CORRUPTION PERCEPTION INDEX: REFLECTIONS IN BRAZIL BEFORE AND DURING OPERATION CAR WASH

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Abstract
This article gives a brief summary of Operation Car Wash and analyzes the concept and annual formulation of the Corruption Perception Index (CPI) prepared by Transparency International (TI). It is the objective of this work to correlate the variations of positions in Brazil just before the outbreak of Operation Car Wash and during the years in which the operation has been taking place. Questions about increasing the perception of corruption, even with mass media disclosure, and the transparency of the acts resulting from the decisions are the main focuses of this work. Finally, the conclusions about the intersection of the CPI and the Car Wash Operation and possible ways in which Brazil can improve its index, observing aspects of politics, political agents and democracy evidenced in the current moment.

Keywords: Operation Car Wash, Corruption Perception Index, Transparency International, corruption, Brazilian politics, award-winning collaboration

Resumen
Este artículo ofrece un breve resumen de Operation Autolavado y analiza el concepto y la formulación anual del Índice de Percepción de Corrupción (IPC) preparado por Transparencia Internacional (TI). El objetivo de este trabajo es correlacionar las variaciones de posiciones en Brasil justo antes del estallido de Operation Autolavado y durante los años en los que la operación ha estado teniendo lugar. Las preguntas sobre el aumento de la percepción de corrupción, incluso con la divulgación de los medios de comunicación masiva, y la transparencia de los actos resultantes de las decisiones son los principales focos de este trabajo. Finalmente, las conclusiones sobre la intersección del IPC y la Operación Autolavado y las posibles maneras en que Brazil puede mejorar su índice, observando aspectos de la política, los agentes políticos y la democracia evidenciados en el momento actual.

Palabras claves: Operacion Autolavado, Índice de Percepción de Corrupción, Transparencia Internacional, corrupción, política brasileña, delación premiada

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1. Introduction

The perception analysis of corruption in governments of emerging countries, such as Latin American nations, is increasingly widespread. However, there is still the difficulty of understanding the degree of complexity behind the subjectivity of the concept of corruption itself. It is necessary, not least, the addition of concepts, also subjective, of ethics and morality that are directly related to the misuse of public resources.

In the last four years, Brazil has assumed a leading role worldwide in disseminating and perceiving corruption at all levels of government. Operation Car Wash presented extremely important data, showing how institutionalized corruption has been part of the country's own governance in the last thirty years.

The political scenario, polarized by extreme left and right leaderships, presents itself in a state of economic uncertainty, compromising debates about political and social security reforms. From the year 2015, Brazil had an impeachment of President (Dilma Rousseff), arrests of several political and business actors, convictions in first and second instance of heads and ex-chiefs of the Legislative and Executive Power, among which one can to cite, as the most evident, the arrest of former President Luiz Inácio Lula da Silva, left-wing political leader and one of the most important political figures in Latin America.

Operation Car Wash uncovered how billions of dollars were diverted through active and passive corruption, overpriced works, and tips paid to political agents. It is important to point out that all information was transmitted live on television, news portals and the internet. Never before has there been so much transparency in the judicial decisions related to the aforementioned operation.

The relationship between the Corruption Perceptions Index (CPI) in Brazil and its variation immediately before the first results of Operation Car Wash until 2018, the year in which this work was written, is one of the ways of evaluating how the exposed corruption was absorbed by the Brazilian population.

2. The Operation Car Wash in Brazil

Before analyzing the Brazilian CPI in recent years and its possible correlation with Operation Car Wash, it is important to discuss this operation that has taken on proportions never before seen in a Latin American country.

As the main theme of this work is not Operation Car Wash itself, but the results that directly influenced the perception of corruption by Brazilians, the judicial stages will not be specified. However, the aforementioned operation should be placed in the face of ICP's variation disclosed by Transparency International between 2014 and 2018.

The Operation Car Wash, according to Kadanus (2014) was preceded by an operation of the Federal Police of Brazil in 2008, which investigated crimes of money laundering by former federal deputy José Janene. The operation was referred to as the allusion to the use of laundry and gas station networks for the issuance of cold invoices and the movement of values of illicit origin.

The continuity of the investigations generated another operational front, the Operation Micah, where the Federal Police (PF) found the connection of 4 groups, formed by politicians and businessmen, involved in bribes, money laundering and misuse of public resources. Each group was headed by a dollar trader: Carlos Habib Chater, Nelma Kodama, Alberto Youssef and Raul Srour. Through telephone tapping, it was identified that Alberto Youssef donated a car from the brand Land Rover, model Evoque, to the then Director of Supply of Petrobras, Paulo Roberto Costa. From this point, according to the Federal Public Ministry (FPM), the Brazilian oil company, became the center of the investigations.

According to the Federal Police of Brazil (FPB), during the year 2014, 46 people were indicted for the most diverse crimes, among them the formation of a criminal organization, crimes against the national financial system, ideological falsehood and money laundering. In that same year, 105 search and seizure orders were completed, 19 for pretrial detention, 12 for temporary detention and 27 for coercive conduct. According to FPB, the autonomous investigations of crimes such as fraud in bidding, misuse of public resources, active and passive corruption, currency evasion, money laundering and tax evasion would continue to be carried out in the following years, which in fact occurred.

In the first instance, one of the main responsible for Operation Car Wash is Federal Judge Sergio Moro.

In 2015, Attorney Deltan Dallagnol, during the 5th Regional Conference of the International Associations of Prosecutors (IAP), announced that the estimated value of the diversion of public resources was at least 4 billion dollars. Dallagnol also defended the use of the award-winning collaboration as the "engine" of Operation

Car Wash, citing that the operation began with the investigation of suspected money laundering stations and reached the largest corruption scheme investigated in Brazilian history (AGENCIA BRASIL, 2015).

Still in 2015, more precisely in November, with the continuation of investigations at Petrobras, the FPB reached a loss of approximately U$ 15 billion. It was also this year that former President Luiz Inacio Lula da Silva gave his first statement to Operation Car Wash, as an uninvestigated informant, with authorization from the Minister of the Federal Superior Court at the time, Teori Zavascki (G1 Politics, 2015).

The award-winning collaborations deserve special mention in the exponential growth of those accused of financial crimes against the country. The operation took on increasing proportions and reached all levels of politics, including Senators, Federal Deputies, directors of public companies, former presidents, and the country's leading builders. There were, for the first time in the country's history, judgments being followed live, electronic sites in the main news portals dedicated exclusively to Operation Car Wash, with mass and daily dissemination in print and electronic media.

According to Brites (2017), the population, regardless of social class or income per capita, came to follow all the facts. In addition, transparency in all acts, convictions, coercive conduct, must be emphasized, obviously after the completion of each stage of investigation. With a large number of public and parliamentary agents, who enjoy special privileges, even in 2015, the FPB reinforced the working group that acts directly in the higher courts.

Based on the backlog of the previous two years, with the strengthening of the Federal Attorney General's Office, the Federal Police of Brazil, the Federal Public Ministry and the Operation Car Wash itself, 2016 was a new development. Odebrecht Company, the largest contractor in Brazil and acting internationally, cited in an award-winning statement, agreed to collaborate with the authorities through a leniency agreement. This agreement provided the largest reimbursement in history to the public coffers of U$ 2.6 billion (Brandt, 2017). It also provided new investigations in dozens of countries in which the contractor operated, such as Cuba, El Salvador, Ecuador and Panama. Another 17 large companies, related to construction and oil engineering, also made a leniency agreement and the amounts involved were approximate U$ 7.5 billion. More than U$ 10 billion was or will be returned to the public purse, taking into account only the companies and non-personal nature of the agreements/collaborations (Poder360, 2017).

It is important to mention that, in 2016, Dilma Rousseff was removed from the Presidency of the Republic by a vote in the Federal Senate. Her impeachment had no connection with Car Wash's investigations, but rather for fiscal operations considered inadequate, but not corruptive. Her successor, Vice-President Michel Temer had assumed the presidency.

In the first half of 2016, the Attorney General's Office sent a request for investigation of former President Dilma Rousseff and former President Luiz Inacio Lula da Silva, as well as Attorney General José Eduardo Cardozo. Several other politicians, leaders of the left and right, were also involved in the investigations, with the main names being that of the defeated candidate in the 2014 presidential elections, Senator Aécio Neves and the then president of the Chamber of Deputies, Eduardo Cunha.

The year of 2017 was marked by the continuity of operations. This year also, ironically, the name of Mr. Michel Temer, appeared for the first time in the list of investigated. Attorney General Rodrigo Janot denounced the president Temer for passive corruption, becoming the first president of Brazil to respond for crime during the term of office (Benites, 2017).

It should be noted that the facts and operations described in this article provide a summary view of Operation Car Wash, with the purpose of situating the interrelationship of the largest investigative operation in Brazil, with the variation of the Corruption Perceptions Index, subject of the next item.

Table 1, below, presents, in numbers, a summary of the investigations, last updated in March 2018

Table 1 - Figures on the investigations (source: Federal Public Ministry)

TYPE OF ACTION	RELEVANT NUMBERS
INSTAURATED PROCEDURES	1765
PEOPLE ARRESTED	103 preventive prisons, 118 temporaryand 6 in the act
SEARCH AND APPEAL MANDATES	944
COERCITIVE CONDUCTIONS	227
REQUESTS FOR INTERNATIONAL COOPERATION	395
CONDEMNS	183
AGREEMENTS WITH PEOPLE	163 award-winning collaboration agreements
AGREEMENTS WITH COMPANIES	11 signed leniency agreements and 1 conduct adjustment agreement
CRIMINAL CHARGES	72 against 289 people
ACKNOWLEDGMENTS OF ADMINISTRATIVE IMPROBITY	8 against 50 people, 16 companies and 1 political party, requesting payment of a fine of U$ 4.4 billion
ESTIMATED TOTAL DEVIATION	U$ 14 bilhões
PAYMENT OF TIP	U$ 2 billion confirmed and U$ 3.5 billion estimated
REIMBURSEMENT REQUEST	U$ 12 billions
RECOVERED PUBLIC MONEY	U$ 3.7 billions
PUBLIC MONEY RECOVERED FROM OTHER COUNTRIES	U$ 240 millions
MONEY LOCKED IN ACCOUNTS IN BRAZIL AND ABROAD	U$ 1 billion
SUMMARY OF CONDEMNATING PENALTIES	1820 years and 7 months of punishment

3. Concept and Formulation of the Corruption Perceptions Index (CPI)

According to Transparency International (TI), corruption is "the abuse of power entrusted to private gain. It can be classified as large, small and political, depending on the amounts of money lost and the sector where it occurs."

To convert public funds lost or diverted from function,

categorically distributed, in qualitative indexes for the evaluation and measurement of corruption by countries, is of extreme importance and has been carried out by Transparency International since 1995.

Between 1995 and 2011 each country's CPI ranged from 0 (highly corrupt) to 10 (very clean). Starting in 2012, the scale changed from 0 to 100, obeying the same intuition of corruption: the lower the corruption perception index, the greater the tendency of the country to be corrupt.

The great inflection is in the word "perception". How to understand and measure a concept so subjective by nature, from its perception? At first, it seems that the inherent subjectivity would be elevated to the second power, making the CPI as fragile as the very understanding of corruption itself at the various levels set by Transparency International.

Fragility, in this case, does not reside in objects and actions established as corruptible, but in personal understanding. What can be corruption for one person may not be for another. An action can be understood as corruptive for one group and non-corruptive for another group. The latter, perhaps beneficiary or neutral in consequence of such action.

For Blume (2017), taking into account subjectivity, perception is the safest way of assessing corruption, since illicit acts are unknown to the public until they are revealed through disclosure of investigations and scandals.

Still according to BLUME (2017), exact empirical statistics, such as absolute and relative numbers of bribery reports, cases involving corruption cases and bribes, convictions, prisons and others, are highly faithful, but to measure the efficiency of external control bodies, such as Public Prosecution and Audit Courts of Brazil and their counterparts in other countries, and national and international investigative bodies. As a result, Transparency International decided to create the CPI, taking into account the experience of public agents from all countries belonging to the annual study, such as entrepreneurs, opinion leaders, teachers, political and social scientists and the population.

The CPI is calculated based on data collected by independent institutions specializing in governance and business analysis. For each year, data from the previous 24 months, including the months of the year under study, are used. The CPI includes only sources that provide scores for a set of countries or territories and measure

perceptions of corruption in the public sector. Based on these data, Transparency International analyzes the methodology applied in each case to ensure that the sources used meet the standards designated by TI itself (Transparency International, 2014).

With open methodology in relation to sources, whether in interviews, research, articles and other methods of qualitative and quantitative analysis of the perception of corruption, Transparency International disseminates the data and the maps of the perception of corruption. The CPI is composed of at least 12 different sources, which include the World Bank and the World Economic Forum. All qualitative research is converted into quantitative results. With the compilation of all the results, the IT converts the values to the scale of 0 to 100, having as final value for the CPI the statistical treatment given to the variables (mean, median, z-scores, outliers and so on).

In 2012, the European Commission's Joint Research Center carried out an independent evaluation of the methodology used to calculate the CPI. By measuring the methods and the treatment of the different data used, the index became more and more reliable. Each year, independent bodies and committees analyze the methodology and suggest updates and indexing of more variables in the calculation.

Therefore, it is seen that the calculation is composed of many interchangeable variables between the fiscal years, maintaining, however, the reliability of comparison between the scores over the years and the comparison between countries within the same year. However, as any statistical research, whether simple or inferential, there are confidence intervals that reflect the uncertainty associated with each country's CPI score. Thus, a broader range reflects a broader variation in the country data. That is, the variable time acts in favor of reliability, since more studies are produced and analytically if they have more data about the country in question.
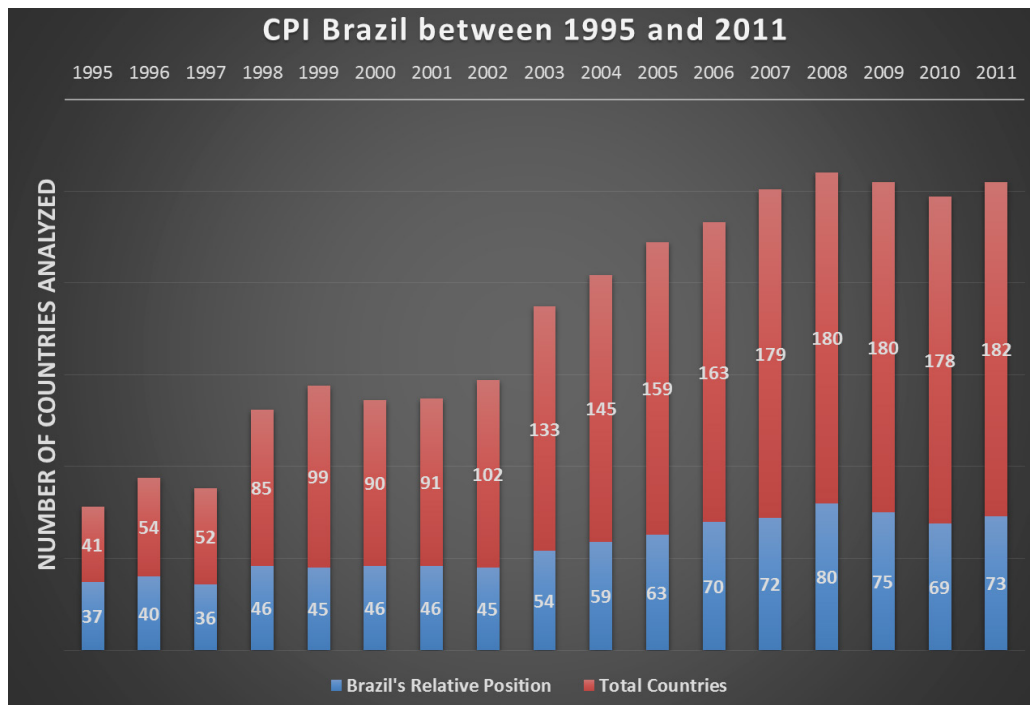
3.1. Brazil in the context of Transparency International's CPI

Brazil is one of the countries with designated scores since 1995, which was the year of the presentation of the first study conducted by Transparency International. For this first survey, there were only 41 countries. In 2017, there were 180 countries.
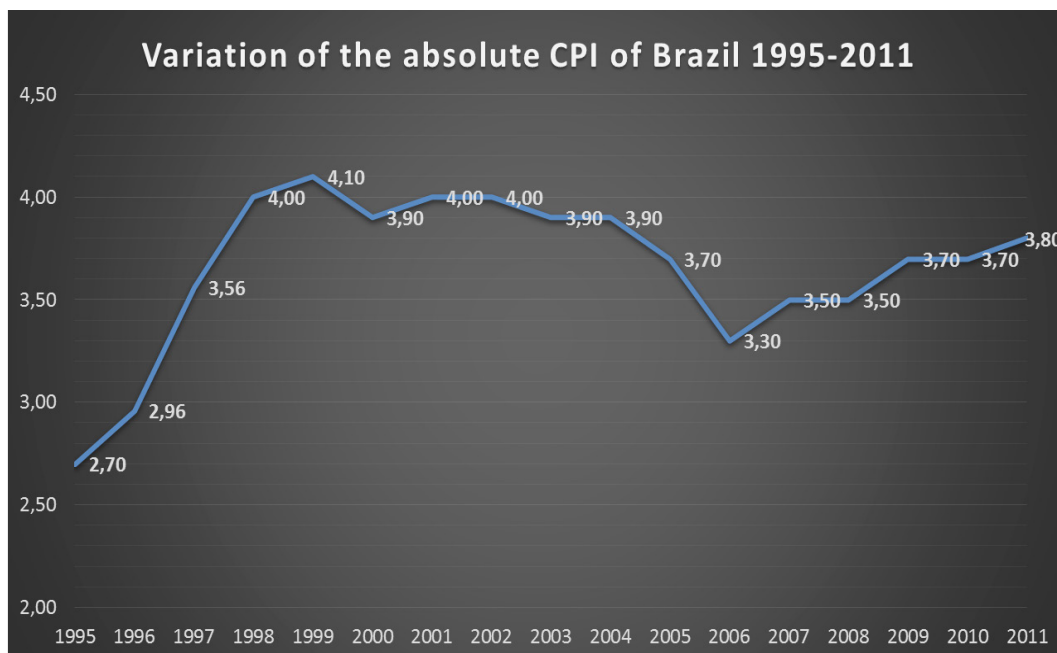
Over the years, the absolute indexes of Brazil have practically remained stable, with small variation, for less or more, indicating stability of the perception of corruption by the population. That is, the number of countries analyzed was increased, and the Brazilian score did not vary considerably, indicating that the country did not present significant improvements that could change the level regarding the perception of corruption over the years. However, with the addition of more countries, especially from 2006, comparative parameters can be established with regions and nations from different continents and governmental systems.

Graphs 1 and 2 show, respectively, the Brazilian position and the number of countries included in the CPI between 1995 and 2011 (Graph 1) and presents the absolute values of the index for the country (Graph 2), of which there is no representation for this article, however being of relevance to the contextualization.

Graph 1 - CPI: Brazil's position vs. number of countries: from 1995 to 2011
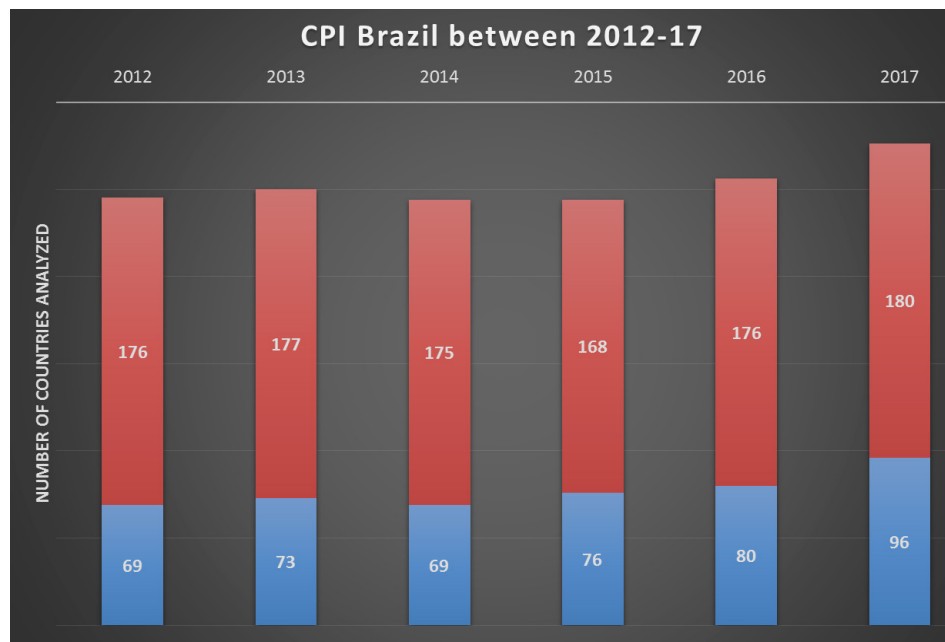(source: Transparency International)

Graph 2 - Variation of Brazil's absolute CPI from 1995 to 2011 (source: Transparency
International)

It should be noted that, from 1995 to 1998, Brazil did not exceed the CPI of 4.00. As of 1999, the CPI remained practically stable, with a variation lower than 0.30 points, except for the years 2006 to 2009, where the index fell to less than 3.50, a fact that had not occurred since 1998.
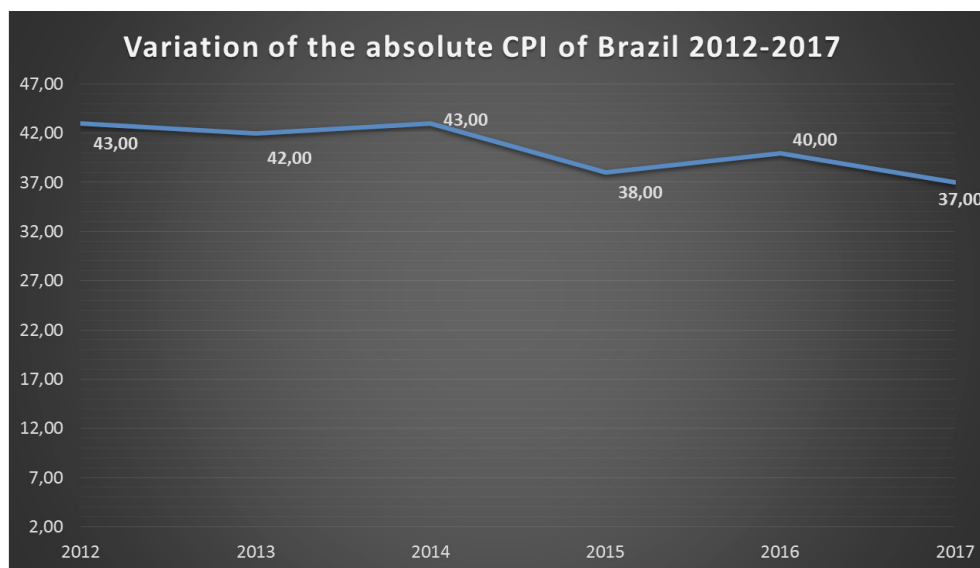
On the other hand, Graph 3 and Graph 4, similar to the previous graphs, present the relative position of Brazil and the number of countries analyzed and the variation of the absolute CPI of Brazil between 2012 and 2017.

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Graph 3 - CPI: Brazil's position vs. number of countries: from 2012 to 2017 (source: Transparency International)

Graph 4 - Variation of Brazil's absolute CPI from 2012 to 2017 (source: Transparency International

Through the analysis of Graph 4, it can be observed that the CPI of Brazil remained stable in the years 2012 to 2014, having its best score, since the index was created, in the year 1995. The greater oscillation occurred in the last triennium analyzed by Transparency International, from 2015 to 2017, the latter presenting an absolute CPI value of 37.00, last reached in 2009. Out of a universe of approximately 180 countries, in the triennium 15-17, Brazil has been losing considerable positions, from 69th position in 2014 to 76th in 2015, 80th in 2016 and finally the incredible negative mark of 96th position in 2017.

It is interesting to note that this negative variation of Brazil's CPI, and therefore the replacement of Brazil in the lower half of the countries with the highest perception of corruption, had not occurred since 1998, when the study included less than 100 countries and at the same time Operation Car Wash was beginning to present the most shocking results of his actions, decisions and convictions.

Conclusions

With the understanding that the Corruption Perceptions Index shows how much a country is corrupt, or at least tries to guide the conceptions, one can conclude that Brazil had a strong impact on its CPI because of Operation Car Wash.

Of course, with the real-time disclosure of all operations triggered, and the consequent knowledge by the population of all corruption schemes in Brazil, that perception of corruption would be greater, pulling the CPI down.

As mentioned, the triennium 2015-17 has been of constant declines, reflecting exactly that, as more operations and convictions are achieved, the more the population can perceive how corrupt Brazil is.

However, one can evaluate that in this triennium another subjective concept, beyond perception, arises: that of hopelessness. It is not possible to evaluate or create another subjectivity in this article, but it is verified that, as more and more people are convicted and imprisoned, in the most diverse spheres of political power, an atmosphere of general discomfort is created with the political system and, as a consequence it is also believed that corruption is endemic and unresolved.

Much the way is the reverse, because the Federal Public Ministry, the Federal Police of Brazil, the Civil and Superior Courts, the federal judges, led by the figure of the federal judge Sergio Moro, as operations occur and with the success, these organs are strengthened and the spaces for corruptible actions are reduced in the present and in the future.

Is it plausible that, as in 2006, when Brazil occupied one of the worst positions in the first decade of the millennium, the following years after 2018 will be the growth of the CPI? The answer is yes. Definitely. The drop in the CPI that Brazil presented in the last three years is a direct reflection of Operation Car Wash and its unfolding. However, the downward curve tends to reach the apex as soon as the shocking effects of the exposed corruption face a country where its institutions and political actors are increasingly believed, adapted and strengthened, with support mainly in the most affected part by corruption: the population itself.

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