, for decades, had maintained social struggles of different kinds. A referendum was called to approve a constituent assembly, and the plan was supported with 82% of the votes (Paz y Mino, 2008). Following Pachano's (2008) analysis, Correa's initial victory, followed by the AP's overwhelming triumph at the elections for the constituent assembly (80 assembly members of 130), meant a rupture with the dispersive logic of the vote which was common previously. In other words, contrary to what had happened since the return to democracy in 1979, on this occasion there was no fragmentation of the popular vote among several political parties. This electoral dynamic occurred without the need for AP to form any electoral alliances. In this sense, it can be interpreted that Correa and AP were felt to represent the demands of most of the citizens. As stated above, some of these demands included being taken into account in decision-making processes, and ending the existing corruption in the political arena. These campaign promises would be reflected in the text of the Constitution of the Republic of Ecuador of 2008. This new Constitution would aim to delimit the institutional framework in the new post-neoliberal era (Ortiz, 2008).

The 2008 Constitution represented a change in the structure of the State. Contrary to the 1998 Constitution, where the role of the State was reduced, the 2008 constitution strengthened its role and positioned it as a "necessary agent for directing a strategy of national development" (Ramirez, 2016, p. 150). In this sense, the State led or managed economic policies, planning, natural resources, and national public companies, among other ventures (Ortiz, 2008b). In addition, the Constitution strengthened the executive branch, that was now in charge of managing the "Central State, the planning and the setting of the budget; the Executive is in charge of the tax regime and the management of the main economic policies" (Paz y Mino, 2008). This strengthening was also reflected in the role of the president as a co-legislator with veto power over bills approved by the

National Assembly.[68] Finally, the president had the capacity to dissolve the National Assembly[69] if s/he considered that the Assembly is exceeding its functions, or if it is permanently blocking the government's programme. If this occurred, new presidential and Assembly elections would have to be called.[70]

Regarding the advances in rights, the Constitution granted rights in different fields – individual, collective, labour, social, among others – to which was added the right to universal healthcare, food, basic services and specific rights for priority groups (women, children, adolescents, elderly, migrants, among others). Moreover, the rights of nature have been highlighted as an innovative feature, Ecuador being the pioneer worldwide in this regard (Paz y Mino, 2008; Grijalva, 2009; Conaghan, 2016).

Furthermore, the demands of different sectors of civil society during the 1990s and the beginning of the 21st century were reflected in the new Constitution. Among these demands was the recognition of pluriculturalism promoted mainly by the indigenous movement, as well as the recognition of ethnic territorial rights. For our purposes, it is especially important to highlight the inclusion of citizen participation and SAcc rights. For the first time, the citizenry was given a leading role in the decision-making processes of the State and in controlling public administration. The Constitution provided mechanisms for this participation to occur.

Additionally, a new institution to progress the fight against corruption and promote citizen participation was created.[71] This institution, the Citizen Participation and Social Oversight Council (CPCCS), replaced the CCCC, mentioned in subsection 4.1.1. However, the CPCCS has a particular responsibility, which is to organise the selection processes of authorities for different institutions, including those of control (Constitution of Ecuador, 2008; MESICIC, 2014). Depending on the institution, these processes are carried out by

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[68] Article 147.12, Constitution of the Republic of Ecuador, 2008.

[69] The so-called 'muerte cruzada' (lit. crossed death – calling presidential and legislative elections at the same time) could occur with the prior acceptance of the Constitutional Court.

[70] Article 148, Constitution of the Republic of Ecuador, 2008.

[71] More detailed information is provided in Chapter 5.

open competition,[72] or from triads proposed by the executive.[73] In both cases, the processes are carried out with citizen oversight. This new structure was also created in response to the lack of legitimacy of the political class, mentioned in Section 4.1 (Ramirez, 2009). The intention was to depoliticise the selection of authorities and to choose those with the best profiles to lead sensitive institutions. This characteristic ultimately drew the most public interest, and generated more controversy (Section 4.4).

Once the Constitution was ready, a new referendum was called for citizens to approve it. In September 2008, the 'Yes' reached 63% and the 'No' obtained 28%. The Constitution called for national elections at all levels in 2009. Rafael Correa was re-elected with 51.2% of the vote (CNE, 2009); this was the first time in history that a president was immediately re-elected, and also the first time a candidate won in the first round of voting.[74] The runner-up candidate was former president Lucio Gutiérrez with 28.24% of the vote. Moreover, AP won 59 out of 124 seats of the National Assembly (ibid.). However, different political alliances allowed AP a majority in the Assembly. The alliances fluctuated, since parties such as leftist MPD and the indigenous-led Pachakutik withdrew support from Correa. Nevertheless, in 2011, the government announced a new majority with the support of the Socialist Party and other regional movements (*El Comercio*, August 9, 2011). This support was key to maintaining power in the National Assembly. Frictions between the ruling party and other allies continued throughout the *correismo* period. However, one important disagreement that sheds light on Correa's way of ruling was that which occurred during the formulation of the Constitution.

4.2.2 Frictions in the Constituent Assembly: the Idealist vs the Pragmatic

Within this analysis of *correismo* in its early years, it is important to emphasise the relevant divisions that occurred inside AP. To paraphrasing the discussion above: in 2006, AP became a movement that brought together many left-wing social, political,

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[72] Prosecutor's Office, Comptroller's Office, Ombudsman's Office, National Electoral Council, Electoral Tribunal, Public Defender's Office.

[73] Superintendencies, Attorney's Office. In the case of the Judicial Council, the five counsellors are selected from five different triads, sent by each of the five functions of the State.

[74] Presidential elections in Ecuador are normally held in two rounds, considering that no candidate usually obtains over 50% of the vote first time.

activist and academic movements that had been promoting a change in the economic, political and social paradigm. Although there were several recognisable figures in the creation of the movement, I believe that, in terms of the call to hold a Constituent Assembly, two stand out: Rafael Correa and Alberto Acosta.

An academic focused on issues related to extractivism and a defender of nature, Acosta's political beginnings were within the Pachakutik political movement, as one of its founders in 1995. He would later find the AP political movement, which brought Correa to power. He began his duties as president for the constituent process on 29 November, 2007. However, he presented his irrevocable resignation on 27 June, 2008 from the presidency of the Constituent Assembly due to pressure from the AP political bureau. Prior to this, the tensions and discrepancies between Acosta and Correa began to leak, mainly because of how the drafting of the new Constitution was being led.

Acosta, with a more romantic vision of democracy and citizen participation, sought to dialogue with as many sectors as possible. On the other hand, Correa was concerned about meeting the deadlines established by the popular mandate for the Constituent Assembly, which indicated that it should have the Constitution document ready within 180 days, with a possible extension of a maximum of 60 days. Norman Wray (Wray, personal interview, 02 Feb. 2021), a Constituent Assembly member for the ruling party, commented during his interview with me that, during the constituent process, a split between Acosta and the government's political objectives occurred. While the former was more concerned about the outcome of the final text, Correa and the bureau were concerned about arriving at the next elections with their political capital exhausted, since the Constituent Assembly had begun to be the target of criticism from the opposition. In this context, the AP political bureau asked Acosta to step aside and designated Fernando Cordero (then Vice President) as the new President of the Constituent Assembly. The process of drafting the Constitution was then expedited, at the cost of dialogue with other sectors. Here, several hypotheses about the implementation of the 2008 Constitution can be put forward, including the implementation of SAcc.

Anticipating (briefly) the analysis that I present in the next chapter, in Ecuador there is a friendly legal and institutional framework for SAcc. However, analysis shows that the results of this framework are not what could be expected, and instead (in the following sections of this chapter) we will see that this framework, that should be led by citizens,

has experienced considerable interference on the part of the government. In this context of co-optation of "citizen power" by the executive, the question that arises is whether this is a case of State capture by a government that, with a majority in the Constituent Assembly, promulgated an institutional framework intended to be beneficial to it. Or, on the other hand, it could be the case that the government found the way to co-opt the legal and institutional framework throughout its mandate.

Further to my analysis on SAcc in the years prior to the Constituent Assembly, I am inclined to conclude that it generated a framework that included two aspects: the demands of social movements for greater participation in decision-making, and the implementation of academic literature calling for the same thing (Peruzzotti and Smulovitz, 2004 and 2004; Malena et al., 2004; Ackerman, 2004 and 2005, among others). However, the problem occurred while the framework was being implemented. The political consultant Decio Machado (Machado, personal interview, 31 Jan. 2021), who was part of Rafael Correa's advisory group during the first two years of government, argued in his interview that in the Constituent Assembly there was a clash of two visions, "the idealist and the pragmatic". The first group, led by Acosta, was a sector "closely linked to intellectuals but with less management capacity", while the second group had a more pragmatic, political vision, with the ability to realise it.

Furthermore, a characteristic of the Constitution is that (like every constitution) it seeks, perhaps in a utopian manner, to limit the exercise of power. Along these lines, the Constitution's design seeks to do so by way of two elements beyond the classic check and balances: the Constitutional Court and citizen participation. In this context, *correismo* understood that, if it controlled those two pillars, it could govern without impediments. Both Wray and Machado concur that the ruling party generated strategies to co-opt the SAcc framework. As evidence explained in this research shows, these statements make sense as both the Constitutional Court and the CPCCS functioned as a means of consolidating power in the hands of the ruling party. The CPCCS's implementation as a policy that sought to distance political power from the control bodies, ended up being used with serious signs of a lack of independence from the government. The distancing between Acosta and Correa over the course of drafting the Constitution was merely the first visible friction within the political movement. However, its meaning is of great significance in understanding the basis of a SAcc system co-opted by political power. Jorge Rodriguez (Rodriguez, personal interview, 13 Feb. 2017), former Commissioner

of the CCCC and former president of the Anti-Corruption Commission, commented in his interview that "the fight against corruption was the second main objective of the 'Citizen's Revolution' […] I think they started well, with people who wanted to change things, however the desire of gaining control over the different branches of power pushed them [the government] into becoming corrupted".

4.2.3 Economic Boom and Social Investment

In economic terms, from 2003 until 2014, Ecuadorian GDP grew consistently and above the region's average (World Bank, 2018). The main factor for this growth was the high prices of oil. The Ecuadorian economy is strongly correlated with the price of oil (Williford, 2018). "While oil and oil-related activities currently account for only about one-tenth of Ecuador's GDP, they represented up to half of its exports and a third of its fiscal revenues during the boom years (2003-2014)" (World Bank, 2018, p. 6). From 2007 to 2014, revenues from oil were the highest in Ecuadorian history. Moreover, not only were international oil prices high, but Correa's government engaged in an aggressive renegotiation of contracts with petroleum companies in 2011 (World Bank, 2018). These renegotiations allowed the State to retain 87% of earnings from oil, versus the previous 13% (Becker, 2013). Additionally, Correa declared some international debt as illegitimate and defaulted. In the short term,[75] this move proved beneficial to the State (ibid.). Tax revenues also increased from US$4,663 million in 2006 to US$9,561 million in 2011 (Falconi and Muñoz, 2012).

Correa turned the State into an engine of the economy. As a consequence, social investment grew considerably (*Latinobarómetro*, 2017). Between 2007 and 2010, public investment totalled US$15,851 million, almost three times more than the previous three governments combined (SENPLADES, 2011 in Errejon and Guijarro, 2011). Looking at GDP, public investment increased from 5% to 10% between 2006 and 2011 (Ray and Kozameh, 2012). This growth would reach 15% of the GDP by 2014 (World Bank, 2018). The investment was mainly destined for oil, hydroelectrics, transport, health, education

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[75] Nonetheless, this decision would also have negative consequences in the long run as Ecuador was forced to turn to an expensive credit market afterwards, especially with China.

and social infrastructure, which also helped to reduce unemployment levels and inequality (World Bank, 2018; Williford, 2018).

These facts, with the support of permanent official propaganda, brought Rafael Correa strong popular support. This was also used to legitimise his government actions while antagonising both social and political opposition. As Conaghan (2012) points out: "Correa's provocative blend of style and substance yielded dramatic results. In his first term as president, Correa neutralised political opponents, rendered existing institutions irrelevant, ushered in a new constitutional order, and entrenched himself as the unquestioned leader of Ecuador's most important political force. He did so with widespread public support, reflected in polls and votes" (p. 260). President Correa's political style was based on a constant comparison with the past and the promissory future of the 'fatherland' through the Citizens' Revolution. For the first time in over a decade, there was political stability. However, there were various moments of evident polarisation or social unrest. The first milestone Correa had to deal with occurred on 30 September, 2010, also known as 30-S.

4.2.4 Internal Crisis: 30-S

Despite its popularity, the administration of Rafael Correa faced an event that would mark a turning point in Correa's manner of governing. During the morning of 30 September, 2010, the police force organised a protest and ceased their activities. The reason for this protest was the inclusion of the police and armed forces into the Public Service Law—LOSEP. The police took this inclusion as damaging to their interests since, by being thus included, they would lose the benefits and economic incentives that they had enjoyed previously (Becker, 2013). The events of 30-S marked a before and after in the politics of the *correismo*.[76]

Before 30-S, the overwhelming electoral victories of Rafael Correa, both in the constitutional processes and in his re-election in 2009, legitimised his actions in engaging in a robust institutional reform. In this sense, during the Constituent Assembly (2007–2008) and the National Assembly (2009–2013), the ruling party had an absolute majority

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[76] The period of time when Rafael Correa ruled is referred as *correismo*

(taking into account the alliances previously explained) that allowed it to continue with the various institutional reforms promoted by the executive. However, the consequence of a hegemonic party was the imposition of a political agenda without further debate, which caused discomfort in certain sectors of society (Ortiz, 2011; Errejon, 2016). For instance, teachers' unions mobilised for the education law, universities for the higher education law, indigenous and peasants' movements mobilised against the mining law, among others (ibid.) Thus, in a context of high social mobilisation, hindering debate led to situations of extreme polarisation.

On 30 September, 2010, members of the police force started a protest with the Quito Regiment against the LOSEP, which they said was against their interests (Becker, 2013). Correa went defiantly to the regiment to talk to the protesters. When addressing the crowd, he was booed; he thus "tore open his shirt as if to show that he was not wearing a bulletproof vest, and proclaimed, 'If you want to kill the president, here I am if you have the guts to do so!'" (Becker, 2013, p. 72.) When Correa tried to leave the regiment, he was tear-gassed and was forced to flee to the nearby police hospital. There are different versions of whether the president was kidnapped or not; however, hours later, a military force and an elite group of police went to the police hospital to retrieve him safe and sound. The events of 30-S left ten people dead[77] (BBC, 30 September, 2011). Following the events of 30-S, a debate arose about whether the events represented a coup or were merely a labour dispute that got out of hand (Becker, 2016).

The 30-S represented a rupture in the way politics were handled under *correismo*. First, Rafael Correa's image – which had been falling in the previous months – benefitted and his popularity increased (Becker, 2016; Ortiz, 2011): "Correa's poll numbers had been slowly declining since his initial election in 2006, but 30-S provided him with a bump in popularity that gave him the highest approval ratings of any chief executive in the Americas, with some polls reporting his support at as high as 80 per cent" (Becker, 2016, p. 88). Second, with the increase in popular support, Correa decided to engage in a significant reform of the judicial branch (Larrea, 2011). Alleging the sector's inefficiency and the perceived insecurity, Correa proposed a new referendum to amend the

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[77] Two soldiers, two policemen, a university student during the protest and five people in the looting reported in Guayaquil when the police stopped performing their duties in support of the protest.

Constitution in order, among other things, to restructure the judiciary (Wray, 2011; Larrea, 2011).

4.3 Consolidation of 'Correismo', Political Polarisation and Accountability Questioned: 2011–2016

This section will analyse the consolidation of Correa's political project and the polarisation created by an antagonistic political strategy. The constant struggle against the opposition led the government to use its power to put people off making allegations of corruption against itself, thus undermining, at some level, the benefits acquired by citizens in the Constitution of 2008. Nevertheless, Correa's power and support kept increasing and, in 2013, the ruling party obtained an absolute majority in the National Assembly. This concentration of power allowed Correa to use the State as a tool to confront the opposition. Moreover, there are indications to suggest that the new SAcc and anti-corruption framework, created in 2008, was being used in the president's interests by influencing the selection of authorities for control institutions. These events raised serious questions from political quarters and civil society about the accountability of the public sector. Finally, this risked causing the legitimacy of the control institutions to fracture again.

4.3.1 2011 Referendum: Restructuring of Justice and Communication Law

Following the 30-S, a re-legitimised Correa called the sixth election in the since he took office. Although there were many topics to be voted on in the 2011 referendum,[78] perhaps the most significant were related to the judiciary and the media. First, questions four and five of the referendum aimed at replacing the heads of the Council of the Judiciary, which

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[78] The referendum had 10 questions: five amendments to the Constitution and five on the creation of new laws of different kinds. The first five dealt with: (1) modifiying the terms of the expiry of preventive detention; (2) modifying the parameters of the alternatives to deprivation of liberty; (3) limiting shareholding in companies belonging to the financial or communication sectors; (4) replacing the current plenary of the judiciary by a transitional council of the judiciary; and (5) modifying the composition of the Council of the Judiciary. The other five questions were related to: (6) typifying unjustified private enrichment as a stand-alone crime in the Criminal Code; (7) prohibition of gambling businesses; (8) prohibition of shows whose purpose is to kill animals (bullfights and cockfights); (9) passing a Communications Law that would create a regulatory council to oversee the dissemination of media content containing messages of violence or explicitly sexual or discriminatory messages, and that would establish criteria so that ultimate responsibility lay with communicators; and (10) criminalising the non-affiliation to the Ecuadorian Social Security Institute of workers in a dependent relationship (CNE, 2011).

is the entity that leads the selection of judges and all other public officials of the judicial branch.[79] In replacement, a Transitional Council was to be formed with 18 months to restructure the judicial system. Second, question nine aimed at creating a Communications Law. This new law would regulate the dissemination of media content containing messages of violence, or explicitly sexual or discriminatory content. Additionally, this new law would establish criteria so that ultimate responsibility would lie with communicators.

Both topics were firmly challenged by the opposition who saw two objections: the risk of a judiciary controlled by the executive power, and that of the media's being conditioned and threatened by the new law. The campaign represented a milestone for *correismo* in which several former high officials distanced themselves from the government due to disagreements with its leader, Rafael Correa (*El Universo*, January 28, 2011; *El Comercio*, N.D.). Correa rooted his campaign, as in the previous ones, in antagonism against 'partycracy', and the need to avoid going 'back to the past'. Moreover, he directly stated that he intended to "put his hands on the Courts, but clarified that he would do it to improve the country's justice system" (*El Universo*, January 26, 2011). Although the 'Yes' won in every instance,[80] the aforementioned questions won by a smaller margin than the rest (CNE, 2011). Still, winning the referendum represented a significant victory for Correa, the sixth in a row, which allowed him to continue leading the country with a strong mandate.

In this context, a transitional Judiciary Council organised the open competitions to designate judges at the National Court (Supreme Court). This transitional Council lasted for 18 months and then a new one was designated. As stated above, the Judiciary Council is the entity in charge of selecting judges through an open competition. It has been claimed that the judiciary was heavily influenced by the governing party, since all five counsellors were part of or close to the ruling party[81] (*La Hora*, November 5, 2012; Human Rights Watch, 2018). Among its competences, the Judiciary Council may also remove judges if they make an 'inexcusable error', which is a mistake or negligence in

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[79] Article 181, Constitution of the Republic of Ecuador, 2008.

[80] Question eight was voted with a canton incidence. So in a minority of cantons, the 'No' prevailed; hence, both bullfights and cockfights are allowed.

[81] The CPCCS is in charge of the designation process of the authorities of the Judiciary Council.

their final judgements. A Human Rights Watch report (2018) has claimed there is evidence to suggest that this rule has been used to sanction judges who have acted against the government's interests. Thus, judicial independence and the perception of impartiality was undermined during Correa's government.

Furthermore, there are some cases where the judiciary may have been used to advance the governments interest and harass journalists and civil society. It is important to understand that Correa's strategy to 'destroy the enemy' was quite successful in terms of the attacks on 'partycracy'. Once the old political class was shattered, there was a need to find another enemy to antagonise. The new target portrayed as a threat to the project was the media (Freidenberg, 2012). Correa portrayed the media as a non-elected political actor at the service of the right (De Sousa, 2015). Polarisation, however, is not generated only through political discourse, but also through concrete actions that would reflect how power is used to intimidate opponents. Once the process of transition and the restructuring of the Ecuadorian justice system began, the influence of the executive in its decisions was questioned (FCD, 2017). As part of this populist strategy, *correismo* tried to destroy the enemy, the 'other'. Hence, any questioning or denunciation of acts of corruption from groups not aligned with the government project were disproportionately attacked. This created a 'participation paradox' that is discussed in section 4.4.2.

4.3.2 *Correismo* at its Peak and Debacle

Despite these cases, that could tarnish the image of a politician, the lack of strength and of an alternative plan on the part of the opposition allowed the government to continue managing the threads of the political debate. The main critique against Correa focused on strong presidential leadership (Errejon and Guijarro, 2016). However, this seemed to have no significant effect in a country where citizens usually seek a strong leader or a 'hero' (Bonilla, 2008; Costales, 2016).

During 2012, the economy continued growing at a high rate, 5.4% (Banco Central del Ecuador, 2013). This growth was higher than the region's average of 3% (Banco Mundial, 2013). The economy benefited from a "broad investment in the productive sectors, the high price of oil, a non-elevated inflation and improvements in tax collection" (Polga-Hecimovich, 2013, p. 137). Reductions in unemployment, poverty and inequality also continued (ibid.; Banco Central del Ecuador, 2013) and Correa's popularity

continued to rise (Figure 9) (*Latinobarómetro*). Everything seemed positive for the Citizens' Revolution. With this context background, by the end of 2012, Ecuador was on the verge of new elections.

As stipulated in the Code of Democracy (created in 2009), movements and political parties would be registered for the first time in the 2013 elections, so that they could participate.[82] After a controversial process,[83] eight presidential-VP tickets were registered to run for the presidency and vice-presidency. Additionally, nine national political movements and parties, along with many regional parties, presented candidates for the 137 National Assembly seats and the five representatives to the Andean Parliament. The leading contender from the opposition was Guillermo Lasso, "a banker and a right-of-centre Catholic who belongs to Opus Dei" (De la Torre, 2013b, p. 46). He was selected to represent the newly created political movement 'CREO' (Creando Oportunidades). Lasso tried to unite the opposition vote. However, the open wounds of the 1999 banking crisis made it difficult for the opposition parties to get behind him (De la Torre, 2013b). During the campaign, Lasso was accused of being one of the people responsible for the crisis. Additionally, Correa exerted his strength during the campaign: one of Lasso's main proposals was to raise the Human Development Bonus from US$35 to US$50 (ibid.). However, Correa rose the bonus in the middle of the campaign by Executive Decree No. 1395, stipulating that it would be funded mainly by the profits of the banks (*El Telegrafo*, January 3, 2013).

As expected, Correa and AP won the elections (CNE, 2013). For the second time in a row, Correa did not need a second round of ballots to win. His triumph was overwhelming

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[82] The Code of Democracy provides that, in order to register a movement or political party, the support of 1.5% of the electoral register used in the last nationwide elections (Articles 320 and 322) must be submitted through signed forms.

[83] After several national movements and political parties were registered, hundreds of people started denouncing the fact that they were featured as party members when they did not demonstrate their support. This included some party leaders from the opposition who were registered as signing for AP, the party of government (*El Universo*, August 30, 2012; Expreso, September 19, 2016), but also AP members registered with opposition parties (*El Universo*, July 28, 2012). The National Electoral Council (CNE) started a second process to review the signatures of supporters and ended up disqualifying some movements in a dubious process. For instance, the movement 'Concertación Nacional' was disqualified from the 2013 elections, but was registered for the elections in 2014 after appealing the decision of the CNE (*El Telegrafo*, October 1, 2012; June 4, 2014).

and with a greater difference against the runner-up candidate than in 2009 (statistics in Table 6).

Table 6. Presidential Elections, 2013

Political party or movement	Candidate	Number of votes	Percentage of the vote
Sociedad Patriótica 21 de Enero	Lucio Gutiérrez	578,875	6.73%
Partido Renovador Institucional de Acción Nacional	Álvaro Noboa	319,956	3.72%
Partido Roldosista Ecuatoriano	Nelson Zavala	105,592	1.23%
MPD/Pachakutik	Alberto Acosta	280,539	3.26%
Creando Oportunidades	Guillermo Lasso	1,951,102	22.68%
Sociedad Unida Más Acción	Mauricio Rodas	335,532	3.90%
Ruptura 25	Norman Wray	112,525	1.31%
Movimiento Patria Altiva i Soberana	Rafael Correa	4,918,482	57.17%
Total votes		8,602,603	100.0%

Source: Created by the author with information from the CNE (2013)

However, Correa not only won re-election, but he also obtained the first outright majority in Congress since 1979 (Polga-Hecimovich, 2013). "We have obtained great results! Victory in a single round and about 100 assembly members! How rude, God, they [the opposition] will apply the antitrust law against us!" Correa said in a burlesque tone while celebrating his victory in the 310th 'Sabatina' show (2013). It is important to note that, for the 2013 elections, the D'Hondt seat election method was used. This method assigns seats by calculating the highest voting averages and "disproportionally favours the larger parties" (Lijphart, 1986, in Schuster et al., 2003). In this way, AP obtained 73% of the seats in the assembly with 52.30% of the total votes (CNE, 2013). Nevertheless, the strength of AP was evident. With that number of assembly members, Rafael Correa could not only pass any law, but also amend the Constitution, since the requirement for doing so is to have more than two thirds of the votes (Constitution, 2008).
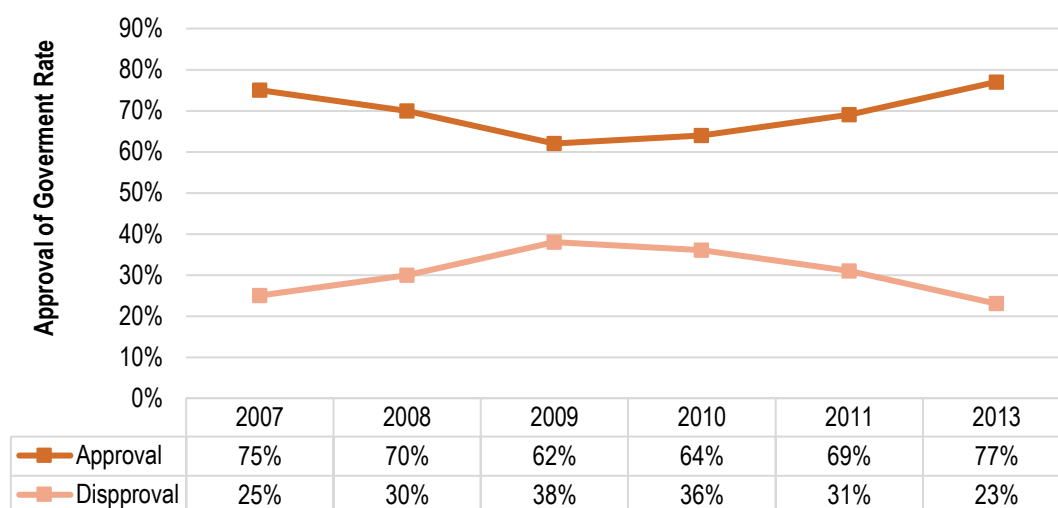
Figure 9. Approval of government rate 2007-2013 (Source: *Latinobarómetro*)

Correa achieved the highest rate of government approval in 2013 (Figure 9). *Correismo* controlled the executive and the legislative branches. Additionally, members of the National Electoral Council (CNE) were close to the government (Basabe and Martinez, 2014); evidence suggests that the official movement also had significant influence over the judiciary and a majority of the members of the CPCCS were close to the ruling party (*El Universo*, September 16, 2012). Moreover, the opposition was weak and proved unable to unify under one political flag. Meanwhile, the designation of authorities processes – organised by the CPCCS, – ended up appointing control authorities close to the governing party. This does not necessarily mean that those authorities did not do their jobs; however, those designations did not escape the controversy and, in some cases, were questioned[84] (FCD, 2017). *Correismo* was at its peak and it concentrated power from other branches of government. As a result, accountability became virtually non-existent.

Nonetheless, the local elections held in the following year would go on to reflect two things: the growth of the opposition's voice against the government, and the lack of an organic structure of the ruling party, AP, to present local leaders without being overshadowed by Correa. AP remained the strongest political force nationwide, winning

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[84] For instance, the designation of Attorney General Galo Chiriboga in 2011 was heavily questioned. As mentioned before, the designations are monitored by a citizen *veeduria*. The coordinator of the *veeduria* claimed that, "this designation was not transparent, the person who was designated as prosecutor was not the best" (*El Universo*, July 16, 2011). Additionally, there were some adjustments to the final scores after Chiriboga appealed the results.

far more local governments than other national parties[85] (although not as strongly as compared to the local election in 2009 (Mejia and Meneses, 2019)). Quantitatively, the electoral results were not so different from the local elections of 2009: 74 municipalities and nine prefectures in 2009 versus 66 municipalities and ten prefectures in 2014[86] (Instituto de la Democracia, 2014). However, the ruling party lost in nine of the ten major cities, including Quito, Guayaquil and Cuenca (CNE, 2014b). Additionally, AP lost in the Amazon region where only five out of 29 mayors were re-elected; these 29 mayors supported the exploitation of petroleum in the Yasuní, the most biodiverse region in the world (Vasquez, 2015). The opposition claimed it as a victory against Correa[87] (*El Universo*, March 2, 2014; BBC, February 24, 2014).

This defeat would trigger an official acknowledgment that the Citizens' Revolution project could only be sustained with Rafael Correa leading the way. In this sense, the intention of modifying the Constitution to allow indefinite re-election was revealed[88] (Costales, 2016). This decision, together with other events that will be explained in the following subsection, would begin to affect the political scenario for the ruling party.

The economic and political contexts of 2015 and 2016 were complicated. Economically, the sharp drop in oil prices disrupted State financing. The general State budget for 2015 was planned on the basis of oil at US$79 per barrel but, in the last months of the year, the per-barrel price dropped to between US$22 and US$40; these prices were not even enough to meet production expenses (Vera and Llanos-Escobar, 2016). Additionally, the US dollar – the official currency in use in Ecuador – appreciated, which caused Ecuador's

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[85] AP won 68 out of 221 municipalities and 10 out of 23 prefectures. Avanza, a party close to the AP, won 36 municipalities and one prefecture, while SUMA took 12 municipalities and three prefectures. The leading opposition political movement, CREO, abstained from presenting candidates in such cities as Quito, Guayaquil and Machala in order to support other parties and unite under an anti-Correa campaign; nevertheless, they obtained 17 municipalities and one prefecture (Instituto de la Democracia, 2014).

[86] These numbers correspond to the winning candidates from AP and others who ran in alliance with other political movements (CNE, 2014b).

[87] These claims were not unfounded, since Rafael Correa led the 2014 campaign. Not only had every local candidate placed his/her image next to Correa's, but Correa was actually out campaigning (Ortiz, 2014). He asked the Assembly for licence to be absent and be part of the campaign up to four times (*El Universo*, March 2, 2014). For these reasons, local leaders from AP were overshadowed by the image of the president, which affected their support (De la Torre and Ortiz Lemos, 2015). This was evident in the loss of support for Augusto Barrera, seeking re-election in Quito. The AP campaign in the capital city was more about defending the 'revolution' nationwide than solving local needs. Correa admitted that losing Quito was a "major setback for the citizen's revolution" (Reuters, February 24, 2014).

[88] The Constitution of 2008 originally limited elected authorities to one re-election.

competitiveness to drop against countries such as Colombia and Peru, which were able to devalue their currency. Moreover, access to Chinese credit was closed, and the government had moved away from other funding sources in times of financial bonanza.[89] Correa called this mixture of economic conditions "the perfect storm" and stated, "that nobody expects to leave without even getting wet" (in Burbano de Lara, 2016, p. 7).

In this context, the government responded by making economic decisions that further ignited the dispute. For example, in order to avoid a massive capital flight, importation safeguards or additional taxes were implemented on the imports of several products[90] (*El Universo*, March 6, 2015). In addition, the Assembly approved the Labour Justice law that eliminated the obligation of the State to contribute 40% of retirement obligations. For these reasons, there were minor protests. However, the announcement of a new inheritance law proposed by the executive initiated a series of large-scale demonstrations. While these were underway, Correa called his supporters to counter-protest, which resulted in having both the ruling party and the opposition aiming to show their strength. Finally, in the face of media pressure and the threat of international embarrassment with the arrival of Pope Francis in Ecuador, the government 'temporarily' withdrew the draft laws and called for dialogue among different sectors of society[91] (Garcia and Ellner, 2019).

Politically, *correismo* faced strong criticism due to the amendments made to the Constitution through the National Assembly. Unlike those made by referendum in 2011 – when support for *correismo* was at its height – this time, the approval levels had begun to fall slightly (Figure 10). In this context, *correismo* used its absolute majority in the legislature to approve several changes to the Constitution. Perhaps the most controversial amendment was the one that allowed the indefinite re-election of the authorities. This caused widespread debate and large-scale protests in which the opposition denounced Correa's intention to remain in power indefinitely (ABC, December

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[89] The anti-neoliberal rhetoric of the Citizens' Revolution had closed the doors on other sources of credit such as the IMF from the beginning of the government. The IMF was seen as an institution attempting to impose neoliberalism in Ecuador; therefore, it was rejected by citizens. Rejection of the IMF was one of Correa's banners since his first campaign.

[90] Around 2,800 products were taxed, representing about 32% of imports.

[91] At the same time as the call to dialogue, Correa issued Executive Decree No. 739 (2015). This modified Executive Decree No. 16 (2013) mentioned above; however, the articles that regulate the reasons for the dissolution of the NGOs were practically the same (Gavilanes, 2017).

5, 2015). Furthermore, beyond the president's approval levels, up to 80% of the citizens indicated that they wanted the decision to allow indefinite re-election to be asked in a referendum (Conaghan, 2016). Thus, this was the first time such a high number of people did not agree with one of the president's decisions. Nevertheless, Correa said that he did not have any intention of remaining in power indefinitely and asked the National Assembly to include a transitional norm stating that the application of the unlimited re-election apply from 2021 and not immediately (Ecuavisa, November 13, 2015).

Approval of Government rate	2007	2008	2009	2010	2011	2013	2015	2016
Approval	75%	70%	62%	64%	69%	77%	56%	44%
Disapproval	25%	30%	38%	36%	31%	23%	44%	56%
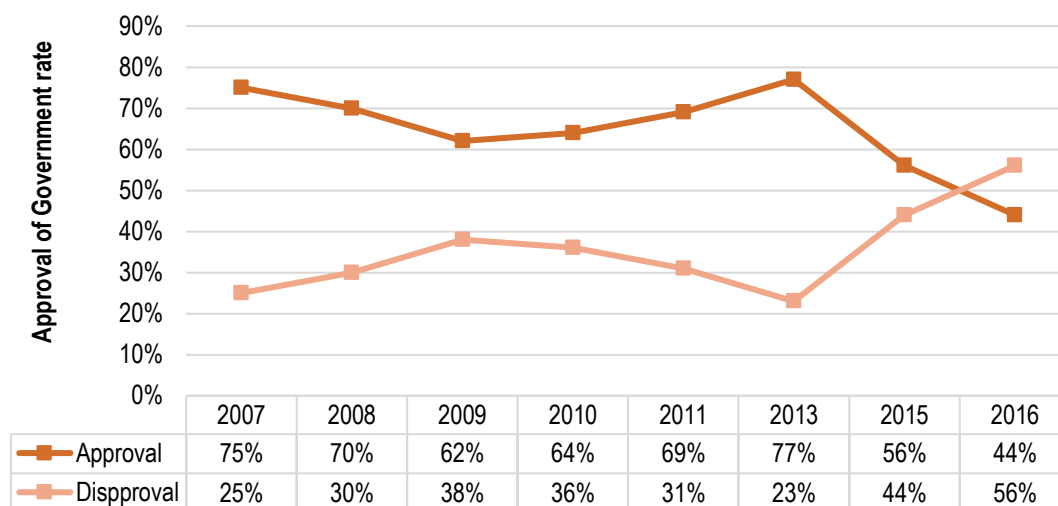
Figure 10. Approval of government rate 2007-2016 (Source: *Latinobarómetro*)

The impossibility of Correa's running for the next presidential election meant that the governing party – which revolved entirely around him – had to start thinking about another figure for the next elections. Hence, a power vacuum was created that was extremely difficult to fill (Burbano de Lara, 2016). This power vacuum would also be reflected in the other branches of government. It is pertinent to remember that Correa's influence on the other branches of government was evident. The legacy of *correismo* was a new lack of institutionalisation in which the legitimacy of the control authorities was challenged. As a result, in 2017, and with Correa already out of power, his successor Lenín Moreno called a referendum in which the dismissal of the CPCCS officials was approved. As its replacement, a Transitional CPCCS (CPCCS-T) was designated by the National Assembly from the triad sent by the president. The CPCCS-T was in charge of

evaluating the officials chosen by the CPCCS. By the end of its duties, the CPCCS-T had dismissed at least 30 authorities.[92]

4.4 Ecuador: A Case of State Capture?

4.4.1 The Use of Public Institutions as a Political Tool

Recapping, in Section 3.3.2 I proposed that 'State capture' is defined in this research as "shaping the formation of the basic rules of the game, or using the existing ones, by groups in both private and public sectors, in order to influence laws, regulations and other government policies to their own advantage, creating a framework that benefits those in power – not necessarily economically" (own concept derived from Rothstein and Varraich, 2017; Grzymala-Brusse, 2008; Hellman et al., 2000; World Bank, 2000). Additionally, as stated above, one of the most important features of accountability is the ability to control power so that it is not used to benefit a particular group. The 2008 Constitution was created in such a way as to include the demands of social movements, activists and academics who had mobilised for decades demanding to be part of the decision-making and control of the State. Furthermore, in Section 4.2.2 I commented on the clash that existed between a more idealistic group and a more pragmatic one. The latter would triumph in that encounter and would begin to implement the recently created framework as a political tool to facilitate governance and overshadow any opposition. Along these lines, the influence of the executive would be reflected in the legislative, transparency and social oversight, judicial and electoral powers, but also in implementation of the SAcc framework.

The plan to gain greater powers was coupled with both sustained economic growth and an effective communication strategy, which allowed the government to enjoy popular legitimacy, widely reflected at the polls. During the drafting of the Constitution, Norman Wray comments, attempts were made to set various limits so that executive power could be controlled. However, "in the Constituent Assembly, no one prevented a scenario in which the government could have an overwhelming majority in the legislature, mainly [such as that which occurred] after 2013 in which the ruling party even had the capacity

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[92] Among the officials dismissed for breach of duty or for lack of independence, the following stand out: five members of the Judiciary Council; nine constitutional judges; four members of the CNE; three members of the Electoral Tribunal; the Comptroller General of the State; the Ombudsman; and eight Superintendents.

to amend the Constitution" by winning more than two-thirds of the Assembly. In this context, having full control of the branches of government also meant that negotiation with the opposition was not necessary at all (De la Torre, 2018). Therefore, the room for manoeuvre in terms of oversight by the Assembly of the executive was cramped.

In another controversial decision against potential accountability, the monitoring process by assembly members was hampered. At Correa's request, in 2012, it was required that any consultation by a representative with a public servant should first go through the presidency of the Assembly, held by AP (Expreso, January 17, 2018). Prior to this change, the assembly members could request information from public officials, who had an obligation to respond within 15 days. The argument was that members of the opposition would use this faculty without good reason (*El Telegrafo*, October 16, 2012). In his weekly programme, the president threatened to his ministers that "whoever gives information to the assembly members individually will be dismissed" (ibid.).

In this context, *correismo* was extending its influence into the other powers of the State. Between 2010 and 2015, a majority of members of the CPCCS – the entity in charge, among other things, of appointments to the control authorities, had connections with the government. Four of its seven councillors were connected to the ruling party, and two more were part of the MPD political movement that was an AP ally at that time. This happened despite the fact that their appointment was made through open competition. Decio Machado (Machado, personal interview, 31 Jan. 2021) stated that the formation of the first CPCCS was influenced by Ricardo Patiño, a strong figure within *correismo* who held several important positions in Correa's government, including the Foreign Ministry. During that period, the two councillors associated with MPD, after the alliance with AP was broken, were very critical of the CPCCS's appointment processes (Bohrt and Wray, 2015). When the next Council was designated in 2015, critical voices were virtually non-existent. FCD (2017) shows the nexus and participation of all of the councillors with the ruling party.

With the co-optation of the CPCCS, officials who were also linked to *correismo* were appointed to the control authorities (ibid.), with the sole exception of the Comptroller General of the State, Carlos Polit, who was associated, initially, with former president Lucio Gutierrez's party, PSP. However, Polit was re-appointed in the process carried out by the CPCCS for the 2012-2017 period, and subsequently for 2017-2022. However, he

left office in 2018 (after Correa's departure) when corruption cases were uncovered in which he was involved (*El Universo*, June 6, 2018). Polit fled to the USA. During the period of time analysed in this thesis, the Transparency and Social Control Function was questioned for not efficiently fulfilling its role of monitoring public administration.

Furthermore, the impartiality of the justice system was also questioned by the media and the opposition (Basabe and Martinez, 2014). This is due to the fact that processes were carried out to appoint officials to the Judicial Branch where, as mentioned above, ties to *correismo* also existed: Attorney General Galo Chiriboga, who was previously the Minister of Hydrocarbons and Ambassador to Spain, as well as Correa's personal lawyer; and four of the five members of the Council of the Judiciary (FCD, 2017), for example. Additionally, the entire process of restructuring the justice system (section 4.3.1) brought into question the independence of the new judges on the National Court of Justice. In this case, the influence and interference of the executive was a constantly criticised as a result of rulings in some iconic cases.

One case of importance was that of the teacher Mery Zamora, leader of the National Union of Educators and allied to the Movimiento Popular Democrático (MPD) that opposed the Correa administration. Zamora, who was a visible face of the opposition, was prosecuted and convicted of "sabotage and terrorism" for her participation in 30-S (*El Telegrafo*, May 13, 2013). It was argued that she encouraged her students to protest against the government of Rafael Correa. Finally, in May 2014, the National Court of Justice acquitted her and ordered that the case be closed (*El Universo*, May 28, 2014). The role of justice was also questioned in the case of 'The Luluncoto ten',[93] a group of young people sentenced in February 2013 for allegedly blowing up three pamphlet bombs in December 2011. They were sentenced for the crime of organised terrorism (*El Universo*, February 26, 2013). The private media and the opposition promoted the idea that there was not enough evidence for such a conviction (Torres, 2016). Meanwhile, Correa and the official media defended the sentence, stating that the opposition was trying to minimise the facts (Ecuadorinmediato.com, March 4, 2016). Finally, on June 7, 2016, the National Court of Justice quashed the conviction, since the new

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[93] The Luluncoto ten ('Los diez of Luluncoto' in Spanish) refers to the ten people who were found in a meeting in the Luluncoto neighbourhood, in the south of Quito.

Comprehensive Criminal Organic Code (COIP) does not include the offence with which they were charged (*El Comercio*, June 7, 2016).

There was also the case of the assembly member from Pachakutik, Clever Jimenez and his advisers Fernando Villavicencio and Carlos Figueroa, who denounced Correa to the State Attorney General's office, requesting that the president be investigated "as the author of a series of infractions and crimes allegedly committed that 30 September, among them, having ordered the Army to shoot in the vicinity and inside the National Police Hospital, in order to be released" (Plan V, 2013). They were later found guilty of libelling the president and were sentenced to between six and 18 months in prison,[94] and to pay US$141,922.80 (*El Universo*, April 17, 2013). The sentence was ratified by the National Court in January 2014. Jimenez and Villavicencio fled, and sought asylum in the Sarayaku community, in the Ecuadorian Amazon (*El Comercio*, April 27, 2014). The Inter-American Commission on Human Rights (IACHR) had issued precautionary measures against that judgment, which was ignored by the Ecuadorian courts. President Correa criticised the flight, and ordered the Ministry of Interior to act and detain the escapees, which generated tension with the community (*El Comercio*, April 27, 2014b).

On 23 March, 2015, the crime was prescribed and the accused were able to leave Sarayaku territory. The Ecuadorian State denounced Jimenez and Villavicencio again, for the crime of espionage, when they found information in their possession with personal emails from the president and his entourage in 2014 (*El Telegrafo*, January 2, 2014). They were found guilty and sentenced to wear an electronic tag. Finally, on 22 February, 2018 (after the Correa administration), Jimenez and Villavicencio would be declared innocent on their second appeal (*El Comercio*, February 22, 2018). It is beyond the scope of this thesis to judge the legality of these cases; however, it is important to understand how the State apparatus was being used as an antagonising tool to target the opposition and, in the long run block accountability and SAcc.

4.4.2 Participation Paradox: Threats to SAcc

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[94] Later, the 18-month sentence was reduced to one year in accordance with the COIP (Ecuavisa, March 23, 2015): https://www.ecuavisa.com/articulo/noticias/actualidad/103358-caduca-pena-impuesta-clever-jimenez-fernando-villavicencio

The 2008 Constitution created a framework that encourages citizen participation in decision-making processes and in public control. Despite this, during the period of *correismo* there were several cases in which a paradox emerged: citizens who, protected by the Constitution, decided to investigate the public administration, ended up facing intimidation and legal action against them from the State. In other cases, the State apparatus was simply activated to undermine actions that were felt not to align with official interests.

One of the first cases to attract attention was the 'Big Brother' case in which million-dollar contracts between the president's brother, Fabricio Correa, and the State were denounced. When these contracts came to light, the State decided to unilaterally eliminate them. However, the complainants had to face legal proceedings. Journalists Christian Zurita and Juan Carlos Calderón denounced the contracts in their book, *El Gran Hermano* (The Big Brother*)* (2010). Seven months after its publication, President Correa sued the journalists for damaging his honour and requested US$10 million, an unprecedented amount of money claimed in a suit (El Universo, March 17, 2011). In February 2012, the journalists were found guilty at trial and sentenced to pay US$2 million, but Correa decided afterwards to forgive the debt. Juan Carlos Calderon stated that:

> "anyone who denounces, risks getting sued […] citizens do not dare to denounce because the State teaches that the whistle-blower goes to jail. Those who are reported are usually powerful and have contacts, even money to defend themselves. That is what happened to us. […]. Although there are institutions that should protect the citizen, in reality the citizen is unprotected" (J. Calderon, personal interview, 15 Feb. 2017).

Calderon's interview is a warning about the paradox arising out of cases denounced by civil society and the media, and involving the president. However, the 'Big Brother' case not only demonstrates how citizens who denounce an alleged act without using the new SAcc framework are persecuted, but also, that the same happens to citizens who use formal institutions to pursue investigations.

In order to try to clean up his image following this case, Correa decided to create a *veeduria* to oversee his brother's contracts with the State. According to Correa, the

veeduria would prove that he had no idea about his brother's contracts. The CPCCS made a public call to organise the process and randomly selected ten people to investigate the case. The *veeduria* was held and the final report (2010) stated that President Correa was aware of the existence of those contracts. Moreover, it showed that there were illegalities and favouritism in how they were awarded. Findings concerned on the value of the agreements revealed an amount of USD 657 million, with a State loss of USD 140 million (*El Comercio*, May 12, 2012). As a consequence, President Correa sued the *veedores*, Pablo Chambers, Gerardo Portillo, José Quishpe and Víctor Hugo Hidalgo, and the Attorney General accused them of giving false testimony in their final report. ""We are not criminals, we are not murderers, we did nothing other than comply with what was asked of us: to fight corruption," said Portillo" (*El Comercio*, May 12, 2012). The *veedores* were found guilty after a trial that lasted for over four years (*El Comercio*, December 12, 2016). The fairness of this trial has been disputed, as criticism regarding Correa's influence on the judiciary later surfaced (Becker, 2013).

Another iconic case is that of the Anti-Corruption Commission. Several citizens organised themselves and created an independent, citizen-led Commission. The members were "notable citizens" and were appointed by different social and indigenous movements (Trujillo, personal interview, 09 Feb. 2017)). This commission, which was formed by members of the opposition, denounced several corruption cases. In return, they had to face several lawsuits (Fundamedios, 2016). One case among many they denounced was that of the Pacific Refinery, where there were allegations of bribery and a surcharge in the purchase of the land for the refinery. The denunciation saw the Comptroller General, Carlos Polit, involved. Not only was their report not investigated by the Attorney General, but they were sued by the Comptroller, who stated that they committed "slander".

When I was carrying out my field research, the trial had not concluded. In an interview, I asked Julio Cesar Trujillo, a member of the Commission, if he trusted the justice system. He replied, "we are convinced that justice is not independent. Obviously, we are uneasy about that. But, we all work together and continue to overcome those fears" (Trujillo, personal interview, 09 Feb. 2017). On the other hand, I asked Jorge Rodriguez, coordinator of the Commission, if persecution discouraged them. "I think so, in the long run we are uneasy, concerned. You have to be careful not to go out alone. At the front

in the street there are usually police dressed in civilian clothes", he said (Rodriguez, personal interview, 13 Feb. 2017). On 20 April, 2017, the nine citizens who were part of the Commission were found guilty and required to apologize publicly, and each one of them to pay the equivalent to one month salary to the Comptroller.

On 27 September, 2017 (following Correa's administration), José Santos, now the former director of Odebrecht, recounted in four hours of anticipated testimony, in the case for illicit association for which former Vice-President Jorge Glas was sentenced, the mechanisms for the delivery of bribes for more than $50 million in exchange for contracts. Polit fled the country before he was put on trial.

Furthermore, the case of the Commission also shows that there was an intention to directly undermine its work, and helps us to understand how control agencies were captured. During the first years of existence, before the Comptroller's case mentioned above, the Commission was not even taken seriously by some important control authorities: "I only recognise the Function of Social Control and Anti-Corruption that are duly endorsed," (sic.) said the president of the CPCCS, Raquel González (*El Comercio*, October 8, 2015). Likewise, Comptroller Carlos Polit accused the Commission, "of not being protected by law since it was not a *veeduria* accredited by the Citizen Participation Council", and said that, in his opinion, the Commission, "would be assuming functions of the Comptroller General of the State" (*Fundamedios*, March 31, 2016). It is important to emphasise that SAcc initiatives do not need to be registered in the CPCCS to exist. Nevertheless, these control authorities ignored and delegitimised the work done by the Commission, as though SAcc could only be exerted through the CPCCS, thus confirming the idea that SAcc was politicised, and the horizontal agencies captured.

Two other decisions that strengthened the State's control over the accountability actions led by the media and civil society were the Communications Law and Executive Decree No. 16, both issued in June 2013. First, the creation of the Communications Law in June 2013, previously approved in the referendum of 2011, was criticised by various opposition groups and mainly by the private media. For his part, President Correa defended the law, stating that the media were a de facto power that needed limits and control (Conaghan, 2016). To exercise this control, the Superintendence of Information and Communication (SUPERCOM) was created, criticised for its power to regulate and sanction the media. The first case sanctioned (*El Pais*, February 1, 2014) was that of

cartoonist Xavier Bonilla, known as 'Bonil', who was ordered to change his caricature "because content of the statement made does not correspond to the reality of the facts" (SUPERCOM, 2014, pp. 5–6). In addition, the newspaper *El Universo* was sanctioned with a fine equivalent to 2% of its turnover for the previous three months.

The director of research for Vistazo magazine, Maria Belen Arroyo, said that since 2013 it has been more difficult to investigate corruption due to the Communications Law (Arroyo, personal interview, 10 Feb. 2017). She added that "the contrasting process is in itself difficult. It is even more so when public officials do not respond to the test. So, what is the option – risk publishing, knowing that then they will seek retribution? Those who have brought up important corruption cases have had to face persecution from the State. The Communications Law has prevented us from reporting cases to the public, in which there are signs of corruption, in order to avoid lawsuits against us".

Second, Executive Decree No. 16 (2013) sought to regulate social movements through a unified information system. However, several civil society organisations expressed their concern about the ability of the decree to eliminate the registration of foundations, social movements, advocacy groups, labour unions, or chambers of commerce. Specifically, the decree "bans civil society groups from engaging in 'partisan activity', from 'interfering' with public policy, or from threatening 'internal security'" (Conaghan, 2016, p. 116). On the other hand, the government defended the decree's purpose, saying it promoted citizen organisation. Additionally, the decree would "avoid [creating] NGOs [that] are politically motivated" (Secretary of Policy Management, N.D.): "Some of the NGOs that are now detractors from Decree 16 have obtained resources from abroad in a non-transparent manner, allowing lobbyists and interest groups to take control of certain areas of influence" (ibid.).

The debate on the content of the decree again antagonised social movements, who were threatened and intimidated (Conaghan, 2016; Williford, 2018). In December 2013, the decree was used to close the Pachamama Foundation,[95] which directly supported the position of the Yasunidos. It was argued that the foundation had ceased to fulfil the objectives of its existence (Basabe and Martinez, 2014; Conaghan, 2016; Williford,

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[95] Pachamama was a foundation whose objective was to ensure the sustainable development of indigenous communities in the centre and south of the Ecuadorian Amazon.

2018). However, closing the NGO directly addressed a request made by Correa in a national broadcast (*El Pais*, December 11, 2013), thus revealing that the decree could be used politically by the president.

A final case to analyse in this section is the political decision to cancel the Yasuní-ITT Initiative[96] (Ishpingo-Tambococha-Tiputini). This case represents a failed SAcc initiative and was one of the milestones that the Citizens' Revolution had to deal with (Basabe and Martinez, 2014; Coryat, 2015). This decision provoked a strong reaction among environmental groups, and a movement was created – predominantly comprised of young people – called 'Yasunidos' (meaning 'united for Yasuní'). Yasunidos used the constitutional right of citizens to request a referendum, asking citizens if they agreed with the exploitation of the Yasuní (BBC, 14 April, 2014). After a long campaign, in which the State apparatus targeted and harassed the members of the collective,[97] Yasunidos presented more than 750,000 signatures in support of the national referendum, approximately 25% more than required. However, raising doubts,[98] the CNE invalidated two thirds of the signatures collected, leaving the call for a referendum void (*The Guardian*, 9 May, 2014). Despite protests, the Yasuní exploitation started in 2016 (*La Historia*, 7 September, 2016).

This particular case takes us to the analysis in Section 4.2.2, where there was a clear division between a more 'romantic' view of democracy versus a more pragmatic and

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[96] One of the emblematic projects of *correismo* (since 2007) was to opt to leave the oil that is in the Yasuní underground. Yasuní, located in the Amazon region of Ecuador, is considered to be the most biodiverse area in the world (Vasquez, 2015). In return, the Yasuní Initiative requested that the international community become jointly responsible and contribute to Ecuador 50% of the royalties it could potentially obtain from oil. In that sense, both Ecuador and the international community would be jointly responsible for protecting the biodiversity and the non-contacted indigenous groups that live in the area (Vasquez, 2015). However, in August 2013, Rafael Correa indicated that the Yasuní Initiative had failed due to lack of support from the international community. Then, he announced that the oil would be exploited, promising to take maximum care of the Yasuní area.

[97] Detailed information can be found in Vasquez (2015).

[98] Detailed information can be found in Coryat (2015, p. 3755): "Once the boxes were delivered to the CNE, another series of irregularities took place. Three days after the signatures were delivered, on April 15, 2014, the National Elections Board released a video, aired nationally, describing reasons that could lead to the elimination of signatures. Sensing a fraud foretold, members of Yasunidos made a surprise visit to the CNE. When they demanded to see the boxes, they observed that the security belts were broken on several of them. Upon revision, they found that many of the copies of identification cards of signature gatherers were missing, which would lead to the disqualification of thousands of signatures. Two days later, the CNE accused the Yasunidos of trying to deceive the National Elections Board, and the boxes were hauled away by the military to one of its headquarters. The signature verification process ultimately took place without the consent or supervision of Yasunidos."

political vision securing power. Although Yasunidos used the legal and institutional SAcc framework, the government wielded its power to do away with this down. This, the case of Yasunidos can be safely categorised as a failed SAcc initiative due to the control of government over the different branches of power.

The overall analysis of the examples presented above show how the politics around the SAcc framework had a heavy influence on the results of SAcc initiatives. As will be reviewed in the next chapter, the Ecuadorian SAcc framework has many positive and innovative features that aim to guarantee citizens their right to participate and to control public processes. However, when idealism encounters political pragmatism, the latter usually prevails. The CNE – which was close to Correa, the passing of laws by the legislative or of decrees by the executive, and the dubious impartiality of the justice system, made the political and social environment very hostile. Therefore, polarisation of the society started to grow, and the government would not allow its electoral influence to be harmed.

4.5 Conclusions

The decade between 1996 and 2006 was mainly characterised by the de-institutionalisation of the country. As stated above, this decade witnessed eight presidents in power – only three of them democratically elected. The political context of this period of time led to the creation of a new framework to combat corruption through SAcc. During this time, a new Constitution was created (1998). This Constitution recognised forms of participation, and it brought the CCCC into being. This institution – led by representatives of the citizenry – was especially successful in investigating and triggering horizontal accountability by denouncing corruption. Some iconic cases developed into legal sanctions, even for former presidents.

Despite progress in the SAcc framework, the political instability and the economic situation marked this decade in different ways. The recurrent corruption scandals, the lack of strong institutionality, the de-legitimisation of the political class and a severe political crisis in 2000 led to permanent social mobilisation demanding a change in the country's direction. Additionally, citizens insisted that they be included in the decision-making processes and in the control of public administration.

After the decade of crisis, a new political project, the Citizens' Revolution led by Rafael Correa, was able to unite the citizens' clamour, and Correa assumed power in 2006. His government was one of profound changes in the structure of the State. To honour his main campaign offer, Correa called a referendum to draft a constitution. It incorporated many of the demands of civil society, including the right to participate in State decision-making and in controlling public administration. The 2008 Constitution represented a great step forward in terms of the institutional design of the SAcc and anti-corruption framework. Not only did the former evolve, but the Constitution also included SAcc mechanisms to facilitate and channel citizen participation.

Nevertheless, this process was not free of frictions. An internal crisis in the ruling party, between the two most visible leaders, Rafael Correa and Alberto Acosta, revealed a clash of two currents within the AP political project. The first, a pragmatic vision of what the Constitution should contain, and of its subsequent implementation. The second, a more idealistic vision of what the AP project represented, and the aspiration for autonomous citizen power that serves as a counterweight to political power.

During the Constituent Assembly, a new institution, the CPCCS, was created to replace the CCCC in fostering SAcc and the fight against corruption. Furthermore, the CPCCS was also an institution with a mandate to select control authorities by open competition. The main objective was to depoliticise the selection of authorities, who were previously designated by the delegitimised Congress. Nonetheless, critics saw the CPCCS as a tool of the government that allowed appointments to the control authorities to be influenced by the ruling party. Evidence shows likewise.

Rafael Correa's government was characterised by its confrontational and antagonistic strategy to gain support while undermining the opposition's image. While Correa represented 'the change', his opponents were labelled as 'the past'. This strategy, although effective, was radicalised over the years, which led to the polarisation of society. During this time, there were several reports of corruption within the Correa government. However, *correismo*, faithful to its antagonistic style, minimised such accusations. Among them were denunciations made by citizens through the new SAcc mechanisms. Some of these citizens would face criminal trials. In addition, with the increase in electoral support, Correa's government succeeded in influencing all branches of government, including the judiciary and control institutions. For these reasons, exerting opposition to

the *correismo* became complicated. Meanwhile, the control institutions lost credibility in the eyes of the public.

All of this resulted in a lack accountability of powerholders, a lack of horizontal accountability, and little impact on citizen-led accountability initiatives. Although the literature sounds some alarms over the possibility of over-institutionalising SAcc (Ackerman, 2005), the Ecuadorian case reveals a more complex scenario, in which it is actually captured and used to favour the political objectives of the ruling party. Once the SAcc initiatives are de-coupled from those objectives, they are blocked or undermined.

The influence of the political dispute was reflected again in the distrust of the SAcc and anti-corruption framework by public opinion. As a result, this framework was threatened by a popular response in 2017, the same year in which the CPCCS authorities were removed and, as a consequence, all the control authorities chosen by them.[99]

The next chapter will analyse the evolution of the institutional design of the SAcc and anti-corruption framework in Ecuador that resulted from the political context discussed in this chapter.

Chapter 5.   The Institutional Development of the Social Accountability and Anti-Corruption Framework in Ecuador

The previous chapter analysed the political and social context that led to the current (2016) anti-corruption and SAcc framework. The corruption scandals and lack of legitimacy of both the political class and control agencies caused a decade of institutional crisis. From 1996 until 2006, Ecuador had eight presidents, but only three of them were democratically elected. This crisis ended with the project of Rafael Correa and his political party, AP, in 2006. Correa's project was able to interpret popular discontent and direct it against the outdated political class. It offered to 'refound' the country with a new constitution. This project was so overwhelmingly supported that it won all elections since

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[99] In 2019, the option of eliminating the CPCCS was on the public agenda. The CPCCS has been deemed as the tool of *correismo* to control all branches of power.

2006, including the one in 2017 when Lenín Moreno, the current president of Ecuador, triumphed. However, the electoral support he received and the new structure of the State, allowed the government to capture the different branches of State power. In addition, governmental control also affected the implementation of the SAcc legal and institutional framework. Several cases revealed how the government threatened citizens who were using this framework to denounce signs of corruption.

In this context, the SAcc and anti-corruption framework in Ecuador evolved significantly from the mid-1990s, until it became, on paper, conducive to the creation of SAcc initiatives. SAcc started to be institutionalised when the CCCC came into being in 1997, and it was included in the Constitution of 1998. Furthermore, the Constitution approved in 2008 gave SAcc a more important role in the State institutions of the country. It states that "the people are the principal and first scrutinizer of public power, exercising their right to participation" (Article 204).

Among the main changes was the creation of a new branch of power: the FTCS. Moreover, the creation of a new institution, the CPCCS, represented a leap forward in implementing SAcc in Ecuador. The CPCCS is in charge of promoting and guaranteeing citizen participation, and fighting corruption. The 2008 Constitution also institutionalised different SAcc mechanisms and mandated specific laws in order to promote and guarantee the participation of civil society in controlling corruption and in decision-making processes. This chapter will perform a descriptive analysis of how the institutional design of the SAcc and anti-corruption framework in Ecuador developed, and explain how the framework functions, including its sanctioning capacity as a defining feature of accountability.

The chapter will start by describing the beginning of the institutionalisation of SAcc in Ecuador (Section 5.1). Although the Constitution of 2008 represented a significant break in the Ecuadorian institutional framework, there are also some precedents from the previous decade that influenced the form that SACC took in 2008. The Constitution of 1998 included, for the first time, an institution composed of citizens who would have an oversight mandate on public matters and promote citizen participation to prevent corruption. Section 5.2 will analyse the new framework installed after the 2008 constitutional reforms. This analysis will examine the creation of a new branch of government with SAcc powers (the FTCS), as well as the creation of a new institution

with the competences to promote and guarantee SAcc (the CPCCS). Additionally, this section will also assess the new mechanisms of SAcc that were included in the Constitution to facilitate citizens' inclusion in decision-making processes and controlling corruption. Finally, Section 5.3 will analyse how the new SAcc and anti-corruption framework works. This analysis will include an assessment of the FTCS, the CPCCS, the most commonly used SAcc mechanisms in Ecuador (the *veeduria* and participatory budgets) and the 'path to sanctions' that these mechanisms have to follow to hold the State accountable. Finally, the chapter will conclude (Section 5.4) with an analysis of whether the conducive SAcc framework ended up being captured by the State, limiting its sanctioning capacity and threatening accountability.

5.1 The Beginnings of the Institutionalisation of Social Accountability to Control Corruption

The institutionalisation of SAcc in Ecuador, as we know it today, has been a long-running process that began over two decades ago. In 1998, Ecuador adopted a new constitution that replaced the 1979 version. The new structure of the State included changes that responded to social demands at the time. As mentioned in Chapter 4, corruption scandals and pressure from social movements resulted in the creation of a new framework in 1998. As a result, both legal and institutional reforms were pushed forward in order to attend to popular demands against corruption. For instance, this new framework established, for the first time, the imprescriptibility and judgment in absence in the case of the following crimes of public corruption: bribery (offering and soliciting), embezzlement and illicit enrichment. The legal regime of responsibility and judgement applied to both public and private agents. However, probably the most significant innovation of the 1998 Constitution is the inclusion of the CCCC. Another milestone was the institutionalisation of the right to access public information with the creation of its specific law – LOTAIP- in 2004. This section will focus on the creation of both the CCCC and the LOTAIP as part of the new legal and institutional SAcc framework.

5.1.1 Institutionalisation of Social Accountability: 1997–2007

The CCCC was created in 1997 under Executive Decree No. 506, with the sole objective of investigating possible corruption cases under the ousted government of Abdalá Bucaram (Aguilar, 2007). However, the Constituent Assembly that year decided to

accord it a constitutional rank and include it as one of the control agencies. The creation of the CCCC involved a paradigm shift in the legal and institutional framework in Ecuador. The CCCC broke the hegemony of the classic control institutions by including citizens' representatives in efforts to control corruption for the first time.

The CCCC reflected a change in the SAcc and anti-corruption framework for many reasons. Its primary objective was to promote the elimination of corruption, on behalf of the citizens. For this purpose, it could take on complaints about alleged acts of corruption in the State and investigate them. It could also investigate alleged cases of corruption *ex officio*, if deemed appropriate. Should it encounter irregularities, the CCCC would refer these cases to the Comptroller General's or the Attorney General's office of the State, requesting their judgment and sanction. This feature became extremely relevant as many corruption cases investigated ended up receiving sanctions (as explained in Table 6, section 4.1.1).

Furthermore, the CCCC was in charge of promoting "the practise of ethical and civic values" (CCCC, 2000, p. 5). To this end, it promoted SAcc to oversee public administration and the creation of civic networks,[100] in order to create consensus and control corruption (CCCC, 2000). For these reasons, the CCCC represented the first step of the institutionalisation of SAcc in Ecuador at the constitutional level.

Following the inclusion of the CCCC in the 1998 Constitution, several legal measures were taken to allow it to operate. First, the Organic Law of the CCCC was created in 1999. This law mandated that the CCCC formulate the National Plan for the Prevention of Corruption, that was released in 2000. As part of the plan, the promotion of citizen oversight and accountability stand out as strategies to prevent corruption. Furthermore, it was the first time that a new mechanism, the *veeduria*, was mentioned in an anti-corruption plan.

The process of implementation of *veedurias* in Ecuador began in 1999 (CCCC, 2007). Citizen oversight was promoted so that citizens might exercise the right to observe

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[100] The civic networks were considered the articulating space of organisations to generate other processes for the, "empowerment of civil society to exercise the right to monitor and control public-sector works and processes; as well as to promote cultural changes and behaviours suitable for the ethics and morality of society-State coexistence" (CCCC, 2007, p. 180).

specific aspects of a subject of concern. Hence, attempts were made to detect and prevent acts of corruption in public administration. Among the first *veedurias* carried out were follow-up to corruption trials instituted in the courts in 1999. These trials were promoted by the CCCC to sanction presidents and government officials during the governments of Abdalá Bucaram (1996–1997) and Jamil Mahuad (1998–2000) (CCCC, 2000). Following these cases, this SAcc mechanism started to be used more frequently: between 2000 and 2007, 84 *veedurias* were created and supported by the CCCC, in which there were around 1,000 *veedores* (overseers) (CCCC, 2007). However, it was not until 2005 that the General Regulation of Citizen *Veedurias* was created. This specified the requirements for registering a *veeduria* and its scope of action. Thus, this SAcc mechanism was institutionalised for the first time.

However, the contribution of the CCCC (representing the citizenry) to accountability processes was not entirely understood. Certain critics questioned its existence, arguing that its competences duplicated those of the Comptroller General, and the Attorney General. Aguilar (2007) asks: "what is the point of having two public bodies [referring to the CCCC and the Comptroller's Office] responsible for the same area of control? Worse yet, what is the reason for maintaining these two bodies, if one of them cannot exercise its powers without resorting to other institutions of the State?" (p. 103). He argues that the existence of the CCCC "is not justified" (p. 103). On the other hand, the former State Prosecutor Mariana Yepez (2007) reasons that the competencies of the CCCC did not duplicate efforts in the fight against corruption, but complemented them: "The investigations carried out by the Commission must be considered as a contribution of the representatives of civil society, and not of interference in the Control Bodies or the [Attorney General] or Criminal Justice" (in Ayala, 2008, p. 85).

Taking both positions into account, the complementarity of SAcc and control agencies, such as the CCCC, does not appear to be self-evident. Still, if citizens pushed for the creation of an independent institution to control public processes, then the reason was the lack of trust in classic accountability agencies. It is important to remember that the Comptroller (as other control authorities) were appointed by the Congress, which involved political agreements, not necessarily looking to protect the public interest. Hence, the creation of the CCCC was an attempt to engage independent citizens to look after the public interest.

Moreover, contradictions in the legislation regarding the competences of institutions such as the CCCC and the Comptroller's Office generated further debate. For example, the Constitution determined that the Comptroller's Office was "the highest technical control body" (Article 211, 1998). Thus, the most relevant institution for the control of corruption was the Comptroller's Office, and not the CCCC.

Nevertheless, the CCCC was the entity called upon to formulate national anti-corruption policies.[101] Besides the CCCC became, by executive decree, the leading institution in the fight against corruption, being appointed as the central authority in the country for the Inter-American Convention Against Corruption[102] and also in charge of coordinating its implementation in Ecuador. While the Comptroller's Office regulated the good use of public resources as an *ex-post* accountability process, the CCCC could additionally create preventive public policies. Thus, its purpose was to tackle corruption from a more holistic perspective, which included the prevention and detection of corrupt acts.

Regarding the CCCC's officers, unlike the other control authorities that were appointed by panels presided over by the executive or the legislature, the CCCC was led by a collegiate body directly elected by different social sectors.[103] In this way, the CCCC became a kind of direct representative of the public for controlling public administration. Moreover, this institution, led by representatives of the citizenry, maintained a marked difference between the citizens and the State: the lack of confidence in the public and political sectors meant that the citizenry (supposedly honest) must control their (corrupt) authorities (Ramirez, 2011). This relationship, understood as a 'principal/agent' relationship (explained in chapter 2), was institutionalised in the CCCC.

Such a marked difference would generate mutual distrust, which would cause problems when coordinating control actions with other control bodies, mainly between the CCCC,

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[101] As a result, the CCCC prepares the National Plan for the Prevention of Corruption described above.

[102] Executive Order No. 122 of 19 February, 2003, signed by President Lucio Gutiérrez.

[103] The members of the CCCC were appointed by the electoral colleges formed by the following entities: 1) the National Council of Universities and Polytechnic Schools; 2) legally recognised professional associations, representative of each sector and nationwide in character; 3) the Ecuadorian Association of Publishers of Newspapers, Television Channels, Broadcasting and the National Federation of Journalists; 4) the national federations of the Chambers of Production; 5) trade unions and legally recognised national indigenous, Afro-Ecuadorian and peasant organisations; 6) legally recognised national organisations of women; and 7) legally recognized human rights and consumer defense organisations.

on the one hand, and the Comptroller's and the Prosecutor's Office on the other (Ayala, 2008). Despite these difficulties, the CCCC represented the beginning of the institutionalisation of SAcc in Ecuador. In addition, it is on the basis of the experience of the CCCC that another entity in charge of SAcc in Ecuador was created in the Constitution of 2008, the CPCCS, described later.

Another step forward in helping to institutionalise SAcc in Ecuador was the publication of the LOTAIP. Following a regional wave of action[104] on this matter, and in compliance with the provisions of the Inter-American Convention Against Corruption and the United Nations Convention Against Corruption, Ecuador published the LOTAIP in 2004 (Jara, 2017). This was also made possible by the pressure that civil society put on the State, requesting the right to access information (Arellano, 2013). This law mandates that all information concerning the State, regardless of whether its origin is public or private, is subject public release; therefore, all information they possess is public, except for the exceptions established in this law.

Besides, the LOTAIP mandates that specific information shall be published on institutional websites so that citizens can access this information. The law establishes the minimum level of information that shall be published. In order to monitor compliance with this law, it was established that the Ombudsman's Office would be in charge of following it up, guaranteeing and monitoring for compliance with this right (Jara, 2017). This was a step forward, as SAcc now had more tools to work properly.

5.2 A New Social Accountability and Anti-Corruption Framework

The 2008 Constitution is the result of the political and democratic instability that Ecuador suffered during the previous decade. The demands of civil society to be included in the decision-making processes were strongly embodied in the country's basic law. The Constitution aimed to build a participatory model, in which citizens have an active role in decision-making processes and in controlling the authorities. Additionally, it created accountability processes in order to prevent politicians and political parties from

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[104] "Panama (2002), Peru (2002), Mexico (2002), la Republica Dominicana (2004), Honduras (2006), Nicaragua (2007), Guatemala (2008), Uruguay (2008), Chile (2008), and more recently, El Salvador (2011) [and] Colombia (2012)" (Arellano, 2013, p. 21) have adopted similar laws.

dominating the electoral tribunals, courts of justice, and institutions of control, among others (Acosta, 2008). Thus, the Constitution of 2008 not only maintained the citizen participation rights of 1998, but increased them. A whole section in the Constitution is dedicated to citizen participation (Section IV of the Constitution) and, in total, more than 70 articles (out of 444) are related to it. Moreover, citizen participation in all matters of public interest is also a right of citizens, recognised by the State through the Constitution.[105]

The 2008 Constitution establishes mechanisms and institutions so that citizens can actively participate in the planning, management and evaluation of public policies at all levels of government. Furthermore, mechanisms are established for the social oversight of officials, institutions and activities related to public administration (Ramirez, 2007). Moreover, the new constitutional framework created an atypical State structure, with five branches of government.[106] In addition to the Montesquieu's *trias politica* or the three traditional powers of government – executive, legislative and judicial – the Constitution of 2008 created an electoral power and the FTCS. Within this fifth function, there was a new institution in charge of promoting SAcc and the control of corruption: the CPCCS. The CPCCS has unprecedented characteristics, which make it a unique institution in the region. The FTCS, the CPCCS, and SAcc mechanisms will be covered in this section.

5.2.1 A New Branch of Government to Control Corruption: Transparency and Social Oversight

As stated above, the Constitution gives much importance to the participation of citizens in processes of accountability and in the institutions of control. One of its innovative features is the creation of a new branch of government with the objective of exerting accountability on the public sector and promoting SAcc to control corruption. The article that establishes the FTCS (Article 204) states that "the people are the principal and first scrutinizer of public power, exercising their right to participation". Thus, the FTCS can be

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[105] Article 95, Constitution of the Republic of Ecuador, 2008. Moreover, citizens can exercise this right individually or collectively, since they are intended to be part of the planning, decision-making and management of public affairs, in order to build real citizen power and effective SAcc (Article 100).

[106] The break with the *trias politica* can also be seen in the constitutions of Venezuela (1999) and Bolivia (2009). These constitutions define and organise the structures of their respective countries through the legislative, executive, judicial and electoral branches. Additionally, the Venezuelan structure has a fifth power, the citizenry power (*poder ciudadano*), which is composed of the Public Prosecutor, the Comptroller General of the Nation, and the Ombudsman's Office.

interpreted as the institutionalisation of the figure of the citizen as "the principal and first scrutinizer of public power". The FTCS is in charge of promoting the control and oversight of both entities and civil servants in the public sector. Moreover, the private sector is subject to being monitored if private entities undertake activities that are in the public interest.

Additionally, the FTCS has the mandate to promote citizen participation and the control of corruption. Finally, it protects the exercise and satisfaction of rights. Thus, the FTCS is made up of different institutions related to controlling public administration or the protection of rights: the CPCCS, the Office of the Comptroller General of the State, the Ombudsman's Office, and the Superintendencies.[107]

Having a new branch of government that connects the control authorities can be helpful to ensure that there is coordination among them to fulfil their objectives. This addresses the criticisms expressed in the previous section (Ayala, 2008; Aguilar, 2007), which highlight the lack of coordination and the duplication of competences between institutions. To facilitate this coordination within the FTCS, a coordination agency was created that was made up of the leading officials of the FTCS institutions. The coordination agency's objectives are: to formulate public policies for citizen participation, social oversight, rendering accounts, transparency and the fight against corruption; to deliver the National Plan for the Preventing and Fighting Corruption; to formulate law proposals (bills) and legal reforms within the scope of their competences; and to coordinate control actions among the entities of which it is comprised.

Although creating a fifth branch of the State that promotes SAcc and controlling corruption is innovative and striking, it is the creation of a new institution the CPCCS what stands the most. As Peña (2011) states, "of the entities that make up the FTCS, the CPCCS is the one that in its functional areas has, at a constitutional level, a closer relationship with the issues of combating corruption and transparency" (pp. 8–9).

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[107] The Superintendency of Companies, the Superintendency of Banking and Insurance, the Superintendency of Telecommunications, the Superintendency of the Popular and Solidarity Economy, the Superintendency of Market Power Oversight and the Superintendency of Information and Communication.

5.2.2 Citizen Participation and Social Oversight Council

The scope of this thesis means that particular attention must be paid to the competences and attributions of the CPCCS. The CPCCS is the institution that nurtures SAcc in Ecuador by promoting the exercise of rights related to citizen participation and upholding transparency. Additionally, the CPCCS investigates complaints regarding actions or omissions that affect citizen participation or foster corruption. Furthermore, the CPCCS is entitled to establish accountability mechanisms, including citizen oversight, over matters of public interest. Finally, it also leads the appointment processes to different institutions, including the control institutions, under citizen oversight (Constitution of Ecuador, 2008; MESICIC, 2014).

Some of the competences of the CPCCS are not entirely new in the SAcc framework in Ecuador. As explained in the first section of this chapter, the CCCC was in charge of promoting transparency and the elimination of corruption. This was done by investigating alleged cases of corruption – from complaints or *ex officio* – or by promoting SAcc. These characteristics would be inherited by the CPCCS, with one exception: the *ex officio* investigations. Unlike the CCCC, the CPCCS can investigate alleged cases of corruption only if a complaint has been submitted.[108] According to the CPCCS (MESICIC, 2014), this is a limitation on the objective of helping to control corruption.[109] As the analysis in the following chapters will show, removing this competence from the CPCCS could hurt SAcc and the imposition of sanctions. However, except for this characteristic, the CPCCS continues the work of the CCCC. Moreover, the 2008 Constitution mandated that the CPCCS incorporate public officials from the CCCC and the Anti-Corruption Secretariat.[110] The CPCCS assumed the CCCC's structure, which had two technical secretariats: the Technical Secretariat of Transparency and the Fight against Corruption, and the Technical Secretariat of Oversight and Citizen Participation.

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[108] Article 208.4, Constitution of the Republic of Ecuador, 2008.

[109] During the CCCC's existence, 40% of the 462 investigated cases were *ex officio* and 60% came from complaints (Ayala, 2008). Furthermore, most of the iconic corruption cases investigated by the CCCC were *ex officio* investigations (CCCC, 2007).

[110] Transitionary ´Provision/Article 30, Constitution of the Republic of Ecuador, 2008.

These secretariats are in charge of implementing the policies and mechanisms of SAcc, in accordance with the competences of the CPCCS. The Transparency Secretariat has two primary functions: the first is to receive, investigate and follow up on citizen complaints, and the second is to generate transparency policies. The Participation Secretariat directly promotes and contributes to forming SAcc initiatives embedded in the Constitution. For this reason, the Participation Secretariat has three sub-sections: participation, social oversight, and accountability (or rendering accounts). Initiatives such as participatory budgeting and local assemblies are promoted and aided by the participation sub-section. The social oversight sub-section promotes *veedurias* and observatories. Finally, the accountability sub-section is in charge of the processes of accountability in the public sector. Rendering accounts is mandatory in Ecuador for all public-sector authorities and entities. The accountability sub-section is in charge of monitoring the fulfilment of this requirement and reviewing the annual accountability reports.

However, as stated before, the CPCCS has new competences, among which, arguably, the most unusual is the appointment of several authorities. The high levels of distrust in the legislative branch throughout the previous decade facilitated the creation of an unprecedented institution worldwide. The CPCCS sought to depoliticise the designation of control authorities (Ramirez, 2009), since it was understood that if politicians appointed them, they would respond to their interests. In other words, the CPCCS is an institution created, in theory, to apply SAcc and to ensure that the most qualified citizens, without conflicts of interest, lead the institutions responsible for fighting corruption.

As explained in Chapter 4, the designation of authorities would become one of the most controversial characteristics of the CPCCS, especially since it is in charge of leading the selection process for various officials: the Procurator General of the State and the Superintendencies, from a list of three candidates sent by the president; and the first leading officials of the Ombudsman's office, the Public Defender's office, the State Attorney General's office, the State Comptroller General's office, the National Electoral Council, the Electoral Tribunal and Judicial Council, having followed the appropriate selection procedures. Hence, the CPCCS became, indirectly,[111] an extremely powerful

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[111] The CPCCS does not select the authorities directly but organises the selection processes. In the case of the Procurator and the Superintendencies, the president sends a list of three candidates with their respective CVs and the respective supporting documents that prove the candidates are suitable for these positions.

institution since it led the appointment processes for all the institutions in the FTCS, both electoral institutions and the Judicial Council (which is in charge of selecting judges and other officials from the judicial branch). The competence to select these authorities not only placed the CPCCS in the middle of the political discussion, but it also forced the institution to allocate many of its resources to these processes, to the detriment of promoting citizen participation and fighting corruption (Mesicic 2014).

The CPCCS has had to manage this situation to fulfil its mandate, including the promotion of the new SAcc mechanisms guaranteed by the Constitution. These mechanisms are public hearings, assemblies, observatories, user committees, empty chair, *veedurias* and all other means of participation that the citizenry or the State promotes, including participatory budgeting, popular councils, and advisory councils. Annex 2 briefly explains what each one of these mechanisms and their objectives are. Furthermore, there is an additional mechanism to complement SAcc instruments: the 'rendering of accounts'. This pursues the periodic release of information from authorities and institutions regarding their work and expenditure. Such information must be presented to the public who may use this information, in theory, to hold the authorities accountable for their actions and inactions.

As explained in Chapter 3, SAcc can improve democracy by involving citizens in the decision-making process, improving services, protecting rights, and controlling corruption. Not every SAcc mechanism guaranteed in the Ecuadorian constitution works for every case. For instance, to improve democracy, several mechanisms aim to include citizens in the decision-making processes, such as the empty chair, public hearings, local assemblies, popular councils, advisory councils, observatories and participatory budgets. However, only a few of them work to control corruption, given their characteristics that enhance citizen oversight of public matters (*veedurias*, participatory budgeting, observatories, user committees and local assemblies). It is among these that

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The candidates may be challenged by citizens, in which case they may be disqualified from the process after they have been heard (resolution N.025-08-2015 of the CPCCS). In the case of the leading officials of the Ombudsman's Office, the Public Defender's Office, the State Attorney General's Office, the State Comptroller General's Office, the National Electoral Council, and the Electoral Tribunal, the CPCCS leads the appointment process. The process itself is held by a Citizens' Commission, composed of five independent citizens and five public officials (one each per State organ). Then, the best-qualified person is selected after an open competition, including *veeduria* and citizen challenge. For the Judicial Council, each State organ sends a list of three candidates, and the CPCCS appoints them using a similar process to the selection of the Superintendencies.

we find the two most-used SAcc mechanisms in Ecuador: the *veeduria*[112] and participatory budgeting.[113] Both mechanisms will be reviewed in detail in 5.3.3.

5.3 How Does the Social Accountability and Anti-Corruption Framework Work?

More than ten years after the creation of the last Constitution in Ecuador and the creation of a new SAcc framework, the impact of the new institutionality on controlling corruption is unclear. The lack of reliable indicators on the efficiency of anti-corruption policies makes it difficult to assess if the new framework has helped to decrease corruption levels in Ecuador. Although this study has made intensive efforts to find quantitative evidence, such as performance indicators, trends or other quantifiable data to evaluate the performance of the SAcc mechanisms, institutional or academic studies have not yet provided this type of information. However, there is some information that can offer us a glimpse of how the legal and institutional framework has worked in the last decade.

Generally, there seems to be a consensus among experts and academics that there has been progress in promoting and guaranteeing the right to, and mechanisms of, citizen participation (Balderacchi, 2015; Ortiz Lemos, 2013; 2015; Olivo, 2017; Fernandez, 2015; Carrera, 2015; FCD, 2017). The constitutional and legal framework[114] has guaranteed the existence of different SAcc mechanisms, such as *veedurias*, observatories, participatory budgeting, and accountability processes, among others.[115] This opens the door for civil society to be part of controlling public resources by using legal and legitimate mechanisms. On the other hand, as explained in the previous chapter, there is evidence (FCD, 2017) showing that Ecuador may be a case of State capture of the SAcc framework. Additionally, critics question the real effect of the new

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[112] According to official figures, between 2010 and 2016, 901 *veedurias* were created (CPCCS annual accountability reports 2010, 2011, 2012, 2013, 2014, 2015, 2016), making them the most used SAcc mechanism initiated by citizens in Ecuador.

[113] On the other hand, the legal mandate that obliges the decentralised autonomous governments (GADs) to prioritise citizen participation in their budget makes participatory budgeting the most used SAcc mechanism initiated by authorities in Ecuador. There is a total of 24 provinces, 221 municipal or cantonal administrations and 790 rural districts, each with its own GAD. According to the COOTAD, it is a legal requirement that all of the 1,035 GADs implement PB in their areas annually.

[114] Following the Constitution, several laws and regulations have been issued to guarantee and facilitate citizen participation, such as the Organic Law of Citizen Participation and the COOTAD.

[115] The SAcc mechanisms mentioned in section 5.2.3.

SAcc framework, including the channelling of citizen participation through an institution such as the CPCCS (Conaghan, 2011; Balderacchi, 2015). Finally, the analysis done in this research allows us to conclude that the SAcc framework does not lead to sanctions. This section will examine how the SAcc and anti-corruption framework has worked since its creation.

5.3.1 Transparency and the Social Oversight Branch of Government

Neither in academia nor in the media, has implementing the constitutional mandate of the FTCS been a highly relevant topic. Still, the efficiency of this new tool of the State is in scrutiny, since there are no clear results as to how it has fulfilled its objectives, especially regarding the promoting citizen participation and controlling corruption (Olivo, 2017). The FTCS annual accountability reports show what its institutions[116] are doing, but not its own specific achievements.[117] This lack of information regarding the FTCS's actions in their own reports suggests that we can infer that its work is limited. It is important to remember that the FTCS is supposed to lead and coordinate the anti-corruption and SAcc framework implementation through its institutions.

Amidst this inefficiency, there is one iconic achievement by the FTCS, which is the formulation of the National Plan for Preventing and Fighting (Against) Corruption 2013–2017. The plan was launched in May 2013, in an event that called for a 'national social pact' to such ends (FTCS, 2013b; Defensoria del Pueblo, 2013). The purpose of this document was to develop a programmatic proposal aimed at creating a culture of prevention and combating corruption in the country (FTCS, 2013, p. 7). Moreover, the FTCS formulated the Organic Law Project of the FTCS, which was approved by the National Assembly in 2014.

However, despite the achievements mentioned above, there are indications that the FTCS coordination agency has not had the capacity to fulfil the objectives that the constitution demands. This lack of capacity can be related to the complexity of how the

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[116] CPCCS, Ombudsman, Comptroller's Office and the Superintendencies.

[117] FTCS accountability reports, available at: http://www.ftcs.gob.ec/transparencia/rendicion-de-cuentas

FTCS operates. First, its coordination agency must elect a president and a vice-president (from among the leading officials of the institutions that make up the FTCS) to exercise these functions for one year. A technical secretary will also be elected for the same period. In other words, leading the FTCS may be understood as a symbolic act, since the duration of the mandate does not allow for long-term projects. Moreover, although the FTCS law stipulates this, the coordination agency does not have a personnel structure of its own that could provide continuity to the different processes initiated.

Furthermore, the National Plan for Preventing and Fighting (Against) Corruption reveals the lack of strength of the coordination agency. After a participative process and through the intervention of its agencies, the plan was launched in 2013 (Olivo, 2017). Among its

significant contributions, the plan provides a definition of corruption.[118] On this basis, it also includes a guideline of the acts that are considered to be 'corruption'. However, this guideline by the FTCS and its plan to prevent and fight corruption is not necessarily applied in Ecuadorian legislation. The following tables indicate the types of corruption established in the plan, and how they have been applied in legislation.

Table 7 lists the acts classified as "crimes against the efficiency of public administration" (corruption offences),[119] established in a specific section of the COIP, as well as which of these crimes coincide with the classification in the National Plan for Preventing and Fighting Against Corruption.

Table 7. Crimes against the public administration established in the COIP versus classification of public conduct considered acts of corruption by the National Plan for the Prevention and Fight Against Corruption

Offence	Comprehensive Criminal Organic Code[120]	National Plan for the Prevention and Fight Against Corruption
Embezzlement	Article 278	(b.i.7)[121]
Illicit enrichment	Article 279	
Bribery	Article 280	(b.i.1)
Soliciting	Article 281	
Trading in influences	Article 285	(b.i.2)
Offer to trade in influences	Article 286	
Testaferrismo or 'Front man'	Article 289	

Source: COIP and the National Plan for Preventing and Fighting (Against) Corruption

On the other hand, Table 8 shows other types of corruption determined by the National Plan for Preventing and Fighting Corruption. However, despite being classified in the

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[118] The plan (2013) adopted Mario Oliveira's definition of corruption, namely, "... illicit or unlawful covert and deliberate action of public servants or private people to favor particular interests, carried out via any means or by sharing power in regulatory institutionalized and structured spaces, affecting public interests of collective and individual subjects, and to ethics" (p. 11).

[119] No public servant shall be exempt from responsibilities for acts performed in the exercise of their functions. Article 233 of the Constitution of the Republic of Ecuador, as well as Article 16 of the COIP, establish that actions and penalties for the crimes of embezzlement, bribery, concussion and illicit enrichment are imprescriptible.

[120] As mentioned above, in Ecuador, crimes of corruption or against the public administration are imprescriptible (Article 233 of the 2008 constitution). In other words, the crimes in this table are not subject to the statute of limitations, while the other types of corruption indicated in the National Plan for the Prevention and Fight Against Corruption would not be considered, in effect, corruption offenses in the national regulations. Therefore, they are not imprescriptible.

[121] The format used in the National Plan for Preventing and Fighting (Against) Corruption, to list the classification of acts of corruption.

COIP as offences, **they are not considered acts of corruption** or "crimes against the public administration". On the other hand, we have the case of 'conflict of interest' that is regulated by another normative body.[122]

Table 8. Classification of public behaviour considered acts of corruption versus common offences established in the COIP

Offence	Comprehensive Criminal Organic Code	National Plan for the Prevention and Fight Against Corruption
Fraud	Article 186 (Fraud)	(b.i.3)
Use of privileged information	Article 180 (Dissemination of restricted information) Article 229 (Illegal disclosure of database) Article 233 (Crimes against legally reserved public information)	(b.i.4)
Abuse of trust	Article 187 (Abuse of confidence)	(b.i.5)
Conflict of interests	Administrative sanction	(b.i.6)
Tax evasion	Article 298 (tax fraud)	(b.i.8)

Source: COIP and the National Plan for Preventing and Fighting (Against) Corruption

Finally, Table 9 shows the events classified as acts of private corruption, as established by the National Plan for the Preventing and Fighting (Against) Corruption, but that the COIP considers common crimes (except for the linked credits, which is considered as a form of embezzlement).

Table 9. Classification of private behaviours considered acts of corruption versus common offences established in the COIP

Offence	Comprehensive Criminal Organic Code	National Plan for the Prevention and Fight Against Corruption
Money laundering	Article 317 (Money laundering)	(b.ii.1)
Fraud in telecommunications	Article 188 (Illicit use of public services)	(b.ii.2)
Linked credits	Article 278 (Regulated within the crime of embezzlement)	(b.ii.3)
Abuse against financial, societary, and commercial consumers	Article 235 (Deceiving the buyer regarding the identity or quality of the goods or services sold)	(b.ii.4)
Abuse of privileged information	Article 180 (Dissemination of restricted circulation of information) Article 229 (Illegal disclosure of database)	(b.ii.5)

Source: COIP and the National Plan for Preventing and Fighting (Against) Corruption

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[122] Conflict of interest is regulated in Article 6 of the LOSEP, which determines nepotism, its inabilities and prohibitions. Therefore, Conflict of interest is not an offense but an administrative prohibition, which after a process of investigation can determine civil, administrative or even criminal liability, if, as a result of this administrative act, an offense established in the COIP has been committed.

Bearing in mind that the National Plan for Preventing and Fighting (Against) Corruption was published in 2013 and the COIP in 2014, we can infer that the former did not have a significant influence on the creation of the latter. The Plan outlines several types of corruption, including forms of public and private corruption. However, in Ecuador, only those corresponding to Table 7 are considered offences, which has implications for the treatment of different crimes.

Another example of the FTCS failing to fulfil its objectives is that it has not proposed any bills or legal amendments in the fight against corruption. This lack of efficiency is also reflected in the fact that the FTCS took almost five years to formulate the first National Plan for Preventing and Fighting (Against) Corruption (from its creation in 2008 until 2013). Moreover, in 2021, the Plan that should be in force (2017–2021) has not yet been approved. Thus, it is apparent that the FTCS does not have the stability to operate in full accordance with its objectives, including the duty to promote effective coordination between the different control entities. Finally, this lack of coordination may also be undermining the influence that that a new institution such as the CPCCS may have on other, more classic, control agencies.

5.3.2 Citizen Participation and Social Oversight Council

The creation of the CPCCS is key to the new SAcc and anti-corruption framework due to its novel features already described above. However, the implementation of this institution's features, through the standard settlement, has not been easy. In fact, the work of the CPCCS has had two major difficulties – first, the lack of operational capacity to fulfil its competencies. Despite efforts to decentralise the CPCCS activities and some important achievements (like promoting the elaboration of accountability reports from public institutions and authorities), it has had to concentrate much of its efforts in appointment processes, to the detriment of promoting SAcc competences. The second difficulty has been the political capture of this institution that, in theory, should be led by the citizenry and without political attachments. As stated in Chapter 4, the CPCCS Plenum was, from 2010 until 2015, composed of a majority of councillors identified with specific political parties, four of them with the ruling party. The following Plenum was integrated by seven members identified with the ruling party. The politicisation of the CPCCS undermined its image and credibility. In addition to these two difficulties, the CPCCS has failed to evaluate its own processes, mainly in relation to the fight against

corruption and promoting accountability through citizen participation. The information produced by the CPCCS, especially through its annual accountability reports, does not include output indicators that evaluate the implementation of the different mechanisms.

Since its creation, the CPCCS has had to handle many different responsibilities. The Constitution mandated the CPCCS to draft and present a bill to regulate itself. Furthermore, it had to prepare the respective regulations for the selecting authorities, and immediately convene the selection processes[123] – all within a period of 120 days. Moreover, the CPCCS had to simultaneously keep working on both of the other two competences: the fight against corruption and citizen participation. The period between 2008 and 2013 focused on implementation. As such, when surveying its annual operative plans, it can be seen that the objectives of the institution were concentrated on the creation of different SAcc initiatives. In this way, year after year, the number of SAcc initiatives increased (CPCCS annual accountability reports, 2010; 2011; 2012; 2013; 2014; 2015; and 2016). These reports reveal the importance of workshops and trainings for citizens on participation mechanisms, as well as the support offered in establishing citizen participation mechanisms. The latter includes creating guidelines and instructions to establish these mechanisms. It should be stressed, once again, that there are no studies that measure the impact of these activities. Nevertheless, it can be inferred that the first step was to create a culture of SAcc in Ecuador and to help to institutionalise it.

Having reviewed the pre-CPCCS, SAcc related literature (Ackerman, 2005; Peruzzotti and Smulovitz, 2000; 2002; Malena et al., 2004), it is apparent that this new institution was a leap forward in an attempt to apply the theories in circulation at that stage that discuss the need to institutionalise SAcc. The intention of institutionalising the SAcc mechanisms is to guarantee permanent citizen control over the management of public resources while protecting the rights of citizens. Consequently, this type of scrutiny can serve to alert the control institutions to possible acts of corruption. Under this logic, the institutionalisation of SAcc sought to complement other formal efforts to fight corruption, since the size of the State makes it virtually impossible for control institutions to monitor everything that happens in the public sector.

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[123] Article 29 of the Transitional Regime in the Constitution of the Republic of Ecuador.

Moreover, the CPCCS also made efforts to expand its presence across the country. In order to promote SAcc and support citizens to start their own initiatives, not only did it need to be in the major cities, but also around the country. Thus, the presence of the CPCCS in different provinces started to increase in 2012, with the 'decentralisation' of processes. The objective of this procedure was to have offices in each of the 24 provinces in Ecuador, with personnel assigned to respond and lead processes concerned with promoting citizen participation and the fight against corruption. This objective was finally achieved in 2014 (CPCCS Accountability Report, 2015).

Another step forward in promoting SAcc is the increase in institutional accountability reports. The new Constitution mandated both institutions and authorities to render accounts to the citizens on a yearly basis. This action was to be promoted and supervised by the CPCCS. In its first years, compliance with delivering accountability reports was low. However, statistics show that the reality has improved over the years. The CPCSS accountability report for the year 2010–2011 indicates that only **19.14%** of the institutions and authorities complied with their duty of presenting their yearly accountability reports. The percentage has increased significantly and, in 2017, **97.12%** of public institutions and authorities complied with this constitutional mandate.

Improvements in this area may be directly linked to the CPCCS, since it is the entity that monitors observance with the reporting requirements. Furthermore, it published different guides on rendering accounts[124] (2013–2014; 2017), promoting them among the institutions and authorities. Still, these processes face other challenges, such as controlling the content of the reports, which has not been enforced yet.[125] The analysis of the case of the PB in Tungurahua (Chapter 7) shows that the information included in the annual accountability reports usually focuses on magnifying the work done by authorities, and not on what was not done. Additionally, the quality of the information

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[124] The CPCCS has published different guides on rendering accounts for the different functions of the State. All the guides were published in 2013–2014 and updated in 2017. These guides can be found at: http://www.cpccs.gob.ec/participacion-ciudadana-y-control-social/rendicion-de-cuentas/guias-y-formularios/proceso-de-rendicion-de-cuentas-2018/

[125] In December 2018, the CPCCS published the Regulation on Rendering Accounts, but its efficiency will have to be evaluated in the future. The regulation can be found at: http://www.cpccs.gob.ec/wp-content/uploads/2018/12/e207.pdf

presented is low, making it difficult for control agencies or the citizenry to use that information and hold the State accountable for its actions or inactions.

In terms of the 'appointing control authorities feature, the CPCCS has had to put additional effort into fulfilling that requirement, to the detriment of promoting citizen participation and controlling corruption. These limitations were recognised by the CPCCS authorities during the fourth round of analysis of the implementation of the Inter-American Convention Against Corruption (MESICIC, 2014, pp. 11–12):

> *"the CPCCS' representatives stated that the task of appointing senior authorities, assigned to the it under sections 9 to 12 of Article 208 of the CRE, consumes a large amount of their time and institutional resources, considering the total amount available to fully perform the CPCCS' three main functions, which are of equal importance under the mandate given in articles 207 et seq. of the CRE."*

Additionally, a similar statement was given by the representative of the Latin American Faculty of Social Sciences (FLACSO – Ecuador), Santiago Ortiz, during his participation in the panel session on mechanisms for civil society participation in public administration, stating, "that one of the difficulties detected was that the CPCCS was more involved in the selection of oversight authorities than in supporting citizen participation" (ibid., p.12). In fact, when reviewing the CPCCS organisational chart and the Organic Regulations for Processes of the Council of Citizen Participation and Social Oversight,[126] it can be seen that there is no permanent staff that sees to the selection processes. This is most likely because they are not regular occurrences; however, neither is there specific personnel hired to take care of the logistics of these processes.[127] Thus, officials from different areas of the CPCCS are designated to help with the different processes, weakening the work of their respective areas.

Some initial critics pointed out that the structure of the CPCCS might lead to a political capture of SAcc (or what Ackerman (2005) defines as its over-institutionalisation). Since

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[126] http://www.cpccs.gob.ec/wp-content/uploads/2017/01/ORGANIGRAMA.pdf

[127] http://www.cpccs.gob.ec/wp-content/uploads/2015/12/Literal-b2-10-01-2018.pdf

the beginning, there have been concerns that such an institution might end up co-opting social organisations, thus leading to a loss of autonomy among civil society and its SAcc initiatives (Ramirez, 2009). Moreover, there were criticisms regarding the method of appointment of CPCCS's councillors,[128] which implies "an application of power that overlaps with society" (Corral, 2009, p. 278).

Corral (2009) also states that the nature of the CPCCS's membership would turn it into an institution strongly controlled by the executive power. Indeed, one of the first, and main, criticisms was related to the political affiliation of the member of the Plenum of the CPCCS. When councillors were designated, after an open competition, the seven successful councillors had ties with political parties: four of them with AP, two with the MPD (an ally of the government party at the beginning of the mandate) and one with the PSP (*El Comercio*, March 14, 2010). The four related to the ruling Party, had some relationship with one of *correismo*'s most committed adherents, Ricardo Patiño (ibid.). If we compare this situation with the defunct CCCC that challenged people in power, we end up with an image of the CPCCS as an institution with its autonomy undermined. Moreover, the CPCCS was supposed to be an institution led by citizens to depoliticise control agencies; however, this was not the case as control authorities designated by CPCCS-led processes were directly connected to the government (FCD, 2017).

Still, the executive created an alternative SAcc framework within the executive branch, as it interpreted the CPCCS as a "rival" institution that is "too focused on civil society" (Ortiz Lemos, 2013, p. 264). This distrust may be reflected in the executive's decision to create, by executive decree, two institutions with similar powers to that of the CPCCS: the Secretariat of Peoples, Social Movements and Citizen Participation (*Secretaría de Pueblos, Movimientos Sociales y Participación Ciudadana*) and the National Secretariat for Transparent Management (SNTG; *Secretaría Nacional de Transparencia de Gestión*). The People's Secretariat was created in 2007,[129] prior to the drafting of the

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[128] The CPCCS councillors were designated by a selection process led by the CNE. The 14 best applicants (seven councillors and seven alternate councillors) were designated as authorities of the CPCCS. This process was changed after the referendum in 2017 and, currently, the authorities are elected through popular vote. This is mentioned in section 5.3 of the current chapter.

[129] On February 26, 2007, President Rafael Correa, through Executive Decree No. 133, created the Secretariat of Peoples, Social Movements and Citizen Participation, attached to the Presidency of the Republic. The Secretariat was, according to its founding decree, the governing body for public policies that regulated and guaranteed the right to citizen participation in key decisions affecting especially those segments of the population marginalised from political events. Article 2. Available at: http://www.fao.org/faolex/results/details/en/c/LEX-FAOC076790

new Constitution. However, this institution only remained operational until 2013, when the Secretariat for Policy Management absorbed it. Among its duties was to "Promote the creation of citizen oversight and the strengthening of existing [initiatives], to promote a culture of public service to the community, based on greater commitment, transparency and ethics" (Executive Decree Number 133). Hence, there is a direct duplication of competences with the CPCCS, as mentioned above.

On the other hand, the SNTG was created in December 2008.[130] In addition to promoting transparency and cooperation, government institutions fighting (against) corruption must investigate and report such acts of corruption, and the SNTG was expected to inform the CPCCS of the results of its investigations. In other words, there was one more institution with the capacity to investigate cases of corruption, and an investigation by the SNTG was expected be passed to the CPCCS, and then later to the Comptroller or the Prosecutor's Office – all of which generated greater bureaucracy when it came to prosecuting possible cases of corruption. However, it must be reiterated that, although the SNTG received and investigated allegations of corruption, its scope of action (its focus?) was only the executive branch. In comparison, the CPCCS had competences across all sectors of the State. This framework went through different institutional changes and, since 2017, the aforementioned institutions do not exist anymore.[131]

Still, the creation of both institutions reveals two problems, first that the framework is far from being efficient in terms of ensuring that SAcc can fulfil the objective of holding the State accountable. And second, that beyond the fact that the established SAcc and anti-corruption framework was drafted by the government's 'Citizen's Revolution' project

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[130] The SNTG was created by Executive Decree No. 1511, dated December 31, 2008. The SNTG was attached to the Presidency of the Republic with a de-centralised management. The entity had a nationwide scope on the institutions of the Central Public Administration.

[131] By Executive Decree No. 1522 of June 12, 2013, former President Rafael Correa Delgado created the National Secretariat for Policy Management and ordered the National Secretariat of Peoples, Social Movements and Citizen Participation be merged into it. The aforementioned decree also ordered the SNTG be transformed into a sub-secretariat and absorbed into the National Secretariat of Public Administration (SNAP); later, it would be formed as a technical secretariat within the same SNAP. Finally, with Executive Decree No. 5 of 24 May, 2017, President Lenín Moreno suppressed the SNAP and resolved that several of its competences should pass to other ministries. However, nothing has been mentioned about the Technical Secretariat for Transparent Management, so we can conclude that it was that the executive no longer needed this institution.

(born of the Constituent Assembly), distrust in the CPCCS led the Executive to create a parallel framework over which it had direct control.

Finally, the analysis done to evaluate the performance of SAcc mechanisms since the creation of the CPCCS resulted in the discovery of one of the limitations of this institution: the lack of evaluation of its processes through output indicators. The information that the CPCCS offers to citizens through its annual accountability reports (CPCCS Accountability reports 2010; 2011; 2012; 2013; 2014; 2015; 2016) focuses on creating and analysing compliance with input indicators. That is, an estimate of the number of SAcc citizen initiatives created or helped into being. Table 10. Number of SAcc initiatives with capacity to prevent or detect corruption brings together the information available concerning the number of SAcc mechanisms dedicated to controlling corruption.

Mechanism	2010	2011	2012	2013	2014	2015	2016	Total
Local assemblies	-	-	-	185[132]	-	60	35	**280**
Observatories	-	-	1	8	12	13	2	**36**
User Committees	-	-	24	-	9	7	7	**47**
Veedurias	35	269	46	94	108	125	224	**901**
Participatory Budgets	1035	1035	1035	1035	1035	1035	1035	**7245**

Table 10. Number of SAcc initiatives with capacity to prevent or detect corruption (Source: CPCCS Accountability Reports (2010; 2011; 2012; 2013; 2014; 2015; 2016); Participatory budgets, according to the obligatory nature of implementation of PB (Organic Law of Citizen Participation, Article 71))

However, there is no evaluation of the outcome of these initiatives, particularly in terms of the impact on the fight against corruption. This is problematic because the CPCCS is the institution called upon to strengthen citizen control of the public sector. The fact that impact (output) results are not reported could mean that citizen initiatives have had no impact on the fight against corruption. I say this on the basis of the comparison with the reports of the CCCC, in which were highlighted the accomplishments obtained by investigations and *veedurias* that concluded in sanctions for different parties. As Rothstein and Teorell (2015), and Johnston (2015), imply, if citizens do not feel that their

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[132] The CPCCS Report (2013) states that there was "Promotion and support in the strengthening or integration of 185 Local Citizen Assemblies". This means that the number (185) does not correspond only to Local Assemblies created that year. There is no disaggregation of that information. Still, this information allows us to know that there were 185 Local Assemblies up to 2013.

intervention is having an impact, distrust of the system may rise and there is the risk that they will not participate again. In this vein, the CPCCS may, in the long run, be undermining public motivation to participate in controlling the public sector. For these reasons, it is important that this institution creates indicators that allow its actions to be evaluated and its processes to be improved. Additionally, the CPCCS is able to propose to the National Assembly reforms of regulations, in order to make the framework in which it works more efficient. In the next section (5.3.3) we will review the two mechanisms that are /being analysed in the particular object of this thesis, and subsequently (5.3.4) those mechanisms' framework to secure sanctions in cases of corruption.

5.3.3 Social Accountability Mechanisms

The implementation of SAcc mechanisms in the current SAcc framework is an ongoing process that requires special attention. Returning (briefly) to the objectives of this thesis, the aim is to build on the knowledge of how SAcc works to control corruption in Ecuador. To achieve that objective, two case studies were selected, based on the most used SAcc mechanisms in Ecuador (see section 1.2.1 of this thesis). While the *veeduria* is the most used citizen-led SAcc mechanism, participatory budgeting is the most used State-led SAcc mechanism [Table 10]. Additionally, the framework in which these mechanisms function is supposed to enhance accountability and help in controlling corruption. The analysis of both mechanisms can contribute towards a better idea of how SAcc works as a whole in Ecuador. This subsection will go over the characteristics of both *veedurias* and participatory budgeting.

5.3.3.1 Veedurias in Ecuador

As explained in section 5.1.1, *veedurias* started to be officially implemented in Ecuador in 1999. Since then, *veedurias* have become an important SAcc mechanism to the point that they are the most used by citizens (CPCCS Accountability Report, 2015). At the moment, and since its creation in 2008, the institution in charge of promoting and supporting the creation of *veeduria*s in Ecuador is the CPCCS. During this analysis, the reasons for this mechanism's popularity will be explained, including the ease of creating a *veeduria* and registering it with the CPCCS.

The Ecuadorian legislation has its own definition of a '*veeduria*' in the General Regulation of Citizen *Veeduria*s:

> *"Veedurias constitute mechanisms of social accountability that allow citizens to exercise their rights of participation to carry out the monitoring, supervision and control of public administration, prior, during or after its execution. [Veedurias are formed] to know, inform, monitor, comment, present observations, demand accountability and contribute to the improvement of public administration." (Article 6, General Regulation of Citizen Veedurias, 2017)*

As a SAcc mechanism, veedurias are framed so that they trigger the alarm of control agencies when corruption is detected. In this line, sanctions are supposed to be imposed by either control agencies or the judiciary. Section 5.3.4 will analyse the 'path to sanctions' of the veeduria. According to the General Regulation of Citizen Veedurias (2017), *veeduria*s should have a "participative, civic, voluntary, proactive and neutral character and will be carried out without prejudice to the simultaneous implementation of another SAcc mechanism in the observed institution(s)". In other words, it can be deduced that the *veedurias* in Ecuador are not only a SAcc mechanism, but also a right by which citizens chip in to defend the general interest. It is important to mention that *veedurias*, as other SAcc mechanisms, are guaranteed by the constitution (2008) (Articles 61, 85, 95, 96, 100). Furthermore, they are also backed and guaranteed by the Ecuadorian legal framework, including the Organic Law of Citizen Participation, the Organic Law of the CPCCS, the COOTAD and the General Regulation of Citizen *Veeduria*s.

A compilation of information from official yearly accountability reports of the CPCCS shows that, during the period of 2010–2016, there have been 901 registered *veeduria*s in the CPCCS. Numbers have been steadily increasing since 2010, except for an atypical 2011[133] (Figure 11).

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[133] It was found that the reason for having so many *veedurias* in 2011 was due to the oversight processes targeting (1) the selection of judges during the Transitional Judicature Council; and (2) due to the designation of property recorders, which under legal mandate (Reglamento del concurso de merecimientos y oposición
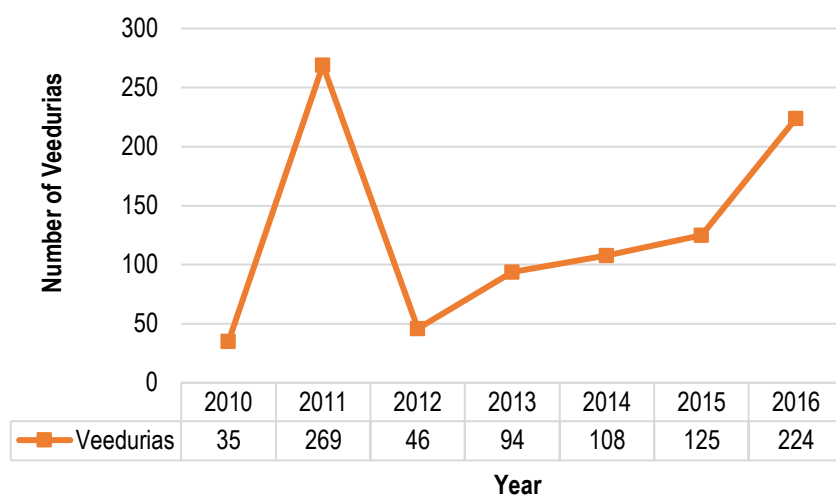
Figure 11. Veedurias

This growth can be related to the following factors: (1) increase in the number of CPCCS offices in the provinces of Ecuador and decentralisation of administrative operations in the CPCCS; (2) increase in the promotion of citizen participation mechanisms; and (3) the ease of creating and registering a *veeduria*. First, until 2014, the process of registering a *veeduria* was more centralised than after the reform of the General Regulation of Citizen *Veeduria*s (CPCCS Accountability Report, 2014). As stated in the previous section, the process of decentralisation of the CPCCS led to an increasing presence of the CPCCS in Ecuador. Both factors, the increase of offices in the provincial capital cities with the required personnel and the ease of the process of registering a *veeduria*, are very likely to have facilitated the creation of *veeduria*s (CPCCS Accountability Report, 2015).

Second, as part of its mandate, the CPCCS has been promoting the creation of *veeduria*s, among other SAcc mechanisms. Therefore, more people are aware of the existence of this type of mechanism and what they can do. This may well have an effect on the number of initiatives created. When the office of the CPCCS in charge of promoting and supporting the creation of *veeduria*s creates its annual operative plan, one of its objectives is to increase the number of *veeduria*s created – but this plan does not consider the success rate of SAcc initiatives. Thus, despite the increase in the number of *veeduria*s, there is no information about their rate of success in accomplishing their objectives. Therefore, it is difficult to state that the rise in the creation of this type of

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para la selección y designación de registradores de la propiedad, 2011) have to be done under citizen oversight: http://www.eluniverso.com/2011/09/13/1/1355/mas-800000-*veedurias*.html

initiative is due to its efficiency. Due to the lack of this information, the CPCCS and citizens are unable to evaluate the impact that *veeduria*s have regarding their goals, thus making it difficult to assess if there is a need to improve – or not – the way in which *veedurias* are being handled at the moment.

Finally, the popularity of *veeduria*s as a SAcc mechanism may also be due to the ease of creating and registering a *veeduria*. The General Regulation of Citizen *Veeduria*s states the procedure to create a *veeduria* in Ecuador. *Veeduria*s can be started by (a) a citizen initiative; (b) an initiative of the plenum of the CPCCS; or (c) at the request of an authority, public institution, and/or by virtue of a legal or regulatory mandate. When citizens or civil society organisations aim to start a *veeduria*, they will submit a request (orally or written) in the offices of the CPCCS, indicating the proposed objective. Once this is done, *veedores* must present to the CPCCS different forms and documents to validate their identities and show that they are legally able to join the *veeduria*.

The process of creating and registering a *veeduria* is better explained in the following graph (Figure 12):

```
Creation          • Request to create a veeduria by citizens and social organisations
                  • Request to create a veeduria by a public institution
                  • Request to create a veeduria by the plenum of the CPCCS

Enrolment         • Citizens interested in joining the veeduria must register at the
                    CPCCS's provincial offices

Verification and  • [Requisites] Be in full enjoyment of rights
registration      • [Inabilities] Be in conflicts of interest with the field of action of the
                    veeduria

Planification     • Set the objectives of the veeduria
                  • Training for the veedores by the CPCCS about rights and duties of
                    veedores
                  • Elaborate a work plan and the schedule of the veeduria

Approval of work  • Approval of work plan by the CPCCS
plan and schedule

Accreditation     • Accreditation by the CPCCS
                  • Veeduria is officially able to begin its duty
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Figure 12. Process for the creation and accreditation of a veeduria (Source: Author's own elaboration based on General Regulation of Citizen Veedurias)

To sum up, in order to create a *veeduria*, citizens (without any legal inabilities) have to get together, write a work plan and ask the CPCCS for accreditation of their *veeduria*. Hence, creating and registering a *veeduria* is a short and simple process (regardless of the time invested in planning the *veeduria*), which makes it a popular tool to use when the intention is to monitor public service. One of the main challenges of *veedurias* as a SAcc mechanism is having a *veeduria* fulfil its mission and obtain results, and registering a *veeduria* with the CPCCS may be helpful for that end. According to the Regulation of Veedurias, the deadline to register a veeduria by the CPCCS is 3 days.

Although CPCCS endorsement is not required to form a *veeduria*, CPCCS officials believe that having the backing of the institution can provide more support and may facilitate the *veeduria*'s monitoring. The CPCCS registers a *veeduria* and gives an official 'observer' credential to its members, which may enhance the *veeduria*'s leverage when doing its job. The claimed reason for this is that registered *veedores* may complain to the CPCCS if a given institution is not willing to cooperate with the *veedores* (e.g., by refusing or giving inexact information). In these cases, the CPCCS may exert pressure by officially asking for the required information. If the refusal persists, legal action can be taken by the Ombudsman's Office, which is the institution that ensures compliance with the right of access to information. Nevertheless, if a *veeduria* is registered in the CPCCS, it must have a work plan with its respective schedule.

As recently stated, one characteristic of a *veeduria* is its temporality. *Veedurias* are temporary and their length varies, depending entirely on their objectives, scope and the level of complexity of the same (Article 9, General Regulation of Citizen *Veedurias*, 2017). The length of time of a *veeduria* should be in accordance with its work plan and its execution schedule (ibid.). If a *veeduria* could not finish its mandate in the time proposed at the beginning of the initiative, the coordinator of the *veeduria* may ask for a time extension once. The extension should not be greater than the period initially established. This request would need to be duly justified. Nevertheless, as will be shown in the case of the *veeduria* under analysis in this thesis, some exceptions may be made. CPCCS experts (M. Berrazueta, personal interview, 01 Dec. 2016; J. Flores, personal interview, 09 Dec. 2016; E. Jarrin, personal interview, 09 Feb. 2017) stated during their interviews that, due to its nature and structure, *veedurias* should not last too long – either because *veedores* could abandon the project or because there are other SAcc mechanisms more suitable for more permanent oversight (such as citizen observatories).[134]

With the rise in the number of *veedurias* created, the number of participants has increased as well. Nevertheless, the average of registered participants in a *veeduria* has stayed similar during the years analysed. There are around seven *veedores* per

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[134] The observatory is a permanent SAcc mechanism that allows a dialogue between citizens and the state. It is constituted by citizens or citizen organisations that are interested in monitoring and accompanying the fulfilment of a public policy by making diagnoses and monitoring or following the public policy. Observatories must have technical and academic capacities based on the principles of independence, transparency, responsibility and co-responsibility, objectivity and opportunity.

veeduria. Detailed information can be found in Table 11. Although there is no systematised information on how many *veedores* finish the *veeduria*, during the fieldwork, CPCCS official Jonathan Flores stated that they usually suggest that a new *veeduria* should have at least seven *veedores*. According to Flores, usually half of the *veedores* registered finish the *veedurias* (if the *veeduria* actually finishes).

Table 11. Number of veedurias and participants from 2010–2016

Year	*Veedurias*	Participants	Avg participants per *veeduria*
2016	214	1,425	6.66
2015	125	884	7.07
2014	108	700	6.48
2013	94	678	7.12
2012	46	No info.	N/A
2011	269	2,180	8.1
2010	35	274	7.82
Total	901	6,141	7.21[135]

Source: Author's own elaboration based on CPCCS yearly accountability reports

As stated before, there is a lack of systematised qualitative information about the development and results of *veedurias*. Information about *veedurias* is almost limited to the number of registered *veedurias* and their locations. It is only from 2015 onwards that information about the ambit of action of the *veedurias* has been recorded and systematised. As shown in Figure 13. Ambit of veedurias in 2015–2016* (Source: Author's elaboration based on CPCCS yearly accountability reports, 2015 and 2016),[136] during 2015 and 2016, more than half of the started *veedurias* were related to the oversight of public administration (28%; 76 *veedurias* out of a total of 270 *veedurias*) and the construction of public works (26%; 69 *veedurias* in total). There were 50 *veedurias* for public procurement during 2015 and 2016, which is 18% of the total number. Designation of control authorities, which are processes led by the CPCCS, make up 9% of the *veedurias*.

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[135] The final average excludes the year 2012 due to missing information.

[136] During 2016, there were 69 *veedurias* registered for the designation of property recorders in local communities. They are not included in the graph since they have to be done by law and, by themselves, they represent more than 20% of the *veedurias* done in both years (2015 and 2016), therefore obscuring the real weight of other areas.
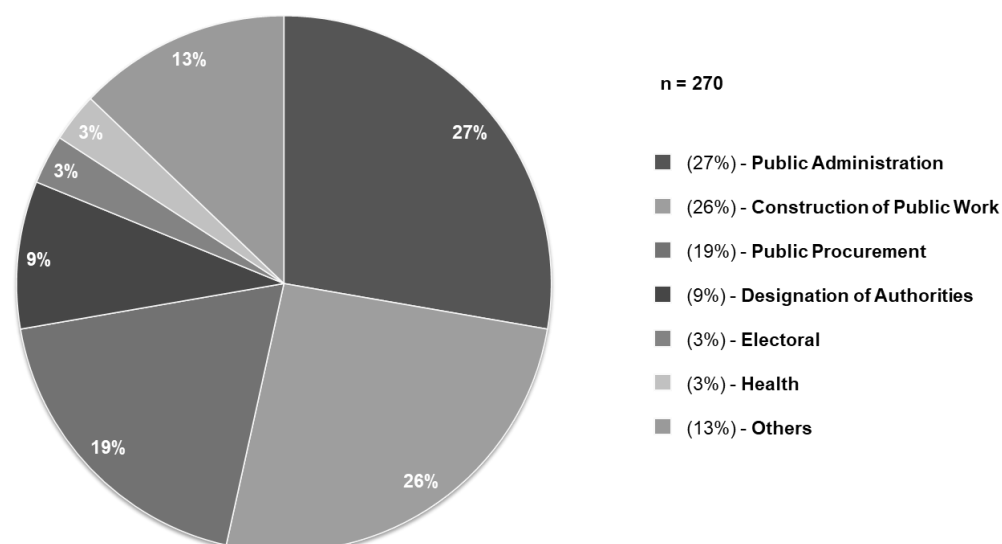
Figure 13. Ambit of veedurias in 2015–2016* (Source: Author's elaboration based on CPCCS yearly accountability reports, 2015 and 2016)

It is important to state that collecting this information helps plan *veeduria*s in the future according to their objectives. As shown above (Figure 13. Ambit of veedurias in 2015–2016* (Source: Author's elaboration based on CPCCS yearly accountability reports, 2015 and 2016), regardless of the ambit or objectives intended for a *veeduria*, the process to register a *veeduria* in the CPCCS is standardised. Hence, it may be helpful for the CPCCS to aid participants in planning their future *veedurias* according to the different objectives and contexts that citizens will be dealing with. Additionally, knowing the ambits of the *veeduria*s may aid policymakers and institutions of control in focusing their efforts on citizens' demands accordingly.

Similarly, it is also substantial to have systematised information about the status of concluded *veeduria*s. This data was included by the CPCCS in 2016, and it contains the results of each *veeduria*, including the ones that were closed due to the failure to deliver the final report. In 2016, 53 *veeduria*s concluded. While 27 *veeduria*s (51% of the total) ended with a final report, 26 *veeduria*s (49%) were dismissed due to the lack of a final report (CPCCS Accountability Report, 2016). In this data, we can see one of the limitations of the *veeduria*s: due to the *veeduria*'s voluntary nature, *veedores* are not required to finish their initiatives. Therefore, many *veedurias* end up being abandoned with no results whatsoever. Hence, an important variable that affects the *veeduria* outcome is the commitment of the *veedores* to conclude the initiative. This commitment is also influenced by other variables, such as time and the economic capacity of the *veedores* to participate actively in the *veeduria*.

Participating in a *veeduria* requires active members that are not only willing, but also have the capacity to do so. It must be noted that the oversight process is time-consuming. Most of the time, it demands that citizens do their monitoring during office hours. This includes, but is not limited to, attending to capacitation, oversight processes, requesting information, and attending meetings with public officers. So, if a *veedor* does not have the capability to fulfil his role entirely, it will make it more difficult to achieve the objectives set out in the *veeduria*. The same thing happens with the economic capacity of a *veedor*. Since this SAcc mechanism is entirely voluntary and civic, no economic compensation will be given to the *veedor*. Thus, he should be able to handle his own finances during the initiative. By no means must this be interpreted as a fact, since many variables may affect a *veedor*'s commitment; however, having time and economic capacity may help a *veedor* be dedicated to the *veeduria*. Section 5.3.4 will explain the process that the results of a veeduria (if corruption indication have been found) would have to undergo to eventually become a formal sanction.

5.3.3.2 Participatory Budgets

Participatory budgets emerged in Ecuador in the 1990s due to two situations: the creation of new local governance models and civil society's demand to participate in decision-making processes (Sauliere, 2009). At the beginning, these initiatives were led by a few local governments generally spearheaded by Pachakutik, an indigenous leftist party. Despite several iconic cases, participatory budgeting was not included as a national policy to follow until 2008.

As explained previously, a new constitution was drafted in 2008, which included the direct participation of citizens as a fundamental principle in the structure of the state. In this way, citizens could and should undertake a leading role in the decision-making processes, planning and management of public affairs. Due to this new wave, the requirement that citizens be present and active in the preparation of state budgets was included in national regulations.

Briefly explained, the Organic Law of Citizen Participation (2010) establishes the obligatory nature of the participatory budget in all GADs.[137] Moreover, it obliges GADs to provide information and be accountable for the results of budget execution. Participatory budgets are carried out in 24 provinces, 221 municipalities or cantons and 790 rural districts in Ecuador. For this reason, participatory budgeting is the most used SAcc mechanism initiated by public institutions in Ecuador. This mechanism is regulated by other important laws, such as the COOTAD that establishes the political-administrative organisation of the Ecuadorian State in the territory, and the Organic Code of Planning and Public Finance that regulates, among others, the exercise of planning competencies and the exercise of public policy at all levels of government. This code establishes that each level of government must define its procedures for the formulation of a participatory budget through the mechanisms stated in the constitution and the law. Additionally, "the budget debate must be carried out within the framework of the development plan guidelines drawn up by the Local Planning Council of the corresponding territorial level (COPFP, 2010, Article 168)" (GiZ, N.D., p. 40).

In Ecuador, participatory budgeting is the process by which citizens, individually or through social organisations, voluntarily contribute to decision-making processes regarding state budgets in meetings with elected and appointed authorities. Participatory budgets should be open to social organisations and citizens who wish to participate; they involve a public debate about the use of state resources; they grant decision-making power to organisations and citizens to define the orientation of public investments towards the achievement of redistributive justice in allocations.

Although the inclusion of participatory budgets within the law may reflect a positive step towards the inclusion of citizens in public decision-making, there is no instance in which their impact on the country has been analysed. Hence, it becomes difficult to objectively evaluate the impact of this mechanism on the control of corruption as well.[138] The CPCCS is the institution called to promote mechanisms of participation, such as

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[137] Organic Law of Citizen Participation, Article 71 – Obligatory nature of the participatory budget. It is the duty of all levels of government to formulate the annual budgets articulated in the development plans within the framework of an open call to invite the participation of citizens and civil society organisations; they are also obliged to provide information and be accountable for the results of budget execution. Failure to comply with these provisions will generate political and administrative sanctions.

[138] Nevertheless, the assessment of the case study in chapter 6 intends to shed light on the way in which participatory budgeting works in Ecuador.

participatory budgets. However, its own authorities acknowledged that there are shortcomings in the promotion and implementation of this SAcc mechanism (G. Piguave, personal interview, 08 Nov. 2016; M. Jarrin, personal interview, 17 Nov. 2016; E. Jarrin, personal interview, 09 Feb. 2017). Not only that, but they also indicated, during their interviews, that there are few cases in which good management can be recognised in the realisation of participatory budgets at the national level. During my fieldwork, I carried out consultations and interviews about the operation of participatory budgets in Ecuador; when citing successful cases in the implementation of participatory budgets, common answers were Cotacachi, Nabon and the province of Tungurahua. Interestingly, these are cases in which participatory budgets were made *before* the constitution of 2008 – i.e., before it was mandatory for local governments to have participatory budgets in their territories.

When enquiring my interviewees[139] about the reasons why it was so difficult to get successful cases, the most common answers were:

- Lack of political will.
- Lack of citizen interest.
- Lack of citizen follow-up during the execution of the local budget.
- Lack of trained personnel in public institutions such as the CPCCS and the National Council of Rural District Governments of Ecuador (CONAGOPARE) to support GADs while elaborating their budgets.

Many authors agree that political will, understood as the political incentive to support an action, is one of the variables with more weight in SAcc (Richards, 2006; O'Meally, 2013; Gaventa and McGee, 2013; Hickey and King, 2016, among many others). This is particularly important in a mechanism that is regulated by law and that heavily depends on local authorities to be executed properly, such as in Ecuador. In order to be granted the yearly budget, every local government is expected to have built it with the citizenry (Ministerio de Finanzas, 2015). Thus, it is inferable that it is not hard to cheat the system and pretend that local budgets are, indeed, built with the community. There is almost a consensus among interviewees that this is the case in most places. Local authorities

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[139] (Personal interviews, F. Basabe, J. Lavin, E. Jarrin, M. Jarrin, R. Boada, G. Piguave; Annex 1).

hold their participatory budgeting events only with supporters or acquaintances, excluding any potential exposure by the opposition and hence inhibiting any chance of real democratic decisions.

CPCCS Vice-president Edwin Jarrin stated that:

> "I don't think I should generalise, in some cases they [authorities] do the PB as they should. However, there are some cases where in fact [authorities] are not interested in PB, they do it just to comply [with the law], they are clientelistic. They say, 'I have control of the population mass that will guarantee that I can be elected', [and then] they do the PB with them. Obviously, investment would be focused on the specific group and I will continue to be elected" (E. Jarrin, personal interview, 09 Feb. 2017). Ivan Altamirano (I. Altamirano, personal interview, 29 Nov. 2016) stated that "at the end, every GAD hand in the PB form, one way or another".

Another identified problem during this research is the low level of civil engagement with SAcc initiatives such as the PB. A national survey done in 2008 by the National Institute of Statistics and Census (INEC) concluded that citizen participation in Ecuador was low. The survey stated that people were not used to participating in any type of organisation, be it community, neighbourhood, unions, associations, political parties, or others. Additionally, in urban areas as in rural areas, less than 2% of the population answered the calls of the provincial council, municipality or district board to elaborate the plan of social development. Among both men (1.9%) and women (1%), the percentages of attendance at meetings of the provincial council, municipality or district board to elaborate the plan of social development were minimum. The survey showed that, at a national level, 99.1% of the citizens did not attend other mechanisms of participation or dialogue called by their provincial council, municipality or district board (*veedurias*, assemblies, *cabildos*, accountability events, etc.) (INEC, 2008).

On the other hand, surveys done by the Americas Barometer show a different reality. In 2008, the survey stated that 10.7% of Ecuadorians attended at least one municipal meeting. In 2016/2017, LAPOP stated that 13.8% of Ecuadorians attended a municipal meeting at least once during that year.
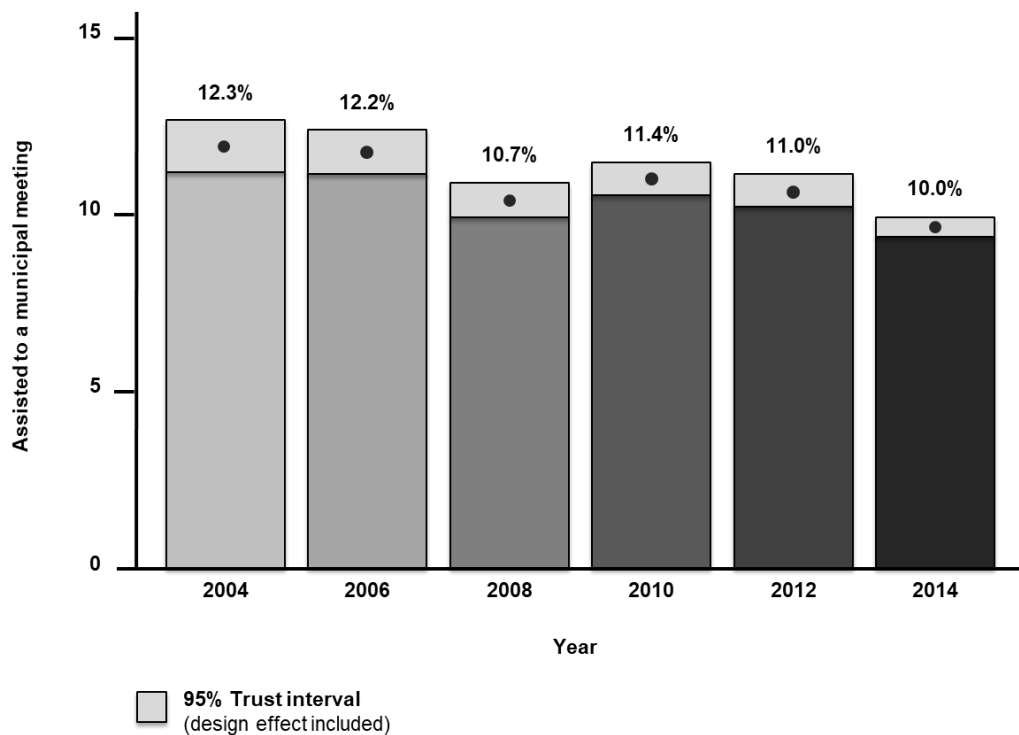
Source: Barómetro de las Américas por LAPOP, 2004-2014; v. GM14_0912

Figure 14. Attendance in municipal meetings

An issue that should be highlighted in the previous graph is that in 2008, when the new constitution was approved, participation was lower than in previous years. Even though in 2010 there is a rebound, once again the participation continues to fall until reaching its minimum in 2014 with 10% of surveyed people having participated in at least one municipal meeting. These statistics reflect a participation paradox since, on paper, the SAcc legal and institutional framework was built to promote citizen participation and social oversight. Yet, instead of having a bigger participation, results are the opposite.

The difference in the data exposed by INEC and LAPOP does not allow us to make any conclusions about the level of participation in Ecuador. However, the question to be asked is how much of that participation is genuine, since events such as participatory budgets and accountability events are required by law to be done with the presence of citizens. In general, most citizens are not interested in participating, as they do not feel

that they get something in return (Michels and De Graff, 2010). This is also linked to the lack of knowledge regarding citizen participation rights and SAcc mechanisms guaranteed by the constitution. For instance, the conclusions of a workshop for citizens led by the CPCCS stated that authorities recruit citizens to the participatory budget "only to fulfil" the legal requirement (El Telegrafo, November 4, 2015). Moreover, the participants stated that there is a lack of information regarding participatory rights (ibid.). Therefore, if the authorities do not promote these mechanisms, it would be difficult for citizens to engage with them. Even when people participate in the construction of the participatory budgets, it is difficult for citizens to oversee the implementation of the prioritised projects. This will be further discussed in the case study in Chapter 7.

Finally, another problem at the national level is the lack of trained public officials within the institutions that are supposed to promote participatory budgets and give advice to the local governments: the CPCCS and CONAGOPARE. The CPCCS has too many competences and, in some provincial offices, there are only the minimum number of officers required to keep the office running. Thus, it becomes very difficult to deal with so many activities effectively. Additionally, capacitation is really low; therefore, standards in SAcc mechanisms, including participatory budgets, cannot improve. The same thing happens with CONAGOPARE. Low numbers of personnel and poor training prevents them from supporting district councils to achieve better standards while implementing participatory budgets.

5.3.4 The Mechanisms' Responsiveness and Accountability

So far, we have reviewed and analysed the framework in which SAcc mechanisms, mainly *veedurias* and PB, work. However, it is important to analyse how these mechanisms can achieve the desired objectives. Going back to our SAcc definition, the objectives of such initiatives are to prevent, detect or expose corruption and seek sanctions by triggering horizontal accountability. During my fieldwork, I tried to find, unsuccessfully, a case where corruption was detected by citizens through SAcc mechanisms and where a judicial sentence resulted. It was a surprise that, after eight years of existence, the CPCCS did not even have one case with such characteristics, especially after the CCCC experience in the past, where there were several iconic cases that ended in sanctions, even of authorities of the highest level. The case studies (Chapters 6 and 7) will show how the inefficiency and the lack of capacity of control

agencies are some of the variables that undermine the SAcc process. However, in this section I will focus on explaining the bureaucratic 'path to sanctions' (Figure 15. The Path to Sanctions) that would lead, under ideal conditions, to the detection of an act of corruption (by a SAcc initiative), under the current framework.

To begin with, it is necessary to draw a distinction between how *veedurias* and PB can trigger the alarm with the control agency, the CPCCS. While the *veeduria* has the unique characteristic of monitoring public processes, the PB has different components (budget planning, and potential monitoring of budget allocation and budget expenditure). In the case of the former, the monitoring process concludes with a report that is delivered to the technical section of the CPCCS and whose content should include the findings on possible acts of corruption. Thus, the alarm is triggered. The CPCCS plenum must familiarise itself with the *veeduria* report and, if approved, forward it to the Investigation section to carry out the respective enquiry, in search of possible indications of acts of corruption. In the case of the PB, the mechanism does not have a denunciation feature. Therefore, the existing procedure would oblige citizens to present a denunciation to the CPCCS, if they have found an act of alleged corruption. This must be delivered to the Admissions section of the CPCCS, complying with the requirements established by the respective Regulation. Then, the denunciation would be evaluated by Admissions and, if it considers that the case has the necessary elements to be investigated, it is forwarded to the Investigation section of the CPCCS. At this point, both mechanisms are in the same position on the 'Path to Sanctions'.

Figure 15 Flowchart

Veeduria ———————————————— **Participatory budget**

Detect corruption indications

Veeduria report with findings of potential corruption

Trigger the Alarm

Denounce to CPCCS*

Plenum of CPCCS approval or filing of Veeduria Report

Denounce evaluated by Admissions area- CPCCS

Investigation area CPCCS

Plenum to accept or reject Investigation results

- Trading of Influence
- Offer to Trade in Influences
- Bribery/Soliciting
- Testaferrismo

- Embezzlement/Misappropriation
- Illicit Enrichment

General Comptroller's Office (investigation)

(Administrative sanction)

General Attorney's Office (investigation)

Judicial Sentence

Trial in Courts

(Criminal sanction)

*PB does not have a direct way to trigger the alarm within the mechanism, but a formal denounce would have to be presented to the CPCCS by citizens.

Figure 15. The Path to Sanctions Sources: Author's own formulation based on *Veedurias* Regulation (2017); Denunciations and Petitions (2013); COIP (2014)

Once the investigation section has carried out its work, if it finds the necessary elements, it will present its report with recommendations to the CPCCS plenum which may approve or close the case. If approved, it will be sent to the Comptroller's office or the Attorney General's office, depending on the potential offence found. If it goes to the Comptroller's office, the case will be investigated again without counting on the elements and evidence collected by the CPCCS in its investigation. If the Comptroller's office finds infractions, it may impose an administrative sanction and, if there are criminal responsibilities, it will refer it to the Attorney General's office, that will, once again, carry out the respective

investigation of the case. If it, too, finds sufficient evidence of a crime, it will prosecute the case, to seek a sanction. This entire process could, according to the terms indicated in the law, take up to two years, six months and eighteen days, plus the duration of the trial, in the case of corruption offences that do not have to be investigated by the Comptroller's office. Within terms of offences that require the involvement of the Comptroller's office, the timeframe may be up to seven more years[140][141]. Even in the best of cases, the process itself is very slow and inefficient. The response and sanctioning capacity of the State is likely to be untimely. The problem only grows when, as will be seen in Chapters 6 and 7, these deadlines are in reality not even met. Hence, the processes can take much longer.

Edwin Jarrin, CPCCS Vice-President, states this problem clearly:

> "In my opinion, the formality of a collegiate body [such as the CPCCS] and the regulations that have been built to operate it, limits you in many things. Allow me to give you a specific example: a citizen comes to report that they [in a public hospital] are asking him for 100 dollars to advance the surgery programme by a month, [or] bring him forward to the next two or three days. Until we do an admission analysis of the complaint, until the evidence is evaluated, until it goes to investigation, until an investigator is assigned, until evidence is gathered, until he (the investigator) makes the report, until it is approved in the technical secretariat, until the investigator presents the report to the plenum, until the report is approved ... either they will have operated on him or he'll have died. That is if the regulatory deadlines are met, which should not exceed 90 days. And perhaps the report ends by saying that there are no signs of corruption, because nothing was found. […] Unfortunately, the regulations oblige you to follow this process. It seems to me to be ineffective and a waste of time. Even if evidence of corruption

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[140] The time limit has been calculated by the sum of the maximum legal deadlines that each process has: 1.1 After submitting the report, the *veeduria* has eight days to present it to the Plenum (Art. 39 Veeduria Regulation); 1.2 The denunciation of the PB has ten days to be admitted by Admissions office (Art. 9 Regulation of Denunciations and Petitions); 2. The Investigation section has 90 days to submit a report to the Plenum (Art. 16, ibid.); the Comptroller's office has up to seven years to investigate its cases (Art. 71 Comptroller's Office Organic Law); the Attorney General's office has two years to investigate the case (Art. 585, COIP); 90 days to start the preliminary investigation (*instrucción fiscal in Spanish*) (Art. 592, COIP)

[141] This timeframe is for an alleged case of embezzlement or illicit enrichment that must be investigated by the Comptroller's office. If it is a case that goes directly to the Attorney's office for the other corruption offences (trading in influence, offer to trade in influences; bribery, soliciting or *testaferrismo* (front men), the timeframe is seven years less because it would not have to be investigated by the Comptroller's office).

is found, the next step is to tell the citizen to file a complaint with the Attorney. In the end you did not solve anything. You might even get the citizen into trouble" (E. Jarrin, personal interview, 09 Feb. 2017).

Currently the SAcc framework is inefficient in sanctioning corruption denunciations. In fact, as stated above, there is not a single case in which a *veeduria*, or a denunciation of irregularities on budget allocation or expenditure linked to PB, has received a criminal sanction. Without sanctions, there is no accountability. Moreover, when that is the case, the SAcc mechanisms framework risk being captured by the State in order to legitimise its actions.

5.4 Is Social Accountability in Ecuador Captured by the State?

Authors such as Ackerman (2005), and Malena et al. (2004), encourage the institutionalisation of SAcc. As has been shown throughout the last two chapters, SAcc has been institutionalised even at the constitutional level in Ecuador. While it is desirable to have SAcc embedded in the law because it gives some guarantee to citizens that they can hold their authorities accountable, there is also the danger of SAcc's being captured by the State. While there is no standardised way to measure 'State capture', it is imperative to analyse how citizen participation initiatives are developed, and the results that are produced to reach that conclusion.

There is evidence to support that SAcc in Ecuador was, at different levels, encouraged among government supporters but not necessarily among the opposition. One example of how SAcc was used at the government's will was that control authorities ignored independent citizen initiatives denouncing corruption in government, arguing that they were not duly registered with the CPCCS. Control authorities are supposed to be impartial and guarantee the SAcc rights afforded by the Constitution, regardless of who is being monitored. For instance, the Anti-Corruption Commission led by citizens who denounced several corruption cases (described in Chapter 4) had to face several lawsuits against them from the government (*Fundamedios*, 2016).

Further evidence of co-optation of the CPCCS is the influence that the ruling party had over the judicial branch. As stated before, the CPCCS is the entity in charge of leading

the selection processes for officials of control institutions, the Judiciary Council, the Electoral Council, and others. The Judiciary Council is the entity in charge of selecting judges through open competition. It has been claimed that the judiciary was heavily influenced by the governing party, since all five counsellors were part of or close to the ruling party (*La Hora*, November 5, 2012; Human Rights Watch, 2018). As part of its competences, the Judiciary Council may also remove judges if they made an 'inexcusable error', that is, if they are negligent in their sentences. A Human Rights Watch report (2018) claims there is evidence to suggest that this rule has been used to sanction judges who have gone against the government's interests. Thus, according to the report, judicial independence and impartiality may have been undermined.

All this has been challenging for the promotion of SAcc, driven forward by the CPCCS. Balderacchi (2015) states that the effective institutional design of the CPCCS has extended the power of the executive into other branches of the State. Therefore, instead of effectively including citizens in the processes of selecting the best people to take charge of control institutions, Balderacchi claims that the CPCCS has eroded the Ecuadorian system of check and balances (p. 144). Though a serious accusation, the fact is that most control authorities appointed as a result of the CPCCS processes had a direct relationship with the governing party (FCD 2017). The designated authorities may have been the best applicants for the position, having won their respective contests on their own merit. However, their political proximity to the Citizen's Revolution project calls into question their impartiality when exercising their role of controlling the State.

It can be inferred that *correismo* minimised the impact of the SAcc mechanisms undertaken by social movements and organised civil society that did not support the government (e.g., denunciations from the Anti-Corruption Commission; the *veeduria* of the contracts between the president's brother, Fabricio Correa, and the state; Yasunidos call for a referendum regarding oil exploitation in the Amazon; and other examples described in Chapter 4). By the same token, the Correa government promoted the participation of sectors of the population allied to his political project, who, in turn, represented sectors that did not usually form part of social movements and long-standing CSOs. In such a context, it would be difficult to expose corruption cases. Additionally, the party of government's co-opting of control institutions, may create fear among the population at exercising its right to hold the authorities accountable for their actions. Following Fox (2015), this fear would make it more difficult for citizens to start SAcc

initiatives or to denounce corruption cases. Additionally, they would be less likely to participate if they do not believe they can effect change.

5.5 Conclusions

The analysis of the SAcc and anti-corruption framework shows that Ecuador has implemented many fundamental institutional reforms in favour thereof. Some of these reforms are unique to the Ecuadorian case, including the creation of the FTCS and the CPCCS. This new framework represented, on paper, a leap forward in the implementation of SAcc in Ecuador. Additionally, the inclusion of citizens in the decision-making processes and oversight of public resources is also supported by guaranteeing different SAcc mechanisms at the constitutional level. As a result, constitutional reforms led to increasing institutional opportunities for citizen participation in decision-making processes and controlling the use of public resources.

However, the analysis also shows how the implementation of the SAcc and anti-corruption framework has to deal with a bureaucratic process that may undermine accountability. The 'path to sanctions' by triggering the alarm with control agencies to act is (too) long and inefficient. The first eight years (2008-2016) of the new framework, not one denunciation of corruption from a *veeduria* or PB has ended in a criminal sanction. The structural problems of both mechanisms will be better understood in the next two chapters, where I will analyse the two case studies: the *veeduria* of the decision-making process for social housing in the city of Cuenca, and the participatory budgets in the province of Tungurahua. As previously stated, the existence of a conducive SAcc and anti-corruption framework does not, in practice, necessarily reflect on the effectiveness of the SAcc initiatives.

Chapter 6. Case Study: *Veeduria* of the 'Los Capulies' Social Housing Project, Cuenca, Ecuador

Having discussed in the previous chapters how the Ecuadorian SAcc framework works, this chapter will examine the first of the two selected SAcc initiatives: the *veeduria*. A *veeduria* (Spanish for 'citizen oversight') is a SAcc mechanism that allows citizens to exercise their rights to participation, to carry out monitoring, supervision and control of the public sector, prior to, during or after a project's implementation. The promises and the perils of the *veeduria* as a SAcc mechanism are numerous. It is supposed to help citizens to monitor public processes in exchange for two features, preventing or detecting corruption. Regarding the former, as argued in Chapter 3, the mere fact that citizens are 'looking' at public processes may act as a deterrent to public officials' violating legal or social norms for private gain. The second feature goes hand in hand with the inherent characteristic of citizens and SAcc; unlike control agencies, citizens have a broad reach. Hence, the chances of detecting corruption grow if citizens are overseeing State actions. On the other hand, if the promises of *veeduria* are not made effective, there are some perils that may undermine the main SAcc objective, that of holding the State accountable. For instance, if citizen-based initiatives to oversee the State, detect corruption, but no sanctions are applied, then the mechanism not only becomes useless, but also risks being captured by the State and used to legitimise its own actions.

The present chapter aims to help to understand how *veedurias* work in practice through an empirical analysis of a case study based in the city of Cuenca, Ecuador: the *veeduria* of the allocation of properties in the 'Los Capulies' social housing project. This has revealed mixed results regarding the potential capacity of this specific SAcc mechanism to help to control corruption in that context. Among these results, we can highlight the capability of citizens to lead a *veeduria*, the tenacity needed to complete their initiative despite serious delays in the project, and the ability to detect particular anomalies during a public management process that might otherwise have never been seen by control agencies. Additionally, the existence of an institution that follows up the citizens' work (the local branch of the CPCCS), fostering the accomplishment of the *veeduria*'s objectives, is also beneficial. On the other hand, this case illustrates some specific problems within both the structure and the implementation of the mechanism, that ended up undermining its main objective: holding the State accountable. These problems include "late reporting" by citizens to control agencies of any issues found during the

oversight period, mainly due to the bureaucratic process that *veedores* have to go through to alert control agencies to potential corruption. The legal regulations of the *veeduria* state that it can officially sound the alarm with the CPCCS (the control agency) in the final report. Moreover, even if this agency has unofficial knowledge of potential corruption, it cannot start an investigation *ex officio* since, unlike its predecessor (the CCCC), it does not have that competence. Finally, this case displays a lack of capacity of the control agency (CPCCS) to investigate even if the alarm has been raised and, therefore, to seek to sanction any potential corruption.

As regards the creation of the *veeduria* of 'Los Capulies', it will be helpful for the reader to know that this is part of a bigger project led by former Mayor Marcelo Cabrera who promised in his campaign to build 5,000 houses during his term. 'Los Capulies' was being implemented by the Municipal Public Company of Urbanisation and Housing (EMUVI-EP). The creation of this SAcc initiative was requested by Councillor Carolina Martinez, the CPCCS made a call for citizens to organise it, and finally seven citizens agreed to be part of it (although only four remained throughout the whole process). The main intention was to oversee the allocation of social housing to the applicants who fulfilled the main requisites and guarantee the existence of transparency throughout the whole process.

Social housing policies aim to improve the living conditions of mainly lower- (working-) and middle classes in a society. The Ecuadorian context, and in this case specifically in the city of Cuenca, shows that there is an important need for social housing. When housing deficit is high and political campaigns offer to attend to this issue if they win, there is a risk of engaging in clientelism. In other words, the clientelistic politician may favour their supporters and discriminate against non-supporters for political ends (Mustillo, 2016). Additionally, there is also the risk that public officials in charge of the project will violate legal or social norms for private gain, as my conception of corruption states. Besides clientelism, four other particular types of corruption can occur: 'bribes'[142] to public officials in charge of the awarding of housing; 'soliciting'[143] money by a public

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[142] UNCAC defines 'bribery' as, "The promise, offering or giving, to a public official, directly or indirectly, of an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties" (Art. 15).

[143] UNCAC defines 'soliciting' as, "The solicitation or acceptance by a public official, directly or indirectly, of an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties" (Art. 15).

official; the abuse of functions';[144] and/or 'trading in influence',[145] by altering the final results to benefit him/herself or a third party. In this vein, paraphrasing Rose-Ackerman (1999) a public policy aiming to benefit the needy, can end up benefiting whoever has the greatest willingness to pay.

In view of the previous statement, the existence of the *veeduria* of the project 'Los Capulies' can be well justified, since having citizens monitoring the process may enhance transparency, on the one hand by preventing corruption or, on the other, by detecting it. Paraphrasing Ackerman (2005), the existence of a *veeduria* may act as a deterrent to public officials to commit a corrupt act, since they know they are being 'observed'. Hence, prevention of corruption is expected as the primary objective. However, the *veeduria* in question also intended to detect any irregularity during the process. Moreover, it acted as an *ex-post* initiative, since the final report was delivered after the social housing allocation was already completed and all the elements of the process could be analysed.

As explained in the introduction to this thesis, according to official numbers, *veedurias* are the most-used, citizen-led SAcc mechanism in Ecuador. Hence, it is important to understand how they work and how they can help to control corruption in the country. Moreover, this case contains a great deal of detailed information about how the process of monitoring occurred. This is particularly helpful for fulfilling the objectives of this thesis, since it allows us to identify the dynamics of the *veeduria* and the factors influencing the final outcome.

I will begin the chapter with a description of both the local (Section 6.1) and institutional (6.2) contexts in which the *veeduria* developed. The local context will help the reader locate Cuenca and understand its socioeconomic conditions. The institutional context will analyse the situation of social housing in the country and in the city, in order to

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[144] UNCAC defines, 'abuse of functions as "when committed intentionally […] the performance of or failure to perform an act, in violation of laws, by a public official in the 19 discharge of his or her functions, for the purpose of obtaining an undue advantage for himself or herself or for another person or entity" (Art. 19).

[145] UNCAC defines 'trading in influence' as, "(a) The promise, offering or giving to a public official or any other person, directly or indirectly, of an undue advantage in order that the public official or the person abuse his or her real or supposed influence with a view to obtaining from an administration or public authority of the State Party an undue advantage for the original instigator of the act or for any other person; (b) The solicitation or acceptance by a public official or any other person, directly or indirectly, of an undue advantage for himself or herself or for another person in order that the public official or the person abuse his or her real or supposed influence with a view to obtaining from an administration or public authority of the State Party an undue advantage" (Art. 18).

establish the importance of having a *veeduria* to monitor the process in question. I then describe in Section 6.3 how the *veeduria* actually worked, and in Section 6.4 I analyse the interrelationship between the different actors in the *veeduria* and the factors that influenced its outcome, by comparing it to the analytical framework described in Section 3.4.2. Finally, in Section 6.5, I analyse what the experience of the present case tells us about the mechanism's capacity to impose sanctions and exert accountability, on the one hand, and if, on the other, its design enables the State to capture it for its own benefit.

6.1 Description of the Local Context

Cuenca is the capital city of the province of Azuay, Ecuador. It is located in the central-southern highlands of Ecuador, around 500km south of Quito. Cuenca is the third-largest city in the country, after Guayaquil and Quito, with 614,539 inhabitants according to the INEC (projection for 2018). According to the 2010 National Census, 89.7% of the population is considered *mestizo* (a combination of white and indigenous), 5.7% white, 2.2% Afro-Ecuadorian, 1.8% indigenous, and 0.6% as of other ethnicities.

Many authors (Bukenya et al., 2012; Grandvoinnet et al., 2015; O'Meally, 2013) argue that SAcc is more likely to be effective where inequality is low, education levels are high and citizen engagement in SAcc is active. The context of the city of Cuenca is a particular case where the economy is better than in other parts of Ecuador, education rates higher than in most of the country, and inequality (Table 12) and participation levels are around the national average and above the Latin American average.

Table 12. Inequality/Gini coefficient by city 2017–2018

City	Jun-17	Jun-18	Dif	p-value
Quito	0.458	0.475	1.76	0.356
Guayaquil	0.398	0.386	-1.18	0.432
Cuenca	0.434	0.427	-0.68	0.809
Machala	0.446	0.414	-3.23	0.483
Ambato	0.434	0.426	-0.79	0.693

Source**:** ENEMDU – June 2017-June 2018

The city of Cuenca's economy is primarily based on manufacture, commerce and services (INEC, 2011). Cuenca contributes the third-highest sum to tax collection in

Ecuador – 4.41% of the total tax collection in the country, second only to Quito (50.9%) and Guayaquil (27.4%) (SRI, 2017). Additionally, it pays in 4.51% of the gross value added (GVA)[146] of the country, and is the city with the third-highest added value (Banco Central del Ecuador, 2016). Furthermore, among the main cities of Ecuador, it is the one with the lowest poverty and the lowest extreme poverty rates. The poverty rate was 7.6% in 2016 and 2.8% in 2018, while extreme poverty stood at 0.7% in 2016 and 0.2% in 2018 (ENEMDU, 2018). In contrast, poverty at the national level was 24.5% and extreme poverty 9.0%. In the urban areas, poverty was at 15.9% and extreme poverty 4.7% (ibid.).

Regarding the levels of participation, a survey carried out in the city of Cuenca in 2016 by the NGO *Cuenca Ciudad Para Vivir* shows that 88% of citizens surveyed had **never** participated in the decisions of the municipality.[147] Of this 88%, 30% claimed that their lack of participation was due to lack of time, 18% due to lack of interest, 12% claimed they do not participate because they do not feel heard, 20% had either no proposals or did not know how to participate, 6% claimed they did not know when to participate, another 6% thought that participating is useless, 5% said they were not used to participating so they did not do so, and the remaining 3% cited other reasons (*Calidad de Vida Cuenca* survey, 2016).

6.2 Description of the Institutional Landscape Influencing the Initiative

Analysing a *veeduria* focusing on social housing offers some analytical advantages. First, social housing is an area susceptible to corruption (Rose-Ackerman, 1999; Mustillo, 2016). This is mainly the case where there is a deficit in housing, as in the Ecuadorian case where there has been a historic housing deficit. According to data from the National Employment, Unemployment and Underemployment Survey (ENEMDU), in 2014, there was a 29.8% housing deficit in the rural areas and 13.7% deficit at the national level. Moreover, the deficit has led to housing's being class both as a strategic requirement of

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[146] The GVA is the macroeconomic indicator that measures the added value realised for each sector or industry in the productive process of goods and final services. Calculated over a determined period of time and in a specific area, this indicator serves as a basis for estimating the internal gross product (Observatorio Economico y Social de Tungurahua, 2014).

[147] The 88% figure in Cuenca is similar to the national level, where 86.2% of Ecuadorians stated that they had not participate in a municipal meeting during the last year, according to a LAPOP report (2016).

governments and a necessary political offer. Thus, there is a risk that it may be used as a clientelistic practise. Having citizens monitoring the process of allocation through *veedurias* may potentially help to prevent corruption, since these initiatives can act as deterrents for public officials to become involved in corrupt acts. Moreover, there is also more chance of finding irregularities due to the limited capacity of control agencies to be 'everywhere', which, in turn, clearly reveals the complementarity role of SAcc with classic accountability. The next section reviews the housing deficit in Ecuador and Cuenca, and the risk of encountering corruption in processes of allocating social housing.

6.2.1 Housing Policies at the National Level and the Cuenca Case

The housing deficit in Ecuador is an issue that the national government has tried to solve since around 1920, when the first residential projects arose. It gained greater strength in the 1960s, when the National Housing Board (JNV) was created. Later, in 1992, the Ministry of Urban Development and Housing (MIDUVI) was created, which remains active to this day (Padron and Tello, 2016). In the Constitution of 2008, the right of the people to "a safe and healthy dwelling, and adequate and dignified housing" is guaranteed (Article 30). In addition, it is established that it will be the State, at all levels of government, that guarantees this right (Article 375). Thus, it is not only the central State but also the municipalities who have the power to design housing policies and projects.

In the case of the municipal GAD of Cuenca, the Municipal Urbanisation and Housing Company (EMUVI) was created in 2001; however, in April 2010 it was renamed as the Municipal Public Company of Urbanisation and Housing (EMUVI-EP). The creation of this new institution was due to the need to adapt EMUVI to the current regulations, taking into account the powers granted to the different levels of government in housing issues (Creation Ordinance of EMUVI-EP, 2010). EMUVI-EP's objective is "to procure and facilitate access to housing and land for housing, mainly for the vulnerable population, [those] with limited economic resources or at risk, seeking a decent life and the adequate development of the community, through the urbanisation of the land and the offer of housing solutions, as well as complementary and related services that could be considered of collective interest" (EMUVI-EP). EMUVI-EP is mandated to help solve the housing deficit in Cuenca. Despite the favourable socioeconomic statistics (compared to

national figures) set out above, Cuenca is not immune to the problem of housing deficit. This amounted to approximately 45,000 homes, according to official figures in 2014 (*El Tiempo*, No. 23, 2018; *El Telegrafo*, June 16, 2015; Barragan and Ochoa, 2014). For this reason, EMUVI-EP has led several housing plans,[148] one of which is the 'Los Capulies' project.

This is a social housing programme located in Ochoa León, Cuenca. Part of the municipal agenda led by Marcelo Cabrera (2014–2019), it aimed to build 593 homes by 2019. According to EMUVI-EP's official website,[149] the objective was to, "Allow citizens to have access to decent housing at a fair and reasonable price, thereby reducing the current housing deficit […], as well as enabling access for families of different income levels of to the different types of housing proposed". Houses are allocated following a process by which people interested in owning one of the project's houses comply with several pre-requisites. Those pre-requisites are detailed in the "Regulation for the Sale and Award of EMUVI-EP Social-Interest Housing, Article 16 (Annex 4 of the *Veeduria* Report, 2016).

The first stage of 'Los Capulies' consisted in building and allocating 98 houses. The official launch of the project led into an advertisement phase from September 2014 to July 2015, through open houses, visits and advertising in the offices of EMUVI-EP. During the second semester of 2014, 5,000 application forms were submitted to EMUVI-EP. Then, from June 12 until December 16, 2015, EMUVI-EP found that 663 applications complied with the established requisites (Annex 13 of the *Veeduria* Report, 2016). The process of adjudication of this first stage of the project was monitored by citizens from Cuenca. This will be expanded upon in Section 6.3.

6.2.2 Social Housing in Political Campaigns and the Risk of Corruption

In Ecuador, housing is a prominent topic in politicians' campaign promises. It has been used a clientelistic tool to win and maintain citizens' support. Former presidents "Leon

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[148] The projects are listed at: http://www.emuvi.gob.ec/content/los-capul%C3%ADes?q=proyectos

[149] http://www.EMUVI EP.gob.ec/content/los-capul%C3%ADes

Febres-Cordero [1984-1988] and Abdala Bucaram [1996-1997] promised to build an average of 50,000 houses a year, although – in practice – the figures were lower" (*El Universo*, 2006). Additionally, three-times runner-up presidential candidate, Alvaro Noboa, offered 300,000 houses every year.[150] Former President Rafael Correa proposed to increase an existing housing bonus and build 100,000 houses per year (*El Universo*, November 25, 2006). In the case of the municipality of Cuenca, the current mayor, Marcelo Cabrera, campaigned in 2014 on the promise to build 5,000 houses (*Teleamazonas*, February 13, 2014).

As stated above, housing deficit can be used as a political platform, with candidates offering to solve this need, but at the same time trade this offer in exchange for electoral support. Hence, there is a risk of 'clientelistic' relationships developing between authorities and a specific social group, over others, if such electoral or political support existed. For instance, in an interview held in 2008 with the former Minister for Social Welfare during Rodrigo Borja's presidency (1988–1992), Raul Baca stated that "We chose [housing beneficiaries] as a function of a map that really allowed us to improve the programme's targeting; but the majority of times it wasn't done like that. Really, choices were made by political clientelism" (Mustillo, 2016, p. 40). Additionally, the high demand for social housing may also lead to bribing public servants in charge of the process of awarding housing, in order to take higher priority when houses were allocated. Thus, "services designed to benefit the needy or the well-qualified will go instead to those with the greatest willingness to pay" (Rose-Ackerman, 1999, p. 13). Therefore, the whole objective of the social programme would be undermined "even if those admitted are nominally 'qualified' under the law" (ibid.).

In the 'Los Capulies' social housing project, the chances of this type of corruption's occurring may be inferred if we consider that the 5,000 applications received far exceeded the number of houses eventually offered – 98 (Annex 13 of *Veeduria* Report, 2016). Hence, it can be stated that the mere existence of a *veeduria* is legitimised by the potential damage that could be done if the results of the awarding process are intentionally altered to benefit third parties – not only to the applicants who truly deserved to be awarded a house, but also to the whole objective of the social programme itself.

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[150] Critics signalled the lack of a solid base for such an offer. For this figure to be realised, the government would have had to build nearly 34 houses every hour: http://www.eluniverso.com/2006/11/08/0001/8/661BB1C302074384BFCFB35851EB5F49.html, 2006.

The next section will analyse the creation and development of the *veeduria* for the 'Los Capulies' project.

6.3 Description of the Social Accountability Initiative

The in-depth analysis of this case study has allowed us to observe and understand how a *veeduria* works. Although the qualitative approach means its conclusions cannot be generalised, the information remains valuable for future similar studies. In this section I will explain how the *veeduria* of the 'Los Capulies' project developed, but first I will draw the reader's attention to the critical points in the analysis of this initiative. As explained in the introductory chapter, this case was chosen, among other factors, due to the amount of information it could provide. But in addition, it was presented by the CPCCS as a "successful initiative", since the *veeduria* would have fulfilled its main objective: to monitor the social housing allocation process, in order to ensure its transparency. However, the analysis reveals several aspects that, in fact, would have undermined the ultimate objective of any SAcc initiative: to hold the State accountable.

Although the interviews with the main actors involved in the *veeduria* (M. Berrazueta, personal interview, 1 Dec. 2016; M. Arias, personal interview, 7 Dec. 2016; J. Orellana personal interview, 7 Dec. 2016; M Vintimilla, personal interview, 8 Dec. 2016; J. Flores, personal interview, 9 Dec. 2016; N. Auquilla, personal interview, 8 Dec. 2016; G. Naranjo, personal interview, 20 Dec. 2016) highlighted that the monitoring process flowed smoothly, there are two critical moments that the *veedores* flagged up, but that were also minimised. The first of these occurred when they made telephone calls to a representative group of applicants; one of these applicants stated that he had received a telephone call, in which he was asked for USD \$3,000 to be awarded a home. This was denounced by the *veedores* to the EMUVI-EP itself; however, it was not included in the final report from the *veeduria* to the CPCCS. The other critical moment came once the houses had been awarded and some changes to the final list of beneficiaries made (in theory, solidly argued), when the *veedores* were unable to access the files relating to the process. This was because the documents were kept in a warehouse and, later, materials to construct the houses were also stored in the same place. Thus, access to the files was virtually inaccessible. Although this incident was included in the final report, the observers indicated that the housing allocation process was carried out in a transparent manner and that this would have been a "good faith" error.

A piece of qualitative information that should be noted, I was the good relationship (as indicated by *veedores*, the representative of EMUVI-EP and CPCCS officials) between the observers and the entity observed. This may have been a factor in the development of the *veeduria*. Nevertheless, this relationship could have influenced the final result of the initiative. The CPCCS-Azuay technician, Jonathan Flores, who was in charge of following up the *veeduria* said that, in his opinion, "the observers could have been less kind and more critical in their observations" of the process overseen.

As regards the control agency, the CPCCS considered that this case deserved a more in-depth investigation and ordered their Investigation office to review the process. However, at the time of submission of the present thesis, this review had not occurred. This poses a serious problem in terms of ensuring the transparency of the process and, in the event of any irregularities coming to light, to hold the institution or individual public officials accountable. Furthermore, these incidents reveal other, structural problems in the mechanism itself. The first is related to "late reporting" since, as explained in the previous chapter, the regulations of *veedurias* indicate that any alert presented to the CPCCS must be included in the final report, once the whole initiative is over. Hence, this could limit the control agency's margin to investigate, and intervene in the process on time. On the other hand, the second structural problem is that, if there is no alert in the first place, the CPCCS cannot initiate an *ex officio* investigation, since to do so is part of its competences.

However, the complexity of the case also allows us to reprise various positive points from the initiative. Among the statistics indicated in the previous chapter regarding the total number of *veedurias* carried out during the same year as the one in focus (2016), it can be seen that roughly half were not completed. Although there is no qualitative information that allows us to understand the reasons for this, the data allows us to highlight the commitment and tenacity of the 'Los Capulies' observers, since they completed a monitoring initiative planned for five months, which ended up being extended to thirteen months. Additionally, it also allows us to identify certain characteristics of the *veedores* that enabled the initiative to be concluded. Among them are 'time availability', their socioeconomic position and their capacity to engage in a monitoring process. Another related positive point is the role played by the CPCCS-Azuay. The fact that the entity facilitated the rapprochement between observers and the entity observed brought legitimacy to the initiative and facilitated the exchange of information. In addition, the

local CPCCS was also a logistical and motivational support for the *veedores* in accomplishing their initiative, despite the difficulties that arose, including the severe delay in the adjudication process.

6.3.1 General Information about the Initiative

The *veeduria* that we are analysing was formed with the purpose of "making the process transparent and ensuring the correct adjudication of houses in the 'Los Capulies' project" (*Veeduria* Report, 2016). Cuenca Councillor Carolina Martinez, president of the Housing commission of the Municipal Council of Cuenca, sent an invitation addressed to different civil society actors to attend a public event. At this event, EMUVI-EP presented the 'Los Capulies' project to the public. As part of her duties, Councillor Martinez had to audit the management of public resources used in the municipality, especially for housing projects such as 'Los Capulies', due to her position at the Council. During the event, the CPCCS gave a presentation about the different SAcc mechanisms by which citizens could monitor public processes (M. Berrazueta, personal interview, 1 Dec. 2016; Flores, personal interview, 9 Dec. 2016). Subsequently, Martinez and representatives from the CPCCS held a meeting in order to analyse which SAcc mechanism would be most suitable for a transparent housing allocation process; it was concluded that a *veeduria* was the best option due to the characteristics and length of the process (five months). Thus, invitations were sent to different 'illustrious' citizens of different social organisations to be part of the SAcc initiative. Moreover, an invitation was sent to the Faculty of Architecture in the University of Cuenca, aiming to secure representatives with technical knowledge regarding social housing (M. Arias, personal interview, 7 Dec. 2016; Flores, personal interview, 9 Dec. 2016).

Returning (briefly) to the creation of *veedurias*, it was stated that these initiatives can be initiated by civil society, the CPCCS or the State. Independent of how the *veeduria* begins, the mechanism itself is designed so that citizens can monitor the State. Therefore, a *veeduria* is a citizen-based SAcc initiative. Once a *veeduria* is created, it is the citizens who are fully in charge of leading the monitoring process, autonomously. In the present case, although the initiative of creating a *veeduria* came from Councillor Martinez, it was always the intention that the *veeduria* be formed and led by independent citizens. During my fieldwork and the interviews held with the *veedores*, I was determined in finding if there was any connection between them and the municipality, and enquired

into their motives for joining the *veeduria*; I found no reason to think that the *veeduria* was co-opted by the State. Additionally, all four of them declared that, after the first meeting, there was no relationship whatsoever with the councillor again, and the minutes of the meeting also support this statement.

With regards to issuing an invitation for citizens to join the *veeduria*, when asked the reason for this instead of making an open call to form the *veeduria*, Jonathan Flores, technician and expert on social oversight from the CPCCS in the province of Azuay, stated that the aim was to secure the participation of the citizenry. Furthermore, according to Flores, when an open invitation is made to people to create a *veeduria*, it is unlikely that citizens will register, due to a lack of interest. This may well be the case in Cuenca, as can be seen from the statistics given in Section 6.1 regarding citizen participation. Therefore, it is a good strategy to aim to have people of different backgrounds and different skills who may be willing to participate, and, in that sense, to send direct invitations to civil society organisations, universities, and so on, to secure citizen participation.

In fact, the *veeduria* of the 'Los Capulies' project started with seven *veedores*. However, as shown in Table 12, only four of them finished the whole process. The other three *veedores* withdrew from the monitoring initiative, stating 'personal reasons' (Berrazueta's CPCCS Report, 2016). Although it was the first time these four *veedores* acted in a *veeduria*, most of them had previously had the opportunity to work in other type(s) of citizen participation initiatives. For instance, Vintimilla and Arias worked with different NGOs in Cuenca; Orellana was the current president of his neighbourhood 'La Alborada'. For Naranjo, currently retired, this was his first experience with a SAcc mechanism; however, his professional experience at the Cuenca Council helped him support the *veeduria* in its objectives. Hence, the *veedores* had enough expertise to lead the initiative. Additionally, it is important to state that they had sufficient legitimacy to fulfil their roles. Their positions as independent citizens, with no conflict of interest in the awarding process, and their integrity reinforced their public legitimacy to undertake the monitoring process.

Another aspect of the *veeduria* to be considered is the **time availability** that the *veedores* had. If *veedores* did not have the time to give to a SAcc initiative, it would be very difficult for them to achieve their goals. *Veedoras* Maria Ines Vintimilla and Margarita

Arias work as consultants, Juan Carlos Orellana has his own business and Gonzalo Naranjo is a former civil servant at Cuenca Council. Hence, they had the chance to adapt their day to the work of the *veeduria*. It is important to consider that meetings and visits to EMUVI-EP had to be carried out during office hours; therefore, it could not easily have been done by someone who was not available at those times.

Table 13. *Veedores*

Name	ID Number	Finished the veeduria
Maria Ines Vintimilla Carrasco (Coordinator)	xxxxxxxxx-7	Yes
Gonzalo Naranjo Lara (Secretary)	xxxxxxxxx-5	Yes
Juan Carlos Orellana Zumba	xxxxxxxxx-1	Yes
Margarita Arias Vega	xxxxxxxxx-2	Yes
Galo Alfredo Ordoñez Castro	xxxxxxxxx-5	No
Jorge Luis Idrovo Murillo	xxxxxxxxx-1	No
Paola Priscila Vallejo Cardenas	xxxxxxxxx-3	No

Source: Veeduria Official Report, 2016

The next subsection will explain how a *veeduria* is supposed to work on paper, and what actually happened with the *veeduria* of the allocation process.

6.3.2 *Veeduria* Process

As stated in Figure 12 in Section 5.3.3.1, citizens wishing to start a *veeduria* must meet some basic requisites in order to register it, including sending a formal letter to the CPCCS asking for accreditation. In the present case, the citizens sent this formal letter on 8 June, 2015 asking the CPCCS to create a citizen oversight initiative to "monitor the process of adjudication of 'Los Capulies social-interest housing, of the public company EMUVI-EP". The CPCCS delivered an affirmative reply on 12 June, stating that the *veeduria* would last for five months, starting on 16 June, 2015. Moreover, the CPCCS informed EMUVI-EP General Manager, Hernan Tamayo, about accreditation. With this, the process of the *veeduria* officially started. Additionally, the *veedores* received training from the CPCCS about the Organic Law of Citizen Participation and the General Regulations for Citizen *Veeduria*s.

When a *veeduria* is accredited by the CPCCS, there are different stages that the initiative has to go through until its completion. Although not all *veedurias* work in the same way, there are four core elements that describe what should happen with a *veeduria* after it has been accredited (Figure 16):
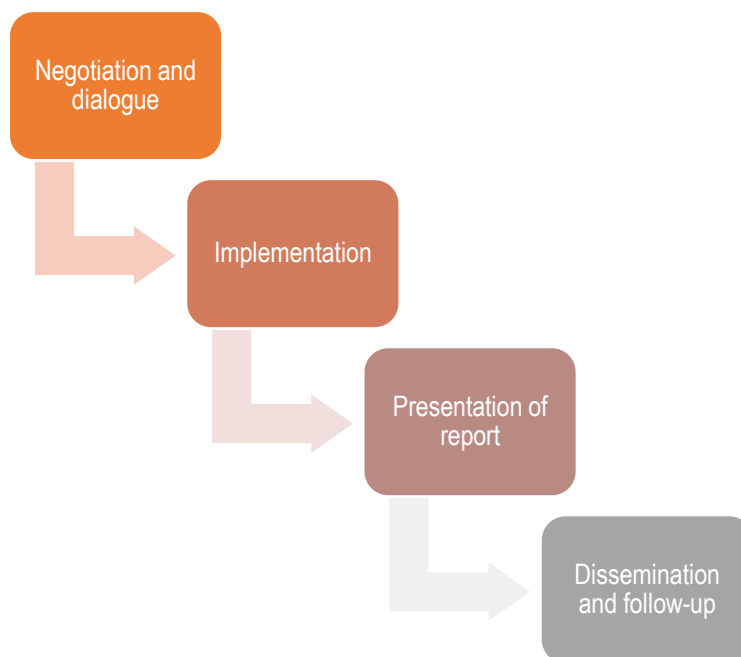
Figure 16. *Veeduria* process (Source: Author's own design based on CPCCS annual accountability reports)

6.3.2.1 Negotiation and Dialogue

Once a *veeduria* has been formalised, it should start its duties. This process can be supported by the CPCCS when needed. For instance, the latter may help to facilitate negotiation and dialogue between the *veeduria* and the authorities of the entities that will be monitored, by arranging the first meetings. The CPCCS would take note of the agreements reached by both parties regarding the *veeduria*'s development, delivery of information and implementation of potential recommendations.

When the *veeduria* for the 'Los Capulies' process was properly accredited by the CPCCS and the *veedores* received their official credentials, a press conference was held in order to inform the public that the SAcc initiative was going to start (Radio Complice FM, 16 June, 2015). This press conference was convened by the CPCCS as part of its institutional support. Moreover, the CPCCS arranged a tripartite meeting between representatives of EMUVI-EP, the CPCCS and the *veeduria*. The meeting's purpose was

to introduce both parties, and explain the objective and role of the *veeduria* in monitoring the process of allocating housing. As this was the first time that EMUVI-EP was going to be monitored by a citizen-based initiative, they were not aware of what they were supposed to do.

During this meeting, two key events happened. First, the manager of EMUVI-EP, Hernan Tamayo, agreed to not only give the *veeduria* all the information required, but also asked them not to wait to finish the *veeduria* to state any problems. In this way, problems could be fixed as soon as possible, to the benefit of the allocation process. Second, EMUVI-EP agreed to run a training for the *veedores*, where information about the 'Los Capulies' project could be explained to them, including the regulations and manual for adjudication. According to Maria Ines Vintimilla, coordinator of the *veeduria*, these actions showed the *veedores* that Tamayo was sending positive messages regarding the willingness of EMUVI-EP to collaborate with the *veeduria*. Moreover, another *veedora*, Margarita Arias, stated that "the manager directly assigned one official to help us with our information requirements, which facilitated the whole process". This person was Nelly Auquilla who worked as the Marketing and Sales Executive at EMUVI-EP. But what are the incentives for a public authority to cooperate with a citizen-based monitoring initiative? When asked about their motivation for supporting the *veeduria*, Auquilla replied that "There are many people who doubt [the process], for me having a *veeduria* has been a very wise decision to demonstrate the transparency of the processes we carry out". From these events and comments, we can infer that EMUVI-EP saw the *veeduria* as a chance to legitimise their actions.

That an institution being observed may aim to legitimise its actions, is not necessarily negative, as it can also be an incentive to facilitate the exchange of information and to show that 'there is nothing to hide'. As discussed in our analytical framework, access to information is a key element for SAcc to work. Thus, a monitored institution keen to share information with the *veedores* is a positive factor that could help the initiative to succeed in controlling a process. Nonetheless, there is also the possibility that the officials observed intend to use a mechanism that does not really allow citizens to engage in an efficient surveillance which may end up in sanctions. In the case at hand, information generally flowed smoothly among the *veedores* and EMUVI-EP. The *veedores*' minutes of meetings, their final report and their interviews highlight this feature throughout the initiative, with the one exception already mentioned above: the *veedores* could not

access, at the end of the initiative, important information to make sure that no applicant was harmed while the allocation process was being carried out.

6.3.2.2 Implementation

Any given *veeduria* that follows the CPCCS framework is supposed to start its duties by implementing the work plan approved during the accreditation process. It is important to state that the work plan could be readjusted depending on the context. Additionally, a *veeduria* may even ask for an extension of time, if necessary. During its implementation, the CPCCS may provide technical and methodological support for the monitoring process. Moreover, there would be an assessment workshop to prepare the progress- and final reports. Finally, the *veeduria* presents its final report to the plenum of the CPCCS.

During its implementation, a *veeduria* is entitled to review any information required to fulfil its duties. Moreover, the *veedores* have the right to ask the institution in focus to clarify certain doubts and explain the reasons for any anomalies found during the monitoring. Moreover, it is possible to observe the influence that the *veeduria* can have – under conditions such as those of the present case, in which the monitored institution is receptive to these comments – in improving both the transparency of the processes monitored and to make them more efficient. By making a process simpler and more efficient, a *veeduria* may also prevent bribery, as applicants no longer have to try to cut through red tape; this is even more important in a project such as 'Los Capulies', which seeks to benefit vulnerable populations. Bribery occurs either because a person may pay 'speed money' to reduce the amount of red tape, or because "when regulations are intended to provide scarce goods to the poor, corruption reduces red tape too much and allocates the goods to the rich through a bribe auction" (Guriev, 2004, pp. 489–490). Therefore, as with clientelism, the objective of the social programme is undermined.

In the case of the *veeduria* of 'Los Capulies', the first piece of information the *veedores* received from EMUVI-EP was related to the housing project and to the adjudication process. This included general information about the 'Los Capulies' project, and the regulations for awarding housing. Houses are allocated following an adjudication

process by which people interested in owning one of the houses of the project must comply with several prerequisites.[151]

Once the *veeduria* analysed the information, they turned to EMUVI-EP on many occasions to revise the applications for housing submitted. The *veeduria* created its own evaluation checklist to analyse the registration forms and the documentation sent by applicants to support their applications.[152] Due to the number of applications (663), the *veeduria* agreed to revise 10% of those. The applications were randomly selected. According to the coordinator of the *veeduria*, Maria Ines Vintimilla, some applications were found to be incomplete. For instance, some applications were missing documents and even the applicants' signatures.

The *veeduria* took a sample of those applications with inconsistencies and started to call the applicants by phone (22 applicants) in order to understand the reasons for the missing documentation. The *veeduria* found that incomplete applications were mainly due to the amount of supporting documentation the applicants had to present. Applicants stated that it was difficult to obtain all the documents requested by EMUVI-EP. Another problem cited by the *veeduria* was the change in the economic situation of the applicants. The process of awarding houses took over a year, and some applicants' economic reality had changed by the end of the process. This meant that some of them did not have the capacity to take on a loan; therefore, they did not meet one of the requirements to be awarded a house.

The analysis of the current SAcc initiative has allowed me to raise three 'red flags' that are key to highlighting some problems that arose during the implementation, as regards the claimed to the supposed effectiveness of the *veeduria*: first, an informal denunciation

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[151] Prerequisites are detailed in the "Regulation for the Sale and Award of Social-Interest Housing from the EMUVI-EP", Article 16 (Annex 4 of the *Veeduria* Report, 2016) Additionally, applications are evaluated following an evaluation sheet with a maximum score of 37. The evaluation depends on: (1) the number of family members; (2) the number of family members currently studying; (3) if it is a single-parent family; (4) if the family has elderly people; (5) if a family member suffers from a serious illness or receives ongoing medication; (6) if a family member is handicapped; and (7) the level of family income according to the unified basic salary (ibid.)

[152] The most important points on the checklist are: verification of the filling of the inscription (verifying that the registration was correctly filled out), verifying the documents attached to the application, examining the score obtained by applicants, examining the score awarded by both the computer system and by an official from EMUVI-EP, reviewing the score calculated by the *veeduria*, and proof of the applicants' pre-qualification for credit. An example of the evaluation checklist can be found in Annex 14 of the *Veeduria* Report, 2016.

from one applicant to the *veedores* in which he claimed that he was asked for payment in order to be awarded a house (the control agency was not officially informed, and no further investigation was held); second, the change of rules for the award of houses during the awarding process, which, for different reasons, led to a change in the final list of awardees; and finally, the inability of citizens to access files with information on applicants at the end of the process.

Regarding the first alert, an important piece of information found in an *aide-mémoire* of the *veeduria* of the meeting of April 7, 2016, states that, in one of the telephone interviews made by the *veedor* Juan Carlos Orellana, the interviewee remarked that he was asked for US$3,000 by EMUVI-EP (J. Orellana, personal interview, 7 Dec. 2016). During the interview with Orellana, he claimed that for this reason, the *veeduria* met with EMUVI-EP's lawyer, where they denounced this case. As a preventive measure, the *veeduria* suggested that every official who serves the public wears an identification card. It was also suggested that signs be posted stating that the procedures are handled for free. Nonetheless, this case was not officially denounced to the control agency, and nor was it included in the *veeduria* final report. According to Orellana, the *veeduria* agreed that this was an isolated case because no other interviewee claimed anything similar. In addition, an attempt was made to contact this person again, but he did not answer the calls.

At this point, it is important to highlight three things. First, *veedores* took the view that this was an "isolated case", and was not worth reporting to the control agency. Second, even if this case had been included in the final report of the *veeduria*, this happened before 7 April, 2016, while the final report was read by the CPCCS Council on November 16, 2016. Thus, we face a potential case of 'late reporting'. Third, CPCCS-Azuay was aware of this case. However, their legal framework does not allow the control agency to intervene in the *veeduria*, regardless of any alert. Finally, even if the CPCCS wanted to, it does not have the competency to investigate the case *in officio*, unveiling a structural problem in exerting accountability.

The second alert is related to the change of rules during the process. Due to the reasons detailed above (where it was found that many applicants who fulfilled the prerequisites did not complete their applications), EMUVI-EP gave applicants extra time to complete their documentation. During this period, some applicants presented complementary

information to be awarded social housing. Therefore, the order of the people selected for a house evidently changed. The *veeduria* stated in their report that "this may have affected some people in the awarding process" (*Veeduria* Report, p. 33). After receiving the additional documentation and raising the scores on the different applications, as appropriate, a final list was drawn up with the successful 108 names. Ten additional beneficiaries (there were only 98 houses to be awarded) were included because the award committee of EMUVI-EP considered that some people could turn down their award. This final list was officialised on 27 April, 2016 (Act No. 004-EMUVI EP.EP-2016; Annex 11 of *Veeduria* Report, 2016).

The *veeduria* acknowledged this, and asked for explanations from EMUVI-EP. The municipal company's representative, Nelly Auquilla, stated during her interview that no one was prejudiced by this process since several applicants withdrew from the contest (N. Auquilla, personal interview, 8 Dec. 2016). Despite the change in scores, applicants who were not on the first award list made it to the final list, since they filled in the empty spaces. Nevertheless, the *veeduria* stated that, although 'apparently' there was no damage or harm to any of the applicants, it was not "adequate to review the decisions already taken, because it can generate nonconformities or uncertainty in the procedure" (*Veeduria* Report, p. 33).

Finally, the third 'flag' was raised when it was found that the archives with the applications were inaccessible. The *veedores* wanted to corroborate the information that the applicants provided and that led to the change between the first listing and the definitive list, and to check the documentation in the folders. However, they found that the folders had been archived at the back of a warehouse. The problem was that construction materials for EMUVI-EP's new office (toilet, washbasins, etc.) were placed in the same warehouse. Therefore, the *veeduria* could not access the folders again.

Although the *veedores* claimed that no evidence of favouritism was found in the allocations, the *veeduria* made observations about this part of the process. The *veeduria* indicated in their report – and in their interviews as well – that putting the folders in the warehouse was a mere mistake and not an act of bad faith. Hence, they did not see this issue as a problem of transparency. Nevertheless, it is important to state that if an institution is to be held accountable, the whole process must be transparent. As with the first alert, the competence that the *veeduria* has to define different actions as mere

"isolated cases" or as errors "in good faith" could undermine the very objective of *veedurias* in terms of holding the State accountable.

As regards the length of the *veeduria*, the *veedores* had to request an extension from the CPCCS, since the whole allocation process took longer than expected. Although there are inconsistencies in the dates of the *veeduria* report and CPCCS report, this research found that there was a violation of the *veeduria*'s regulations in the matter of the 'time extension'. Article 9 of the General Regulations for Citizen *Veeduria*s states that the length of a *veeduria* should match the work plan and its implementation schedule, which was five months in the case of the present *veeduria*, from 16 June to 16 November, 2015. The same article states that if a *veeduria* cannot finish its mandate within the time proposed at the beginning of the initiative, the coordinator of the *veeduria* may ask for an extension, for a period not greater than that initially established. However, on 5 November, the *veeduria* asked for an extension of six months, one more than legally allowed, so that the *veeduria* would have until 16 May, 2016 to finish its work. CPCCS gave an affirmative reply in their letter 3362-2105 of 18 November, 2015.

Furthermore, the delay in the publication of the final list of beneficiaries led the *veeduria* to delay the delivery of their final report until 25 July, 2016, more than two months after their final deadline. The CPCCS officials accepted the late report, acknowledging the delay in the entire process.

6.3.2.3 Presentation of the Final Report to the Plenum of the CPCCS

The final report of a *veeduria* must be presented to the plenum of the CPCCS. The plenum will pass a resolution according to the conclusions of the report. If potential acts of corruption or infringement of participation rights are found, the plenum will send the case to the Technical Secretariat of Transparency and Fighting Corruption, to be investigated.

The final report of the *veeduria* was presented to the plenum of the CPCCS on November 16, 2016. The report contained detailed information of the work done by the four *veedores* in monitoring the 'Los Capulies' process. As remarked above, the *veeduria* could had been more critical of the adjudication process. One hypothesis is that the parties built a good rapport. While this issue is not negative per se, it may have influenced

the *veedores*' final position vis-à-vis the process monitored. Two specific actions reinforce this statement. First, the case where the interviewee stated that he was asked for US$3,000 by EMUVI-EP was **omitted** from the report. Second, when the *veeduria*'s report was presented to the CPCCS plenum on 16 November, 2016, the counsellors asked the *veedores* if they felt that the CPCCS should initiate an investigation to determine if the rights of citizen participation were affected, or if there were possible acts of corruption. The response of the reviewers was that they did not recommend an investigation as they claimed that problems found in the process were *bona fide* errors. Furthermore, they claimed that the social housing adjudication process was carried out according to EMUVI-EP's plans and in a transparent manner.

Thus, the *veeduria*'s report was approved by the CPCCS. Nevertheless, the Council reconsidered its resolution a week later (22 November, 2016) and decided that the evidence found in the report was enough to send the case to the CPCCS' investigation office. It is important to reiterate that the *veeduria* warned of possible anomalies with the adjudication process in their report. Whether or not they could have been more critical of the process, the report included some alerts that the control agency identified and was keen to investigate. However, more than five months passed between the time the *veeduria* submitted their report and the moment the CPCCS revised and approved it. Therefore, actions that may have been taken, if any irregularities were detected, may have also been untimely.

In this vein, another structural problem of *veedurias* can be highlighted. The framework in which they act does not help control agencies to respond promptly. 'Late reporting' can be a potential problem in exerting accountability. Even if investigations had been carried out following the presentation of the final report, and if corruption had been found, the potential actions taken to fix those problems would have involved having families removed from their new houses. In other words, the lack of an effective framework allowing control agencies to act quicker is an issue that policymakers would have to consider when aiming to improve the *veedurias* framework.

6.3.2.4 Dissemination of Results and Follow-up

After the final report has been presented to the plenum of the CPCCS, the latter signs a resolution by which it asks the Coordination of Communication section of the CPCCS to

publicise the results of the *veeduria* on the CPCCS's official website and in the media within a time frame of 30 days. Finally, the CPCCS is supposed to monitor, together with the *veeduria*, the implementation of the recommendations derived from the *veeduria*, either to improve the management of public resources or to investigate possible acts of corruption.

As stated above, on 16 November, 2016, the plenum of the CPCCS issued a resolution stating that the final report of the *veeduria* was presented and acknowledged. Additionally, this resolution requested that the report be published on the CPCCS website and be investigated. Two problems (created by the CPCCS) were found. First, until the submission of this thesis, the *veeduria* report has not been uploaded to the webpage: the link sends the user to other information. Second, the case has not been investigated yet,[153] making any possible action untimely.

As has been shown, the *veeduria* has the potential to be a positive and strong SAcc mechanism to monitor a public process, as it was able to identify different anomalies in the process of adjudication that would have gone unnoticed by the control agencies. The level of detailed information that the *veeduria* gathered and analysed during its duties shed light on specific actions or inactions that questioned if the process of adjudication was done properly. It is also important to highlight the *veedores*' capacity and tenacity to conclude the monitoring despite the length of the process.

On the other hand, the *veedurias*' framework makes this mechanism too bureaucratic. Thus, the intention of triggering prompt responses from control agencies when the alarm is sounded by civil society, is undermined. The procedures for observers to raise the alarm may lead to late reporting. Moreover, the slow and ineffective reaction of the CPCCS as a control agency regarding the *veeduria*'s final report may have diluted part of the purpose of the *veeduria* – e.g., the detection of inconsistencies that may or may not reflect corrupt practices. An additional point here is that, despite the late decision by the plenum of the CPCCS to investigate the 'Los Capulies' process, there was no follow-up by the *veedores* to that resolution. Hence, the control agency was under no pressure to fulfil its role. This also poses a possible danger, namely that the public sector may use this mechanism as a way to legitimise its actions, since the possibility of receiving any

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[153] At the time of submission of this thesis.

sanction is very limited. In other words, there is a risk that these types of initiative could be co-opted at the local level and legitimise corruption.

6.4 Assessing the Inter-Relationship and Factors of Influence between the Actors in the *Veeduria*

The framework to understand how SAcc works in Ecuador – introduced in Chapter 3, Figure 2 –shows the interrelationship between the three different actors that are part of the SAcc process for controlling corruption: the State, represented by the monitored institution (EMUVI-EP), that, by its very nature, is the actor that must provide services and be accountable; the control agencies, which are in charge of controlling the good use of public resources; and citizens, who, through SAcc initiatives, complement the oversight exercised by the control agencies. Moreover, the framework highlights the necessary factors for a successful SAcc initiative. The following figure (17) explains how the *veeduria* under examination worked in reality. The lines in the graph represent when the inter-relationship was as expected, partially as expected, or ineffective.

Role Fulfilment:

⟶	YES
·····▶	PARTIALLY
− − −▶	NO

Interrelationship and factors between actors for functional social accountability **in the *veeduria* to the project "Los Capulies"**

Control Agencies

CPCCS-Azuay
CPCCS-National

- No Control Actions due to CPCCS inefficiency

- Guaranteed rights of participation
- Provided technical support to citizens
- Capacity to respond to citizens needs

- No need to elaborate additional information for control agencies as it was not requested.

State

EMUVI-EP

Social Accountability Initiatives

- EMUVI-EP support to the veeduria highlighted by veedores.
- EMUVI-EP provided understandable and reliable information which allowed veeduria to find anomalies.
- Still, key information of final awardees was unreachable to veedores.

- Complement Control Actions
- Report findings (sound the alarm)

Citizens

Veedores

- Access to information
- Analysis of information

Figure 17. Inter-relationship and Factors between Actors for Functional Social Accountability in the *Veeduria* for the "Los Capulies" Project

From the literature on Accountability 2.0, we understand that the inter-relationship between these three actors is not necessarily linear. Moreover, there are different levels at which these actors are related. The existence of factors that benefit the inter-relationship, and of others that make it difficult for the SAcc mechanisms to flow as they should in theory. In the next section, I discuss these relationships and their consequences.

6.4.1 Citizens-State

As stated by Malena et al. (2004), "The success of social accountability initiatives depends on some form of effective interaction between civil society and the state" (p.13). The reports by the *veeduria* and the CPCCS, and the interviews carried out with actors involved in the SAcc initiative (M. Berrazueta, personal interview, 1 Dec. 2016; M. Arias, personal interview, 7 Dec. 2016; J. Orellana personal interview, 7 Dec. 2016; M Vintimilla, personal interview, 8 Dec. 2016; J. Flores, personal interview, 9 Dec. 2016; N.

Auquilla, personal interview, 8 Dec. 2016; G. Naranjo, personal interview, 20 Dec. 2016), show that the relationship between the *veedores* (citizens) and EMUVI-EP (State) facilitated, in general terms, the development of the *veeduria*. One of the factors that influenced this outcome was the willingness of the institution being monitored to cooperate with the *veedores*, starting with EMUVI-EP's manager, Hernan Tamayo, who agreed to help the *veeduria* with their needs in the first meeting itself. During the *veeduria*, there was good exchange of information between the *veeduria* and EMUVI-EP's officials. Despite the problem of the inaccessibility of the folders in the warehouse described above, the *veeduria* acknowledged EMUVI-EP's willingness to cooperate with the process. This includes the training that the *veeduria* received, information given about the project, and also **access to information** related to the applications and the adjudication.

This was the first *veeduria* ever carried out with EMUVI-EP; thus, according to the CPCCS expert, Jonathan Flores, EMUVI-EP officials were anxious about the implications. However, after the concerns were overcome, EMUVI-EP officials were helpful and open to supporting the *veeduria* with their work. EMUVI-EP manager Hernan Tamayo designated Nelly Auquilla, marketing and sales director, to be a direct link between the institution and the *veeduria*. Appointing a specific person to respond to the *veedores*' requirements was helpful and eased communication between the public institution and the citizens.

Regarding the aforementioned access to information, according to the *veeduria*'s report, there were no obstacles to obtaining information related to the process of awarding housing. Nonetheless, both the *veeduria* and Nelly Auquilla (from EMUVI-EP) stated that all the information given to the former had to be previously approved by the general manager of EMUVI-EP, Hernan Tamayo. Moreover, the required information had to be requested by the *veeduria* through an official request. This may have slowed down the work of the *veeduria*, or might also represent an opportunity to give incomplete information.

The facilitation of information described above helped to build trust between the *veedores* and EMUVI-EP officials. Throughout the analysis of this *veeduria*, we can see that the relationship between the two sides (*veedores* and EMUVI-EP) was good, which could be a positive but also a negative factor for the final outcome of the *veeduria*. When

analysing governance in developing countries, Unsworth and Moore (2010) suggest that informal institutions and personalised relationships are usually seen as governance problems. Nevertheless, they can be part of the solution. This argument can be related to the *veeduria* in question, since the good relationship between both parties may have been a determining factor in keeping the information flowing. Moreover, the *veedores* kept their distance from the municipal institution (for example, when having their meetings or when the report was written), and remained independent of the institution monitored.

Still, there are indications that this good relationship between both parties might have influenced the *veeduria* in its final report, as mentioned in Sections 6.3.1 and 6.3.2. As already stated, the report did not highlight, in its conclusions, the inability to access certain documentation. Moreover, the denunciation of an applicant stating that he was requested to pay $3,000 was not even included in the final report. Interpreting the interviews related to this case, it seems that the relationship between the *veeduria* and EMUVI-EP was very good, especially because the institution treated the *veedores* attentively during meetings and while exchanging information. This may have led the *veedores* to feel committed to the institution under review, and they may have avoided conflict created by tougher criticism. CPCCS official Jonathan Flores also believes that the *veeduria* could have been more critical with the process.

Moreover, if it could be proven that there were no irregularities, the CPCCS investigation process could have been avoided. Or, if irregularities were found directly, an immediate denunciation of the process may have fostered a prompt investigation and the respective imposition of sanctions. For this reason, the role played by the state (EMUVI-EP) was 'partially' effective in giving information to the *veeduria* (Figure 18).

On the other hand, citizens fulfilled their role by requesting and analysing information on the process of awarding social housing. As in any other SAcc initiative, citizens are the key factor for a *veeduria* to exist. In order to accomplish its objectives, a *veeduria* needs committed citizens. Not only did the *veedores* of this SAcc initiative dedicate a lot of time, but they also proved to be up to the challenge, by being able to monitor the process of adjudication and by producing a detailed report of this process. To fully understand this achievement, it is important to consider that, during the year the *veeduria* was held, 49% of the total *veeduria*s did not finish their monitoring processes (CPCCS Accountability

Report, 2016). Moreover, the length of this *veeduria* was considerably longer than most others. Only 19 out of 182 completed *veeduria*s held since 2015 have taken longer than six months (CPCCS official webpage).

As stated above, the *veeduria* of interest here was supposed to take five months, but ended up lasting 13 months. The four *veedores* were persistent in their duty and did not quit their job, despite the extra time commitment. This included monitoring the adjudication process itself; going to trainings with both the CPCCS and EMUVI-EP; reviewing applications; making phone calls to applicants who withdrew from the process; writing letters to the EMUVI-EP to ask for information; attending meetings, mainly during working hours (there were around 30 meetings between the *veeduria* and both EMUVI-EP and CPCCS representatives); writing *aide-mémoires*; and, finally, time taken for writing up the final report. Additionally, during their first meeting, the *veeduria* created a WhatsApp group to be in constant communication. Hence, *veedores* must be committed to seeing an initiative through, if results are to be expected.

Another important point to take into account is the *veedores*' social background. Their previous experiences in working with the community contributed to their interest in helping to ensure a transparent adjudication of social housing for vulnerable families in Cuenca. These backgrounds also gave the *veedores* the legitimacy to lead a *veeduria*, since they were respected people in Cuenca. Therefore, their duty as *veedores* was more fully appreciated within the institution monitored. Finally, the *veedores* were able to continue with the process of the *veeduria* thanks to the **flexibility** their jobs allowed them. Otherwise, it would have been difficult to continue with the *veeduria*, especially since meetings with EMUVI-EP and the CPCCS, and the monitoring process, were done mainly during office hours.

Furthermore, despite setbacks related mainly to time extensions, and although the deadlines were missed, the CPCCS accepted the delay on receiving the final report, indicating that what should prevail is the right to participate and not procedural formalities. The four *veedores* that finished the process demonstrated **commitment** to achieving the objectives proposed at the beginning of the *veeduria*; they did not abandon the process. Maria Ines Vintimilla, the *veeduria* coordinator, stated that, at times, they wanted to leave the *veeduria* due to its lengthy duration. However, their commitment –

and also the encouragement by the CPCCS to continue with the monitoring process – helped the team stick to their responsibilities.

6.4.2 Citizens-Control Agencies

In the case of the relationship between the citizens (*veedores*) and the control agency (CPCCS), support from the latter (at the local level) helped the *veeduria* fulfil its duty. As stated before, the CPCCS in Cuenca was ready to lend a hand to the citizens when needed. Moreover, by building bridges between both parties, the CPCCS helped to guarantee the right to participate of the *veedores*. In this sense, the CPCCS became an interlocutor that could resolve misunderstandings or explain the role and objectives of the *veeduria* to the institution monitored. Grandvoinnet et al. (2015) highlight the importance of having an effective interlocutor between citizens and the State. The CPCCS was effective in that role as interlocutor, facilitating the relationship between the *veedores* and EMUVI-EP. Additionally, there was a unanimous agreement among the *veedores* and the EMUVI-EP representative (as stated during their interviews) that the CPCCS provincial analyst, Jonathan Flores, supported the *veeduria* during the process by facilitating the necessary logistics (rooms for meetings, printers, transport to the site where the houses were being built) and also providing technical advice when required. Flores also encouraged the *veedores* to keep working on the *veeduria* and followed up on the next steps to be taken (M. Arias, personal interview, 7 Dec. 2016; J. Orellana personal interview, 7 Dec. 2016; M Vintimilla, personal interview, 8 Dec. 2016; G. Naranjo, personal interview, 20 Dec. 2016).

Additionally, the CPCCS's support of the *veeduria* can be seen in the fact that, despite not finishing and submitting the *veeduria* report on time, the CPCCS encouraged the *veeduria* to present the report nevertheless – after acknowledging the time issues that the *veedores* faced, since they considered the work of the *veeduria* "as something positive for the community" (Berrazueta's CPCCS Report, 2016, p. 5). Nor is this the only case when this has happened; it has been so in 50 out of 182 between 2015-2016 *veeduria*s that needed an extension (CPCCS official webpage). Although this happens in a considerable proportion of the cases, it still depends on the CPCCS to accept delayed reports.

That the flaws found in the process of adjudication could not have been raised or brought to light without the existence of a *veeduria*, is conclusive proof of the complementary role of the latter vis-à-vis the control agencies. Additionally, the *veeduria* was able to make some recommendations related to the project as a whole, such as how it could target people with fewer economic resources, or how houses could be built in a way that lowered costs. Although these recommendations are outside the scope of the *veeduria*, they were included in the report. Recommendations aiming to create a simpler and more efficient delivery process can also help to prevent corruption, as will be explained later.

Lastly, the *veeduria*'s final report stated that the process of adjudication was carried out "following the rules set forth in the Manual and Regulation for Adjudicating Social Housing". Hence, all parties involved in the *veeduria* (*veedores*, EMUVI-EP and the CPCCS) claimed that it was a successful endeavour and that the awarding of houses was carried out transparently. Nevertheless, the *veedores* collected information about the process that may contradict that statement. The *veeduria* warned in its report about events that may have interfered with the process.

6.4.3 Control Agencies-State

While there were many positives to the *veeduria*, there were also factors that may have undermined its outcome One such element was the ineffectiveness of the CPCCS in investigating the case and making sure that the adjudication process was, indeed, transparent and fair. The *veeduria* presented its report in July 2016. At the time of the completion of this thesis, the investigation agreed upon by the CPCCS had not even started. If investigations are not undertaken on time, then the whole *veeduria* process may be worthless – especially one of this kind, where public attention is not high and mobilisation is not likely to happen.

As argued throughout this thesis, SAcc aims to alert horizontal agencies (Malena et al., 2004; Ackerman, 2005; Peruzzotti and Smulovitz, 2000; 2002) to irregularities. It is the horizontal agencies' duty to make sure those irregularities are investigated and, if necessary, properly sanctioned. In the current case, the investigation of possible acts of corruption fell to the CPCCS, which, in turn, was supposed to refer the case to other control institutions if it found irregularities. Figure 13 shows that the control agency (CPCCS) failed to comply with its role of controlling the State (EMUVI-EP). Moreover,

because there has been no investigation, information from the State to the control agency is non-existent.

6.5 Characteristics of the Social Accountability Initiative

The analysis of the *veeduria* of the process of adjudicating 'Los Capulies' social housing brought forth considerable qualitative information that, in several aspects, may call into question the initial premises on the SAcc literature, as well as align with others. Regarding the former, authors such as Malena et al (2004), Peruzzotti and Smulovitz (2002 and 2004), whose work represents a basis for understanding SAcc, carried out a promising analysis about the impact of SAcc on controlling and holding the State accountable.

On the other hand, as time passed and our understanding of SAcc advanced, other authors (O'Meally, 2013; Fox 2015; Joshi and Houtzager, 2012, Joshi 2017, among others) began to discuss the complexities of the relationships between different actors involved in SAcc, and how they can influence the results of SAcc initiatives. Additionally, this discussion also takes into account that "context matters". However, little has been said about how a friendly legal and institutional framework for SAcc has been created, that runs the risk of being captured by the State and, thus, fails in its intention to hold the State accountable.

In this section, based on the case study, I discuss the capacity that *veedurias* in Ecuador have to sanction corruption and enforce accountability. Furthermore, I discuss whether the lack of sanctions and accountability arises from a structural problem, whereby the mechanism runs the risk of being captured by the State to legitimise its actions.

6.5.1 Sanctions and Accountability

As discussed in the SAcc literature review in Chapter 3, a key feature of accountability is related to 'enforcement' or the capacity to sanction corruption (Schedler, 1999). In the same vein, it has already been stated that SAcc cannot 'bite' by itself and it needs the control agencies' 'teeth' to sanction it directly (Fox, 2015). The way in which the Ecuadorian SAcc legal and institutional framework was built seems at first to point in the

right direction. It strengthened the capacity of civil society to oversee public processes and created a new institution to guarantee the right to exert that control. Accordingly, the *veeduria* is a mechanism that allows citizens to monitor the State throughout the whole public policy cycle, including, as in the present case, the implementation.

The *veeduria* for the process of adjudicating the 'Los Capulies' social housing project was a SAcc initiative that primarily sought to ensure that the process of adjudication was done in a transparent and fair manner. Since this specific *veeduria* took place during and at the end of the allocation process, its purpose was both to prevent and detect corruption. First, paraphrasing Ackerman (2005), the existence of a *veeduria* may act as a deterrent to public officials' committing a corrupt act since they know they are being observed. Hence, prevention of corruption is the first and main objective. Nonetheless, the *veeduria* also aimed to detect any irregularity during the process.

The *veeduria* in question acted as an *ex-post* initiative, since the final report was delivered after the social housing had already been awarded and all the elements of the process could be analysed. As the report sounded the alarm, the *veeduria* framework establishes that the CPCCS has to investigate the case and, if signs of corruption are detected, the investigation should go to the Comptroller General's office if there is a potential administrative offence, or to the General Attorney's Office if there is an alleged crime.

As noted in Chapter 5, there is no information about any corruption case detected by a *veeduria* that concluded with a judicial sentence. During my fieldwork, the CPCCS was not able to find such a case either. It is not possible for this study of a single *veeduria* to draw general conclusions as to why this may be the case; yet it revealed some inefficiencies in how findings are reported and some omissions by the CPCCS on the one hand, and some structural problems on the other (discussed in 6.5.2), which ended up undermining the possibility of sanctioning corruption.

The inefficiencies or inactions by the CPCCS are the 'late reporting' of anomalies, and the lack of capacity of the control agency to investigate a public process. 'Late reporting' represents a threat to accountability since control agencies might be alerted to corruption too late to react properly. It took almost four months (from July 25, 2016 until November 16, 2016) for the plenum of the CPCCS to review the final report of the *veeduria*.

According to Art. 39 of the *veedurias* regulations, the period for formally presenting the final report is eight days. This inefficiency may hamper any further investigation and sanctions, if required. Hence, control actions might be too late.

Regarding the inactions of the CPCCS, as stated above, at the time of completion of this thesis (2021), there has still not been an investigation into this process.[154] Even though the main conclusion of the final report of the *veeduria* was that the process was 'transparent' and 'followed the rules' of EMUVI-EP, the content of the report alerted the CPCCS to specific, unplanned elements, for example, a change in the rules of the adjudication and consequently in the final list of awardees. Additionally, the *veedores* were not able to reach the applicants' files at the end of the process to verify that no one had actually benefitted from these changes.[155] If the control agency does not investigate, the possibility of sanctioning plausible corruption becomes non-existent. Hence, the present citizen-based initiative would have no effect, totally undermining the capacity of SAcc to hold the State accountable. This problem worsens if we add the fact that the citizens - in this case the *veedores* - did not carry out the respective follow-up in the case they monitored.

6.5.2 State Capture by Design?

*Veeduria*s in Ecuador are a SAcc mechanism with a high level of institutionalisation. As explained in Chapter 4 of this thesis, the first official *veeduria*s began in 1999 (CCCC, 2007). From then on, they became more commonly used in the country. But it was only in 2008 that *veeduria*s were recognised at the highest legal level; the Constitution of the Republic of Ecuador mandates the CPCCS to foster the creation of *veeduria*s and SAcc (Article 208). The Organic Law on Citizen Participation, the Organic Law on the CPCCS and the General Regulations for Citizen *Veeduria*s are the legal instruments that guarantee the right to exercise SAcc through various mechanisms, including *veeduria*s.

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[154] In the first half of 2019, I requested information regarding the investigation process. It was because of my request that the CPCCS authorities realised that the case was never investigated. Due to political reasons, in the second half of 2019, authorities changed for a one-year-period. By mid-2020, new authorities were designated. The investigation has not been held.

[155] This is, by no means, a statement that the 'Los Capulies' project was immersed in corrupt activities. This study is in no position to make that determination and it does not intend/seek to do so. I claim that a *veeduria* may prevent and detect corruption on the basis of my research into this case, in which *veedores* were detected and reported procedural anomalies.

Furthermore, as stated in Chapter 5, they are the most-frequently used SAcc mechanism in Ecuador (CPCCS annual accountability reports). Nonetheless, has this level of institutionalisation (of the *veedurias*) helped in increasing the impact of this mechanism in the fight against corruption?

In Chapter 4, we reviewed the difference between the 'idealist' drafting of the Constitution versus its 'pragmatic' implementation. Regarding the new SAcc institutional and legal framework, the analysis of specific cases showed how the central government interfered in several citizen-based monitoring initiatives. Additionally, other schemes were also used to legitimise the actions of those in power, and when results were adverse, citizens were prosecuted while control agencies did not investigate the cases. In Chapters 2 and 3, we discussed the relationship between 'State capture' and corruption. Specifically, it is important to remember that State capture refers to "shaping the formation of the basic rules of the game, or using the existing ones, by groups in both private and public sectors, in order to influence laws, regulations and other government policies to their own advantage, creating a framework that benefits those in power – not necessarily economically" (author's concept derived from Rothstein and Varraich, 2017; Grzymala-Brusse, 2008; Hellman et al., 2000; World Bank, 2000). This general context becomes useful when analysing the *veeduria* of the 'Los Capulies' project, since it allows us to anticipate the risks that the *veeduria* could face in holding the State accountable. If *veedurias* can be captured at the national level, why might they not be captured locally?

As previously stated, the analysis of the *veeduria* of 'Los Capulies' revealed some structural problems that may hamper the ability of this mechanism to hold the State accountable and to impose sanctions. Although it is relatively easy to start a *veeduria*, the way in which this initiative may trigger the alarm with control agencies is not optimal. The procedure to draw the attention of control authorities becomes too bureaucratic, which may hinder a prompt reaction from the CPCCS. Moreover, theoretically, if the *veeduria* finds an irregularity, the CPCCS may start an investigation and forward the case to other control agencies to begin a legal process (these agencies are mainly the Comptroller or Attorney's office). In other words, any investigation by the *veeduria* would have to be repeated by the CPCCS and then, once again, re-investigated by either the Comptroller's office or the Attorney's office (or even both). In this context, the path that a plausible case of corruption identified by a *veeduria* must follow until a potential sanction is imposed is long-winded and it depends on many institutions, including the

judiciary. Policymakers on this topic would need to re-evaluate the current framework and make this SAcc mechanism more effective by improving the State's reaction when the alarm is triggered.

Another structural problem identified by 'Los Capulies' *veeduria* was the lack of CPCCS competences to investigate any sign of corruption by its own officials. One of the competences of the CCCC (the predecessor institution of CPCCS) was to investigate alleged corruption *ex officio*. However, despite some good results from the CCCC, the new framework omitted this competence from the CPCCS, therefore limiting its capacity to react. As has been stated, the CPCCS was aware of the cases that may have needed special attention; however, the entity cannot be other than a mere spectator until the *veeduria* issues its final report; only then can it decide if additional investigation is required, which compounds the 'late reporting' problem discussed above. If *veedurias* cannot facilitate the imposition of sanctions for corruption, there is virtually no risk for public officials monitored by citizens. On that presumption, *veedurias* are an easily captured mechanism, that can be used to legitimise public actions.

According to Ackerman's (2005) classification of how SAcc initiatives are institutionalised, *veedurias* belong to the third level of institutionalisation since they are not only embedded in and protected by law, but also by specific agencies. As we saw in Chapter 5, *veedurias* in Ecuador may have been so institutionalised that there is the risk of their being controlled by the State. In the 'Los Capulies' case, the EMUVI-EP openly offered their support to the *veedores* in their duties. This may be explained by the opportunity a *veeduria* affords a process to be seen as transparent in the eyes of the public. Hence, in the present case, a positive outcome from *veeduria* would legitimise the project. In fact, Auquilla (the designated point-person with the *veeduria*) indicated during her interview that the existence of a *veeduria* helps to avoid suspicion and doubts on the part of the citizenry about the process (N. Auquilla, personal interview, 8 Dec. 2016).

Still, an alternative explanation suggests that, whatever the risk of monitoring initiatives' being used to legitimise public actions, a positive relationship may lead to a win-win outcome, namely that public authorities are recognised for their work, which citizens fulfil their oversight role of public processes. Furthermore, Hernan Tamayo, manager of EMUVI-EP (*Telerama*, June 22, 2015) and Councillor Carolina Martinez (Unsion TV,

October 18, 2016) publicly declared that the existence of a *veeduria* would help to confirm that the process of adjudication was carried out in a transparent manner. Generally speaking, if that were so, the outcome of the *veeduria* could be used as a reward for public institutions or officials – in this case, the municipality, the mayor of Cuenca, and EMUVI-EP since the image of these institutions and its authorities may receive a boost in public opinion. On the other hand, a negative outcome from a *veeduria* may harm the image of those institutions and authorities. However, the *veeduria* in focus showed that this is not likely to be the case, as no investigation ever proceeded.

6.6 Conclusions

The study of the *veeduria* of the adjudication process in the 'Los Capulies' social housing project set out to determine how a *veeduria* works and what its role in controlling corruption is. The analysis of this case has presented mixed results regarding the positive and negative features of this SAcc mechanism in monitoring public processes to prevent or detect corruption. On the positive side, it is encouraging to relate the findings on this case to the arguments of Fox (2015) and Ackerman (2005) about the capacity of citizens to be present where the State cannot be. If it were not for the *veeduria* in question, it would have been virtually impossible for control agencies to discover so many details about the awarding process of 'Los Capulies', including the changes to the list of beneficiaries or the anonymous calls to an applicant, offering a house in exchange for money. Additionally, the *veeduria* was also able to make suggestions as to how to simplify the process of adjudication, and to remind applicants that the process had no cost. According to Iglesias (2016), being able to establish observations that foster transparency is also a step forward in helping to prevent corruption.

Moreover, it is also important to acknowledge the relevance of an institution that helps citizens to design a SAcc initiative and give extra support for it to work properly. The CPCCS-Azuay played a favourable role in motivating the *veedores* to keep up their work, despite severe delays. Furthermore, by becoming an interlocutor between observers and observed, the CPCCS facilitated the relationship between both parties from the beginning. In this vein, the evidence shows an internal factor to be a determinant in finishing the *veeduria*: the capacity and ability of the *veedores* to act in accordance with their responsibilities. As pointed out above, the *veedores* had to show tenacity in the face of severe delays in the process of the adjudicating these houses. The process, intended

to last five months, ended up taking thirteen months to complete. Yet, the *veedores* kept doing their work until they could conclude and submit their report. Furthermore, the *veedores* had the time to do the *veeduria*, especially because the jobs of three participants allowed them to be flexible in their working times, and because the other *veedor* was retired. This factor reaffirms the position of many authors (Carlitz, 2010; Chene, 2012; Grandvoinnet et al., 2015; Bukenya et al., 2012; O'Meally, 2013, among others) who deem citizens' capacity and ability as key to the outcome of a SAcc initiative.

As regards to negative findings from the analysis, I was able to identify some problems that ended up hampering the possibility of holding EMUVI-EP accountable efficiently. Some of these issues may be specific to the case at hand, but others are also structural and may represent an inherent threat to accountability and fighting corruption. As has been argued in this thesis, the role of SAcc as an approach to controlling corruption is to complement classic accountability. In this sense, the objective of any *veeduria* is to monitor a given process and sound the alarm if irregularities are found, so that horizontal agencies can react accordingly. In the present case, the *veeduria* fulfilled its role when it delivered its final report. Nevertheless, as argued above, there is a factor that conditioned the plausible impact of the *veeduria*: the CPCCS's inefficiency in investigating irregularities reported by the *veedores* in the awarding process. The CPCCS authorities established that the report of the *veeduria* contained elements that needed to be investigated further, in order to be sure that no participation rights were violated. However, at the time of/by the completion of this thesis, the case had not been investigated. Moreover, independent of any findings that the investigation may have brought to light, what is clear is that the CPCCS did not have the capacity to fulfil its role as a control institution. If this issue is more widespread, its inaction may end up undermining SAcc's objectives in controlling corruption.

This leads to another factor influencing the *veeduria*: the access to information. Actors involved in the *veeduria* (the *veedores*, EMUVI-EP officials and the CPCCS) agreed that the access of information was good. However, as explained above, the analysis highlights that there was a problem in delivering information when some boxes with files were physically inaccessible in the warehouse where they were stored. Furthermore, there was the case in which an applicant reported having been asked for money in exchange for the guarantee of a house. Here, we find two problems: first, the discretionary capacity that the veedores have in deciding what is worth denouncing and

what is not. The *veedores* interpreted these incidents as inconveniences of no greater relevance.

Second, the lack of capacity of the CPCCS to react to signs of changes in the process of adjudication (irrespective of whether they were intentional or planned). This reveals a structural problem with the SAcc framework in Ecuador, specifically related to the CPCCS since this institution does not, *ex officio*, have the competence to investigate public processes. The CPCCS would have to wait until the *veeduria*'s final report is submitted to decide whether to take action, if deemed necessary. Finally, if this is the case, the investigation of the *veeduria* would have to be repeated by the CPCCS and then, if there were indications of corruption, it would have to be delivered to the Comptroller's or the Attorney General's office to be re-investigated once again. Thus, the process would be overly bureaucratic and inefficient.

Another structural problem found was 'late reporting'. The *veeduria* presented its final report in July 2016, and it was only reviewed by the plenum of the CPCCS four months later, once the adjudication process had ended. If we add to this the problem outlined in the previous paragraph, we are likely to encounter untimely reactions from the control agencies. If accountability does not result from SAcc, then the mechanism is not fulfilling its purpose. If sanctions are not a real threat, then SAcc may end up being captured and used to legitimise State actions. These problems should be of concern to researchers and policymakers who seek to improve *veedurias* as a SAcc mechanism in Ecuador.

The second case study of such a mechanism, the participatory budget in the province of Tungurahua, will be taken up in the next chapter of this thesis.

Chapter 7.   Case Study: Participatory Budgets in the Province of Tungurahua

In the previous chapter, I analysed how a *veeduria* works in practice in Ecuador. The analysis revealed mixed results with positive and negative features in the implementation of the mechanism intended to be an efficient tool in controlling corruption. While the

veeduria was a citizen-led SAcc initiative, this chapter will analyse a State-led SAcc initiative: participatory budgets. As in the case of the *veeduria*, the PB also present both promises and perils as a SAcc mechanism. Participatory budgeting is a SAcc mechanism that aims at "redistributing city resources in favour of more vulnerable social groups by means of participatory democracy" (Sousa, 1998, p. 462). Moreover, its design can also help prevent corruption. Originally[156] PB was created so that citizens could be part of the decision-making process regarding a city's budget allocation, and monitor budget spending. In turn, this would lead to greater control over public processes (UN-Habitat, 2009; De Sousa, 1998; Avritzer, 2002; Brautigam, 2004; Melgar, 2014).

In this vein, PB is a mechanism with the potential to prevent or detect two types of corruption: embezzlement and clientelism. If budgets are transparent and citizens have taken part in the process of creating them, it becomes easier to detect if there has been any deviation of funds or embezzlement.[157] For this reason, it is important that citizens are part of the process of designing the budget, but also of evaluating and controlling spending throughout the fiscal year. Thus, citizens are key in deciding on the distribution of public resources and how investment priorities are defined (UN-Habitat, 2009; Sousa, 1998). This notion grows out of the idea that citizens are more aware of their real needs than the authorities. Therefore, having their say on how to allocate public resources is supposed to enhance effectiveness in resolving social needs.

This democratisation of the use of public resources also aims to involve all sectors of society, emphasising poorer sectors of a given administrative location (such as districts, municipalities, provinces, etc.). By involving civil society in the process of decision-making, budget allocation is not only intended to prioritise social needs, but also makes

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[156] it was based on the success of the Porto Alegre case. In 1989, the Workers' Party – Partido dos Trabalhadores (PT) – won the election in Porto Alegre. The new mayor, Olívio Dutra, instituted a new way of governing known as 'popular administration' (De Sousa, 1998). This fostered the engagement of citizens in formulating the city budget, in order to secure a more democratic management of resources and, therefore, satisfy demands in different parts of the city. At the same time, participatory budgeting aimed to avoid the existing situation where the budget was controlled by the mayor and the city council. Historically, the budget could be allocated to different districts, where legislators had strong electoral bases, in order for councillors to win support, and hence, fostering and maintaining clientelistic relationships (Melgar, 2014). Participatory budgeting was successful in changing that reality and institutionalising a non-clientelistic and non-particularistic approach to distributing public goods (Avritzer, 2002). Additionally, this new process also facilitated the government's being held accountable in terms of how decisions taken with civil society were implemented, and resources spent correctly.

[157] UNCAC Article 17 refers to embezzlement as the misappropriation or other diversion by a public official for his or her benefit, or for the benefit of another person or entity, of any property, public or private funds or securities, or any other thing of value entrusted to public officials, by virtue of their position.

it easy for citizens (and authorities) to monitor how and where money has been spent. If clientelism is based on the use of public resources to benefit a specific group in society in exchange for electoral support, participatory budgets are designed by citizens from every district: hence it becomes more difficult to prioritise one specific group, since everyone has had a hand in the decisions.

However, PB has also its perils. If captured by the State, this SAcc mechanism can be used as a clientelistic tool or as a way of legitimising local governments' public expenditure. With the cover of citizens' co-designing public budgets as part of a controlled or fake participation process, authorities could claim transparency in budget allocations while following their own agendas. Another risk is that the framework of the mechanism is constructed so that citizens cannot monitor budget spending, or so that they are unable to sound the alarm with horizontal agencies, hence limiting the capacity to investigate untoward signs and, if necessary, sanction (if it is the case) any corruption revealed.

The present chapter will analyse the case of participatory budgets in the province of Tungurahua, Ecuador. As explained in the introduction to this thesis, official figures show that participatory budgets are the most-used State-led SAcc mechanism in Ecuador. For this reason, it is particularly important to understand how it works, and how it can help to control corruption. Moreover, the participatory budget in Tungurahua was the first experience of its kind implemented at a provincial level in the country (2003). Hence, there has been more time to assess implementation and to shape its own methodology based on experience, which includes involving of other public institutions and civil-society organisations in the process. Furthermore, according to the Tungurahua authorities, and CPCCS officials in Tungurahua, the PB there was used as an example to draft the current PB framework nationwide (I. Altamirano, personal interview, 29 Nov. 2016; C. Chacon, personal interview, 29 Nov. 2016).

In this chapter, the analysis of the aforementioned case will allow the reader to understand how the PB works in Tungurahua. Although this case does not have the capacity by itself to show how this SAcc mechanism's impact on controlling corruption, it sheds light on its strengths and weaknesses at a provincial level in Ecuador. Among the main findings, the evidence of this case shows that participatory budgeting is currently not strong enough to allow citizens to exert accountability over public

authorities. Although citizens provide the necessary first input –the prioritisation of works –no follow-up of decisions takes place. The mechanism as such does not foster monitoring or audits whatsoever while funds are allocated and works are implemented. The PB framework has been designed so that citizens do not have much voice in controlling budgets. This becomes a threat to accountability. As Andrews (2003) concluded, "No 'accountability effect' was in evidence in cases when voice mechanisms failed to facilitate the influential expression of civic voice" (in Beyerle, 2014, p. 270). Moreover, the level of information given by local authorities to citizens and control agencies is poor. Furthermore, analysis of the case study shows that the level of completion of prioritised works is low. Nevertheless, control agencies were not alerted neither by citizens nor by public officials (with one exception, that has not led to any kind of sanction). Consequently, no sanctions have been issued for not complying with PB, undermining the purpose of SAcc.

PB in Tungurahua has been used as a State tool for public management, by which the main authority of the provincial government, the prefect, could coordinate budget spending with the lower levels of government (municipal and district). Citizen participation was not really a key feature of this mechanism. Additionally, there are enough insights to suggest that the participatory budget in Tungurahua depends heavily on the strong leadership of the prefect of the province. Finally, one limitation of the analysis is that impact on corruption cannot be seen in nominal budgetary allocation but in quality of delivery. The available information does not allow us to make such analysis.

In this chapter, I will begin with a description of the context influencing the PB mechanism. This will be done by describing both the local and the institutional context. The former will help the reader to understand the dynamics of Tungurahua and the needs of the citizens in the province. This will offer a better picture of the elements that fostered the development of an institutional context that looks after the needs of the province (Section 7.1). The institutional context (Section 7.2) will analyse, first, the political context and its importance in influencing voters to vote a political party out of power and to elect a different one that created the new institutional framework. This framework enhanced transparency and citizen participation and, hence, opened the window for an initiative such as participatory budgeting to be implemented. Then the prefect's strong leadership will be analysed as a key factor influencing participatory budgeting in Tungurahua.

I then describe how the participatory budget initiative is being implemented in Tungurahua (Section 7.3). This will cover the scope and limits of the case at hand. Moreover, the analysis will include the flaws in holding authorities accountable by using participatory budgeting, given its own framework. Section 7.4 will analyse how the participatory budgets being analysed actually worked, by comparing the framework created in Chapter 3.4.2 to the empirical results of the initiative. Moreover, following the flaws found in the process, I will analyse the case of six districts in the province and compare what the agreements with citizens were and what the authorities accomplished in that year. For this comparison, I will use the resolutions of the citizens' assembly and the yearly accountability reports from the same year. Finally, in Section 7.5, I analyse if the PB mechanism has the capacity to impose sanctions and exert accountability, on the one hand, and if the mechanism's design allows the State to capture it for its own benefit, on the other.

7.1 Description of the Local Context

The province of Tungurahua is located in the centre of the country, around 130km south of Quito in the Andean region, with the city of Ambato as its capital. Tungurahua is the smallest province of Ecuador, at 3,335km^2, or 1.24% of the national territory. However, it is the eighth-most populated province (of 24 provinces). According to the data from the last population and housing census, in 2010, Tungurahua had a population of 504,583 (INEC, 2010), though projections by the INEC suggest that the current population (2018) is approximately 577,551 inhabitants. According to the National Census, 82.1% of the population of Tungurahua is *mestizo*, 12.4% indigenous, 3.4% white and 1.4% Afro-Ecuadorian.

The province of Tungurahua's economy is characterised by its dynamism, a broad sectorial diversification, and a productive structure based on small and medium-sized enterprises (Hollenstein and Ospina, 2013). Several studies (Beland and Escobar, 2011; Hollenstein and Ospina, 2013; Ospina et al., 2009) attribute Tungurahua's relatively high economic level – compared to other provinces in the country – to its agricultural production, the industrial sector (mainly in the area of manufacturing) and its geographic location – it benefits from its connections with the largest urban centres in the country, Quito and Guayaquil. Despite its size, Tungurahua is the province that puts in the fifth-highest amount of tax to the State coffers (SRI, 2017). Additionally, Tungurahua

contributes 2.86% of the GVA[158] of the country, being also the province with the eighth-highest added value (Banco Central del Ecuador, 2016).

It is important to mention that the capital of the province, Ambato, is a regional trade centre. Ambato has a network of trade fairs, the most dynamic of the entire central highlands, which constitutes "a powerful incentive for production" (Ospina et al., 2010, p. 50). Thus, Ambato became a supply centre for products destined for the entire national market (Beland and Escobar, 2011). In fact, in 2016, Ambato alone represented 88.79% of the total taxes from the province contributed to the State coffers, and 78.84% of the province's GVA (SRI, 2017; Banco Central del Ecuador, 2016). Hence, most of the economy in the province is centralised in its capital city.

Still, according to data from the prefecture of Tungurahua (2018), about 60% of the population lives in the rural sector of the province. In addition, these data indicate that Tungurahua is an agricultural province (33.8%), with industrial- (17.7%), service- (13.5%) and commerce (18.3%) sectors, and with high tourist potential. In other words, Tungurahua is a province whose economy is diversified and that, in addition, depends to a significant extent on the rural sector. In this light, it is important to note that Tungurahua is a 'dry' province. Demand for water exceeds 40% of supply; irrigation efficiency is 42% (Provincial Government of Tungurahua, 2011). For these reasons, water management is of vital importance for the economy of the province. In addition, the value of having a road network that connects the agricultural sector with the aforementioned network of trade fairs, in order to mobilise and market merchandise more easily, is significant. It is also useful to understand that Tungurahua is a province in which citizens are more interested in facilitating production. Hence, in the PB process they prioritise works related to these needs.

7.2 Description of the Institutional Landscape Influencing the Initiative

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[158] The GVA is the macroeconomic indicator that measures the added value realised for each sector or industry in the productive process of goods and final services. Made in a determined period of time and in a specific area, this indicator serves as a basis to estimate the internal gross domestic product (Observatorio Economico y Social de Tungurahua, 2014).

The province of Tungurahua has three levels of government: the provincial government of Tungurahua, nine municipal governments (canton level) and 44 rural district boards (district level). As in the rest of the country, the authorities are elected by popular vote every four years.[159]

7.2.1 Participatory Budgets in Ecuador

This section introduces participatory budgeting as a SAcc mechanism and describes its expansion in Ecuador. The PB process includes, first, making the budget public, which allows citizens to see how much money the local government has for the next fiscal year. Second, after the budget has been approved and projects begin to be implemented, citizens and authorities have more tools to monitor if public resources are being spent according to the budget. These tools include information about the overall budget, plans and projects prioritised – where the money is supposed to be spent – preliminary quotes for priority projects, and, by the end of the fiscal year, information on how much money was effectively spent on the different projects (GIZ, N.D.).

Dealing with budgetary matters has generally been difficult because the information is not always available and, even when it is, it is not easily understood by most people. Generally, "because this budgetary expertise has always been the work of a few bureaucrats and politicians, it has allowed the negotiation of vested interests, sometimes leading to corruption" (Souza, 2001, p. 171). Therefore, since the fundamental element of participatory budgeting is citizen participation, **the language used in planning and presenting a budget must be understandable for most people**. This would help to prevent any 'under the table' deal that may lead to clientelistic or other corrupt practices. Thus, the participatory budget has the potential to be an effective SAcc mechanism, if done properly.

Participatory budgeting outcomes go beyond democratising and redistributing the budget. They include **transparency in the process of deciding** where resources should be allocated. Another outcome is **holding the local government accountable** for their

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[159] With the exception of the last two terms (2009–2014 and 2014–2019), as a result of a transitional article of the Constitution of 2008. The objective is to schedule national elections and local elections at different times, unlike in the past.

actions or inactions. Since the budget has been designed with the citizenry and, furthermore, information must be freely available (in clear language), accountability becomes easier.

The expansion of participatory budgeting across the world started after the success of the participatory budgets in Porto Alegre, Brazil (UN-Habitat, 2009; De Sousa, 1998; Avritzer, 2002; Brautigam, 2004; Melgar, 2014). According to Cabannes (2004), this expansion can be divided into three phases: the first from 1989 to 1997, which is considered an experimental phase, when new initiatives appeared in a few cities (Porto Alegre and Santo André, Brazil; Montevideo, Uruguay); the second period from 1997 to 2000, described as the 'massification phase', when more than 200 Brazilian municipalities adopted the mechanism; and the third stage, from 2000 to the present day, when participatory budgeting expanded mainly outside of Brazil, in Latin America, in Europe and Africa.

With regards to Ecuador, the expansion phase of participatory budgeting can be split into three phases. First, from 2000 until 2004, the 'alternative local governments'[160] and other leaders from leftist parties started to implement participatory budgeting (UN-Habitat, 2009). One such case is Tungurahua. Second, there was an expansion into municipalities, fostered by NGOs and international organisations as part of the governance agenda in Ecuador (ibid.). Finally, from 2009 onwards, the institutional expansion of participatory budgeting took place due to the new constitutional mandate that requires local governments to design their budgets with their citizens. In this way, the latter can and should participate in decision-making processes, planning and managing public affairs. From this new wave, the requirement that citizens be present and active in the preparation of State budgets is included in national regulations.

The alternative local governments initiated a new management model that promotes participatory democracy in order to advance local development. In this connection, emblematic cases of participatory budgeting started to appear after 2001 in Ecuador,

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[160] In Ecuador, participatory budgeting was an initiative of newly elected authorities belonging to a newly created political party, Pachakutik. Pachakutik is a political movement that was born in 1995 with the purpose of representing the indigenous population and as an alternative to the neoliberal model. Thus, they led the so-called 'alternative local governments'.

such as the cases of Cotacachi (province of Imbabura),[161] Nabon (province of Azuay),[162] Cuenca (province of Azuay), and Pindal (province of Loja). However, there are successful experiences that were born of the initiative of citizens rather than authorities, such as the cases of Montufar (province of Carchi) and Píllaro (province of Tungurahua) (Ruiz, 2007). It is worth mentioning that these cases concern small municipalities with limited budgets. Nevertheless, several of these initiatives have received national and international recognition.[163] Moreover, they have normalised citizen participation in how budgets are planned at GADs.

7.2.2 Political Context

After eight years (1992–2000) of political control by the Christian Social Party (a right-wing party) in both the prefecture of Tungurahua and the mayor's office of Ambato, a coalition of left-wing parties was formed and nominated Fernando Naranjo and Fernando Callejas respectively. Both candidates won the election for the term 2000–2004. The change of governmental authorities, both in the province and in its capital, may have been due, among other factors, to institutional problems in the municipality of Ambato. Paltan (2014) indicates that, although the image of the provincial government was reasonable, the ruined reputation of the municipality by the end of its second term (1996-2000) may have been strong sufficient to affect the electorate of the province. This sullied

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[161] For more information, see: Ortiz (2004), Lopez (2010) and UN-HABITAT (2004).

[162] For more information, see: Herrera (2009) and Procasur (2008).

[163] Several newspapers from Ecuador such as *La Hora*, *El Telégrafo* and *El Heraldo* point out that Cotacachi has been working on participatory budgeting since 2002 and has become a benchmark for the other cantons. For more information, see: https://unhabitat.org/books/72-respuestas-a-preguntas-frecuentes-sobre-presupuestos-participativos-municipales-espanol/

https://lahora.com.ec/noticia/638119/analizaron-presupuesto-participativo

https://www.eltelegrafo.com.ec/noticias/regional/1/finalizaron-las-asambleas-de-presupuesto-participativo

https://www.lahora.com.ec/noticia/1101874213/culminan-asambleas-de-presupuesto-participativo-en-cotacachi

Participatory budgeting experiences in Cotacachi and Cuenca received international recognition at the International Observatory of Participatory Democracy from UNESCO as best citizen participation practices.

Diario La Hora, Cotacachi ganó otro premio internacional, https://lahora.com.ec/noticia/486244/cotacachi-ganc3b3-otro-premio-internacional

Diario La Hora, Analizaron presupuesto participativo https://lahora.com.ec/noticia/638119/analizaron-presupuesto-participativo nov 02 2007

image was due to several factors, related mainly to the inefficiency of public spending and the clientelism with which public funds were handled, so that it influenced the electorate that opted for a different option to the official one. In addition, there was severe criticism of the "poorly made road works, delays and overprices in the works, the dismantling of development plans (policy agendas) prepared by various agencies, the lack of political will to implement them and the discrediting of government agencies" (Paltan, 2014, p. 68).

As mentioned, Fernando Naranjo won the provincial election against, among other candidates, Maria Hortensia Alban, who was seeking re-election (for a third term) in the 2000 elections. In April 2003, the government of Tungurahua launched what was called the 'New Management Model' (NMM) of Tungurahua. This model, which was still applied and used under the same name when analysing the current case, sought to work alongside the municipalities, district boards and civil society "in order to construct a participative government" (Red Tungurahua, 2013). NMM intended to articulate public policy with initiatives established by civil society.

Prior to the creation of the NMM, there were "up to 52 different development plans" at different levels of government and by different public institutions with their own agendas for the province (C. Chacon, personal interview, 29 Nov. 2016; Paltan, 2014). In addition to the disarticulation of different policies under the previous provincial governments since 1979 (see Paltan, 2014), the form of governance was based on vertical decision-making. There was no framework of competencies that set out what should be done; instead, individual and disjointed works were carried out (Paltan, 2014). To correct this, the provincial government of Fernando Naranjo tried to create a single strategy that encompassed all the actors involved in the development of the province (Guerrero, 2015).

A characteristic of the NMM was the creation of three 'parliaments' that synthesised the needs of the province: the parliaments for 'water', 'people' and 'work'. The 'water' parliament aimed to "increase water resources, in quality and quantity, through appropriate management of water resources"; this involved care of the moorland, improvement of water and irrigation systems, as well as sanitation and decontamination of water sources. The 'people' parliament aimed to improve the living conditions of the Tungurahua population by means of a social agenda that addressed issues of health,

education, migration and vulnerable groups, among others. Finally, the 'work' parliament sought to increase remuneration and employment in the province. For this, provincial strategies and programmes were developed according to the economic characteristics of the province. Thus, the programmes dealt with agriculture, tourism and industrialisation (Paltan, 2014). As part of this NMM, and with the intention of including citizens in decision-making processes, the provincial government initiated and promoted participatory budgets. This will be explained in detail in Section 4. NMM policies have had positive feedback from the citizenry of the province. This endorsement is reflected in the various re-elections of Prefect Naranjo, who has led the provincial policy since 2000 (details in section 7.2.3).

7.2.3 Strong Leadership as the Major Influence on Participatory Budgets in Tungurahua

The promoter of the participatory budgets in the province of Tungurahua, the Prefect Fernando Naranjo, was in power from 2000 to 2019. Without going into considerations regarding the impact of participatory budgets on the economic and social indices of the province, it should be noted that the influence of the prefect is an important variable for the development of this mechanism in Tungurahua. Naranjo is an entrepreneur who has won four elections in a row (see Table 14). It should be noted that, in all these elections, Naranjo has participated in different coalitions of movements and political parties, always belonging to the centre-left.

Table 14. Elections for Prefect of Tungurahua, 2000-2014

Year of election	Candidates	Position	Percentage of votes
2000	Fernando Naranjo	Winner	21.7%
	Maria Hortensia Alban	Runner-up	17.25%
2004	Fernando Naranjo	Winner	42.70%
	Washington Escobar	Runner-up	23.1%
2009	Fernando Naranjo	Winner	49.50%
	Jose Quispe	Runner-up	31.63%
2014	Fernando Naranjo	Winner	52.02%
	Fernando Gonzalez	Runner-up	26.42%

Source: CNE

The table shows the results of the last four local elections for the Tungurahua prefecture. The data show how the prefect's vote share has increased over the years. After 14 years (2000–2014) in office, one would expect a deterioration in the popularity of an elected

political figure. It can be inferred that the growing support for Naranjo is an indicator of the effectiveness of his political project.

This strong leadership influences both citizens and other local authorities to engage in the political project, and therefore, in participatory budgeting. The prefect's popularity may be due to citizens' feeling included and heard in the political process; the perception that the management of the prefecture is perceived as a serious long-term project, not a populist undertaking; and the clean and transparent image of the prefect, giving him credibility. According to Fabricio Cevallos (regional deputy director of the newspaper *La Hora*, Tungurahua), from the beginning of his government, the prefect instituted the aforementioned NMM, that aims to include citizens in decision-making processes through the three 'parliaments'. "People know that there is a long-term project and they are willing to participate, thinking of the territory as a whole and understanding that there are other immediate priorities, perhaps in other places [than their own]" (F. Cevallos, personal interview, 06 Feb. 2017). This approach avoids selfishness among certain localities towards others. In Tungurahua, social groups feel heard and supported. This is reflected in the participation of these groups in activities led by the prefecture.

Finally, the prefect has a considerable credibility, and enjoys a transparent and honest image (Palta, 2014; *La Hora*, June 15, 2018). Having a clean image does not necessarily afford a politician more votes, but certainly a corrupt image would undermine his popularity. The prefect has not experienced any corruption scandals during his mandate. Having checked the webpage of the Judiciary Council, I have ascertained that no criminal process has been pursued against him (Source: consultas.funcionjudicial.gob.ec). Additionally, the newspaper *La Hora* in Tungurahua receives many reports of corruption from citizens who do not want to be exposed in a judicial process. However, denunciations are connected to the management of the central, municipal or district governments. During Cevallos's time at the newspaper, no denunciation was received in relation to a possible act of corruption by the prefect. Indeed, the local newspaper has itself investigated the prefecture's projects and found no irregularities (F. Cevallos, personal interview, 06 Feb. 2017).

7.2.4 Legal Context

At present, due to the new Organic Code of Territorial Organisation, Autonomy and Decentralisation (2010), participatory budgeting is handled at three levels of government: provincial, municipal, and district. The budget is supposed to be designed from the bottom-up – from the basic level of local government (district boards) to the municipal level and then up to the provincial level. In other words, the provincial budget is discussed by the 44 district boards, the nine municipal governments, and the provincial government. Furthermore, before the COOTAD, the prefecture was in charge of multiple and varied competences across the provincial territory, including strategic areas such as health and education.

Following the drafting of the COOTAD, different powers were de-centralised and assigned to districts, municipalities and prefectures, so as to avoid duplication of powers. This had two opposite effects on participatory budgets. The COOTAD helped to simplify PB because the prefecture would carry out specific activities related to the road systems, works in watersheds and river basins, environmental management, irrigation systems, agricultural activity, and provincial productive activity. However, the downside is that the participation of all citizens within the participatory budgeting process at the provincial level was limited, since local governments could not work on strategic areas such as the ones mentioned above (which were now the responsibility of the central government). Thus, not only could citizens not prioritise those areas for the participatory budgets, but nor could they obtain information to gain control over the resources spent in those areas.

Despite the competences' being established as explained above, both the district councils and the municipalities may request support from the provincial government to carry out concurrent (joint?) projects. The law allows for cooperation between different levels of government, as long as it does not represent a duplication of competences. It is certainly common in the province of Tungurahua to have concurrent projects between the different levels of government. In the 'project prioritisation delivery' that each district council carries out annually, project proposals are included within the participatory budget that require the support of the municipalities and the prefecture. In this sense, the dynamics of the participatory budget in Tungurahua encourage support among levels of government, leaving aside political affiliations.

7.2.5 Accountability Mechanisms Complement Participatory Budgeting

One of the features of participatory budgeting is that it helps to strengthen transparency and accountability (Colina and Hoffman, 2009). However, the legal framework that regulates participatory budgets in Ecuador (COOTAD) does not enhance citizen monitoring of the budgets throughout the year. Hence, there is no real citizen control over the budget in the participatory budgeting process. Citizens have the chance to co-design the budget by prioritising their needs in the PB. However, the only time they are summoned again is for the annual accountability report event or the '*rendicion de cuentas*', in compliance with Article 7 of the LOTAIP and Article 90 of the Organic Law on Citizen Participation. The *rendicion de cuentas* is an accountability process where authorities must present their actions and inactions over the year to the public. Moreover, *rendicion de cuentas* is a process by which those who make decisions about managing public services discharge their duty and responsibility to explain, publicise or respond to the citizens regarding the management of public resources and its results. For this purpose, annual accountability reports are created. Edwin Jarrin, CPCCS Vice-President, stated that

> "…*rendicion de cuentas* is not only the process by which you, as an authority, give your presentation and people listen to you. That is not what is in the Constitution or in the law. It is an interactive process between citizens and authorities so that you […] can be challenged. [To achieve this] there must be certain indicators that you are measured against" (E. Jarrin, personal interview, 09 Feb. 2017).

However, the way in which accountability reports are created in practice does not emphasise evaluating what was prioritised in each district and what was actually done during that year. Annual accountability reports focus more on presenting what are local governments doing than compliance with the participatory budget prioritisation. Additionally, these reports tend to be used as documents that enhance the authorities' image rather than showing, for example, pending works or what could not be delivered[164] (Jimenez Soto, 2017). Furthermore, the *rendicion de cuentas* is not an independent audit

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[164] Annual accountability reports can be found at: http://www.cpccs.gob.ec/es/participacion-ciudadana-y-control-social/rendicion-de-cuentas/informe-de-rendicion-de-cuentas/

or sanctions process vis-à-vis irregularities. Thus, in practice it is not necessarily a useful tool to hold public authorities and institutions accountable.

Still, in order to help local governments across Tungurahua to have better information, allowing them to acknowledge how they were advancing in their respective agendas, including the delivery of works agreed in the participatory budget, the Red Tungurahua, led by the provincial government, elaborated a **tool** for **self-evaluation of the management of the rural district administrations**. Additionally, although it is not part of the participatory budget, every local government was to present its own **accountability process** to the community. The tool supposes a follow-up to the actions carried out by the district GADs. In this sense, it serves as an aid to the same local governments to know if they are fulfilling their obligations. Among these obligations is the delivery of the annual operating plan, which, in turn, includes the decisions reached in the participatory budget.

The Constitution of the Republic of Ecuador of 2008 brought important changes to the structure of the State, one of which was to specify the exclusive competences of the rural district governments. Prior to its coming into force, the district councils depended on the decisions of the municipalities, thus acting as delivery institutions without decision-making powers. The competencies established in Article 267 of the Constitution of the Republic of Ecuador created a closer link between rural district governments and the civilian population, so that, among their competences, we find: encouraging the development of community activities, promoting the organisation of citizens within rural settlements, and monitoring the execution of works and the quality of public services, among others. In this way, the State accords great responsibility to rural district governments in order to generate their own social development.

However, it must be highlighted that the self-assessment "is **not** a mechanism to monitor, control or sanction; on the contrary, its purpose is [to guarantee] that the members of the district body know, precisely, what, where, and how to improve management of their district" (Red Tungurahua, 2013b). Therefore, it concerns making the information transparent within the institution, evaluating the actions, and making necessary corrections that help strengthen the management of the district.

7.3 Description of the Social Accountability Initiative

The participatory budgeting of the prefecture of Tungurahua is a form of public government initiated in 2003 by the Prefect Fernando Naranjo, as part of his NMM for Tungurahua, stated above. This model, which is still being applied and used under the same name, seeks to work alongside the municipalities, district boards and civil society "in order to build a participatory government" (Red Tungurahua, 2013). In this way, the provincial government claims to have tried to break away from past experiences in the province, where coordination between different levels of government was not efficient. This point must be highlighted, as it shows that PB was used as a public management tool. This mechanism was adapted so that the prefect could improve governance and coordinate actions with lower levels of government that, as stated above, used to have their own agenda. Additionally, as will be shown in this section, PB was designed with the main purpose of prioritising works, not that citizens would monitor the correct allocation and spending of funds, hence, undermining the possibility of exerting accountability. In the same vein, citizens were included as part of the mechanism, but their independence from public authorities is doubtful, as the process is always controlled by the different levels of government.

As regards the implementation of PB in Tungurahua, unlike now, participatory budgeting was not mandatory for local governments. Thus, the provincial government had to start engaging local governments in their process. Approaching the district leaders was initially inefficient. The problem rested on the clientelistic relationship that existed between prefectures and district leaders before Naranjo's mandate (Paltan, 2014; C. Chacon, personal interview, 29 Nov. 2016). This is not alien to the reality of Ecuador: research done by Mustillo (2016) describes different types of clientelism in order to secure votes. Ecuador has a long tradition of clientelistic relations in which local leaders ask their authorities for works in exchange for mobilising voters in their favour (Mustillo, 2016). In this sense, the district leaders in Tungurahua requested, at their first encounter with the prefect, "the implementation of unnecessary, sumptuous and repeated works in all the consultations with the purpose of according to the leaders to "return the favour" on behalf of the new prefect for having given the vote for him in the local elections of 2000." (Paltan, 2014, p. 72). The Vice-Prefect of Tungurahua, Cecilia Chacon, stated that the process was "not easy"; community leaders "were used to ask[ing] the prefect to build football or basketball pitches and stage shells" as part of a populist politics tradition.

As a result of that first encounter, the prefect requested the leaders to meet with citizens of their neighbourhoods, hamlets, and so on, to obtain information on priorities (C. Chacon, personal interview, 29 Nov. 2016).

Following this process, district leaders told the prefect that priorities were drinking water, coating water channels, and sewage systems (ibid.). Consequently, they were requested by the prefect to articulate a development agenda and a clear road map to tackle these real needs (Paltan, 2014). From 2003, the provincial government began implementing participatory budgeting through tables prioritising the required works in rural districts. The information submitted was processed by authorities and technicians of the prefecture (Ruiz, 2007). From its beginnings, the participatory budget in Tungurahua represented not only a more efficient and coordinated path for governance, but also a change of mentality in the way in which politics was being handled (C. Chacon, personal interview, 29 Nov. 2016). In order for participatory budgeting to work, there was the need for citizens and local authorities who were committed to the process in order to overcome political clientelism; it was necessary to satisfy citizens' priorities. Additionally, district presidents had to be prepared for a change of mentality in which citizens participated in decision-making processes, in order to make the popular mandate viable, and citizens co-responsible for the development of their territory.

It is important to highlight that participatory budgeting in Tungurahua was the first experience of its kind implemented at a provincial level.[165] While small municipalities working with participatory budgets had to relate to neighbourhoods or hamlets, the prefecture had to deal (in 2000) with "up to 52 different development plans" from different levels of government and different public institutions, each with their own agenda for the province (C. Chacon, personal interview, 29 Nov. 2016). Thus, the decision taken was to start participatory budgeting with all the districts of the province. A process of this magnitude had its own problems. During the first years, the participatory budget in Tungurahua enabled coordination among different levels of government, including greater openness with the district boards. However, collective decisions were not always respected, which weakened the process (Ruiz, 2007). The provincial government argued that this was due to the fact that more money than expected had to be invested in macro

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[165] The province of Cotopaxi attempted to implement participatory budgeting in 2001; however, it was unsuccessful due to the lack of articulation between different local authorities and of citizen involvement in the process (Larrea, 2005; Guaman, 2015).

projects, such as paving, irrigation infrastructure and payment of credits. Although this implied that "the results were disappointing at the provincial level", it also meant that the district councils realised "the need to consolidate greater civil society organisation to press for compliance with the resolutions" (ibid., p. 24).

7.3.1 Process of Participatory Budgeting

For the purposes of this chapter, it is important to understand how participatory budgeting works in Tungurahua. As practised locally, participatory budgeting is a process in which thousands of citizens meet in public assemblies with the participation of local authorities to establish investment priorities for their individual districts and for the province as a whole. Participants debate and vote on which infrastructure and development projects and social policies should be prioritised. After setting budget priorities, the district boards write minutes of the meetings, noting the approval of the participatory budget for the following fiscal year.

Although the COOTAD currently outlines the steps to be followed, and their respective deadlines, to design the GADs budgets, the Tungurahua prefecture has its own methodology for preparing participatory budgets. In 2006, the provincial government worked on the first participatory budgeting methodology (Balarezo, 2015). The objective was to provide guidance on their management to the district councils in order to standardise processes that facilitate the development of PB. Later, in 2013, the Tungurahua Network published a new methodology for participatory budgeting in the province. This was adapted to the new legal framework. Furthermore, it was drawn up based on their experiences over 10 years of participatory budgeting (Red Tungurahua, 2013).

Figure 18 shows the actors that participate in the process of designing the participatory budget at the district level.
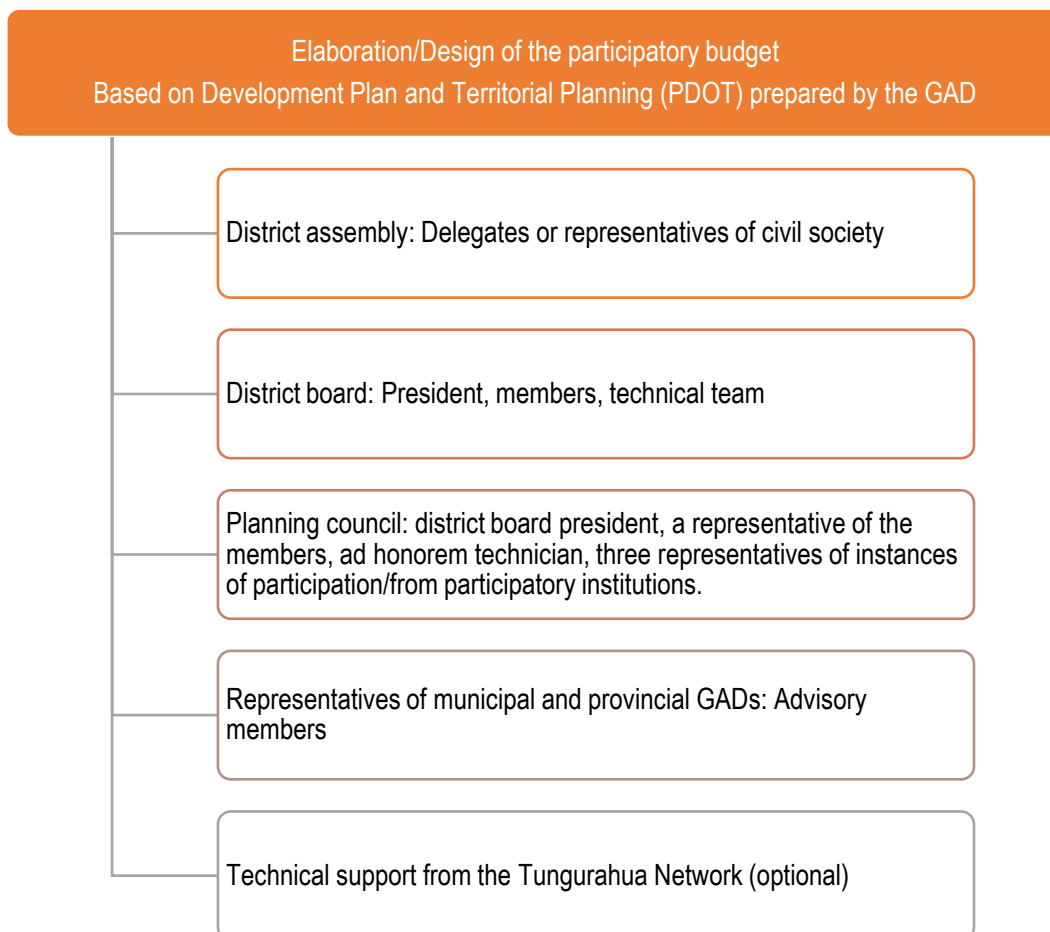
Figure 18. PB Actors

The participatory budget is designed by four main actors: the **district assembly**, which is formed by delegates or representatives of the civil society; the **district board,** which includes its president and members; the **planning council**, again, formed by the president of the district board, a representative of the district board members, a technician designated by the president and three citizen representatives; and the **representatives of provincial and municipal GADs,** who are present throughout the whole process of participatory budgeting and can act as advisers. Additionally, since 2011, technical support from the **Tungurahua Network** (Red Tungurahua) may be requested. The Tungurahua Network is formed by the provincial government, the Ecuadorian Municipalities Association, the district boards associations, the Technical University of Ambato, the National Secretariat of Planning and Development (SENPLADES) and the German agency for Development Cooperation (GiZ). According to CPCCS and CONAGOPARE representatives, this network is present in every process. Thus, as part of its own model of participatory budgeting, the prefecture has found it suitable to collaborate not only with representatives of the local governments and citizenry, but also with other institutions and civil organisations.

At this point, it is important to highlight that the PB process in Tungurahua does not include citizen participation as its main pillar throughout, but it includes public representatives and the presence of the State in every phase. Moreover, the framework fosters a collegial representation of citizens through the representation of delegates rather than participation *per se*. On the other hand, the complexity of the framework is a good example of Accountability 2.0, where accountability is not interpreted only as the relationship between two actors (citizens and State), but to many, and at different levels throughout the whole process. The participatory budgeting process follows six steps: (1) launching the process; (2) the preparatory district workshop; (3) prioritising demands; (4) preparing the participatory budget minutes; (5) validation assembly; and (6) technical analysis and budgetary approval.

The process starts with a general **launch meeting**. At this meeting, the authorities of the 54 GADs of the province of Tungurahua (prefecture, municipalities and district boards) participate, with the intention of involving every GAD in the process. In this way, agreements can be reached without leaving any GAD out. These agreements are related to the allocation of resources according to the prioritised demands of the citizens. It should be mentioned that, according to the prefecture, the preparation of a participatory budget is not only about allocating economic resources, but also to encourage the citizenry to participate and to be co-responsible for the development of the province.

In order to take forward the process of designing participatory budgets with greater agility, a **preparatory district workshop** is carried out. The president and members of the district council, the members of the technical team and those of the planning council participate in this workshop. Although the COOTAD defines that the meeting must be held by August 15 of each year, the methodology of the Tungurahua Network recommends that it be held at least 15 days before that date. The objective of this workshop is to gather the necessary information to consult the population about their requirements, and to draw up the account of the activities carried out over the previous year.

The workshop is divided into three phases: the rendering of accounts or synthesis of the accomplishments over the previous 12 months, vis-á-vis what was planned and agreed a year before; the projection for the next fiscal year; and the preparation of the assembly. The *first phase* is the one of accountability. The objective of this phase is to analyse

comparatively the actions, works or planned investments (which are included in the PDOT, the participatory budget and the POA for the year in question) versus what has actually been, or is in the process of being, delivered. This phase is the only one where some type of follow-up process is carried out into the completion of the works. It is worth mentioning that a large number of public officials are usually present for this meeting. Similarly, there is no procedure in the participatory budgeting process for citizens to closely monitor not only the delivery of works, but also the expenses incurred in them.

The *second phase* is that of projections for the following fiscal year. The information reported in the presentation of the annual accountability reports must be used in order to distinguish between activities whose delivery is delayed, and future activities. The amounts budgeted by the district government should also be considered, as well as those allocated by the municipalities, the provincial government or, eventually, by other agencies of the central government or non-governmental entities. It is important to consider that, by law,[166] 10% of the total budget allocation to a district government should be focused on sectors with the most vulnerable population or needing priority attention. With such prioritising, the projects slated for delivery in the next period can begin. This includes those that are carried over from the previous year as well as those proposed for the future. The list of projects must confirm the availability of resources required for their delivery. The list of projects and actions will be a priority at the local assembly.

The *third and final phase* of the workshop is that preparing the district assembly. The purpose of the district assembly is to establish the community's priorities in relation to the projects and actions planned by the district government for the following period. In addition, it is at the district assembly where the accountability mentioned in the previous phase is rendered. For these reasons, the greatest possible number of attendees should be identified and invited to the assembly. Likewise, the presence of people must be pluralistic – that is, there should be social groups with different backgrounds and from different sectors of the district. The *territorial groups* correspond to the inhabitants of the different sectors of the territory, such as the communes, neighbourhoods, communities, enclosures, etc. They are all residents of the same locality and, consequently, their common interests and demands revolve around the space they share. Their representatives in the assembly would be the leaders or people designated in previous

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[166] Article 249 of the COOTAD.

meetings to communicate the position of the neighbourhood or community as regards the priorities to be attended to or managed by the district government. The *sectoral groups* are united by their very condition, be they women, young people or disabled people, or the common activity they carry out as producers, irrigators, transporters, etc. They do not need to be from the same territorial sector.

The third step in the preparation of a participatory budget is the **prioritisation of demands**. As previously mentioned, this can be carried out in the district assembly or there may be preparatory meetings to promote dialogue between different actors and reach a consensus. The district assembly, then, has two objectives: the rendering of accounts and defining priorities. The rendering of accounts is informative by nature but citizens can request clarifications or provide observations on the work done during the previous year. However, as will be explained in detail in the next section, the information given to citizens regarding the implementation of the PB is often very poor and incomplete. Hence, the opportunity to hold the State accountable for its actions is undermined.

Defining the priorities for the following year is the main part of the assembly. Using different methodologies to engage participants, a proposal for projects and actions is presented. These projects fall under the following areas:

- Economic – productive – environmental.
- Basic services, such as drinking water, sewage, roads, etc.
- Social sectors, such as education, health, culture, recreation, vulnerable people, etc.
- Promotion and strengthening of grassroots organisations.
- Organisational strengthening of the district government.

The results obtained are shared with all the participants of the assembly. At the end of the assembly, the president synthesises the results achieved and schedules the following steps: the preparation of the preliminary budget, meetings with the provincial and municipal governments to finalise financial and technical support, agreements based on the priorities established in the assembly, and finally, other activities that enable the results agreed upon with the citizens to be accomplished. Based on the results of the

district assembly, the district board prepares the minutes of the meeting, as well as the preliminary draft of the budget that should be delivered to CONAGOPARE.

The process of participatory budgeting finishes with a **validation assembly** at a meeting of provincial representatives. According to Article 241 of the COOTAD, the preliminary draft budget (prepared by the person responsible for finance in the prefecture) is delivered to the highest appropriate level of the GAD. In the case of Tungurahua, this is the Chamber of Provincial Representation. This chamber is composed of the provincial prefect, the mayors, the officers and councillors from the municipalities of the province(?), presidents of the district boards, the governor of Tungurahua, the provincial and regional directors of the ministries based in Tungurahua, and representatives of urban and rural areas organised according by thematic groups and by sectors of society. The Chamber is chaired by the Prefect himself. Thus, there is a risk that decisions taken by citizenry during the first stage may be revised by public institutions. From this validation assembly, a **resolution** is obtained in accordance with the priorities defined.

Simultaneously, the prefecture prepares a **final budget project** in which the priorities decided upon in the validation assembly are brought together. To carry this out, the prefecture performs technical studies and financial assessments. Then, both documents (the compliance resolution and the final draft budget) are sent to the provincial legislature. This is made up of the mayors of the cantons, or municipalities, of the province. With these inputs, a special committee of the legislature prepares a report that must be approved by all legislators before 10 December each year. The cantonal mayors (the legislature) must verify that the budget project is consistent with the objectives and goals of the PDOT and the territorial order. Finally, after its approval, the prefect sanctions the budget within a period of three days and it will come into effect, unfailingly, as of 1 January.

So far, this section has focused on the framework in which the participatory budget in Tungurahua works. The following subsection will analyse the level of compliance with the participatory budget. To do so, a comparison will be drawn between the projects prioritised at the beginning of the year and the those delivered by the authorities by the end of the year.

7.3.2 Implementation of the Participatory Budget in Six Districts

In order to consider how the three levels of government are fulfilling the citizen's mandate through participatory budgets, I collected information on six randomly chosen districts and compared the resolutions from the district assemblies from 2014, 2015 and 2016 with the accountability reports presented by the three respective levels of government to the CPCCS. One of the limitations of this study has been its capacity to assess the impact of the participatory budget in Tungurahua in controlling corruption. Since there are no formal indicators to measure such impact, this subsection analyses if the process was efficient in delivering the works and projects decided upon by the citizenry.

As mentioned, theory states that participatory budgeting is an effective SAcc mechanism because it helps to strengthen transparency and accountability (Colina and Hoffman, 2009). This is achieved by having citizens decide where resources should be allocated and ensuring that citizens are aware of how that allocation is being spent. By being conscious of the number of resources and the projects to be developed, citizens can contribute to preventing money's being diverted. Moreover, if things are not going according to what was planned, citizens should inform the control agencies of this to find out what is happening. However, the framework and the implementation of PB in Tungurahua is not aligned with theory and the role of PB as a SAcc mechanism. Ivan Altamirano, Coordinator of CPCCS-Tungurahua stated during his interview that,

> "…there should be a way in which the public can verify that what was planned in 2016 for delivery in 2017, will be fulfilled in 2017. The Planning Council (led by three civil representatives) is supposed to do that job. Unfortunately, the Planning Council is divorced from the objective for which they were elected. Sometimes they are chosen because they are community leaders or because they speak the most [during local meetings], and it comes to the participatory budget they don't know what to do. When we, as the CPCCS, want to train them, they tell us that they don't want training" (I. Altamirano, personal interview, 29 Nov. 2016).

Although the evidence from these six districts is not generalisable to the whole province, it allows us to make some inferences. One of them is that the projects selected by the participatory budgeting process are not fully prioritised. Another deduction from the data

is the difficulty of follow-up on the works prioritised by the citizens in their districts – in other words, there is no information to facilitate accountability.

The districts examined are: Unamuncho, Santa Rosa, Rio Verde, Atahualpa, Ambatillo and Izamba. All of them are rural districts, and, except for Ambatillo, they all have agriculture as their main economic activity.

Table 15. General Information about the Districts Examined

District	Population	Main economic activity	Area
Unamuncho[167]	5,171 (2015)	Agriculture and artisanal	15.17km^2
Santa Rosa[168]	23,245 (2015)	Agriculture	9.7km^2
Río Verde[169]	1,469 (2015)	Agriculture	246.5km^2
Atahualpa[170]	19,261 (2013)	Agriculture and artisanal	9.60km^2
Ambatillo[171]	5,489 (2014)	Manufacturing	12.89km^2
Izamba [172]	15,918 (2014)	Agriculture	27.2km^2

The resolutions I took into consideration reflect the priorities agreed upon by the public in coordination with the local authorities, as explained in the previous section. Either the district-, municipal- or provincial authorities bear responsibility for the works prioritised,

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[167] http://app.sni.gob.ec/sni-link/sni/PORTAL_SNI/data_sigad_plus/sigadplusdiagnostico/1865015940001_GADPR%20UNAMUNCHO%202015-2019_15-05-2015_15-14-26.pdf

[168] http://www.santarosadeambato.gob.ec/home/index.php/2017-01-16-03-00-30/historia

http://app.sni.gob.ec/sni-link/sni/PORTAL_SNI/data_sigad_plus/sigadplusdocumentofinal/1865014540001_plan%20de%20desarrollo%20y%20ordenamiento%20territorial%20de%20la%20parroquia%20santa%20rosa%202015_15-10-2015_09-48-05.pdf

[169] http://app.sni.gob.ec/sni-link/sni/PORTAL_SNI/data_sigad_plus/sigadplusdiagnostico/1865016320001_PDOT%20COMPLETO%202015%20SIGAD_15-05-2015_15-06-00.pdf p.89

[170] http://repositorio.uta.edu.ec/bitstream/123456789/8076/1/P.V.44.pdf

[171] http://gadambatillo.gob.ec/attachments/article/45/AMBATILLO%20PDYOT%201.pdf p.9

[172] http://app.sni.gob.ec/sni-link/sni/PORTAL_SNI/data_sigad_plus/sigadplusdiagnostico/1865015430001_PDyOT%20IZAMBA_15-05-2015_22-21-18.pdf p.2

depending on their competencies. Therefore, the comparisons performed were between the resolutions and the accountability reports of each competent level of government.[173]

Since the formats of the resolutions and the accountability reports are different from each other, not all of the priority works could be identified in the comparison. Thus, I have categorised them according to whether they were completed by the end of the year: 'Yes' indicates that the work was completed during the respective year; 'No' means that the work was not completed; and, when the works prioritised were not included in the yearly accountability reports, I use 'N/I' to state that there is no information regarding that work in the reports, so that their status was unclear.[174] The following graphs synthesise the number of works (completed, not completed and those lacking information about their status) in the six districts from 2014 until 2016.

(a) Santa Rosa

(b) Unamuncho

(c) Ambatillo

(d) Rio Verde
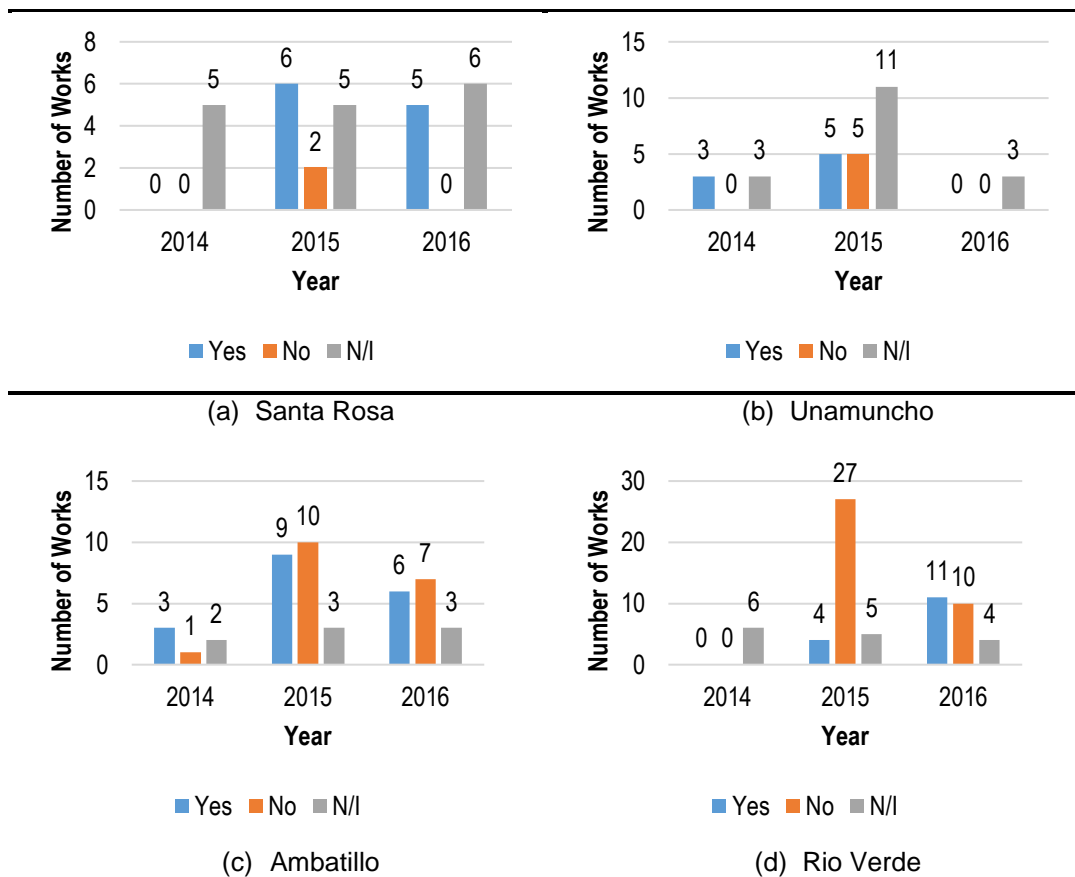
[173]   Yearly   accountability   reports   may   be   found   on   the   CPCCS   webpage: http://190.152.149.88/ConsultaCiudadana/Institucion.aspx

[174] I am in no position to state if the money was well spent or if there were any reasons that forced the administrations to allocate resources elsewhere. The sample analysis is limited to comparing the available information available.
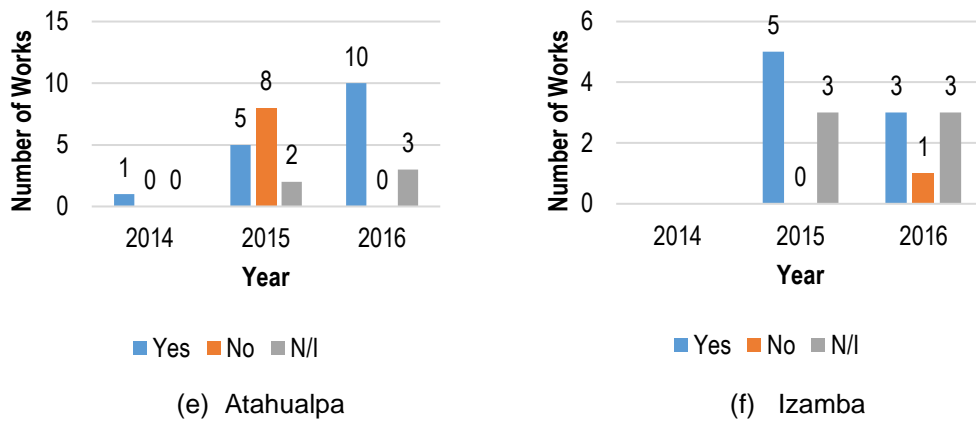
(e) Atahualpa

(f) Izamba

Figure 19: Districts and the Number of Priority Works Completed

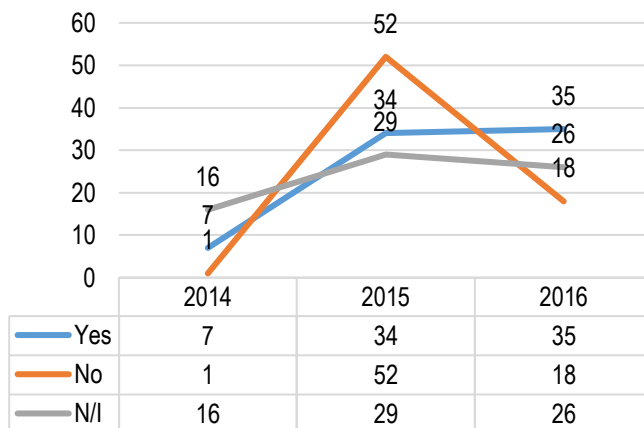|	2014	2015	2016
Yes	7	34	35
No	1	52	18
N/I	16	29	26

Figure 20. Annual Total Number of Works Prioritised, and those Completed

The evidence from the data collected indicates that participatory budgeting is not being accomplished as it is supposed to be. In other words, a large percentage of the priority projects are not being delivered. At least 32.7% of the works prioritised were not implemented by the public authorities, while at least 35% of the works were completed within their timeframe.

To analyse this from another angle, the resolutions from across the six districts requested that the provincial government carry out 51 projects between 2014 until 2016. In the accountability reports, it can be seen that only four works were completed. On the other hand, the accountability reports do not contain information on the remaining 47 projects, so it cannot be verified if they were completed or not. With this evidence, we cannot

reach conclusions regarding the completion of the projects or the effectiveness of the participatory budget; nevertheless, it can be concluded that the information available to the public does not enable public institutions to be held accountable on the basis of the accountability reports.
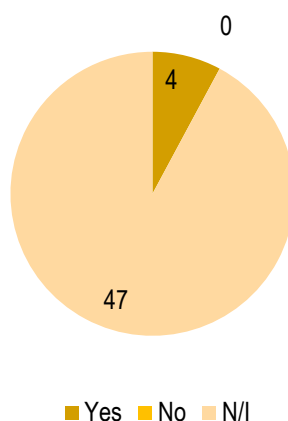

Figure 21. Priority Projects Completed by Provincial GAD

In the case of the municipal GADs, 86 projects were requested between 2014 and 2016. Of these, 33 projects (38% of the works prioritised) were completed, while 47 projects (55% of the priority works) were not. Only six projects (7%) were not included in the respective accountability reports, so we cannot know if they were completed or not. With this information, we can state that more than half of the projects prioritised in the district assemblies and directed to the municipal GADs were not completed. On the other hand, there is transparency: we can see the status of 93% of the projects, while only 7% of the projects are not included in the accountability reports.
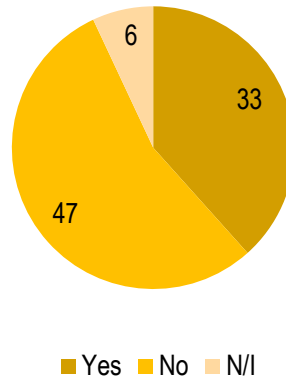
Yes ■ No ■ N/I

Figure 22. Priority Projects Completed by Municipal GADs

In the case of the district GADs, 48% of the projects were completed, 30% were not completed, and 22% were not included in the accountability reports.

Yes ■ No ■ N/I
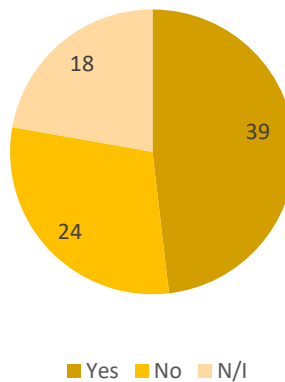
Figure 23. Priority Projects Completed by District GADs

From the information given in the pie charts above, we can identify two issues within the participatory budgeting process. Firstly, participatory budgeting is not being fully implemented. At least 31% of the priority works were not completed during the fiscal year. The second problem is that information is deficient. Around one third of the works prioritised cannot be found in the accountability reports given to the CPCCS. These problems have negative repercussions for enforcing anti-corruption control. If citizens are to control the allocation of resources, information should be available. Moreover, if the priorities established by citizens are not being complied with, they should be informed as to the reasons for this failure. Finally, if the participatory budget in Tungurahua is to

be an efficient tool for citizens to control the allocation of resources, they should be made aware of which projects are not completed. Section 7.5 analyses these problems.

However, there was a case where citizens did find out that their decisions were not respected. During the interviews, it was stated that, in 2015, a president of a district board in Quisapincha changed the list of priorities previously agreed upon with the community. As a result of the methodology, the citizens uncovered and denounced this act to the provincial government. According to Vice-Prefect Chacon (C. Chacon, personal interview, 29 Nov. 2016), this has been the only case reported where the president of a district board did not respect previous agreements. Nevertheless, Chacon emphasised the transparency in the processes, and the officialising and validation of the agreements that allowed citizens to find the anomaly. Furthermore, when I followed up on this case, I was able to discover that a denunciation was submitted to the CPCCS by a group of citizens [names are confidential] against the president of the district board. The CPCCS initiated an investigation into the case.[175] However, at the time of submission of this thesis, no sanctions have been imposed. As will be analysed in Section 7.5.1, if no sanctions are imposed, accountability is non-existent.

7.4 Assessing the Interrelationship and Factors of Influence Between the Actors in the Participatory Budget in Tungurahua

As explained in the case of the *veeduria* analysed previously, the framework for understanding how SAcc works in Ecuador – introduced in Chapter 3, Figure 2 –shows the interrelationship between the three different actors that are part of the SAcc process for controlling corruption: the State, that, by its very nature, is the actor that must provide services and be accountable; the control agencies in charge of controlling the proper use of public resources; and citizens who, through SAcc initiatives, complement the oversight exercised by the control agencies. Moreover, the framework highlights the factors necessary for a successful SAcc initiative. The following figure illustrates how the

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[175] The information is public in the resolutions PLE-CPCCS-504-15-02-2017-E and PLE-CPCCS-724-09-08-2017-E. Available at: http://www.cpccs.gob.ec/wp-content/uploads/2017/03/PLE-CPCCS-504-15-02-2017-E.pdf;   and http://www.cpccs.gob.ec/wp-content/uploads/2017/03/PLE-CPCCS-724-09-08-2017-E.pdf

participatory budget under examination worked. The lines in the graph represent if the interrelationship was as expected, partially as expected, or ineffective.
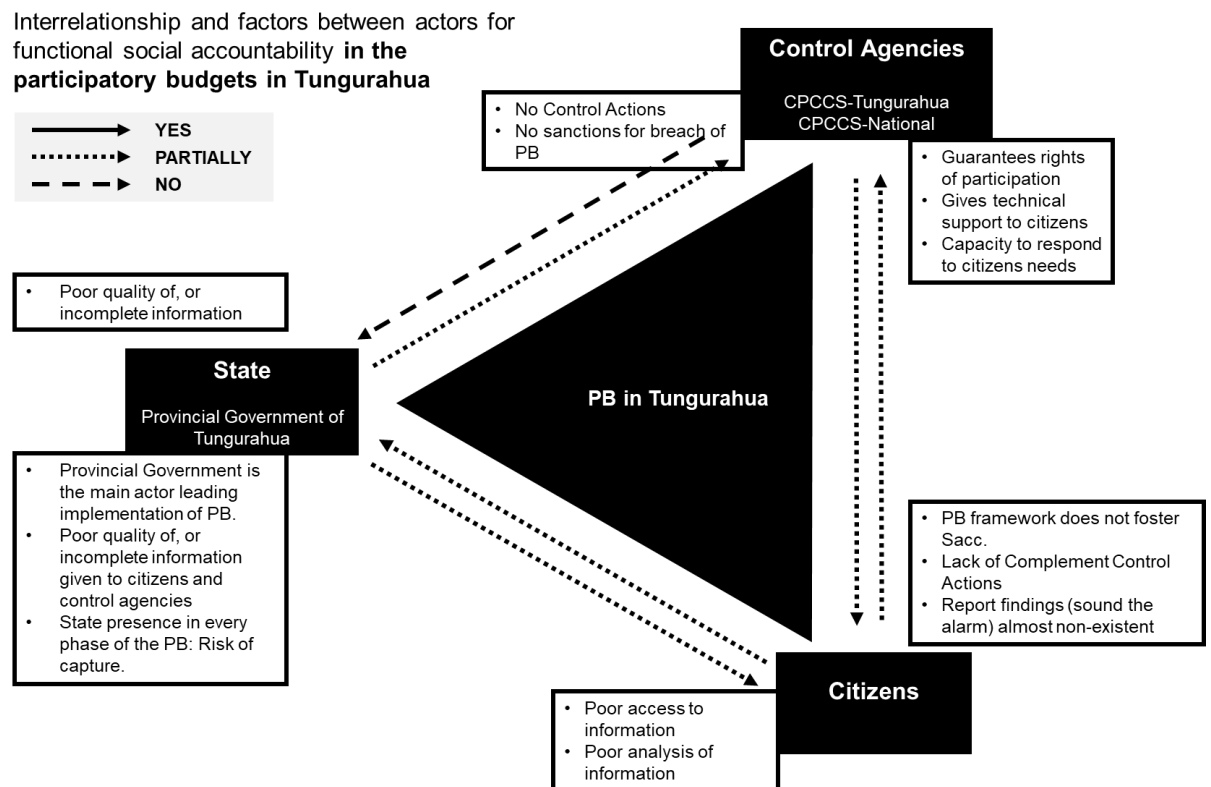

Figure 24. Interrelationship and Factors Between Actors for Functional Social Accountability in the Participatory Budgets in Tungurahua

7.4.1 Citizen-State

Many authors (Richards, 2006; O'Meally, 2013; Gaventa and McGee, 2013; Fox, 2015; Bukenya et al., 2012; Hickey and King, 2016; Grandvoinnet et al., 2015) have stated that the relationship between the State and citizens is of great importance in how SAcc works in practice. Grandvoinnet et al. (2015) argue that the relationship is conditioned by the communication between the State and its citizens, or the State-citizen interface. As in other SAcc initiatives, participatory budgeting is influenced by the quality of communication between both actors. An intrinsic objective of participatory budgeting is to bring the government closer to the people and to give the latter a voice in public processes. When governments include citizens in their decisions, they are expected to become more accountable, hence helping to prevent corruption (Schatz, 2013). For this interaction to be positive, there is a need for both the State and citizens to trust each

other, to have some level of representation, to be aware of problems and to be accessible to each other.

Additionally, it is important to have quality interlocutors that mediate the interaction (Grandvoinnet et al., 2015). The present study found that the exchange of information assumes different, almost opposing, forms. The first form is influenced by a political context where citizens' trust is high and the exchange of information between both actors is positive while designing the participatory budget. However, this exchange of information is not necessarily performed under equal conditions. In fact, the State is the actor with the greater authority. Secondly, after the participatory budget has been confirmed, the exchange of information becomes almost non-existent.

In the first form, the interaction is positively influenced by the trust established between the citizens and the provincial government of Tungurahua. A good proxy to measure that trust is the increasing number of votes that the Prefect, Fernando Naranjo, has obtained over the years. As shown in Section 7.2.2, the electoral results in favour of the prefect have more than doubled from his first election in 2000 (21.7% of the vote) until his last one in 2014 (52% of the vote). In May 2018, his credibility rates were still around 57% (*La Hora*, June 15, 2018). The prefect enjoys strong support that may be beneficial for the development of PB in the province.

Moreover, it is not only the relationship between the prefect and the citizens that is positive. There is a notable absence of any complaints against the body of officials of the prefecture related to poor management, inefficiency or corruption (Paltan, 2014). An iconic example, due to her position, is the case of Vice-Prefect Cecilia Chacon. Chacon joined the provincial government as a technician to work on participatory budgets in 2005 and she has been involved in the topic since (C. Chacon, personal interview, 29 Nov. 2016). Previously, she worked in the participatory budgets of the municipal GAD of Cotacachi, a successful participatory budgeting experience in Ecuador (Ortiz, 2004). Chacon is the main interlocutor between the provincial government and the citizens regarding participatory budgets. Due to her positive career development, Prefect Naranjo proposed that she join him on his electoral ticket in 2014.

Furthermore, another factor that may influence the interaction is the space in which it occurs. Gaventa (2006) states that there are three types of spaces that determine the

type of the interaction: closed spaces, invited spaces, and organic spaces. The first type is limited to a small group of policy elite and closed to the broader public. The second type is led by the government, that 'invites' other authorities, entities or NGOs. Finally, organic spaces are those in which citizens mobilise themselves for particular reasons. The case of participatory budgeting in Tungurahua is best explained as a space where the government invites other actors to become involved. The initiative has been led by the provincial government since 2003. As stated before, one of the first objectives was to have a single development plan for the province, instead of the 52 from across multiple different public and civil-society institutions that existed at the time.

In order to guarantee a positive interaction, there is a need for a space with a balance of power, so that citizens are in a position to face public power with the necessary knowledge and information (Colina and Hoffman, 2009). One effort made by the provincial government was to create the Citizen Training Centre of Tungurahua (CFCT) in 2006. This centre trains citizens and leaders from public or private institutions to strengthen their leadership and foster their involvement in the decision-making processes, such as participatory budgets (CFCT, 2013). Additionally, despite the limitations explained above, the CPCCS and CONAGOPARE also work as interlocutors between the provincial government on the one hand and the citizens and district boards on the other, especially through training sessions and informing citizens about the different rights and obligations regarding participatory budgeting in the province. Moreover, the prefecture and the CPCCS raise awareness about the problem of corruption and the need for transparency in their respective reading materials (Red Tungurahua, 2013a; 2013b; 2013c; CPCCS, Guia de Rendición de Cuentas, 2014).

The methodology established for the preparation of participatory budgets facilitates the initial exchange of information between authorities and citizens. First, information on the budget estimated for each GAD is shared in a timely manner. Also in advance, the prefecture indicates the budget to be assigned to each district. For instance, it was established that, for 2017 and 2018, the provincial government would allocate a minimum of US$100,000 to each district; this amount could increase, depending on each case (*La Hora*, 2017; C. Chacon, personal interview, 29 Nov. 2016). Hence, the public already had an estimated budget when prioritising works. For its part, citizens must submit their priorities with an approximate cost for each work. This allows the local government to analyse if it within their budget and if it is feasible to carry out. However, as is clear from

this exchange of information, it is the State (the prefecture) as an actor that has greater influence in the process of participatory budgeting. Citizens' actions are limited to setting the prioritising works at the local assembly, and then their official participation in the process ceases.

Hence, there are problems in exchange of information to ensure the correct use of public resources. As mentioned above, the participatory budgeting process is intended to make the use of public resources transparent. However, the mechanism itself does not have an evaluation or review stage. What exists is a separate process of accountability (Guide for Accountability, 2014) in which local governments inform the CPCCS about their work throughout the year. This information includes the activities to be carried out by each institution (in this case, the GADs), the budgets assigned, and the monies spent on each of the activities. In the accountability report, a section is included for the institution to detail the money allocated to participatory budgets and the works carried out. The accountability reports are made public on the CPCCS webpage and should, in theory, be posted on the institutional sites of each GAD. The LOTAIP establishes this obligation in Article 7.

However, there are few cases in which accountability reports are made available to citizens. In addition, the existing accountability formats do not allow for a full and direct evaluation of what was decided upon in the participatory budgets. In other words, it is not specified which activities were fulfilled and which were not. Finally, by law, the authorities must hold at least one event per year at which local governments are held accountable.[176] These meetings have become an opportunity for the authorities to publicise their achievements, without leaving aside the activities not carried out. Limited attention is given to negative aspects, with the events seeking to highlight only the positive. Thus, the citizens are not given the complete picture (Jimenez Soto, 2017).

The disconnection between the processes of participatory budgeting and accountability hampers a direct analysis of the mechanism's efficiency. Additionally, the CPCCS – the entity in charge of receiving the accountability reports – has neither the capacity nor the obligation to evaluate these reports. Until 2018, the CPCCS was limited to ensuring that

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[176] Article 3 of the Organic Law of the FTCS.

the reports were delivered. In addition, confusing information can be an inconvenience for citizens in making a direct assessment of the job done by their authorities.

As regards the incentives to hold the participatory budget, Tungurahua represents a case where the State seeks to lead this process. Since the recorded success of participatory budgeting in Porto Alegre, there have been many failed attempts to replicate it. One of the main reasons for these failures has been the lack of political support for such a mechanism (Gaventa and McGee, 2013). A research study (CIVICUS, 2007, p. 4, in Malena, 2009, p. 6) identifies lack of political will as the principal obstacle in promoting participatory governance, which includes the promotion and implementation of participatory budgets – "outranking other obstacles, such as lack of knowledge and skills, limited citizen capacity, a disabling political/policy environment, and lack of access to public information". However, this is not the case for participatory budgeting in Tungurahua. At the provincial level, political will to promote and implement PB and to improve transparency and accountability is visible, despite the differences in the characteristics between the present case and the original endeavour in Porto Alegre. The incentives to do so rely on improving governance throughout the province and its 54 local authorities.

Not only did the provincial government implement the participatory budget in 2003, but it has also maintained it since. Participatory budgeting has been an important tool to try to include citizens in the new governmental model in Tungurahua, which seeks to promote efficiency, transparency and accountability. However, the provincial government's will to promote participatory budgets seems to be largely dependent on the prefect. Although participatory budgeting is a process that has been operating for over 15 years and that is embedded in the law, all the interviews held during the fieldwork point to Prefect Fernando Naranjo as the main actor that allows it to work in the province (I. Altamirano, personal interview, 29 Nov. 2016; Y. Granda, 28 Nov. 2016; C. Chacon, 29 Nov 2016; P. Villacis, 30 Nov 2016; F. Cevallos, 06 Feb. 2017; J. Lavin, 07 Feb. 2017). Nevertheless, there is an established structure where not only the provincial government intervenes and promotes participatory budgets, but other institutions as well. These institutions are the CPCCS, which is the national entity in charge of the promotion of SAcc; SENPLADES, which is the national entity that governs the implementation of the COOTAD; and CONAGOPARE, which is the National Council of Rural District Governments. These institutions help to coordinate participatory budgeting in

Tungurahua by training citizens in their participation rights and the SAcc mechanisms. This includes participatory PB and its benefits for their communities (Red Tungurahua, 2013c).

Moreover, under the prefecture's leadership, the Tungurahua Network was created. Other than the aforementioned institutions, the Network is composed of the Technical University of Ambato and the German agency for Development Cooperation-GiZ. The Network has helped to develop guides and tools to assist districts in implementing participatory budgets themselves (Guide to Participatory Budgets and Accountability) and to facilitate accountability within the district boards (the self-evaluation of the management of the rural district administrations, described in Section 7.2.5).

7.4.2 Citizens-Control Agencies

Regarding the relationship between the citizens and the control agencies, the primary role of the latter is to guarantee the right of citizens to participate through the established mechanisms. As in the case of the *veeduria* (Chapter 6), the CPCCS is the institution that protects those rights. Ivan Altamirano, CPCCS official for Tungurahua, stated that the CPCCS has been involved in the province's PB since 2013. As pointed out before, the participatory budget in Tungurahua was inaugurated in 2003, even before participatory budgeting was mandatory in Ecuador. Hence, the role of control agencies in guaranteeing the participatory budget was not relevant. In the current framework, the CPCCS and the prefecture have joined forces in continuing to foster participatory budgeting. The CPCCS, through their citizen training schools, publicise the different SAcc mechanisms, including the participatory budget, among the citizenry. Moreover, through the Tungurahua Network, the CPCCS is part of training citizens and authorities on this mechanism. In this sense, the control agency gives technical support to citizens to the extent that it is capable of so doing.

However, the PB framework does not help citizens to effectively monitor the fulfilment of the participatory budgets and, therefore, fails at 'sounding the alarm' for control agencies to investigate plausible irregularities. Due to the high percentage of works that were never completed and the lack of citizen denunciations, it is possible to infer that citizens are, indeed, not monitoring how PB is being implemented. The only case that has been officially denounced is the one presented in Section 7.3.2, where a president of a district

board changed the priorities. Although the CPCCS started the investigation and issued reports regarding the case, no final action has been taken. As with the *veeduria*, the CPCCS did not have the capacity to respond to the 'alarm'. Moreover, the legal framework does not allow the CPCCS to exert sanctions for non-compliance with the participatory budgeting process. Thus, even if the CPCCS investigated the case and found that the president of the district board changed the list of priorities, no sanction would have been implemented. In the interview with Ivan Altamirano, this official stated that citizens from the Yanayacu district GAD went to the CPCCS and (unofficially) complained that the participatory budget had not been complied with in the last three years (I. Altamirano, personal interview, 29 Nov. 2016). However, the CPCCS was not aware of that case. These examples show that the CPCCS does not have the capacity to respond to citizens' complaints and hold the authorities accountable. As stated throughout this research, if there is no sanctioning capacity, nor is there accountability.

7.4.3 Control Agencies-State

According to the SAcc framework presented in this thesis, the control agencies are supposed to react when the citizens raise the alarm about irregularities. As a consequence, the former should take action, and the State should provide the information required. For several reasons already explained, this procedure does not occur in participatory budgeting in Tungurahua. First, the PB's institutional design does not include citizens as part of the process, after the works for the year have been prioritised. Second, in the *rendicion de cuentas*, which is the only opportunity that citizens have to be informed about how the budget was allocated in the past year, information delivered is incomplete or unclear; thus, it is difficult for citizens to become aware of any irregularities and raise the alarm. Thus, it is difficult for SAcc to work as it is supposed to. Likewise, with the only existing denunciation (presented in Section 7.3.2), the CPCCS engaged in an investigation that never led to any sanction. Therefore, the control agency did not exert control over the State, as it was supposed to.

Moreover, there are other problems that may affect the efficiency of the participatory budget. One of them is the low State capacity to accompany and evaluate this process. The CPCCS has limited human and economic resources to fulfil provincial needs regarding SAcc and the promotion of citizen participation in general. The provincial office in Tungurahua has only five technicians – only two belong to the citizen participation

secretary, in charge of promoting all SAcc mechanisms and citizen participation rights.[177] There are only two technicians for the province in CONAGOPARE (Y. Granda, personal interview, 28 Nov. 2016)) who have to work on this topic and others related to the competences of the institution. There is no capacity to evaluate the process of participatory budgeting as a whole, including whether the works prioritised by the community are fulfilled. There are no methods to evaluate how the participatory budget helps to prevent corruption. The State's inability to attend to and fulfil civil society's requests or needs may hamper SAcc initiatives, such as the participatory budgeting initiative in focus, from accomplishing their objectives (O'Meally, 2013; Grandvoinnet et al., 2015).

At the local level, district boards are under an obligation to obey the law and design their budgets with citizen participation. However, the processes may spill over into a political dispute between district boards and the political opposition in each territory (J. Lavin, personal interview, 7 Feb. 2017). Nevertheless, Altamirano and Lavin (personal interviews, 29 Nov. 2016; 7 Feb. 2017) state that local authorities appear to wish to honour the citizenry's priorities, since the agreements are respected and delivered to CONAGOPARE and the prefecture. The opposite is more the exception than the rule, according to the interviewees. However, my analysis of the six districts proves that the intention of honouring the citizenry's decisions is not enough. Future analysis may focus on the variables that influence the low level of completion of the works prioritised.

7.5 Characteristics of This Social Accountability Initiative

The analysis of the PB in Tungurahua has given us several insights into how (why) this SAcc mechanism cannot, in its current form, be used to enforce accountability. Although the mechanism aims to promote transparency, information regarding the implementation of PB in the province is poor and does not enable a proper analysis regarding budget allocation and expenditure. Furthermore, even if information were available, it would not be enough to control corruption, if the citizenry did not also get involved in monitoring the information available. The low levels of fulfilment of PB and the lack of denunciations of

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[177] http://www.cpccs.gob.ec/es/transparencia-lotaip/.

control agencies allows us to infer that citizens are not actively involving themselves in overseeing the PB process.

Additionally, the PB framework, and the guide to PB guide put together by the Tungurahua Network, enhance the involvement of local authorities in the process, while limiting citizen participation to prioritising works. In the following section, I discuss PB's lack of capacity, in the Ecuadorian context, to exert accountability over local authorities regarding budget expenditure, and to sanction corruption, based on this case study. Furthermore, I discuss how this mechanism's framework may allow authorities to capture it.

7.5.1 Sanctions and Accountability

Throughout this thesis I have highlighted the '*sine qua non*' of accountability: ability to sanction. If a SAcc mechanism fails to impose any sanctions, then it is not true to its core purpose. According to the Tungurahua Network*,* participatory budgeting in Tungurahua is a SAcc initiative that primarily seeks to optimise the available resources for the benefit of citizens by guaranteeing their participation in the decision-making process. Additionally, it seeks to improve transparency in public institutions, and to support accountability (Red Tungurahua, 2013). Nonetheless, the analysis of the PB in Tungurahua shows that, as it currently functions, PB does not fully facilitate accountability. I can highlight three variables that undermine the sanctioning capacity of the PB as a SAcc mechanism. These variables are the lack of a framework for SAcc to work, the institutional capacity of control agencies to control and sanction the State (when necessary), and the lack of citizen engagement in such control.

As has been previously mentioned, PB in Tungurahua was built as a governance tool, aiming for one common development agenda in the province. In this framework, citizens were encouraged to state their needs and to decide which works should be prioritised by their authorities. However, the mechanism as such does not foster citizen oversight over the budget allocation and, in particular, over budget expenditure. When SAcc mechanisms fail to facilitate the influential expression of civic voice, there is no accountability effect (Andrews, 2003). One additional element is the existence of another mechanism, the *rendicion de cuentas*, which could help to fulfil this purpose, since its aim is to make have authorities render accounts about their actions and inactions during

the fiscal year. Nonetheless, there are two problems with this mechanism. First, annual accountability reports are used as publicity tool for authorities, and mainly contain information about the actions accomplished, but there is no information about incomplete works. Second, the quality of information in the accountability reports is poor and does not help to come to an assessment regarding fulfilment of PB decisions. The only direct information regarding PB is a question asking authorities if they undertook PB as part of their budget design process. Yet, details that could help both citizens and control agencies to hold authorities accountable, are lacking.

Regarding the control agencies' lack of institutional capacity to sanction the State, we can relate this to the *veeduria* of 'Los Capulies'. One exceptional case was denounced to the CPCCS regarding an official (from the district Quisapincha) who unilaterally decided to change the list of works prioritised. Although the law states that administrative sanctions may be applicable in such a case, in reality the CPCCS' investigation did not lead to any type of sanction. Another case informally denounced to the CPCCS concerned Tungurahua, where citizens from the Yanayacu district GAD complained (unofficially) that the participatory budget had not been complied with in the previous three years. However, the CPCCS could not investigate the case *ex officio*[178] and, without a formal denunciation, nothing could be done. These examples show that the CPCCS does not have the capacity to respond to citizens' complaint and hold the authorities accountable.

Finally, the analysis of the six districts shows that the completion level of works prioritised in the PB is around 35%. However, except for the cases mentioned in the previous paragraph, no citizens have denounced the incompletion rate. It would be useful for future research to understand what the reasons are for this lack of citizen engagement with the oversight of public expenditure (perhaps the problem stems from the two previous points), but the low completion rate and the lack of formal complaints is something that needs to be highlighted. According to the interviews undertaken for this research, citizens are not usually involved in monitoring the public works throughout the year. If citizens fail to sound the alarm, SAcc is non-existent. Philp (2001) is clear in stating that no individual or group has sufficient interest to invest time and efforts in accountability unless the conditions allow them to pursue their interests (p. 371). For

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[178] As explained in the case of the *veeduria*, the CPCCS does not have the legal competence to start an investigation without an official citizen denunciation or by a *veeduria* report.

instance, if citizens do not have their basic needs satisfied, it is difficult to imagine that they would engage in other civic activities.

However, not everything is negative and there are certain features of the PB in Tungurahua that should be highlighted and used to strengthen the mechanism, so that it can seek accountability. First, its long trajectory over the years means that citizens may be more familiar with the mechanism, and see their right to be part of PB as something normal. Moreover, the legal framework already states that sanctions for non-compliance with PB may also be pursued by denouncing the violation of the rights of citizen participation to the CPCCS. Thereby, the CPCCS can urge the local government to restore participation rights. Otherwise, this could lead to political or administrative sanctions.[179] Second, theoretically, it may also be possible for PB to lead to sanctions for corruption. Since citizens participate in designing the local budget, inappropriate use or misuse of resources may be detectable.

Third, PB may also lead to indirect sanctioning when signs of corruption are found or to rewarding when officials do their job rightly. The initiative has a mixed incentive structure, since it may function as a punishment or a reward mechanism, depending on the outcome of the annual participatory budget. For instance, if local authorities do not respect the agreements reached with the citizenry in terms of the prioritisation of resources, they could be sanctioned indirectly, by being 'named and shamed' (Kuppens, 2016). On the other hand, participatory budgeting may also reward honest and efficient authorities. They may gain recognition if they fulfil the citizenry's demands through participatory budgeting, as stated by Malena et al. (2004). However, these opportunities are just one step in the right direction in preventing or detecting corruption; there is still a long road ahead.

7.5.2 State Capture by Design?

The context in Tungurahua when PB was inaugurated was marked by ungovernability in the province. There was no single agenda for the development of the province, but rather, each local authority had its own. Vice-Prefect Chacon stated that there were more

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[179] Article 71 of the Organic Law on Citizen Participation.

than 52 local development plans (C. Chacon, personal interview, 29 Nov. 2016). As a measure to improve governance, Prefect Naranjo implemented the NMM that included PB as one of its main tools. Through this SAcc mechanism, it was sought to coordinate actions with the local authorities at the district level to solve local problems and seek a single development agenda for Tungurahua. In this sense, the initial design of the PB mechanism was to facilitate coordination between the provincial government and local administrations. This is not to judge intentions positively or negatively; it is simply to point out that the design of the PB in Tungurahua was not created to function as a SAcc tool, as was originally proposed in other countries (Brazil and Argentina).

The SAcc definition used in this research states that initiatives have to be citizen-based aiming to prevent, detect or expose corruption by holding the state accountable and seeking direct or indirect sanctions by triggering horizontal accountability. The PB framework in Tungurahua, and Ecuador, may aim to prevent corruption by enhancing transparency. However, it does not seek to detect or expose corruption. Moreover, the qualitative analysis of this case unambiguously show that transparency is a factor in preventing corruption, since the flow of information is either poor or non-existent. It is also true that citizens have been included in the framework, but their role becomes secondary after the works in each district have been prioritised. The mechanism itself does not foster citizens' monitoring of budget allocation and expenditure.

As the process of participatory budgeting demonstrates, the methodology enhances the involvement of members of the district boards more than any other actor. It is claimed that they are the officials who are closer to the community, and therefore, they can better represent citizens' interests. Still, having so much influence from public officials on the process may exert an influence on the prioritisation of projects and activities requested by the community. The capture of this mechanism by authorities may hamper the objective of civil society's acting independently. The presence of authorities in meetings may deter the participation of citizens, hence making it difficult to exert civic control on how the budget is being spent. Although Tungurahua has its own methodology, the presence of officials is still greater than the presence of citizens in the process. According to Cunill (2009), "the efficacy of social accountability is directly dependent on the independence and the autonomy that societal actors maintain with respect to state actors" (p. 9). As shown, the independence of citizens is almost imperceptible.

Moreover, if citizens cannot participate independently in a SAcc mechanism, and if sanctions are not being applied due to a permissive framework, there is a risk of the mechanism's capture to legitimise State actions. Ackerman (2005) warns of this danger. As in the case of the *veeduria*, having citizens involved in such a fashion in decision-making or monitoring processes, when the SAcc mechanism is bound to fail, may in the end violate social or legal norms.

Another point to consider is the quality of information that citizens can use to oversee budget expenditure. As pointed out in subsection 7.2.4, accountability reports and events are also required by law. These events are held once a year, and the reports presented exclude information about the non-completed works, or if there were inefficiencies in the processes. Thus, at these events citizens are not given the whole picture in terms of public efficiency and the proper allocation of resources. It is important to differentiate between the reports supplied to the public and the accountability reports provided to the CPCCS in fulfilment of the requirement in the Organic Law on Citizen Participation.[180] Still, nowhere is information sufficiently complete and clear information to make assessments on State inaction.

Finally, if we understand 'State capture' as the shaping of the formation of the basic rules of the game, or using the existing ones, by groups in both private and public sectors, in order to influence laws, regulations and other government policies to their own advantage, creating a framework that benefits those in power – not necessarily economically, then the PB of Tungurahua is a case of State capture by design.

7.6 Conclusions

This chapter has sought to explain how the participatory budget works as a SAcc mechanism to control corruption in Ecuador. The empirical analysis of the participatory budget in the province of Tungurahua has allowed this research to understand the process and, more importantly, which factors have influenced its outcomes. The evidence from this case shows that participatory budgeting is currently not strong enough for citizens to exert control and accountability over public officials. It is clear that, since it

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[180] http://www.cpccs.gob.ec/es/participacion-ciudadana-y-control-social/rendicion-de-cuentas/

first rolled out, the PB in Tungurahua has been used as a public management tool, by which Prefect Naranjo aimed to bring local authorities under the same governance plan. In this sense, the participatory budget may help in preventing corruption to an extent, since some information regarding budget allocation becomes public and citizens are aware of it, but *ex post* SAcc is not accomplished, due to problems with the institutional design of the participatory budget and the lack of good-quality information provided to citizens by the State. Likewise, in the only case where a complaint was received stating that the participatory budget was not being complied with, the control agency showed that it did not have the capacity to resolve the problem.

Furthermore, the process of participatory budgeting puts more weight on the three levels of government than on the participation of citizens, while the information given to the latter is limited and incomplete. Research by Coronel (2013) and Mayhua (2007) state that failure to exchange information may obstruct the effectiveness of participatory budgeting. The lack of reliable information may deter citizens from participating, and hence exclude them from the participatory budgeting processes. Additionally, another consequence of ineffective communication is that it makes it difficult to educate the population about the participatory budgeting process.

There are enough insights to suggest that participatory budgeting in Tungurahua depends heavily on the strong leadership of the prefect of the province. It is unclear if the process of participatory budgeting in the province is 'Naranjo-dependent' and if it would continue to function once he finishes his current term of office. During the 2014 elections, no opposition candidate spoke against the participatory budgeting process (C. Chacon, personal interview, 29 Nov. 2016), which may be an indicator that the mechanism has been accepted by all actors in the province. Nevertheless, as happened in Porto Alegre after the Workers Party (PT) lost power (2004), the political image of the participatory budget may be so linked with the current prefect, that his successor may choose to follow a different path. Still, unlike Porto Alegre, the participatory budgets in Tungurahua are designed with the inclusion of presidents and members of the district boards, from different parties and political movements. In other words, the process is already known and accepted across different political tendencies, which could facilitate its continuity and be an opportunity to strengthen the mechanism as a means of seeking accountability.

Another important factor for the continuity of the participatory budgeting process is that the prefecture has developed its own methodology based on its extensive experience and its own context. The COOTAD allows each GAD to choose its own methodology in creating its participatory budget. In turn, the prefecture also allows the lower levels of government this freedom. However, it has put considerable effort into writing its own methodological guide. As mentioned above, this contains everything from the basic concepts of a participatory budget to details of how meetings with citizens could be handled, the questions that must be answered, and what the role of citizens and authorities is in the different phases of the process. It is worth remembering that the guide in question was prepared jointly with the Tungurahua Network.

It was a positive decision by the prefecture to open up the spectrum of institutions that support and participate in the participatory budgeting process. In this way, the commitment of the institutions involved is fostered, and they are also made jointly responsible for the process itself. It should be remembered that the Tungurahua Network is made up of associations representing both municipalities and district boards. In addition, citizens are involved through the Tungurahua Civic Training Centre (led by the same prefecture). Moreover, the national government – concretely the institution responsible for the planning and development of Ecuador (SENPLADES) – is included. Furthermore, the academic sector plays a role in the form of the Technical University of Ambato (which is best placed in the rankings of universities in the province), and international cooperation is ensured through international NGOs. The inclusion of these institutions not only facilitates advice, but also the exchange of necessary visions to review the process.

Finally, it is important to reiterate that PB, with its current framework, is not working as an efficient SAcc mechanism. It has been designed to work as a tool to improve governance in Tungurahua and, as such, is not promoting citizen engagement beyond the priorization of works. In this line, it can be concluded that we are dealing with a mechanism which is captured by the State. Moreover, information provided by local authorities is, generally, not useful for citizens and control officials to make proper assessments on how PB is being implemented. Even if signs of corruption are found, the framework of the mechanism does not provide a direct and efficient manner to sound the alarm of authorities. As detailed in the 'path to sanctions' (section 5.3.4), the process of investigation of a complaint is bureaucratic and may take years to reach to any kind of

sanction. With these problems, PB is not facilitating accountability and it would need to be restructured if the aim is to have citizens prioritising works in their localities and monitoring their implementation to strengthen transparency and to help control agencies to prevent and detect corruption.

Chapter 8.   Conclusions

This thesis aimed to build on the knowledge of how SAcc works in controlling corruption through a case-study of two SAcc initiatives in Ecuador: a citizen oversight initiative (*veeduria* in Spanish) in the city of Cuenca and the participatory budget of the province of Tungurahua. Additionally, this research sought to identify the conditions or factors that influence the effectiveness or failure of these SAcc mechanisms in reducing corruption.

To achieve these objectives, this thesis engaged, first, with the current debates and scholarship about corruption, and how this problem has brought about many policy responses, including SAcc. In the literature review, it became clear that there is a need to fill in gaps in the knowledge on how to control corruption. SAcc is deemed as one way, among many, of potentially reducing such malfeasance by involving the citizenry in holding their authorities accountable and in controlling public resources. In this sense, actions by citizens are seen as a complement to those taken by control agencies in their aim to prevent, investigate and sanction corruption. However, research shows mixed results regarding the impact of SAcc on reducing corruption. The literature highlights that its efficiency depends on how the SAcc initiatives are designed, and how they interrelate with the context in which the initiatives are being implemented. Accordingly, there is a need to improve our understanding of how SAcc works to reduce corruption and how internal and external factors influence the outcome of SAcc initiatives. Consequently, there is a consensus among researchers in the field that more empirical studies are necessary to explain why some SAcc initiatives work and to identify the factors that condition this outcome. This thesis took up that challenge.

A second important point covered here is that, although a SAcc framework that is conducive to controlling corruption is desirable, this needs to be accompanied by State capacity to fulfil its role and complete the cycle of SAcc. The findings of this in-depth research into SAcc in Ecuador support that point. As discussed in Chapter 3, several studies have produced empirical information on how SAcc works but there is still insufficient knowledge to understand how SAcc functions in practice in a permissive legal and institutional framework. Along these lines, the SAcc and anti-corruption framework in Ecuador benefited from a sharp change in the institutional bases of the country, first in 1998 and, more significantly, in 2008 with the creation of the new Constitution. The evolution of this framework was mainly conditioned by its context, in which the political

class was delegitimised and corruption scandals occurred even at the highest levels of the State. The 2008 Constitution strengthened the SAcc and anti-corruption framework by guaranteeing citizens their rights to take part in decision-making processes and to hold authorities accountable.

To help accomplish these purposes, the constitutional framework included different SAcc mechanisms and established a new institutional structure to help both citizens and the State fight corruption. In this vein, Ecuador is a novel case, having, in theory, developed an institutional and legal framework to foster and guarantee SAcc as a mechanism for controlling corruption. However, as has been evidenced in this research, having a conducive framework does not guarantee efficient SAcc initiatives in practice. The institutionalisation of such mechanisms could also lead to the creation of a framework that ends up undermining SAcc's ability to efficiently trigger horizontal accountability and to sanction corruption. Moreover, there is also a risk that SAcc may be captured by the State in order, on the one hand, to legitimise its actions, and on the other, to use these mechanisms as a political tool.

Third, the thesis empirically analysed two SAcc initiatives: the process of awarding social housing at the 'Los Capulies' project in the city of Cuenca, and the participatory budgets of the province of Tungurahua. This exploration was based on the analytical framework developed in this thesis, through a dialogue between the existing analytical frameworks explaining SAcc (mainly O'Meally, 2013; Bukenya et al., 2012; Hickey and King, 2016; Joshi, 2014; Richards, 2006; Grandvoinnet et al., 2015) and the empirical results of this research. The framework explains the dynamics that exist between the three main SAcc actors in the Ecuadorian context: citizens, the State and control agencies. Furthermore, this commentary has benefitted from a new trend in SAcc research, 'Accountability 2.0' (Joshi, 2017a; 2017b; Fox, 2016; Gaventa and Oswald, 2019). It is important to understand that this interrelationship is not linear, but it involves multi-pronged and multi-level approaches. In this vein, it should be taken into consideration that, among the different organisations (CSOs, State, control agencies) there are pro-accountability individuals and also anti-accountability individuals.

Finally, the cases in question have been characterised in this thesis as 'indirect SAcc initiatives', which means that they have been created by the State, public authorities or that they are required to be held by law (therefore, led by the State). The analysis of this

type of initiative is useful in understanding how the SAcc institutional framework is being implemented. Furthermore, by analysing 'indirect SAcc initiatives' it becomes easier to observe the interrelationship among the aforementioned actors. Moreover, studying both initiatives has allowed this thesis to flag up both structural and specific characteristics that undermine the capacity of SAcc mechanisms to hold the State accountable.

8.1 Findings

The research findings add to a growing body of literature on how SAcc works in controlling corruption. Furthermore, they have supplied insights into the influence of internal and external factors on the outcome of SAcc initiatives. More specifically, the present study provides additional evidence concerning the implementation of the SAcc and anti-corruption framework in Ecuador. The creation of an analytical framework (Chapter 3) that explains how SAcc should work, ideally, in a context such as Ecuador, where there is a conducive structure and where SAcc is understood as complementary action by citizens to help control agencies by exposing potential corrupt acts has allowed this research to show that SAcc depends on the efficient interrelationship between three actors: the State, citizens and control agencies.

With regards to the interrelationship between citizens and the State, the former should be able to access information generated by the latter. It is also important that such information be reliable and understandable. The aim is that citizens can analyse public information to make sure that there is no corruption in public processes. For this to happen, citizens should also have the skills, and enough time and economic capacity, to fulfil their role. Furthermore, a positive relationship between citizens and the State can build trust between both actors and ease the exchange of information. The institutional design of SAcc mechanisms also plays a significant role in the effectiveness of SAcc. In this sense, the presence of citizens is essential for SAcc to work. Thus, the institutional design of SAcc mechanisms needs to include citizens throughout the process if the aim is better monitoring. Without citizens, SAcc cannot exist.

The relationship between citizens and control agencies needs to be one of mutual cooperation. Control agencies are supposed to guarantee the exercise of the SAcc rights as established in law, and, if needed, help citizens to fulfil their role by giving them technical support. On the other hand, citizens are deemed to complement control actions

and, if irregularities are found, draw the attention of control agencies by sounding the alarm. Finally, in short, the dynamic among the actors is supposed to guarantee and ease citizens' access to information, and the sharing of any findings between citizens and control agencies. To complete the cycle, control agencies would have to investigate and, if necessary, sanction corruption. For this to happen, control agencies need the capacity to respond to citizens' appeals and exert control actions.

By adopting this approach, this research was also able to identify the relevance of how the SAcc institutional and legal framework has been designed, and its influence on both initiatives. In this vein, several warnings were issued on specific characteristics that could be undermining the efficiency of SAcc mechanisms in holding the State accountable. The first such alert is related to 'late reporting' of irregularities. When SAcc initiatives uncover potential corruption, they have to follow specific steps to trigger the alarm with the CPCCS as a control agency. In the case of monitoring initiatives, citizens have to present an official final report detailing the irregularities found; however, they cannot trigger the alarm before the completion of the report. Thus, control agencies' actions may be untimely. Moreover, a second 'red flag' is the lack of capacity of the CPCCS to investigate irregularities *ex officio*. If, for example, a *veeduria* does not present a final report (as happens in around 50% of the cases), then the CPCCS cannot react and prevent or investigate corruption.

Further grounds for caution are related to the official investigation procedures, once the alarm has been triggered. The investigation framework is too bureaucratic. Investigations would have to be performed by up to three control agencies before reaching the judiciary. These institutions are the CPCCS, the Comptroller's office and the Attorney's office. Based on official investigation deadlines, this procedure could take over nine years. However, the reality is still less encouraging, as the cases analysed show that investigations in the CPCCS, which are supposed to last a maximum of 90 days, are taking over five years. Based on the evidence gathered in this research, the capacity of the CPCCS to respond to alarms and officially investigate cases, is almost non-existent. All of these problems come together in the inability to impose sanctions on corruption. As a consequence, accountability is not being exerted. In this context, SAcc mechanisms become more vulnerable to being captured by the State and used to legitimise public actions, instead of helping to control corruption.

Regarding the specific SAcc initiatives in focus, the analytical framework enabled an empirical analysis of the interrelationships between the different actors to be undertaken, and identification of where SAcc is working and where it is not. In the first case (that of 'Los Capulies'), the *veeduria* was able to oversee and point out uncommon problems or inconsistencies. These included the changes to the list of successful applicants in the awarding process, or an anonymous call to one of the applicants offering a house in exchange for money. Moreover, the effectiveness of the *veeduria* in revealing the inconsistencies strengthens Ackerman's (2005) argument that citizens can have a virtually ubiquitous presence, and hence raise the alarm over signs of corruption. It would have been nearly impossible for control agencies (or the EMUVI-EP authorities themselves) to discover the irregularities discovered by the *veeduria*. The effectiveness of the *veeduria* as a mechanism to help control corruption is maintained by Iglesias (2016), who argues that SAcc mechanisms may also prevent corruption by making observations that foster transparency in those processes monitored. In the *veeduria* at hand, the *veedores* were able to propose suggestions to simplify the application process for housing, and to make sure applicants knew that it entailed no cost.

As the analysis shows, the outcome of the *veeduria* was strongly influenced by seven factors: Positive features are (1) the capacity and ability of the *veedores* to act in accordance with their responsibilities; (2) generally good accessibility of information; (3) good State-citizen interaction; and (4) the support from the CPCCS both as a motivating factor for the *veedores* and as an interlocutor between the *veedores* and EMUVI-EP. Negative features include (1) the inaccessibility of key information at the end of the process; (2) late reporting; and (3) lack of State capacity to investigate irregularities.

The research clearly shows that, first, the *veedores* had the capacity to sustain a SAcc initiative economically, and the ability to respond to the amount of work required for it, including time availability and the resilience to continue despite severe delays in the process. Second, from the beginning of the *veeduria*, EMUVI-EP representatives were keen to share information related to the process of awarding housing with the *veedores*. This was verified by the official reports of the *veeduria* and by the interviews conducted for this research. However, as pointed out in the next paragraph, there was a major case when information could not be accessed. Third, the positive attitude from EMUVI-EP towards the *veedores* also led to a positive State-citizen interaction, to the extent that a close relationship was created between these two actors. Although this interaction was

positive for the progress of the SAcc initiative – since confidence between both actors grew – it may have also influenced the *veedores* when creating their final report and drawing attention to the inconsistencies. This inference is based on the interviews held and on the basis that the final report omitted some of the findings from the oversight process. Fourth, the CPCCS's role as an interlocutor, and in motivating the *veedores* to conclude their task, was key to the outcome of the *veeduria*. Not only did the CPCCS encourage the *veedores* to complete their report, but it also accepted the report after the deadline had passed. Moreover, the CPCCS made sure to arrange meetings between both actors, to improve their interaction.

Negative factors influencing the final outcome of the *veeduria* include, first, a case of inaccessibility of key information to corroborate the transparency of the adjudication of social housing. However, the files in question were unreachable since they were stored in a warehouse before it was filled with construction materials from the 'Los Capulies' project. This was noted in the final report of the *veeduria* and it was considered a sufficient reason to initiate an investigation by the CPCCS, to verify the transparency of the process. Second was the case of 'late reporting' by the *veeduria* to the CPCCS authorities. It took over four months for the *veedores* to present their conclusions to the plenum of the CPCCS. By then, houses had already been allocated, so any reaction would have been late in coming.

Third, and finally, this research also showed that the whole process of SAcc can be undermined, once the alarms are raised, if the control agencies lack the capacity to do their part. This thesis is not in a position to claim that the process of adjudication was corrupt. Nonetheless, had that been the case, the CPCCS failed to deliver the corresponding investigation. Having acknowledged the *veeduria* report, the plenum of the CPCCS ordered an investigation to make sure that no rights were violated during the process of housing adjudication. The law mandates that investigations are supposed to be concluded in a maximum of 90 days. Yet, at the time of completion of this thesis, the case had never been investigated. Therefore, it seems that, if cases are investigated, the results of the investigation would be of no use.

Taken altogether, these results suggest that having a framework that fosters SAcc is not enough to control corruption: State capacity to respond to the alarm raised by citizens is vital. In this context, the case of the *veeduria* shows us that the objective of holding the

State accountable was undermined, mainly due to the control agency's inaction, but also due to its bureaucratic framework.

Regarding the second case study, findings from this research reveal that participatory budgeting in Tungurahua is not acting as an efficient SAcc mechanism, and nor is it directly influencing control of corruption. The analysis of the PB in that province reveals that the outcome of this SAcc initiative has principally been influenced by six factors: (1) the decision by provincial authorities to implement the participatory budgets in the province; (2) strong leadership by the prefect of Tungurahua; (3) the evolution of the initiative over time; (4) the lack of an appropriate framework for citizens to evaluate the participatory budget- and resource allocation process; (5) poor framing of information delivered from the State to the citizenry; (6) low State capacity to accompany and evaluate the participatory budget process.

First, the participatory budget of Tungurahua was implemented by Prefect Fernando Naranjo in 2003 as part of his NMM. Unlike now, participatory budgets were not mandatory then, so their implementation depended entirely on the political decision of a given authority. Additionally, this feature also highlights the real intention of the creation of PB in the province: to work as a governmental management tool, aligning the provincial development plan with those of the municipal and district authorities, but not as a SAcc mechanism. Second, Prefect Naranjo was re-elected three times since 2000 (his final term finished on May 14, 2019), on each occasion with a higher vote rate than the previous one. This can be interpreted as an increase in confidence in the policies of the provincial government (the NMM), of which the participatory budget is a key component. His leadership in the province is undeniable and his mobilisation capacity evident. Third, the participatory budgets in Tungurahua have evolved over time. The experience gained over the years has allowed the provincial government to seek to adapt participatory budgeting to its own experience. Thus, a unique methodology has been created with the support of other public and private actors (the Tungurahua Network).

The previous factors have proved essential for the existence and development of participatory budgeting in Tungurahua. However, evidence from this research reveals it does not necessarily influence how corruption is controlled. The fourth factor concerning the SAcc initiative deals with the participatory budget framework and its weak emphasis on the citizen oversight of budget allocation. This is evidenced, in Section 7.4.2, by the

analysis of the sample of six districts, in which the official information of works and projects completed in the districts does not match with citizens' priorities as established during the participatory budget process. Moreover, this process lacks the tools for citizen control to be exerted. The rendering of accounts is a mechanism – outside the participatory budget – that could be used by citizens to verify the fulfilment of the objectives set at the beginning of the process. Fifth, however, the way in which these annual reports are structured does not allow for any verification. Hence, they are ineffective at controlling the allocation of resources. Lastly, the State has limited capacity to accompany and evaluate the participatory budgeting process. If the citizenry and the control agencies cannot evaluate the participatory budget, then it becomes difficult for this SAcc initiative to work as an anti-corruption mechanism.

Still, acknowledging the complexity of establishing corruption indicators, it is not possible for this research to deny that participatory budgeting in Tungurahua may influence how corruption is controlled. Here it is important to highlight, once again, that some researchers (Fox, 2015; Ackerman, 2005) state that the mere fact of having citizens oversee public officials, can act as a deterrent to the latter's committing a corrupt act. Thus, the potential influence of Tungurahua's participatory budgets in controlling corruption cannot be dismissed.

Instead, my analysis of the Ecuadorian SAcc and anti-corruption framework suggests that SAcc is vulnerable to being captured by the State. Evidence shows that, at national level, the State tried to hamper SAcc initiatives that went against the government's interest. The politicisation of anti-corruption policies in general has raised concerns in the region, since there are indications that they have been used as a political tool. This is particularly evident where institutions are weak.

However, this study of the two SAcc initiatives also shows that State capture of SAcc initiatives is not necessarily an issue in every case. There is no direct evidence to claim that the *veeduria* had to deal with the State's controlling the fate of the initiative. All the same, the mechanism's lack of efficiency in imposing sanctions makes it vulnerable to being captured by public officials who would use these initiatives in their favour. On the other hand, these findings show that we are dealing with a mechanism designed by the State, to be used by the State with some level of citizen participation. The framework for the participatory budget in Tungurahua enhances the presence of the State (prefecture,

CONAGOPARE, district boards, CPCCS) during the process, while the presence of citizens is limited.

8.2 Recommendations for Policymakers

One of the key contributions of this research is to present to researchers and policymakers some new features of the implementation of SAcc in a framework designed idealistically to strengthen citizen participation in controlling corruption. Although it is not a surprise that the implementation of a specific policy - the SAcc framework as a whole - does not always work as it supposed to, this research highlights different concerns identified within the structure of SAcc that would need to be targeted if the aims are to have corruption sanctioned and to avoid their being captured.

In this vein, results from this research point to the need for the State to improve its capacity to respond to the results of SAcc investigations. Indications of corruption have to be taken seriously and sanctions enforced – when applicable – if the State wants to keep citizens engaged in SAcc initiatives. As Grandvoinnet et al. (2015) imply, if there is a feeling that citizen actions are not working, ordinary people may stop participating altogether. The costs of participating in SAcc should be lower than the cost of inaction. Moreover, if impunity is felt, citizens would stop trusting the government, and thus it would become more difficult to control corruption (Rothstein and Teorell, 2015; Della Porta and Vannucci, 1999; Warren, 2015; Uslaner, 2015).

Furthermore, several structural problems need to be targeted. First the investigatory tools developed to respond to citizens' concerns need to be more efficient. This involves not only the CPCCS, but how the remaining control agencies handle the investigations themselves. It would be beneficial for there to be coordination, at least, among control agencies, to avoid having to investigate the same case up to three different times. Second, reporting should be more efficient as well. The current framework makes reporting, especially by a *veeduria*, a slow process. When acting against corruption, an efficient reaction by horizontal accountability tools could prevent a corrupt act from being committed. Third, as in the previous points, as a control agency directly linked to SAcc initiatives, the CPCCS should have the competence to respond to alarms raised by citizens in a more efficient way, and to start its own investigations *ex officio*.

In the case of PB, policymakers engaging with this SAcc mechanism as an anti-corruption tool should strengthen the framework in a way that makes information exchange efficient. There is a gap in the participatory budget framework that needs to be addressed if the intention is to use this SAcc mechanism to help fight corruption. There is a broad consensus in the literature on corruption and SAcc that highlights the access to information as a critical element in fighting such behaviour. Efforts must be taken to make sure the framing of the information given to citizens allows them to evaluate the correct allocation of resources. Moreover, the framework would also need to strengthen the inclusion of citizens throughout the whole process. The key characteristic of PB as a SAcc mechanism is the role that citizens could play if they knew how the budget is supposed to be spent, and were able to monitor that expenditure is transparent and in accordance with the priorities established. Finally, an expedited process of denunciation in the SAcc mechanism could also be beneficial, in order to encourage citizens to trigger the alarm with control agencies.

It is important to reiterate that one of the main drivers of SAcc is activating horizontal agencies to hold the State accountable. Citizen initiatives cannot achieve that objective if the public apparatus does not react accordingly.

8.3 Limitations and Future Research

A number of important limitations need to be considered. First, a decade after the creation of the current Constitution, research on the implementation of SAcc and anti-corruption mechanisms remains limited (Olivo, 2017). Therefore, its effectiveness cannot be measured. Additionally, the impact of the cases analysed, on how corruption is controlled cannot be measured either. Future efforts to measure impact will rely on a better understanding of how SAcc works. By helping to increase our knowledge of how to improve SAcc, the results of this research could be helpful in determining how to measure the impact of SAcc.

Additionally, it is difficult to draw general findings from case study research, and to claim that these two cases reflect the reality of SAcc across Ecuador. However, the analysis does offer insights into how other SAcc initiatives work, and what the factors are that influence outcomes. Moreover, this study allows us to suggest where citizens and policymakers should focus their attention when seeking to create a SAcc initiative to

increase the chances successfully controlling corruption. For instance, findings in both cases point to the influence of problems with the framework on the structure of both mechanisms; therefore, correcting those problems may benefit a broader number of initiatives. Additionally, *veedurias* and PB represent the two ways by which citizens can trigger the alarm with control agencies, either by a report or a denunciation. Hence, results may be generalised to a greater extent in order to understand the legal and institutional SAcc framework for the control of corruption in the Ecuadorian context.

Moreover, the regional trend indicates that the implementation of SAcc, as a mechanism to fight corruption, is becoming more and more frequent in the Americas (MESICIC, 2015). In this sense, considering Ecuador's favourable approach towards SAcc, the results of this research can be used as an example both of positive features and limitations for policymakers when designing stronger SAcc frameworks to counter corruption. Future research may involve testing findings from this thesis in similar contexts to that of Ecuador. For instance, in 2003, Peru enacted a law (Ley No. 28056) that mandates participatory budgets in regional and local governments, and Bolivia has the 2013 Law of Participatory and Social Oversight (Ley No. 341) that demands the implementation of PB at all levels of government. In addition, findings related to the *veeduria* can help to build up our knowledge of cases beyond Ecuador. Thus, cross-country research could be undertaken to establish insights into how to improve the effectiveness of *veedurias* in reducing corruption.

To better understand the implications of these results, future studies could also address the influence of internal and external factors in a greater number of SAcc initiatives using quantitative methods. Additionally, further research could be conducted into other *veedurias*, to establish the impact of horizontal agencies on how corruption cases are investigated. Meanwhile, since the participatory budget in Tungurahua is a permanent SAcc initiative, it could be studied in the coming years in order to track its development, especially considering that one of the key factors influencing it has witnessed a substantial change: the prefect of Tungurahua, Fernando Naranjo, left office in May 2019. It would be useful to study how that change alters the dynamics of participatory budgets in the province.

Finally, future research regarding SAcc in Ecuador will have to consider possible changes in the anti-corruption and SAcc framework, and the influence of a different

political context than the one studied in this thesis. The political landscape in Ecuador has dramatically changed since 2017, when Rafael Correa left office. President Lenín Moreno, who won the election as a representative of the official AP party, took office amid corruption scandals in Ecuador involving the Brazilian company Odebrecht. President Moreno promptly distanced himself from the Correa government. Vice-President Jorge Glas, who was also vice-president during Correa's final term (2013–2017), faced trial and was sentenced on charges of corruption. Moreno promoted a referendum to replace the authorities of the CPCCS with a CPCCS-T (a transitory organisation), that would last one year.

The new CPCCS-T authorities were given the power to evaluate all the control institution's officials and to remove them from office if investigations determined breach of functions. Political motives from the CPCCS-T Councillors were questioned. The referendum also changed the way in which CPCCS authorities were selected, and it established that, instead of an open competition, authorities should be elected by popular vote. It is important to remember that the CPCCS was created as a response to the delegitimised political class and citizens' demands to avoid the politicisation in how control leading officials are appointed. By the completion of this thesis, new authorities had already been elected, and took office on 14 May, 2019. However, authorities from the CPCCS-T have publicly stated that they will promote a new referendum to dismantle the CPCCS, since they consider the institution a key tool for Rafael Correa to control all the branches of the State. Once again, we see the political context influencing the SAcc and anti-corruption framework.

Despite this uncertainty, the results of this thesis will continue to be relevant, since they cast light on how SAcc works in Ecuador and what factors should be taken into consideration to strengthen it. Furthermore, if the anti-corruption and SAcc framework evolves under the influence of the political context, researchers and policymakers should acknowledge the findings of this research and use them to strengthen SAcc as an approach to controlling corruption.

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Annexes

Annex 1: List of Interviewees

NAME	DATE OF INTERVIEW	INSTITUTION/ POSITION	INIATIVE/CONTEXT	COMMENTS
Maria Ines Vintimilla	08/12/2016	Coordinator *Veeduria* "Los Capulies". Activist; Member of "Cuenca, ciudad para vivir; Centro Cultural IMAY.	*Veeduria* "Los Capulies"	Process and context of *veeduria*
Juan Carlos Orellana Zumba	07/12/2016	Observer at *veeduria* "Los Capulies". President of La Alborada Neighbourhood	*Veeduria* "Los Capulies"	Process and context of *veeduria*
Margarita Arias Vega	07/12/2016	Observer at *veeduria* "Los Capulies". Works at "Cuenca, ciudad para vivir"	*Veeduria* "Los Capulies"	Process and context of *veeduria*
Gonzalo Naranjo Lara	20/02/2017	Secretary of *Veeduria* "Los Capulies"	*Veeduria* "Los Capulies", Cuenca	Process and context of *veeduria*
Nelly Auquilla Vega	08/12/2016	Representative of EMUVI for *Veedores* "Los Capulies"; Directora Marketing y Ventas EMUVI	*Veeduria* "Los Capulies", Cuenca	Official representative from EMUVI
Jonathan Flores Urgiles	09/12/2016	Provincial Analyst CPCCS Cuenca	*Veeduria* "Los Capulies", Cuenca	Worked coordinating the *Veeduria* from the CPCCS
Elina Margarita Berrazueta Gonzalez	01/12/2016	CPCCS Expert on *Veedurias*	Context of *Veedurias*	Context of *Veedurias*, ups and downs.
Luz Maria Vasquez	08/12/2016	"Los Capulies" beneficiary	"Los Capulies"	Housing beneficiary, context of process of application and adjudication
Marlene Jarrin	17/11/2016	CPCCS public official	Context Participatory Budgets	Citizen Participation and PB Expert at CPCCS
Ruben Boada	25/11/2016	CPCCS public official	Context Participatory Budgets	Citizen Participation and PB Expert at CPCCS

Ivan Altamirano	29/11/2016	Provincial Delegate of the CPCCS in Tungurahua	Participatory Budgets in Tungurahua	Process and context of PB
Cecilia Chacon	29/11/2016	Vice-Prefect of Tungurahua	Participatory Budgets in Tungurahua	Process of PB
Yusley Granda	28/11/2016	CONAGOPARE public official	Participatory Budgets in Tungurahua	Process and context of PB
Patricio Villacis	30/11/2016	President of Santa Rosa district	Participatory Budgets in Tungurahua	Process of PB
Fabricio Cevallos	06/02/2017	Journalist, Diario la Hora, Ambato	Context of Tungurahua and PB	Context of Tungurahua
Jose Maria Lavin	07/02/2017	Academic at the Universidad Tecnica de Ambato	Context	Context of PB and citizen participation in Tungurahua
Carlos Geovanny Piguave Hurtado	08/11/2016	CPCCS National Director of Citizen Participation	Context	Context of citizen participation in Ecuador; role of CPCCS; legal framework for citizen participation
Santiago Basabe Serrano	01/02/2017	Academic FLACSO	Context	General context of citizen participation, current political status
Dr. Julio Cesar Trujillo	09/02/2017	Academic Universidad Simon Bolivar; member of "Comision Anticorrupcion"	Context	Context about anticorruption policies; government persecution to opposition
Edwin Jarrin Jarrin	09/02/2017	Vice President CPCCS	Context	General Context about the CPCCS and both, participation and anti-corruption policies in Ecuador
Maria Belen Arroyo	10/02/2017	Political Editor "Vistazo" Magazine	Context	Investigative Journalist
Jorge Rodriguez	13/02/2017	Coordinator of *Veeduria* "Comision Anticorrupcion"	Context	General context about anticorruption policies; persecution and trials pushed by government; Analysis about the CCCC and the CPCCS
Juan Carlos Calderon Vivanco	15/02/2017	Journalist, Lead Editor at "Plan V" magazine	Context	Journalist investigating corruption cases since 30 years ago. General context about corruption cases, role of the media, access to information and

				Communication Law
Decio Machado	31/01/2021	Political Consultant	Context	Context on Dynamics of the beginning of Correismo.
Norman Wray	02/02/2021	Former Assemblyman during the Constituent Assembly	Context	Context about the process of writing the Constitution of 2008.

Annex 2: Social Accountability Mechanisms

Public Hearings (Audiencias Públicas)

Public hearings constitute a mechanism of citizen participation that seeks to base decisions or government actions on citizen pronouncements or petitions. Hence, it promotes the reaching of agreements between citizens and authorities. Public hearings need to be authorised by the respective authority that will be able to execute the agreements reached together with the citizens. Public hearings can be promoted by the initiative of either the authority or the citizens.[181] Likewise, the citizens may participate individually or collectively.[182]

The respective authority shall take into consideration the request for a public hearing, taking into account that the issues to be discussed must be related to the administrative political constituency to which it belongs. Therefore, the issues to be discussed must be linked to proposals or complaints of political issues, problems that affect the collective interests, or requests for information about acts and decisions of public management.[183] The results achieved in public hearings should be disseminated so that the public can conduct the proper follow-up. Thus, the public administration should provide information in a timely manner.[184]

Local Assemblies (Asambleas Locales)

The local assemblies are spaces for public deliberation, so that citizens can strengthen their capacities and communicate with authorities with the aim of influencing public policies and, in general, managing the public sector.[185] The assemblies must promote the participation of all citizens without any exclusion. Interculturality, plurality, the inclusion of social organisations, and gender must be guaranteed during the creation of

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[181] Article 73, Organic Law of Citizen Participation.

[182] Article 95, Constitution of the Republic of Ecuador, 2008.

[183] Article 74, Organic Law of Citizen Participation.

[184] Article 75, Organic Law of Citizen Participation.

[185] Article 56, Organic Law of Citizen Participation.

the assemblies.[186] Through this participation mechanism, citizens can demand the fulfilment of their rights and the exercise of rendering accounts of the authorities, propose agendas for local development and public policies, and promote and execute spaces for SAcc,[187] among others.

Popular Councils (Cabildos Populares)

Cabildos or popular councils are a mechanism of participation at the municipal level. A popular council takes place in a public session after an open call for all citizens, with the purpose of discussing specific issues of municipal management. *Cabildos* only function in an advisory nature – in other words, decisions are not actually taken and executed.[188]

Advisory Councils (Consejos Consultivos)

The advisory councils are consultation spaces composed of citizens or civil organisations. The authorities or the mixed or joint bodies may summon such councils at any time, taking into consideration that their function is purely advisory.[189]

Observatories

The observatories are a mechanism of SAcc, made up of groups of people or citizen organisations with the objective of making diagnoses and reports with independence and technical criteria to evaluate and monitor compliance with public policies. The observatories, when demanding technical diagnoses, presuppose the participation of academics or experts within the observatories.[190] Contrary to the *veedurias*, which are

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[186] Article 57, Organic Law of Citizen Participation.

[187] Article 60, Organic Law of Citizen Participation.

[188] Article 76, Organic Law of Citizen Participation.

[189] Articles 61 and 80, Constitution of the Republic of Ecuador

[190] Article 79, Organic Law of Citizen Participation.

created for a specific length of time, observatories are a permanent mechanism of SAcc.[191]

Empty Chair (Silla Vacía)

The empty chair is a mechanism of participation through which citizens, via one or several representatives, are part of the debate and decision-making process in matters of general interest, within the sessions of local governments or GADs. These sessions are public and, in them, there is an empty chair to be occupied by a representative of the citizenry depending on the issues to be addressed. The accredited person who will participate in the debates and the decision-making process does so with the right to speak and vote so that he acquires civil and administrative responsibility. The person or persons participating in the empty chair are designated by local assemblies, popular councils or public hearings, and is determined according to the topic to be discussed and the interests of the community. The participation of the representative is subject to the rules of each GAD.[192]

User Committees (Comités de Usuarios)

User committees are organisational forms that procure permanent SAcc. The committee's objective is to serve as an interlocutor between the service providers and the users. To do this, citizens are grouped freely and voluntarily to observe and influence the quality of service provision. In this sense, the committee constitutes a receiving entity for citizen complaints regarding the service that users receive. In addition, user committees are sectoral instances of dialogue, deliberation and the monitoring of public policies of a national and sectoral nature.

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[191] CPCCS: http://www.cpccs.gob.ec/es/participacion-ciudadana-y-control-social/control-social/observatorios-ciudadanos/

[192] Article 101, Constitution of the Republic of Ecuador, Article 311 from the COOTAD and Article 77 of the Organic Law of Citizen Participation.