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# An Assessment Of Income Inequality And Administrative Corruption In Less Developed Countries: The Case Of Mexico

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AN ASSESSMENT OF INCOME INEQUALITY AND ADMINISTRATIVE  
CORRUPTION IN LESS DEVELOPED COUNTRIES: THE CASE OF MEXICO

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2013

## **Dedication**

For my twins, Patricio and Sofia. Thanks for your patience and comprehension of my busy time.

And all the nights where one of you went to tell me "mom, let's go to sleep" or make me  
company while I was writing.

For my husband, Jose Maria, you push me to finish every started project.

For my parents and sisters, your love and support makes me go further.

**I Love you**

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CORRUPTION IN LESS DEVELOPED COUNTRIES:  
THE CASE OF MEXICO

by

ROSA ALICIA GARCIA COMPEAN, MBA

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# **Chapter 1**

## **Introduction: Income Inequality and Administrative Corruption**

Corruption has been present in government institutions since ancient Greece. It is also widespread around the world. There is a plethora of research on this topic, with many different approaches. Most of the time, the term corruption encompasses different activities in the public and private areas. In the first case, illegal activities involve a public official, while in the second case an illegal activity is performed by individuals or companies that are not related to government. For this reason private corruption is considered to be not as important as public corruption. However, in private corruption, as in public corruption, a relation of power between the involved parts is present and its development process is the same. Public corruption draws greater attention because the negative effects of corruption are reflected in governments' performance and development.

Some consider corruption in less developed countries as a means to obtain certain services. Leff (1964) posits three basic arguments behind positive uses of corruption. First, Leff argues that corruption is necessary to overcome excessive government requirements. Second, the payment made by businessmen to corrupt employees reduces government transaction costs. Third, corruption creates a social benefit in addition to serving as a mechanism for political participation in minority groups. In this same sense, Leys (1965) with a moralistic approach argues that corruption is useful when institutions are not efficient. In this case corruption is “greasing” institutional and bureaucratic wheels, helping to obtain a service or paperwork. Still, there are more negative effects than positive. For example, Kurer (1993) argues that corrupt officials have more incentives to create economic distortions to maintain their illegal income by creating difficulties to obtain a service. In this case, corruption starts as an extortion asking for money or favors to do what is essentially their job, making institutions inefficient and throwing “sand” at the institutional wheels.

Many manifestations of corruption exist and sometimes is difficult to identify them. Bribery, embezzlement, kickbacks, capture and diversion of funds, improper appropriation, and nepotism are well known and recognized between individuals, but other situations such as favoritism, ghost workers, or state capture can be difficult to identify. Despite the formal differences most of the time these different illegal activities are all referred to as corruption in general. However, we have to differentiate the types of corruption to better understand the causes and effects over government performance. In addition to the types of illegal acts, the government sphere in which the act is done is different. If an illegal act was committed to avoid or speed up a trial, it can be considered as judicial corruption. If the corrupt activity was done by a member of the Congress, or by a politician, it is considered political corruption. Finally, if it was committed by a bureaucrat it is considered administrative corruption.

In this thesis, I focus on the last type of corruption presented above: administrative corruption. This kind of corruption is more frequent among ordinary citizens and is related to government officials. One of its characteristics is the monetary amount obtained by the people engaging in corruption. The terms petty, administrative, or street-level corruption are used interchangeably to refer to corrupt activities in which common citizens deal with non-elected public officials instead of politicians. Administrative or petty corruption is used in the context of relatively small bribes and refers only to the size of each transaction and not to its total impact on government income (Scott, 1972). However, sometimes the amount can be high. This type of corruption is easier to monitor through surveys at the citizens' level, and the Corruption Perception Index shows to be reliable over time. Administrative corruption is the term I will use in this thesis.

Administrative corruption in Mexico has been a huge challenge for governments; its consequences have a wide variety, such as poor economic growth, low development, and poor economic investment. It also undermines the quality of democracy. From 2002 through 2011, Transparency International ranked Mexico at the 100<sup>th</sup> of 183 countries that were monitored on how clean public

sector was perceived to be. On a scale from 10 (highly clean) to 0 (highly corrupt), Mexico received a score of 3 in the Corruption Perception Index (Transparency International, 2012). Many developing countries also have been ranked with a high corruption level, most of them in Latin America and Africa. Corruption can be an economic and governance problem, which is manifested in all development and service delivery sectors (Spector, 2005).

According to the Secretaria de la Funcion Publica (2008), it is easier to control administrative corruption with anti-corruption measures, such as the elimination of unnecessary procedures that the federal government instituted after former president Vicente Fox took office, simplification of payments or paperwork procedures, and increasing government accountability and transparency. With administrative corruption, governments can experience a large loss of revenues. In Mexico, the cost of corruption exceeded \$2,540 million in 2010, an amount that is equivalent to a yearly government budget for a state such as Sinaloa (Transparencia Mexicana, 2011) which in 2010 had a total population of 2,466,036 (INEGI, 2010). To compare this amount, for the same period, the state of Chihuahua had a yearly budget of \$3,309 million with almost the same population (Chihuahua, 2011).

In Mexico, all levels of government experience corruption. In 2012, an anti-corruption law was approved by former President Felipe Calderon Hinojosa to be used only in federal public works hiring, leaving out each entity or municipality. The U.S. Department of State states in its 2012 *Human Rights Reports: Mexico* that in the last six years, Mexico's SFP started 50,000 administrative sanctions against public functionaries for corrupt acts but only 100 served prison penalty for their acts (U.S. Department of State, 2013). However, public officials continuously engage in corrupt activities with impunity and only few cases have come to trial, making corruption one area where the lack of law enforcement considerably undermines the state revenue, development and performance. This creates other serious problems, such as low foreign investment, poor economic development, and the necessity to raise taxes on the middle and working-class people.

Although one might think administrative corruption is less harmful than political corruption because of its smaller scale. But its consequences can be worse. For example, think about a construction permit to build a daycare. In June 3, 2009 in Hermosillo, Sonora, a private daycare with state-run contract caught fire. The daycare service was part of the contracts given by the Instituto Mexicano del Seguro Social (IMSS, Mexican Institute of Social Security). In this accident, 49 children between five months and five years old died. The security norms that are supposed to be met by the daycare were not according to the standards imposed by the IMSS law. The operation permit had been granted to a couple of cousins of former president Felipe Calderon's wife, Margarita Zavala, and to a former high-level official of Sonora government, none of whom were punished (Monreal, 2013). In this case, many corruption types can be present, including administrative, judicial, and political corruption. Also, this is a good example of how administrative corruption has a direct impact on citizens even when they were not involved in the corrupt activity. There are many cases like this, such as the construction of a freeway, a hospital, a school, and a drunk driver bribing an officer so that his or her driver's license is not revoked.

An important factor to be analyzed in relation to corruption is the income inequality experienced by the country. Income inequality is high in Latin American countries (Morley, 2001). For example, in Mexico in 2010, half the population was living in conditions of poverty, and the top five percent were earning 52.7 times more than the bottom five percent from 2000 to 2005 (CONEVAL, 2005). Creating huge differences among population, which can be reflected in the way of how some citizens comply with government requirements. Thus, income inequality is not a small issue within a country that is constantly fighting against corruption. However, ironically, corruption will not diminish if the inequality persists. This is one reason to analyze the relationship between these two variables in order to contribute to the available information about corruption and how to fight it.

Analyzing income inequality as a cause of corruption is important even at the international level. Mexico has ratified many international treaties against corruption which forces the government to consider measures to achieve goals on those treaties. Furthermore, Mexico is a member of international organizations, such as the United Nations, the Organization of American States, and the Organization for Economic Cooperation and Development, among others. Those organizations set certain goals that countries must achieve in a certain time frame. For example, the United Nations Development Program's the Millennium Goals helps member countries to implement measures which trigger economic development and growth, including fighting corruption. The aim in this thesis is to analyze the significance that income inequality has over administrative corruption because research in this type of corruption has been scarce, compared to that on political corruption. Besides, it is an activity performed by ordinary citizens.

## **1.1 DEFINITIONS**

To better understand the analysis of this research some concepts must be clear. As stated above, many types of corruption can be present in life. For this thesis, I focus on corruption in the public sector that occur at the state level. Chapter 3 discusses why this thesis does not include the federal level corruption. Corruption is commonly defined as “the abuse of entrusted power for private gain” (Transparency International, 2009:14). Despite being the commonly used, it is not enough to define administrative corruption. I define administrative corruption as follows: *administrative corruption refers to everyday abuse of entrusted power by low- and mid-level public officials in their interactions with ordinary citizens.*

In the administrative corruption definition, the key element of “public official” is present because without it the illegal act cannot be considered as administrative corruption. Public official is a term that can have many different names such as public employee, public servant, government worker, public functionary, bureaucrat, and so on. Maria de los Angeles Gual defines public official in the Gamboa and



Valdez (2007), Congress report as "Everyone incorporated into the public administration for a professional service relationship and paid, regulated by the Administrative Law". Her definition is good, but not enough; she refers to professional service but there could be services that are not professional and yet paid by the state. Luis Humberto Delgadillo (2001) offers another definition: he says that a "public official is the characteristic given to a person who is performing a job position in favor of the state". His definition refers to any type of government employee, regardless of the level or position. Still, his definition does not include monetary compensation. In Mexico, many laws make references to government employees and what they have in common is the salary paid by government. Then, the expressions public official, public servant, and bureaucrat can be used to distinguish *a person that works in any government level and receives a salary from the state.*

## **1.2 OVERVIEW OF THE THESIS**

Chapter 2 of this thesis reviews the literature on the relationship between income inequality and administrative corruption. Furthermore, some considerations about administrative corruption are provided. Later, the theoretical framework about income inequality and administrative corruption is offered based on the institutionalist theory and its different approaches that can better explain this relationship in the case of Mexico. Also, the hypothesis for income inequality and administrative corruption is provided. I argue that income inequality creates opportunities to generate administrative corruption due to expensive services and excessive government requirements.

Chapter 3 deals with income inequality and administrative corruption's development and trends in Mexico. Also, a historical background about the federal government's aims to fight administrative corruption from 1982 to 2012 is provided, to shed light on the differences between federal and state level services, monitored by Transparencia Mexicana. The division of these services helps to understand the interest to focus on services provided at the state.

Chapter 4 presents empirical analyses divided in two major sections, the first section presents a quantitative analysis of income inequality and administrative corruption. The second part conducts a qualitative analysis of the seven a states to further examine the hypothesized relationship. It shows how those states have very different ways to manage their economic resources and institutional performance which can impact the income inequality relationship with administrative corruption.

In chapter 5, the conclusion to the thesis, shortcomings, further research and recommendations in the topic are provided.

## **Chapter 2**

### **Income Inequality as a Cause of Administrative Corruption**

#### **2.1 INTRODUCTION**

Literature on income inequality as a cause of corruption provides an overview of how this relationship can work. Despite the fact that there is not much research in this area, the research that is available provides a good overview to maintain the debate on this relationship. Authors use different mechanisms to explain or assess the relationship. For this reason, I will discuss in this section literature available on income inequality as a cause of corruption. This relationship is not only rarely studied by researchers, but also hardly analyzed within a country. Its assessment can be different from cross-national studies.

In the second part of the chapter, I define administrative corruption with the intention to determine the difference between the political (or grand) corruption and administrative corruption. In the last part of this section, the theory and the hypothesis on this relationship will be explained.

#### **2.2 LITERATURE REVIEW**

Husted's (1999) article examines the impact of national wealth, income distribution, government size, and cultural variables. He argues that income distribution and corruption have a difficult relationship; on one hand corruption tends to widen inequalities, and income inequality tends to promote corruption. The mechanism included by Husted refers to middle class empowerment, in which middle-class people have the possibility to fight corruption through social and civil organizations. His research hypothesizes that the greater the income inequality, the higher the level of corruption. Although his research found GNP per capita to be a significant factor for corruption, he states that GINI coefficients

were not available for high income economies at the time he did his research. In addition, he states that income distribution could be correlated to the level of economic development.

Eric Uslander (2009) argues that corruption is rooted in income distribution inequality, making it the perfect environment for illegal activities. He uses trust in government as a mechanism in which income inequality and corruption are connected, creating an indirect path to corruption. The argument in his analysis shows a cycle between inequality and corruption, which he calls the “*inequality trap*” (128). The economic sources of corruption are negative for him. He posits that economic distribution, trust, and corruption are sticky and do not change much over time. He also remarks that inequality does not affect all types of corruption. He differentiates between grand corruption and petty corruption, the later is more affected by income inequality. He argues that petty corruption does not enrich those who practice it. Also, income inequality creates corruption in many ways. Inequality is detrimental to property rights and enables the rich to subvert the political, regulatory, and legal institutions of society for their own benefit. The author continues to explain how income inequality breeds corruption through clientelism and patronage. Moreover, inequality leads to a low generalized trust in government that creates more corruption. He argues that an inequality trap cannot be changed easily because it has other consequences, such as feelings constraints, making citizens behave in a cheating mode against government. His method of analysis was a multivariate regression on 85 countries, showing an insignificant relationship between income inequality and corruption. In other models where former communist's regimes were excluded, he found a moderate effect.

Other research in which this relationship is analyzed is called *A Comparative Study of Inequality and Corruption* by You and Khagram (2004). The authors argue that income inequality leads to corruption through some material and normative mechanisms, pointing out that corruption is a function of motivation and opportunities in which the rich not only have greater resources to buy influence, but can also employ legal lobbying, political contributors, and bribery to influence the law making process.

Their analysis includes the GINI coefficients available for 129 countries, the Corruption Perception Index (CPI), and political risk. As control variables they use trade openness, natural resource abundance, democracy, federalism, religion, legal origins, and ethno-linguistic fractionalization. Using an Ordinary Least Squares regression, they found that in some models, income inequality has a significant relationship with corruption. However, after controlling for other variables, this significance disappears. All of these authors agree that economies in transition or less developed countries tend to experience high income inequality, which in turn leads to corruption. Most of these studies analyze cross-national cases, some of them with lack of information that leads to inconclusive results. They do not provide any within country analysis. This thesis does exactly this with an analysis of the effect of income inequality on administrative corruption within a single country, Mexico.

The replication within Mexico's states, of the *You and Khagram's* research was done by Salmón (2013). The author does not find any significant relationship between the two variables although he does not include many variables and gives justification to do that. With it, he only used four variables GINI per state, Gross Domestic Product per state, government size (number of government employees per state), and economic development measured with the income index provided by the United Nations Development Programme in the Human Development Index report. For the methodology, he uses a correlation analysis, he ran ten models in which the hypothesis was rejected, and only the government size for the Federal District and State of Mexico were significant in the relationship. This methodology and variable selection could be questioned, because he only ran a correlation analysis, besides uses GINI coefficient and Human Development Index (HDI) indistinctly to compare income inequality among Mexican states.

### **2.3 ADMINISTRATIVE CORRUPTION**

Corruption is a very difficult concept to define. Everyone lives it and perceives it, but it cannot have a single and clear definition. There are many types of corruption. Since ancient times, corruption

has been present in many ways. The word corruption came from the Latin word *corrumpere*, which means to rot, deprave, or damage, and is an action in which at least two people are implied (Heróles, 2008). However, the best known definition of corruption is provided by Nye (1967) who considers it as the abuse of public office for private gain. Another definition is given by Goldsmith (1999). He argues that political corruption can be divided into petty and grand corruption. The former involves minor graft by low level public officials, and also is known as administrative, petty or bureaucratic corruption. The latter involves major thievery by political leaders. Sánchez (2012) also differentiates between political and administrative corruption. According to the author, political corruption is committed by politicians, while administrative corruption is only committed by bureaucrats. Thus, administrative corruption is considered the illegal private gain obtained by government employees in exchange for a service. Administrative corruption involves the public official or administrative government employee and the citizens who are looking for the possibility to speed up or avoid some legal requirements to obtain service. Civil society identifies public officials as the center of corruption, and there could be some logic to this, because government positions, such as public officers, are used by politicians to pay campaign favors which also serve as administrative cliques. Thus, commitment to perform a good job is compromised (Sánchez, 2012, p. 20).

Administrative officials run the risk of serving clienteles and bureaucratic cliques through administrative corruption. Cultural and family-related values are used to increase these illegal practices among public officials with the aim to help obtain a service without following the rules. Sánchez (2012) considers administrative corruption as the abuse of power constituted authority, because this kind of corruption promotes practices which can harm the institution's development and performance and is considered a part of weak political systems, with low institutional development level, where legality, responsibility, public service culture, authority, incentives and sanctions are not based on rule of law.

Moreover, corruption in its different manifestations is considered a peril to democratic regimes which weakens the stability of a country.

## **2.4 INCOME INEQUALITY AND ADMINISTRATIVE CORRUPTION IN MEXICO.**

The institutionalist theory explains how income inequality and administrative corruption can operate. I focus on this theory, because it has approaches that can explain the hypothesis stated further in the chapter. This theory helps to understand how government institutions are organized, their institutional values, objectives, and goals to be a good government administration. Because administrative corruption is closely related to institutional development, institutionalism can explain why some people prefer to obtain a service through corruption. We can understand causes and motivations in an institution which make actors engage in illegal activities. North (1991) argues that institutions are the rules that provide low cost and incentive to decentralized decisions. He also differentiates between formal and informal rules. The former are those established by the same organization and the latter can be considered as cultural or traditional practices carried out unconsciously in society. Moreover, some authors such as March and Olsen (1989) argue that these rules are not formalized as law or other written regulations and are considered as routines, customs, compliance procedures, habits, decision styles or even social norms. Institutional theory is silent on the causes and consequences of political institutions; it considers the political values of liberal democracy (Rhodes, 1997). Among the most accepted values included in this type of democracy is a closely controlled government with professionalized government staff and personnel.

### **2.4.1 Sociological Institutionalism**

Hall and Taylor (1996) states that sociological institutionalism not only defines normative rules and procedures, but also moral templates that frame guiding human action. With this same idea, Rakner and Randall (2011) argue that sociological institutionalism has a tradition in sociology which is

concerned with how collective institutions establish forms of social control over individual action. John Meyer (2008) emphasizes causal structures rooted in culture being subject of different interpretations. He makes an assessment of institutionalization through the four most important ideas causing stability or change in modern institutions. First, modern state and society's institutional models are created by actors and participants that do not belong to the government. Second, the states and other organizations tend to reflect institutional models in a standardized way with not only different resources but powers and interests around the world. Third, institutions, states, and organizations have same models. Fourth, institutional models can have strong fuzzy effects on the orientation and behavior of participants in organizational life. Meyer's ideas are useful to identify that some situations are present in a different way in Mexican institutions, which are providers of a service to citizens and is supposed institutions may reduce transaction costs. It is becoming difficult for the government to change those models with identified illegal patterns.

Institutional development and performance is an important way to understand how some individuals behave in order to obtain a service, making these practices a constant and recurring action that citizenry learn. When those actions are not efficient, with illegal practices such as corruption, they continue over time making those practices difficult to erase or change from the system. Although social control can be established as a cultural or traditional behavior, administrative corruption can be pervasive.

#### **2.4.2 Rational Choice Institutionalism**

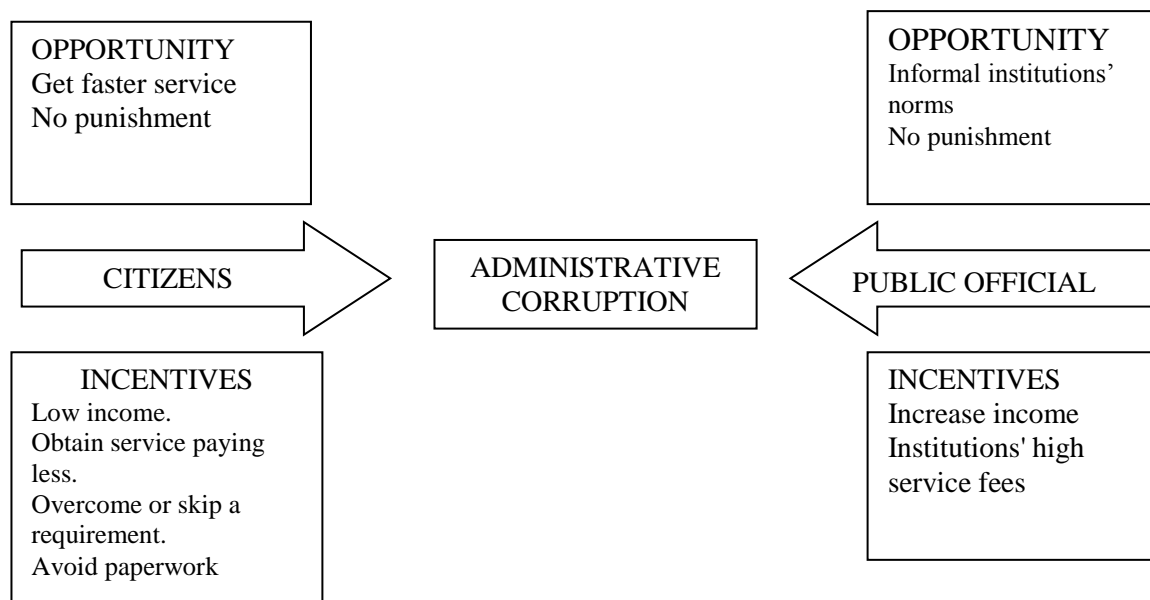
Hall and Taylor (1996) argue that rational choice institutionalism arose from the study of the American congressional behavior to explain stability in Congress. They posit that rational choice institutionalism draws analytical tools from the new economics of organization, emphasizing the importance of property rights, rent seeking, and transaction costs to the operation and development of institutions. The rational choice theory is mainly based on economic factors, to maximize scarce



resources. In this sense, both institutions and individuals try to maximize their economic resources. Since corruption has to deal with the individual's resources maximization, even though they are working or not in an institution, this theory helps to understand corruption mechanisms.

The main argument for this theory will continue to be the maximization of economic benefit and an individual's motivation to behave in certain way. Still, public officials can be molded by institutional norms. Public official have the voluntary decision to adhere to the institutional norms and values. Additionally, public officials need to begin to learn the rules (formal and informal) and values within institutions if they plan to succeed in their job (North, 1990).

I posit that opportunities and a set of incentives motivate corruption. This can work on both sides of the transaction. On one hand, citizens have more reasons to offer a bribe when their documents are not according to legal requirements. On the other, legal requirements can be excessive or expensive, creating the opportunity to public official, in which by a rational decision, seek to maximize their personal income asking for a bribe. Figure 2.4.2.1 helps to explain how citizens and public officials have motivations to engage in administrative corruption. The low probability of being punished for committing the illegal activity increases bribery between citizens and public officials.



**Figure 2.4.2.1 Administrative corruption incentives and opportunities relation between citizens and public official.**

In countries with great income inequality such as Mexico, people on either side of the income inequality scale can engage in corrupt activities. For poor people, corruption can work in two ways. First, the lack of opportunities to have a well paid job can make people look for other revenues through illegal practices to cover their basic needs. Second, due to individuals' rational choice, people prefer to spend less money or obtain service in a more "efficient" way when the requirements are not met, such as birth certificate and driver's license. Furthermore, a request of service of basic needs, such as water, energy, or car renewal registration requires one to present a property bill (proof of address), which in most of the cases poor people do not have. Thus, their only option to receive public service or comply with legal requirements may be to bribe officials in order to circumvent the requisite to present official documents to obtain public service. On the other hand, for the wealthy people the economic position they hold makes it easier to bribe officials to maintain their economic status, when dealing with government officials to obtain operation's licenses or services over other people. In the poor people's case, they will use bribery as a cheaper and fastest method to do paperwork; they are not using

corruption to increase their wealth, but to make things cheaper, faster and easier. Moreover, for workers missing a working day doing government paperwork is more costly than the bribe they are giving. For the wealthy people, corruption is a profitable business which helps increase their income, and greater political influence. Following John Friedman's empowerment theory (1996), low income people lack social empowerment and job security, which will in turn lead them to look for other sources to obtain basic services or avoid law enforcement through bribes.

For public officials, their opportunity to accept or ask for a bribe is higher when institution's norms are informal allowing corruption cases, or when the punishment is not efficient. Also, public officials try to obtain more income when the salary is low. Public officials can see the opportunity to ask, in a polite manner, for a bribe when they know that services offered by the government are not efficient, the paper work is tedious and expensive, or when the citizen does not have certain documents, such as a valid driver's license or a missing car's license plate. In this last case, both sides of the relation (citizen and public official) are trying to make a "good deal".

## **2.5 Hypothesis**

In higher income inequality societies exist few rich people and many poor people, this difference in the population creates difficulties for poor people to obtain an expensive service or comply with government requirements legally. Also, rich people find motivation to speed up a government process or to circumvent other requirements to obtain a service. From the above discussion, the hypothesis I posit is as follows:

H1: Income inequality is positively associated with levels of corruption.

Income inequality creates in poor people the necessity to obtain an expensive service without having all legal requirements in exchange of a bribe offered to the public official. For the wealthy, administrative corruption is the opportunity to obtain the service in a faster way, avoid long lines and lose time.

The analysis in this thesis can help to demonstrate that income inequality is an important topic for governments in less developed countries. To reduce corruption levels, governments should pay attention to income inequality, government services requirements, services and fine's fees to be affordable to all citizens. Also the paperwork requirements should be clear, easy, and available for everyone to avoid a shortcut through administrative corruption.

## **Chapter 3**

### **Income Inequality and Administrative Corruption in Mexico**

#### **3.1 INCOME INEQUALITY IN MEXICO**

Income distribution is an economic topic related in many ways to government performance and has attracted much attention in social sciences, including political science. However, many countries do not have an equal income distribution, creating social problems such as poverty, low government revenues, low levels of education among the people, and low productivity. Economic development is meant to improve the well being of the majority of the population (Hernández, 2013), but is seldom achieved in less developed countries. In his article, Hernández compares Mexico's level of development with similar countries such as South Korea and Singapore, noting that in 1950, those countries had lower gross domestic product (GDP) per capita than Mexico. However, today the GDP per capita is almost four times that of Mexico. Hernández explains that the growth level of those Asian countries was constantly high while Mexico's growth level remained stagnant for more than twenty years. This stagnation resulted in less development and more poverty, and a wider gap between people with high and low incomes. A pyramid with few very rich people at the top and many poor people at the bottom would describe the situation well.

In Mexico, after the modernization process, poverty rose in most rural areas; also poverty grew in some urban areas (Gil, 1980). Poverty by itself is difficult for government and rest of the population to whom taxes increase in order to provide more social programs and reduce poverty. But when poverty and administrative corruption are combined the problem becomes important due to negative effects that can create together. Both issues are the most important topics in the agenda setting of Mexican government. Moreover, the GDP per capita does not show the real income of the people. Nonetheless, the Consejo Nacional de Evaluación de la Política de Desarrollo Social (CONEVAL) reports in 2012

that the country was experiencing a reduction in the inequality gap and that the GINI coefficient decreased from 0.543 in 1992 to 0.499 in 2010. Another way to show unequal income in a country is through the means of the income percentage difference between the bottom 10 % and the top 10% (see Table 3.1 below).

**Table 3.1 Income gap and GINI coefficient**

<b>Year</b>	<b>Income Gap Percentage</b>	<b>GINI Coefficient</b>
<b>1992</b>	2412%	0.543
<b>2000</b>	2482%	0.553
<b>2005</b>	2224%	0.517
<b>2008</b>	2179%	0.530
<b>2010</b>	1919%	0.499

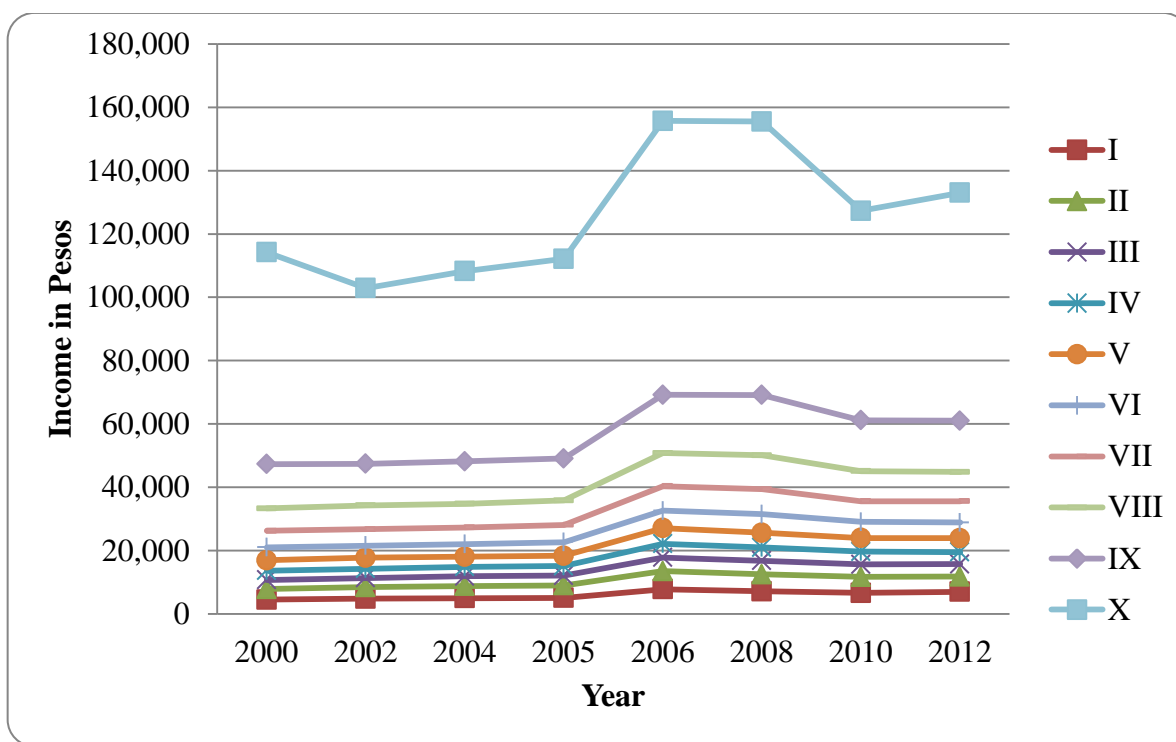
Source: The author's compilation based on CONEVAL (2012).

Note: The income gap percentage is based on the net income average per household per quarter. The GINI coefficient uses net income per capita for its integration.

Income distribution still is one of the main topics of interest and challenge for Mexico's federal government. Fernando Cortés (2010) explains that in 2002, even though the GDP per capita was lower than in previous years, the country experienced a poverty reduction due to a more equal distribution of the income. However, what we observe in Figure 3.1 is that the top 10% saw a reduction of their income in 2008 just as the other categories. The year 2010 was a recuperation period only for the top 10 % while the other groups maintained the same income level.

To understand Figure 3.1 better, we must keep in mind the population that is considered in every decil. From the first to the third decil, there are people who live in rural areas and small municipalities, comprising families of 5-6 members with very low income. However, this category does not just belong

to rural areas; sometimes poor people who can be included in this category are also found in urban areas. From the fourth to the seventh decil, there are families who live in towns with 2,500 inhabitants and the average household size of 5 persons. These people typically work in the industry for low wages, which is mostly used for basic needs as food. In the eighth and ninth decil is the middle income class, living in urban areas with higher incomes, and with the average household size of 4. They work as clerks, merchants, vendors, sales agents, personnel control at the manufacturing industry and craft activities, in personnel services and utilities, and as professional and technical workers as well. The last decil, the tenth, features the high income class in which the families have an average of 3.5 members. Most of these people are businessmen, government employees with higher job positions such as legislators and ministers, prominent professionals, and associate workers in firms. In Figure 3.1 we can see the huge gap between the tenth and ninth decil.



**Figure 3.1 Total current income household average in deciles per quarterly in pesos.**

Source: INEGI, Encuesta Nacional de Ingreso y Gasto de los hogares 2012 (ENIGH).

Clearly, Mexico has a huge challenge in making income distribution more equitable. Since the 1980s, the country has been trying to reduce income inequality and succeeded to an extent in 2010, thanks largely to government expenditure in social programs, rather than more even income distribution. In 1990, government expenditure on social programs was about six percent and in 2010 it was about 11 percent, with the new social policy that transfers economic aid to the vulnerable population (Cortés, 2013). However, there is still a huge income gap between the upper class and the middle class, or the tenth and ninth decils; but the most important difference is between the upper class and the low income class which is enormous. The 2013 report for poverty and income inequality, CONEVAL shows how the percentage of vulnerable population by income rose from 5.9 percent in 2010 to 6.2 percent in 2012 (CONEVAL, 2013).

### **3.2 ADMINISTRATIVE CORRUPTION IN MEXICO**

Mexico has experienced some structural, economic, and political changes over the last decade which contributed to its economic development. However, corruption has always been present and has had a direct impact on the country's development and performance. Some of those changes are related to how things should be done in the country, requiring excessive paper work. This complexity contributes to illegal activities. Many of the government requirements for service, or a permit to do something, is complicated when complying with the law. This motivates certain people to circumvent the legal process and do it through illegal means, generating corruption. Institutions make corruption an ordinary and frequent practice among citizens. Mexico is a country with low transparency. According to International Transparency (2013), it has low corruption enforcement and low control of corruption, which in combination is the perfect environment for some people to do business in an illegal way.

Corruption has been analyzed from different approaches and researchers concur that this practice erodes democratic state performance. Corruption is rooted in government practices but at the same time citizens have direct impact over it, because corruption is used to obtain some benefits, such as services,



permits, or even avoid paying a fine. Some authors such as Tomasini (2003) argue that corruption is an evil with many manifestations, and is difficult to combat with only one action; so it has to be attacked on different fronts. Between those actions, the author emphasizes the political actions to fight corruption as the most important because decisions are made in government and political elites. In Mexico, over time, individual corruption evolved into a systematic administrative corruption and in some cases "hyper-corruption"(Sánchez, 2012). Hyper-corruption does not change the meaning of corruption; it only makes reference to the magnitude of illegal practices which Moreno (1993) differentiates as a generalized and systematic corruption.

Since the 1980s, many anticorruption institutions have been created to fight administrative corruption without success. The hegemonic party the PRI (Partido Revolucionario Institucional) used anticorruption discourses to maintain the party's cohesion. However, administrative corruption remained as part of the government, and as a consequence, democracy could not be achieved. Sanchez (2012) argues that where public administration is, there also is administrative corruption, particularly with public officials using their position to obtain illegal gains. Moreover, he posits that governments must work harder to cut administrative corruption and strengthen institutional performance. However, few efforts were made by presidential administrations during the one-party period. Later, with Vicente Fox and Felipe Calderon, there was an alternation of party from the PRI (Partido Revolucionario Institucional) to the PAN (Partido Acción Nacional), with this shift some changes were made but they were not enough to effectively combat corruption. The next section discusses these changes.

### **3.2.1. Miguel de la Madrid Administration (1982-1988)**

Miguel de la Madrid received the administration with previous huge corruption scandals. Even though he was part of the hegemonic party, his presidential platform was aimed to reduce corruption perception with the slogan, "Society's Moral Renewal." His administration worked on three fronts: prevent public official's corruption; identify and sanction corruption; and reinforce national values to

avoid corruption. These three actions required many changes of the public administration, including legal changes. The national Constitution was amended in its title IV on Mexican Citizens, with the intention to create the first law regarding public officials' responsibilities. The same happened to the national criminal code and Federal District criminal code. Finally, a federal agency, the Secretaría de la Contraloría General de la Federación (SECOGEF, Secretariat of the Comptroller General of the Federation) was created to investigate all cases related to public officials. This office had many internal control instruments such as accountability (Sánchez, 2012), and due to the importance of administrative corruption, it was in the government administration agenda to gain the society's trust and approval by fighting corruption.

This last agency, SECOGEF, has changed its name a few times. It was called the Secretaría de Contraloría y Desarrollo Administrativo (SECODAM, Secretary of Comptroller and Administrative Development) under President Ernesto Zedillo, and later changed again to the Secretaría de la Función Pública (SFP, Public Service Secretary) under President Vicente Fox. The importance of this agency is only at the federal level; it is in charge of all federal public officials' performance. Unfortunately, most of the corruption cases occur at the state level where this agency has no jurisdiction. However, it is the only institution that imposes sanctions on federal public officials when they are caught in illegal activities. Another benefit of the creation of this agency is that it gave more transparency to government expenditure. Although the autonomy of this agency from federal government could legitimate their performance and actions, it is still considered as not reliable in corruption cases

The actions taken during Miguel de la Madrid's administration were intended to control more public officials with informed citizenry that can denounce abuses by government officials. The efforts were not enough, as Mexico was still in one party system with a less democratic regime where public officials were not punished for illegal acts since all the legal system was subordinated to presidential decisions.

### **3.2.2 Carlos Salinas Administration (1988-1994)**

During his administration, Carlos Salinas' efforts were aimed to legitimize his government, considering that his election was questioned with allegations of electoral fraud. The efforts against administrative corruption were not as important as those actions taken by the previous administration. The most important changes were the followings. First, amendments to the Law of Public Officers Responsibilities were made in 1991. Second, the Administrative Simplification Program was published. Finally, the Social Comptroller in the "Solidaridad" program was established. The last is the most important action because it made the public resources more accountable. However, the administrative simplification program was part of the modernization stage which was created in order to provide better services to the citizens. This program, controlled by the Secretariat of the Comptroller General of the Federation (SECOGEF), had five objectives: first, strengthen economic modernization of the country; second, consolidate a public administration culture with efficiency and productivity; third, provide a better service quality; fourth, give more transparency to government performance; and fifth, forge a closer relation between federal government services providers and their users.

Regarding this last issue, the modernization of service providers included reduction in paperwork. Government services started to ask for fewer requirements, in a clear, accessible and simplified way, with modern and faster methods. Despite these actions, overall administrative corruption did not lessen, but only increased due to some neoliberal policies, such as selling state owned companies, where the public officials were the beneficiaries of the administrative corruption, and businessmen also receive a share of the corruption (Sánchez, 2012).

### **3.2.3 Ernesto Zedillo Administration (1994-2000)**

During his administration, Ernesto Zedillo gave orders to all federal agencies to strengthen internal controls in order to reduce administrative corruption. Included in these efforts were some changes in the public administration law of 1997, in which the SECOGEF could name and remove

freely comptrollers in charge of auditing, and process complaints against federal agencies workers' performance. With a wider set of functions the secretariat was able to increase control and prevention against administrative corruption.

With these changes, the Secretariat of the Comptroller General of the Federation switched its name to the Secretaría de Contraloría y Desarrollo Administrativo (SECODAM, Secretary of Comptroller and Administrative Development). It performed three important activities: the inspection of public expenditure according to the government budget approved by Congress, the establishment of the law to audit federal agencies, and last, the registration of public officials' property declaration. The creation of the Programa de Modernización de la Administración Pública (PROMAP, Public Administration Modernization Program) was another action taken by the federal government. This program had two main goals: first, provide an effective public administration service to citizens; and second, fight administrative corruption and impunity through preventive actions. It was necessary to divide the program in four subprograms, such as citizen participation and service, administrative decentralization, measure and evaluation of public performance, and ethics of public officers.

The creation of all these systems gave a basis to President Zedillo to start using internal control systems inside the public administration. However, those systems were applied discretionally and not all cases were sanctioned; impunity began to be present in the recently created institutions (Sánchez, 2012). Moreover, sanctions regarding of administrative corruption were spread over multiple public administration codes; with this, starting corruption process against any person was difficult. The government's effort to reduce corruption was not enough. Yet in comparison with the Salinas' administration Zedillo's administration was more successful.

### **3.2.4 Vicente Fox Administration (2000-2006)**

President Vicente Fox was the first opposition party government after the hegemonic single party period. His rhetoric was always against corruption. For this reason, his administration started with the

same enthusiasm as that of President De la Madrid. Fox's administration was focused on fighting administrative corruption, and made many changes. The five most important changes include:

1. The introduction of good public administration and honest government in the presidential agenda.
2. The establishment of federal law of administrative responsibilities of public administration officers;
3. The creation of the program against corruption to promote transparency and administrative development;
4. The creation of the good governance index in 2001 based on the corruption perception index developed by Transparencia Mexicana; and
5. The creation of three new laws: professional career service law, transparency and access to public administration information law, and the public officer administrative responsibilities law with an internal control approach.

The public officials' law helped to create internal controls to professionalize public service with transparency and accountability, and introduced the checks and balances system among federal public administration. President Fox's administration decided to fight administrative corruption, besides all the normative changes. His administration launched a very strong program named "No más Mordidas" (No more Bites) in which the Public Function Secretary (SFP, SECODAM in previous administration), worked jointly to investigate all complaints against public officials. Unfortunately, it was not enough and administrative corruption was pervasive. There was not only one corrupt political party but all were corrupt (Rives, 2009).

### **3.2.5 Felipe Calderon Administration (2006-2012)**

President Calderon's administration did not have administrative corruption as one of his main priorities and the lack of strategies against administrative corruption was the great failure during his

administration. This administration was similar to that of President Salinas in the sense that both wanted to legitimize their government due to the allegations of electoral fraud. In order to fix the lack of actions against administrative corruption, the government announced in 2011 severe sanctions on private sector members engaged in corrupt activities. The federal government also offered economic incentives to snitches to denounce illegal activities. These two actions were a last moment announcement and did not have an operational plan. Without an efficient law enforcement system to guarantee life or personal security of participants, neither could work.

The change of the incumbent political party from the PRI to the PAN was seen by most of the citizens, as the light at the end of a tunnel full of hope to fight one of the most pervasive evils in Mexican governments. Instead, it brought more corruption. Yet, Transparencia Mexicana's indexes show that most of the corrupt activities happen at the state level. Federal government efforts to control or diminish administrative corruption are not enough. Federal entities are autonomous in the use and distribution of their economic resources obtained through services paid by citizens or state's taxes. Most of the federal entities lack corruption fighting programs and transparency laws as well. That is one reason why federal government started to stress the governors to institute new laws to ensure transparency and accountability in local administrations. To make a clear point about this situation, in the next section I explain more about services measured by Transparencia Mexicana.

### **3.3 ADMINISTRATIVE CORRUPTION IN MEXICO AT THREE LEVELS**

Mexico's has three levels of government: federal, state, and municipal. The country's administrative organization must be considered when we try to identify which services are monitored by Transparencia Mexicana to be more corrupt. Transparencia Mexicana uses an index called *Índice Nacional de Corrupción y Buen Gobierno* (INCBG, National Index of Corruption and Good Government). The organization monitors 35 areas of service, of which only seven belong to the federal public administration, 17 belong to state or municipal level, and six services can be done at both, state

and municipal levels. Three services are not specified by Transparencia Mexicana's methodology, and the last two services belong to the private sector.

### **3.3.1 Services Offered by the Federal Public Administration**

The seven services managed by the federal public administration are: mail delivery, military service papers, grants related to social programs, such as PROCAMPO and PROGRESA, get a passport, obtain a credit from INFONAVIT, (worker's loan to buy, repair or improve houses), reconnection or installation of energy service (provided by Comisión Federal de Electricidad or CFE), and introduce merchandise through borders.

These services are provided by the federal government throughout different federal institutions located in every federal entity, based on delegated functions given by Article 124 of Mexico's Constitution. Its division is important because the Transparencia Mexicana Index only shows the results, and if we do not know who provides the service, federal, state or local government, we may think that all services belong to the federal government. Most of the services provided by the federal government are showing lower corruption scores than those administered by state or local governments. The energy service is perceived to be the federal service with higher corruption scores, and states are not authorized to provide the service. In 2000 it was about 10.7 and for 2010 it reduced to 7.06, on a scale from 0 – 100 where 0 is no corruption. Perhaps, the ease to pay for the service indicates low perception of corruption. Also, the federal government has the Public Function Secretary (SFP), the institution in charge of complaints against federal employees, which sometime deter officers to accept bribes or commit other illegal activities. This is one reason to focus in state level services where corruption perception is higher.

### **3.3.2 Services Offered at the State-Local Level**

The state level services count up to 17 including: property tax payment, water utilities services, water utility reconnection service, vital records, real property registry, vehicle registration services, driver's license services, other vehicle services, vehicle's emission verification, business licenses and permits, construction permits, water supply by tank truck, waste services, work or sell on the streets,

recover stolen car or towed car from city impound lot, park in disabled places without appropriate permit, and avoid a transit ticket.

Most of these services are vehicle-related and show to have higher corruption perception scores. In the list above they are ordered from less to more corrupt. The vehicle related services are managed by federal entities such as driver's license service, but other services such as transit fines correspond to local administration. This thesis considers all of these as state-level administrative functions.

### **3.4 CONCLUSION**

Income inequality, as shown before, is very important since a great part of population is below the ninth decil and the gap between the tenth and ninth decil is huge, so we can imagine how colossal can be the gap between the tenth and lower decils. It constitutes a perfect environment for administrative corruption which aid lower income people to obtain services in a faster and cheaper way.

Administrative corruption has garnered attention by most Mexican federal governments, but with no effective result. Moreover, administrative corruption is also considered less important than political corruption. However, its reduction is critical for democratic consolidation. Regardless of the changes in laws and other government agencies, corruption is still present and state governments do not see it as a local problem. Some state governments use rhetorical speeches against administrative corruption but do not consider real actions against this evil. Furthermore, state governments show, in the corruption index, to have higher perception scores in vehicle related services. This is an important reason to analyze the causes that create administrative corruption at the local level. To clarify this relationship, in the next section the empirical case within a country will be analyzed.



## **Chapter 4**

### **Income Inequality and Administrative Corruption Empirical Analysis**

#### **4.1 RESEARCH DESIGN**

The project conducted a quantitative analysis of corruption and a case study of a sample of Mexican states to test the hypothesis presented in Chapter 2. For the quantitative analysis I performed a multiple regression analysis on the Index of Corruption and Good Government (INCBG) as the dependent variable. The independent variables include Gross Domestic Product per capita, government expenditure, the GINI index, and the incumbent governor's political party. For the qualitative analysis, a survey of web pages was conducted to find reasons why citizens prefer to bribe officials rather than do paperwork. A comparison of legal requirements is also performed on the selected states.

In the first part of this chapter, I will describe the variables for the statistical analysis. I will then discuss the results obtained in the regression analysis. In the second part of this chapter I will present the matrix used to compare vehicle-related services offered by states governments. These services were selected because they showed higher scores in the Index of Corruption and Good Government (INCBG, Índice Nacional de Corrupción y Buen Gobierno), which indicates the areas of public service where corruption is more widespread.

##### **4.1.1. The Dependent Variable**

As the dependent variable, I use the Index of Corruption and Good Government created by Transparencia Mexicana. I refer to it as CPI, the Corruption Perception Index, in the subsequent analysis. This index assesses the corruption perception among 35 government services, as explained previously in Chapter 3. This index was created for the first time in 2001, and is available for the years 2001, 2003, 2005, 2007 and 2010; these constitute my dependent variable. Transparencia Mexicana

measures the frequency in which Mexican households paid a bribe to have access to services or to avoid fines. More than 15,300 households were interviewed in the country every year with available information. The database reported that more than 200 million corruption cases occurred among services<sup>1</sup> in 2010 (Mexicana, 2011). The measurement scale is from 0 to 100, where 0 represents the least corruption and 100 represent the most corruption.

#### **4.1.2. Independent Variables**

To measure inequality, I use the GINI coefficient for the 31 states and the Federal District (México City) with a total of 32 states. The GINI coefficient measures income inequality in a society by exploring the level of concentration, which exists in the distribution of income among the population. The GINI coefficient takes values between 0 and 1 where a value that approaches 1 reflects greater inequality in income distribution. Conversely, if the value goes closer to zero, there is greater equity in terms of income distribution (CONEVAL, 2013). GINI in Mexican states ranges from 0.454 (Estado de Mexico) to 0.527 (Oaxaca) with a median of 0.491. CONEVAL was used for the estimation of this value, which utilizes information from the National Institute of Statistics and Geography (INEGI) and is based on the net income per capita.

This variable's information was available for the years 2000, 2005, 2008 and 2010. For the panel data set the information for year 2000 was also used for years 2001, 2002, 2003 and 2004. The same was done for year 2005, in which its information was used in years 2006 and 2007. The information of year 2008 was also used in 2009.

#### **4.1.3 Control Variables**

Government expenditure is used as a control variable, which often has significant impact on corruption, because it does not distinguish specific resource allocation. Moreover, government size has

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<sup>1</sup> Transparencia Mexicana monitors 35 services of which only two services are part of the private sector, and the other 33 are government services. See Chapter 3.

an impact over administrative corruption since it has to hire more public officials (or bureaucrats) to offer a good service to citizens, increasing opportunities to be engaged in illegal activities. This information was gathered through the INEGI web page. The state and local public finances statistics are in pesos per state. The data for the Federal District was obtained from the same source in the Public finances of central government section for the Federal District, available from 1989 to 2012. For its operationalization, government expenditure was divided by one million (gvm\_1000000) with the intention to eliminate the exponent number obtained in the regression analysis. This, however, does not affect the interpretation of the result. The government expenditure per state, from 2000 to 2010, ranged between \$3,161 million pesos to \$171,651 million pesos. The variable was also lagged by one year. The government expenditure per capita was also considered to analyze its influence in the income inequality and administrative corruption relationship. However, models presented in this chapter do not include it because this variable was never statistically significant whereas total size of government expenditure was. Because of the limited sample size ( $N = 160$ ), I opted not to include in the final models many variables that are not shown to be statistically significant.

GDP per capita is another control variable that is common in corruption studies. GDP was obtained from the INEGI web page; its value is in constant 2003 pesos for the data from 2003 to 2010. For the previous years, from 2000 to 2002, the values are constant in 1993 pesos. This is not ideal, but they are the only available information. The INEGI only gives the yearly amount per state, so it was necessary to divide the GDP by population size to obtain GDP per capita. The population information was obtained from the census in 2000 and 2010. I divided the GDP amount of every year by the number of inhabitants. From 2000 through 2004, the same population numbers were obtained in the census. From 2005 to 2009 I used the same population figure that was obtained in the year 2005 count. For 2010 GDP per capita I used the population amount obtained in the 2010 census.

The shortcoming of using GDP per capita, for this research is that it represents "mean" wealth. In Mexico, there exist few extremely rich people, as we have seen in Chapter 3, but there are also many very poor people. The yearly GDP per capita average ranges from 6 to 511 thousand pesos among the states during eleven years.

In this thesis, I also include a dummy variable that considers the incumbent governor's political party for every state between 2000 and 2010. State governors' terms are six years, and few states had a political party shift during these eleven years. I include dummy variables for the Institutional Revolutionary Party (PRI, Partido Revolucionario Institucional) and the Democratic Revolutionary Party (PRD, Partido de la Revolución Democrática). When the state governor's incumbent party was from the PRI it has "1" and the PRD "0", the same was done when the state governor was from the PRD it was coded "1" and PRI "0". The National Action Party (PAN) was not included, but it should be understood that when PRI and PRD have a "0" value, the incumbent party was PAN.

## **4.2 STATISTICAL MODEL AND RESULTS**

To test the hypothesis posited in Chapter 2, I used a panel data that include observations from 2000 to 2010 for each one of the 32 Mexican states. The variances in observations are expected to be heteroskedastic due to multiple observations in the panel for the same states. To account for this characteristic, I use an OLS (ordinary least square) regression with panel corrected standard errors (PCSEs). A small number of key variables were included to avoid multicollinearity among variables. Moreover, some consideration must be taken to reduce endogeneity problems. I therefore lagged independent variables by one year.

The regression results for income inequality and administrative corruption are presented in Table 4.2.1. I ran two models. The first model includes all variables. In the second model GDP per capita was excluded as a robustness check because of the data problem due to the different base years. Model 1 obtained an  $R^2$  of 0.3523, Model 2 has an  $R^2$  of 0.3522, which means that the independent and control

variables together account for 35 percent of the variance. Also, the relationship between GINI and administrative corruption is positive and statistically significant. Its coefficient means that with every 0.1 point that GINI increases (more income inequality), administrative corruption will increase by 1.14 point for Model 1 and by 1.13 for Model 2.

Total government expenditure has a positive effect over administrative corruption. This effect is expected, because larger governments create more employment of public officials and more opportunities to engage in illegal activities, such as administrative corruption. It would be interesting to examine disaggregated government expenditures because this could show which areas are more prone to corruption.

Political parties in the two models are not significant, perhaps due to many states governors alternation occurred after the 2000 federal election, where states experiencing alternation two times in the eleven year period could not improve government institutions performance. However, an in-depth analysis should be done to determine why political parties do not exercise statistically significant effects in these models.

**Table 4.2.1 Income Inequality and Administrative Corruption Analysis**

Administrative Corruption (CPI)		
	Model 1	Model 2
GINI	11.39*** (4.8320)	11.31*** (4.8230)
Gvmt Expen	.00009*** (0.0000195)	.00009*** (0.0000196)
GDP pc	.0003 (0.0023)	-
PRI	.4496474 (0.3585)	.4539905 (0.3679)
PRD	.3152194 (0.5189)	.3149568 (0.5181)
N	160	160
R <sup>2</sup>	0.3523	0.3522

PCSE in parentheses.

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

#### **4.3 CASE STUDY, VEHICLE-RELATED SERVICES IN SEVEN MEXICAN STATES**

In this section, I undertake a qualitative analysis of corruption and income inequality. Through a survey of state government web pages, many local and state laws were consulted to examine the argument of this thesis. Two groups of states were selected for this part. In the first group, four states, Chihuahua, Morelos, Quintana Roo, and Yucatan, reduced income inequality. The reduction was .0880 for Chihuahua, 0.1414 for Morelos, 0.0953 for Quintana Roo, and 0.1272 for Yucatán in an eleven-year period (2000-2010). For the second group of states, three states where income inequality increased were selected. Aguascalientes increased its GINI coefficient by 0.0526, Baja California increased income inequality by 0.0599, and Coahuila increased by 0.0763 units.

I consider the differences in the GINI coefficient to compare if the reduction in inequality reduced the corruption trends in the same period. Considering the levels of inequality and corruption

does not necessarily demonstrate a causal relationship. A better test of the causal relationship can therefore be conducted by closely examining whether reductions or increases in inequality led to corresponding decreases or increases in corruption. For example, Oaxaca is the most unequal state in Mexico, with an average GINI coefficient of 0.527 and also with a high corruption perception index average of 8.8 units. Hence, the change in the GINI coefficient (independent variable) should produce a corresponding change in the corruption perception index, as we can see in the selected states.

Three vehicle-related services are offered at the state level. One is the vehicle ownership tax, registration renewal, and vehicle plate's change. Even though the driver's license is not a vehicle-related service, it is a requisite to register and drive one; also the driver's license has a direct impact over the vehicle's fines. Vehicle fines are managed at the local level. For this research, the local transit law of the capital city of every state was consulted. To make a clear and ordered comparison, I will first explain how the procedure for the vehicle ownership tax, registration renewal, and change of car license plate is conducted. Later, I compare the transit fines and the ease to pay them across different states.

#### **4.3.1 Vehicle ownership tax, registration renewal, and license plate change.**

The vehicle ownership tax and registration service vary among states. In some states, such as Yucatan, Aguascalientes, Baja California, and Coahuila, the vehicle ownership tax and registration renewal must be paid together. The vehicle ownership tax was levied by the federal government during the last 44 years. This tax was collected to finance the Olympic Games in 1968; later the federal government decided to keep it as a major source of tax revenue. In 2011, former President Felipe Calderon announced that state legislatures could decide whether they would continue with this tax or another similar tax (Ramos, 2011). For this reason, the difference in payment is considerable between the states that already have this tax and those that do not. The calculation of the tax is over new vehicles, up to ten years of use. In the case of Yucatan, the value of the car must exceed 300,000 pesos to pay the ownership tax. The vehicles with a value lower than 300,000 pesos do not have to pay the ownership

tax. However, the renewal registration must be paid with an amount of 1,407 pesos. (Yucatan, 2013). Also, it is mandatory to have a car liability insurance in order to pay this fee. Here, administrative corruption can be present, trying to obtain the service without the insurance.

In Aguascalientes, Baja California, and Coahuila, the ownership tax is managed in a way similar to Yucatan. In Aguascalientes, the payment is for vehicles with a value of more than 300,000 pesos (Aguascalientes, 2013). In Baja California, the value of the car must be lower than 100,000 pesos (California, 2013). It is worth noting that only one car in the Mexican market is lower than 100,000 pesos: the Matiz from the General Motors brand (Motors, 2014). For Coahuila, owners of cars with a value lower than 200,000 pesos will not pay the ownership tax, and those cars with a value of more than 200,000, but lower than 350,000 will pay only a 33 percent of the tax (Coahuila, 2013). Vehicles with a value of more than 350,000 are assessed a full ownership tax, considering that only very wealthy people can afford a tax of about 14,000 pesos every year. Despite the fact that wealthy people have to pay more taxes and lower income people do not have to pay this tax, poor people still have to comply with vehicle renewal every year with an amount of 480 pesos for Aguascalientes, 1,332 pesos in Baja California and 1,250 pesos in Coahuila.

For the states where the vehicle ownership tax is no longer applicable only the car registry renewal must be paid. This is the case in the states of Chihuahua, Morelos, and Quintana Roo (states with more equal income distribution). In each case, vehicle owners have to pay for car registration renewal in the amount of 1,440 pesos, 687 pesos, and 769 pesos, respectively. Despite the fact that these states do not have the ownership tax, as it was not imposed by the federal government, they have levied other types of fees.

In the case of Chihuahua, this is called a "voluntary contribution" for infrastructure of freeways and roads in the amount of 300 pesos. It is a part of the registration renewal. This "contribution" returns



directly to every municipality regardless of which level of government is in charge of the collection (Ramirez, 2012). However, the amount of the fee is very low compared to the ownership tax.

Mexican states require changes of car license plates. In the more equal income group, the states of Chihuahua, Quintana Roo, and Yucatan require a license plate change every three years. The cost is 300 pesos for Chihuahua, 765 for Quintana Roo, and 220 pesos in Yucatan. In Morelos' case, the amount varies according to vehicle type. If it is a recent model, the amount is 687 pesos, and if it is an older model, the amount is 812 pesos. However, the government web page does not specify what years are considered "old" models. The website also does not specify for how long the plates are valid. In the other group of states, the amounts are: 360 pesos for Aguascalientes, 1,040 pesos for Baja California (change every six years), and 300 pesos for Coahuila. The amount that citizens must pay in order to change license plates are quite low, but in order to change license plates the ownership tax must be paid and citizens have to show the proof of payment for the last five years.

In the unequal states group, the payment of the ownership tax and the car registration is every year. They also have to change license plates every three years in Aguascalientes and Coahuila. For Baja California, it is every six years. Thus, the amount citizens have to pay regarding to vehicle service is high. According to the budget law of these states, owners of some new cars do not have to pay ownership tax. However, some car owners have to pay the ownership tax, as a proportional part of the value of the car with a yearly amount, which ranges go from 3,000 to 4,000 pesos depending on the car's year (Fernandez, 2013). All states in this group offer a payment discount if it is paid between January and March. Some of those discounts range between five percent in Baja California (Automotriz, 2010) up to 75 percent in Aguascalientes (Aguascalientes, 2011). Also, to pay for any vehicle-related service, it is necessary to have a valid driver's license. Illustration 4.3.1.1 shows the vehicular services office in Torreon Coahuila during the first few days of a New Year, wherein many people showed up to pay renewal registration with a 15 percent off discount (Redaccion, 2014).



**Illustration 4.3.1.1 Oficina de recaudación de rentas (levying of income office) in Torreón, Coahuila.**

Source: El Siglo de Torreón, 2014.

In Table 4.3.1.1 the amount paid by service per state is shown. The three right side states experienced increases in inequality (referred to as “unequal” in the table). The table also includes changes in the corruption obtained from 2001 to 2010, and the difference between 2000 and 2010 in the GINI coefficient. All the states in the “equal” states group show reduction in the GINI coefficients, indicating that the states became more equal in the income distribution. In this group Chihuahua was the only state experiencing an increase of 1.6 units in the corruption perception index. On the other hand, the unequal group experienced an increase in both income inequality and corruption. The table also included if the states have transparency law. However, this situation seems not to have any influence on

administrative corruption because all these states do have such law. Related to vehicle registration fees, the states that reduced income inequality have a mean average of 953 pesos; while the counterpart of the unequal states has a mean average of 1,021 pesos showing a slight difference of 68 pesos. For the car license plate change, the unequal states group has a mean average of 393 while the other group is of 493 pesos, 100 pesos more.

The ownership tax, as I explained previously, is very expensive for some citizens to pay, even though it is only a fraction of the value of a car. Some citizens therefore may not pay that tax one year. However, if the next year they can afford that payment, they need to pay for the previous year first, increasing the amount of payment. Moreover, if citizens have the opportunity to obtain the payment document of both years at a 50 percent discount, through a corrupt official, they will take advantage of this opportunity. In this case, the institution's weak legal system can allow employees to obtain an extra earning without punishment.

The vehicle registration amount is cheaper than that of the ownership tax. However, a worker earning the minimum daily wage will take 17 days of his/her salary to pay, in the case of Chihuahua. At the same time, the owner also must pay for the car license plate. In addition, state governments include other contributions, such as aid to the local Red Cross or the university tax, increasing the total amount that must be paid every year during registration renewal. Many people make a huge effort to buy a car because public transportation is expensive, inefficient, and insufficient.

**Table 4.3.1.1 Amount paid by service per state**

Concept	Equal States				Unequal States		
	Chihuahua	Morelos	Quintana Roo	Yucatan	Aguascalientes	Baja California	Coahuila
CPI Difference	1.6	-1	-0.2	-1.8	0.2	1.4	3.3
GINI Difference	-0.0880	-0.1414	-0.0953	-0.1272	0.0526	0.0599	0.0763
Transparency Law	yes	yes	yes	yes	yes	yes	yes
Ownership tax	No	No	No	yes	yes	yes	yes
Vehicle registration	\$ 1,200	\$ 436	\$ 769	\$ 1,407	\$ 480	\$ 1,332	\$ 1,250
Car license plate change	\$ 300	\$ 687	\$ 765	\$ 220	\$ 360	\$ 1,040	\$ 300
Insurance	No	Yes	No	No	No	No	No

Source: Ley de Ingresos para el Estado de Chihuahua, Ley de Ingresos para el Estado de Morelos, Ley de Ingresos para el Estado de Quintana Roo, Ley de Ingresos para el Estado de Yucatán, Ley de Ingresos para el Estado de Aguascalientes, Ley de Ingresos para el Estado de Baja California, and Ley de Ingresos para el Estado de Coahuila.

For the driver's license paperwork most of the states offer the service at the local level, despite the fact that this is a state government requirement. The valid period for the driver's license varies among states. Coahuila is the only state offering more period options in the expiration dates. To obtain this document, government requirements are different among states. Some requirements are the same in all states, such as the presentation of valid identification and a driving exam. In the exam case, the only state that requires bringing a car for the exam is Baja California. The prices to obtain a driver's license ranges from 123 pesos for one year (Morelos) to up to 1,148 pesos in Yucatan for five years. The driver's license prices in each state are shown in Table 4.3.1.2. The price can vary according to the expiration period, but also the amount can be higher due to other taxes included in the service.

**Table 4.3.1.2 Drivers License Requirements and Prices (First Time).**

Requirements	Equal States				Unequal States		
	Chihuahua	Morelos	Quintana Roo	Yucatan	Aguascalientes	Baja California	Coahuila
Valid Identification	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Proof of address	Yes		Yes	Yes	Yes	Yes	Yes
Birth Certificate	Yes		Yes	Yes	Yes		
Driving Exam	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Blood Type	Yes		Yes		Yes		
Medical Exam	Yes		Yes	Yes		Yes	
Application form	Yes	Yes	Yes	Yes		Yes	
Photographs			2				
Know to read and write	Yes	No	No	Yes	Yes	Yes	
Show up with car						Yes	
Expiration Period							
1 year		\$ 123					
2 years			\$ 350	\$ 383	\$ 285		\$ 440
3 years	\$ 604	\$ 283	\$ 518	\$ 612		\$ 443	\$ 562
4 years					\$ 450		\$ 685
5 years		\$ 435	\$ 871	\$ 1,148		\$ 551	\$ 807
6 years	\$ 796				\$ 660		\$ 930

Source: government web pages, paperwork and services.

From the previous table, every time a citizen does not have one of those requirements is an incentive for the public official to ask for a bribe. The most common requirement to circumvent is the driving exam, with an extra fee any citizen can get the minimum points to obtain the driver's license and it is present in all the states requirements. It is worth noting that poor people are less educated and the fear of not doing well on the driving exam is the incentive to offer a bribe to the official. Furthermore, the proof of address is sometimes difficult to obtain, because the person needs to own a house in order to ask for energy, gas, or water service which are the legal documents of proof of address and must match the identification name and address. In many cases we can see that income inequality create differences in the population, and in order to obtain some services, the poor people have to use bribery to obtain services. Ironically, this is an illegal way of being legal.

### 4.3.2 Transit Fines.

The transit fines are administered at the local level. Each municipality determines the amount of every fine. I consulted the Ley de Ingresos (Income Law) for the capital city of each state, and the Ley de Transito (Transit Law). The state capitals considered are: Chihuahua- Chihuahua, Cuernavaca-Morelos, Chetumal-Quintana Roo, Mérida-Yucatán, Aguascalientes-Aguascalientes, Mexicali-Baja California, and Saltillo-Coahuila. The differences in the fine's amount between each capital city or municipality is not much. Only the city of Merida has very high fines, considering that this is a touristic place which makes it very expensive. In Table 4.3.2.1 the amount of some fines are shown.

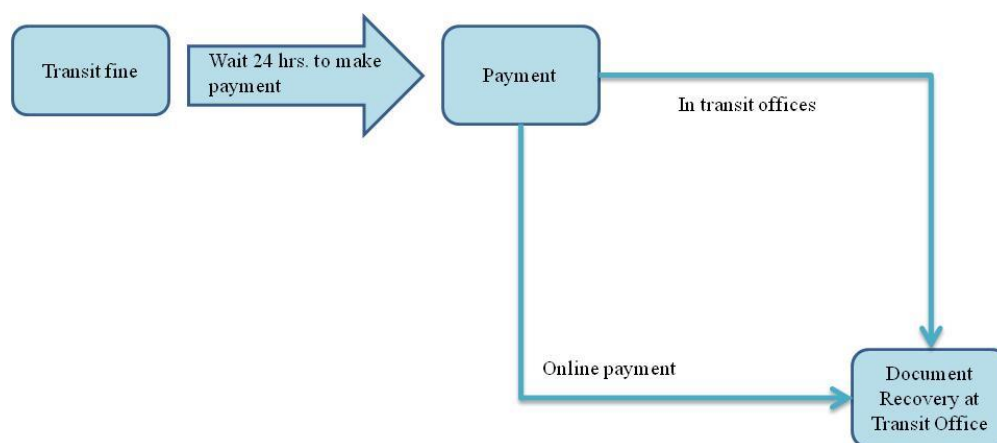
**Table 4.3.2.1 Common Transit Fines**

Transit fines	Chihuahua (Chih)	Cuernavaca (Morelos)	Chetumal (Q.R.)	Merida (Yuca)	Aguascalientes (Ags)	Mexicali (B.C.)	Saltillo (Coah)
Speeding	\$ 1,009	\$ 672	\$ 1,680	\$ 6,729	\$ 1,009	\$ 1,009	\$ 403
Drunk driving	\$ 6,729	\$ 672	\$ 1,680	\$ 6,729	\$ 1,009	\$ 3,364	\$ 471
Driving w/child in lap	\$ 471	\$ 202	\$ 538	\$ 1,008	\$ 672	\$ 672	\$ 336
Driving without or suspended license	\$ 6,729	\$ 269	\$ 336	\$ 6,729	\$ 1,345	\$ 1,009	\$ 403
Superimposed car's plate	\$ 5,383	\$ 6,729	\$ 1,009	\$ 6,729	\$ 1,345	\$ 1,009	\$ 471

When driving tickets are issued by transit officers, they must retain any of three documents, driver's license, car registration or vehicle's plate (Estado, 2013), to guarantee the payment of the fine. In the case that one person gets a speeding ticket, the driver's license will be sent to the local transit police station until the payment is done. When a citizen transgresses the transit law and is stopped by a transit officer, he/she prefers to give the official "la mordida" (the bite) rather than pay the fine (Ruiz, 2014). Once the bribe has been given, the obligation to pay a very high fine and the paperwork is avoided. When low income people do not have the possibility to offer a bribe to the transit official for a transgression to the transit law, a document must be retained until the payment is done. If the fine is

expensive, the person will take a while to pay it, in order to recover his/her document, creating incentives to bribe officials to avoid another fine or to get a vehicle-related service.

A transit fine can be paid in the transit office or online. Many people think that the process to pay a fine should be easier in order to reduce corruption (Rebolledo, 2014). However, the culture and traditions in Mexico do not allow traffic tickets without retaining a document. In Mexico, people are compelled to pay transit fines only if a document is retained and the process to retrieve the document from the transit office is tedious. Figure4.3.2.1 shows the process to be followed to retrieve the document after receiving a traffic ticket. People must wait 24 hours because until the policeman shift ends the document is delivered in the transit office to be processed.



**Figure4.3.2.1 Document recovery process after paying a transit fine.**

Several states' web pages are not in full operation and some of them are under construction. For the group of states that reduced income inequality, the survey of web pages to pay for car renewal registration and transit fines is as follows. In the case of the Chihuahuan state government, the page offers the renewal registration and transit fine payment. The local government's web pages are more confusing and most of the time the information is not available. Morelos' government web page is under construction and only offers information about "other" services (not vehicle related), and transit fine

payments are difficult to process. The Quintana Roo government web page gives the option to pay renewal registration but not fines or driver's license. The local government web pages do not include transit fines payment; moreover, the pages are confusing. I consulted two municipalities in Quintana Roo, one for the capital city Chetumal, and the other for Cancun, and found that none offers transit fine payment. The Yucatan government web page offers car renewal registration payment and transit fines payment for capital city, Merida, in a very easy and clear way.

For the other group of states, the survey of web pages yielded the following findings. In Aguascalientes, it is possible to pay the ownership tax on line. However, regarding the transit fines, only the local government web page gives access to pay them on line. In Baja California's web page it was fast and easy to find a renewal registration and driver's license payment option, and in Mexicali the government web page transit fines payment on line is also available. In Coahuila's government web page you can find car ownership tax payment, and it can be done in monthly payments too. In addition, the driver's license request is available on line, and the information was clear and easy to find. However, local government web page, Saltillo seems incomplete, and only the property tax can be paid. The screenshots of government web pages are available in the appendix.

The use of technology should help citizens to comply with government requirements. However, some services are not easy to do or to comply with, creating incentives for citizens to obtain them through illegal means such as corruption. In 2012, INEGI announced that 40% of population has access to the Internet (INEGI, 2013). This is an opportunity for governments to offer better services reducing the interaction between the public official and the citizen and hence corruption. Also, technology can help government to increase their tax revenues, making services available for the most part of the population. However, other problems should be considered, such as a reliable postal service, payments through banks deposit, because a great part of population, particularly the poor, do not use credit cards.



#### 4.4 CONCLUSIONS

The quantitative analysis helped to show the impact of income inequality over administrative corruption. Sometimes, the quantitative analysis is not enough to know the causes, and thus a further analysis should be performed. The qualitative analysis of this thesis is not exhaustive and many changes in prices amounts and procedures posted in states' governments web pages can vary. Until someone personally (not through web pages) experiences the interaction with Mexican government institutions, related to paperwork or services payment, a better assessment will do.

Citizens must pay government fines in order to comply with law. I cannot suggest that governments should reduce transit fines because they are stated as punishments, but some exceptions should be consider to help low income people to comply with legal requirements. In services fees, governments should reduce the prices to make it affordable for everyone. Many poor people prefer to offer a bribe because the service is expensive or is difficult to obtain the requirements, such as the proof of address. Also, governments may offer better and faster services, perhaps by sending the document by a reliable postal service.

## Chapter 5

### 5.1. CONCLUSIONS

The analysis of income inequality and administrative corruption has been overlooked in prior research, and is often difficult to assess. In this thesis, the quantitative analysis within a country was useful for its assessment. Corruption has gained attention around the world; in less developed countries, corruption is present due to problems such as poverty. However, in Mexico, few analyses about income inequality and corruption exist. Yet, the government would be more successful reducing corruption if income is more equally distributed.

The quantitative analysis showed a positive relationship between income inequality and corruption within a country, Mexico. The available cross-national research in this relationship did not obtain significant results, perhaps because it is difficult to have same characteristics among all the analyzed countries. However, Uslaner (2009) insists how corruption is rooted in income inequality creating the "inequality trap". Many factors can be included as a cause of corruption, such as levels of education, economic development, and institutional development.

Some questions about the statistical results are important to discuss. GDP per capita was not significant in the relationship. I speculate that in a society with high levels of income inequality, the average level of wealth simply does not matter much. The other explanation could be due to the differences in the data obtained. The total government expenditure has a significant relation to corruption because sometimes the allocation of government resources can be traduced to administrative corruption in large size governments. Moreover, administrative corruption is related to public official, so more government expenditure increases the number of bureaucrats and officials in government services with direct relationship to citizens.

To answer the question about why political parties were not significant in the relationship, a further research must be conducted. I think that this could be due to the political shifts suffered by states when incumbent political party (PRI) changed to the PAN after the President Fox election.

The hypothesis in this research is: *income inequality is associated to levels of administrative corruption*, and the mechanisms through which citizens prefer to bribe an officer includes difficulty to obtain a service due to many requirements, and expensive services or in lieu of transit fines. Using rational calculations, citizens weigh up the money amount and the time saved through a bribe.

The qualitative analysis helped to shed light on situations in which citizens, in spite of trying to comply with laws, do not have economic means to do it according to the legal procedure, which sometimes is expensive and delaying. Also, excessive taxes make citizens to obtain the service through corruption. We can observe in Chapter 4 how the car ownership tax can be related to the corruption indexes. The state of Morelos is an outlier in the more equal states; its INCBG showed to be the higher with both groups it has an average score of 8.7. However, in the eleven year period it reduced the corruption perception index. Moreover, the state of Chihuahua showed to counter the stated hypothesis. It was the only state in which income inequality reduced and administrative corruption increased. As we observe corruption indices, the question about how citizens perceive corruption in general can affect the results in the index managed by Transparencia Mexicana.

Also, the findings regarding the state of Coahuila can be questioned. In this state, services do not show an excessive fee; however, the corruption perception index difference is the highest. To explain this, we can make a reference to the grand corruption scandals in the state government, where former Governor Humberto Moreira had underreported its debt by almost 30,000million pesos and had forged official documents to obtain loans (Aristegui, 2014). This probably influenced the perceptions of the state residents about corruption in the state.

For this thesis, I surveyed the Income laws of the seven federal entities and the lowest fine's amount is between two and ten daily minimum salaries. The highest fine is between 20 and 100 days of minimum salary, the case of Yucatan. The payment of a fine with very high amount, for example speeding, sometimes is impossible for some citizens with low income. A fine that is not paid creates problems at the renewal registration every year. Moreover, the retained document (driver's license, car registration or license plate) is a cause to bribe an official because the citizen does not have it in case of a transit ticket. The citizen's intention to pay a lower transit fine turns difficult because he/she will not be able to pay newest fine if the oldest is not paid first.

Officials know how expensive a transit fine can be, so they try to influence citizen's behavior to obtain a bribe abusing the opportunity in which the citizen will decide the cheap and short way. The institution's behavior has a direct impact over the employees. For many years the transit office has been characterized by corrupt chief officers imposing a daily number of transit fines that police officers must achieve (Mis, 2013), creating informal rules difficult to fight, even when new policemen are hired, they already know what they must do. The citizens' cultural behavior also is important in the administrative corruption relationship but this is related to the inefficient law enforcement, citizens know that they will not be caught or punished. Sometimes, citizens threaten police officers with denounce their corrupt behavior when the former do not want to be sanction by the later. This shows poor authority recognition to the police officers, making difficult to prove who is saying the truth.

## **5.2. FURTHER ANALYSIS, RECOMMENDATIONS AND SHORTCOMINGS.**

In this thesis, some limitations exist due to some information availability. Even though, most of the information was obtained through government official web pages, such as INEGI, it is not consistent to be used in a statistical analysis, which was the case of the GDP. The recommendation in this case, is for the government institutions to offer statistical information in a clear, ordered and clean way more

accurate and reliable. With it a better research can be done that could help to develop policies for an improved government service.

In the states' governments web pages, the information should be understandable for everyone, have to be clear and easy to find services. The income should be considered in order to pay services or fines; however, this can breed impunity. The rules to reduce fines or services to poor people should be stated with conditions for recurrent transgressors of transit law. Other important component posited by Uslaner (2009) is trust in government. Many citizens do not trust in government and prefer to pay the bribe because they know who will get the money, than paying to the government where other will steal it, political corruption.

The information obtained from the states web pages is useful to know differences in prices amount of the car ownership, fines, or services. Despite, this is not accurate information, in which people can set the baseline of services fees. Most of the time citizens have to pay more than what was declared in each state's income law. It is necessary to conduct a qualitative research to know thoroughly the motivations of citizens and police officers to engage in corrupt activities. With this, we can contribute to know what changes in the transit institution should be done, if it is necessary to decrease the amount on fines, or change the payment procedure. Also if it is necessary to increase policeman salary or use internal controls to change institutions behavior on one side, and on the other side if a more equal income distribution can contribute to comply with state's requirements and payments without using administrative corruption.

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## Appendix

### Chihuahua

Renewal registration payment example. Chihuahua government webpage

[http://www.chihuahua.gob.mx/principal/Plantilla5.asp?cve\\_Noticia=9746&Portal=Principal](http://www.chihuahua.gob.mx/principal/Plantilla5.asp?cve_Noticia=9746&Portal=Principal)

Trámite Vehicular

Chihuahua GOBIERNO DEL ESTADO

SECRETARÍA DE HACIENDA

### Consulta del Adeudo

#### Detalle Adeudo

Placa: EGJ6937  
Línea: CIVIC

Marca: HONDA  
Modelo: 1998

Descripción	Fecha	Importe
DERECHO CONTROL VEH SERVICIO PARTICULAR	31/03/2014	1,200.00
IMPUESTO UNIVERSITARIO	20/04/2014	48.00
CONTRIBUCION CRUZ ROJA MEXICANA	31/03/2014	33.00
RECARGOS POR DERECHOS	20/04/2014	13.56
POR REDONDEO EN CENTAVOS	20/04/2014	-0.06
<a href="#">2 INFRACCIONES</a>	20/04/2014	1,534.50
<b>Total :</b>		<b>2,829.00</b>

La información está sujeta a cambios debido a la aplicación de recargos y factores de actualización federales al no efectuar oportunamente el pago.

[Imprimir](#) [Cerrar](#)

Transit fines example. Chihuahua government web page

Pago de Infracciones

Chihuahua GOBIERNO DEL ESTADO

SECRETARÍA DE HACIENDA

### Infracciones a la Ley de Tránsito

#### Detalle de la infracción

Seleccione la(s) infracción(es) que desea pagar, haciendo click en el cuadro que se encuentra al extremo derecho de la(s) infracción(es)

Placa: EGJ6937  
Línea: CIVIC

Marca: HONDA  
Modelo: 1998

Folio Infracción	Descripción	Fecha	Importe	Descuento	Total	Agregar
3450239	INFRACCIONES A LA LEY DE TRANSITO-D	17/08/2013	920.70	0.00	920.70	<input checked="" type="checkbox"/>
3459860	INFRACCIONES A LA LEY DE TRANSITO-D	31/08/2013	613.80	0.00	613.80	<input checked="" type="checkbox"/>
	POR REDONDEO EN CENTAVOS	20/04/2014			-0.50	
			<b>SubTotal :</b>		<b>1,534.50</b>	
			<b>Total :</b>		<b>1,534.00</b>	

 **En caso de tener un documento retenido debe presentar su comprobante de pago en el Módulo Libra. Ubicado en Periferico Ortiz Mena y Juventud en Horario de 9:00am a 3:00pm de Lunes a Viernes.**

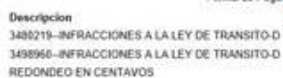
[Continuar](#) [Regresar](#)

La información se encuentra sujeta a cambios.  
La impresión de esta consulta no es válida para realizar su pago.

\* Si la infracción es pagada antes de los 15 días naturales se aplicará la tarifa mínima en salarios.  
\* Tratándose de infracciones señaladas como graves, el infractor deberá acudir ante el juez calificador en un término de 5 días naturales.  
\* Si la infracción es por falta de algún documento, o reparación, se le condonará la multa si en un plazo de 3 días naturales presenta el vehículo reparado o el documento solicitado.



### Selezione su Metodo de Pago



Forma de Pago

**Tarjetas de Crédito**  
Cheque en Línea  
Pago Referenciado

**Cantidad**

importe

1

920.70

1

613.80

Total

1.534 00

Cancel Continue

Renewal registration payment example. Morelos government webpage  
<http://www.movilidadytransporte.morelos.gob.mx/>



<http://www.movilidadytransporte.morelos.gob.mx/pagook.php>



### Quintana Roo

Renewal registration payment example. Quintana Roo's government webpage  
<http://www.tenencias.gob.mx/>



Cancun's government web page.

<http://cancun.gob.mx/servicios/catalogo-de-servicios/>

The screenshot shows the 'RESULTADOS QUE TRANSFORMAN' header with the Cancun logo. A navigation bar includes links for INICIO, AYUNTAMIENTO MUNICIPAL, SALA DE PRENSA, TRANSPARENCIA, SERVICIOS, and CANCÚN. Below the header, there's a search bar and social media icons. The main content area is titled 'SERVICIOS' and contains a message about Adobe Acrobat Reader. It then presents two search options: 'POR CLASIFICACIÓN / SERVICIO' and 'POR TIPO DE TRÁMITE'. The 'POR CLASIFICACIÓN / SERVICIO' section includes a dropdown menu labeled 'Selecciona una dependencia' with 'Selecciona una dependencia' as the selected option.

## Yucatán

Yucatán Renewal registry

[http://www.yucatan.gob.mx/servicios/ver\\_servicio.php?id=1](http://www.yucatan.gob.mx/servicios/ver_servicio.php?id=1)

The screenshot shows the 'Yucatán Gobierno del Estado' header. A navigation bar includes links for Inicio, Yucatán, Ciudadano, Protección Civil, Gobierno, Blog, Servicios en línea, and Transparencia. The main content area is titled 'Pago de Tenencia Vehicular' and includes a 'PAGO DE TENENCIA VEHICULAR' section. This section contains a form with fields for 'Plazo' (Term), 'Número de serie del vehículo' (Vehicle serial number), and 'Línea y número por separado' (Line and number separately). A 'Consultar' button is present. Below the form, there's a message: '¡Tu pago le hace bien a Yucatán!'. The footer includes contact information for the CCT (Centro de Contacto Telefónico) and the D.R. Gobierno del Estado de Yucatán 2012-2018, México.

## Transit Fines

[http://www.yucatan.gob.mx/servicios/ver\\_servicio.php?id=13](http://www.yucatan.gob.mx/servicios/ver_servicio.php?id=13)

**Yucatán**  
Gobierno del Estado  
Comprometidos con la Seguridad 2012-2018

Inicio Yucatán Ciudad de Mérida

Inicio > Servicios en línea > Pago o consulta de

Servicios en línea

Formas de pago

- Tarjeta de Crédito
- Tarjeta de Débito

Observaciones

Información de contacto

Trámites relacionados

**Pago de infracciones de tránsito - Mozilla Firefox**

**Paso 1. Conocer su adeudo de infracciones de tránsito.**

El pago de infracciones de tránsito por Internet está desarrollado con los estándares de seguridad SSL (Secure Socket Layer), lo cual garantiza que todos los datos de sus operaciones estén seguros y sólo se utilizarán para realizar el trámite que usted desea, el certificado de seguridad es proporcionado por la empresa VeriSign.

**Datos del vehículo**

Favor de introducir los datos.

Número de infracción:

Proporcione el No. de la Boleta de Infracción:

Tipo de infracción:

Proporcione el Tipo de Infracción: (Estatutario de la Policía Estatal y Municipal Mérida o de la Policía Municipal de Mérida)

En caso de no contar con el No. de infracción puede proporcionar los siguientes datos:

Plaza:

Letra y número por separado

Número de serie del vehículo:

Este dato se encuentra en su tarjeta de circulación o en la tarjeta

Si su infracción es de la Policía Estatal deberá aparecer en esta página para su pago en un máximo de 5 días después de la fecha en que se levantó, en caso contrario, podrá acudir a pagar en el módulo central ubicado en la Calle 61-A x 90 costado sur Expansión Juárez, o en el módulo de la Caja 10 ubicado en las oficinas de la SSP en Calle 72 x 39 y 41.

Si su infracción es de la policía del Municipio de Mérida deberá aparecer después de 30 días de la fecha en que se levantó, en caso contrario podrá acudir a pagar a alguna unidad recaudadora del Ayuntamiento de Mérida.

## Driver's License

[http://www.yucatan.gob.mx/servicios/ver\\_servicio.php?id=3](http://www.yucatan.gob.mx/servicios/ver_servicio.php?id=3)

**Yucatán**  
Gobierno del Estado  
Comprometidos con la Seguridad 2012-2018

Inicio Yucatán Ciudad de Mérida

Inicio > Servicios en línea > Pago o consulta de

Servicios en línea

Formas de pago

- Tarjeta de Crédito
- Tarjeta de Débito

Observaciones

Información de contacto

Trámites relacionados

También disponible en

Información relacionada

**Renovación de Licencias de Conducir - Internet Explorer**

**Renovación de Licencias de Conducir**

¡IMPORTANTE! Antes de realizar su pago, se recomienda leer el procedimiento general de pago en línea.

**Paso 1. Conocer el costo para obtener su licencia.**

El pago de licencias por Internet está desarrollado con los estándares de seguridad SSL (Secure Socket Layer), lo cual garantiza que todos los datos de sus operaciones estén seguros y sólo se utilizarán para realizar el trámite que usted desea, el certificado de seguridad es proporcionado por la empresa VeriSign.

**Datos de la licencia**

Favor de seleccionar el tipo de consulta.

☒ Búsqueda por número de licencia.

☐ Búsqueda por Nombre.

No. Licencia:

Fecha de Nacimiento:  Día  Mes  Año  Apellido:

Para la seguridad, los datos anteriores son indispensables

**¡Ahora el Gobierno más cerca de ti!**

D.R. Gobierno del Estado de Yucatán 2012-2018, México.

## Aguascalientes

<http://eservicios.aguascalientes.gob.mx/contribuciones/default.aspx?opcion=CapturaPlaca.aspx>  
renewal registry

BIENVENIDO AL SERVICIO DE PAGO TENENCIA

COMPRUEBA UNA PLACA

Placa:  Número de Identificación Vehicular:

Tenencia el número de placa sin espacios ni guiones y los últimos 4 dígitos del número de identificación vehicular de su Tarjeta de Circulación, EJ: ADR4832 y 1234

Buscar por RFC del propietario

Antes de comprar un vehículo usado verifica si tiene adeudos de **Tenencia, Control Vehicular o Multas de Tránsito.**

Para consultar las multas del vehículo haz clic en la Imagen

Ahora también puedes pagar tu tenencia en:

Disponible en el App Store Google play

Paga tu tenencia en línea con las tarjetas de crédito

Además puedes pagar en línea con tarjetas de crédito, cuentas de ahorro o chequeros, o si lo prefieres ingresa tu estado de cuenta y paga en la sucursal bancaria de tu preferencia.

Ahora ya puedes ingresar tu estado de cuenta y pagar en tiendas

Para mayores informes, comunícate al teléfono 9492826 o al correo al 01 800 900 3000 o las extensiones 5291, 5295, 5304 y 5303

Transit Fines Local Government

<http://www.ag.s.gob.mx/servicios2/multas.aspx>

Pago de Multas en Línea

Consulta de Adeudos Vehiculares

"De conformidad con la fracción V del artículo 110 del Reglamento de Tránsito del Municipio de Aguascalientes, cualquier documento diferente a la notificación de la multa realizada por la Secretaría de Finanzas Públicas Municipales, incluyendo cualquier publicación por medio electrónicos o escritos sobre el monto de las multas, no surtirán efectos como notificación, ni generaran obligatoriedad o efectos vinculatorios al particular."

INTRODUZCA EL NÚMERO DE PLACA

NÚMERO DE PLACA

## Baja California

Baja California, Renewal Registry

<https://placas.ebajacalifornia.gob.mx/Placas/index.jsp>

**SOLICITUD DE TRAMITE DE CONTROL VEHICULAR**  
SERVICIO PARTICULAR

Este servicio permite realizar la consulta y pago en línea del concepto de Revalidación de Tarjeta de Circulación, así como realizar la consulta del monto a pagar para los trámites de Cambio de Propietario, Alta y Baja de Vehículos.

Número de placa
<input type="text"/>
Nota: Introducir solo letras y números (no utilizar guiones y/o espacios).
Uso del vehículo
Particular <input checked="" type="radio"/> Actividad Empresarial <input type="radio"/>
¿Desea cooperar con la Cruz Roja?
Si <input checked="" type="radio"/> No <input type="radio"/>
* Campo obligatorio

 El trámite podrá realizarse con cualquier tarjeta de crédito o débito, excepto American Express.

 [Consulta de requisitos](#)

[Continuar](#) [Corregir](#) [Regresar](#)

 Verificado por GeoTrust  
Dilemma del...  
hora 21:04:14 05/04/15

Drivers License

<https://www2.ebajacalifornia.gob.mx/Tramites/licencias.jsp>

**Licencia de Conducir**

**SOLICITUD DE TRAMITE DE LICENCIA**  
SERVICIO PARTICULAR

Secretaría de Planeación y Finanzas  
Recaudación de Rentas

Expedición de Licencia de Conducir

CONCEPTO	IMPORTE	IMPORTE
EXPEDICION AUTOMOVILISTA POR 5 AÑOS	4301002	552.30
REC. AJENAS-CRUZ ROJA MEXICANA	T219001	67.29
IMPPTO ADICIONAL P/EDUCACION MEDIA Y SUPERIOR	1601002	193.31
REDONDEO	T211001	0.10
<b>TOTAL</b>		<b>813.00</b>

 [CONSULTAR LOS REQUISITOS AQUI](#)

\* La vigencia del Examen Antidoping, Examen Medico y Carta de no Antecedentes Penales es de 30 días.  
\* El costo de la licencia puede variar dependiendo de la fecha de cumpleaños.  
\* Se requiere de un certificado médico que usted puede traer o solicitar en la recaudación, en el módulo de la Cruz Roja, y esta institución cobra aproximadamente \$100.00 M.N. NUESTRO PRESUPUESTO EN LA RED NO LO INCLUIVE, YA QUE NO ES UN SERVICIO QUE BRINDE GOBIERNO DEL ESTADO.

20/04/2014 22:10

[IMPRIMIR](#) [REGRESAR](#)



Transit Fines

<http://www.mexicali.gob.mx/apiTesoreria/multas.jsp>

## Coahuila

Coahuila Car's Registry

[http://www.pagafacil.gob.mx/e-pago/cv/principal\\_cv.php](http://www.pagafacil.gob.mx/e-pago/cv/principal_cv.php)

## Drivers License

[http://www.pagafacil.gob.mx/epago/licencias/licencias\\_conducir.php](http://www.pagafacil.gob.mx/epago/licencias/licencias_conducir.php)

**Gobierno del Estado de Coahuila**

LICENCIAS DE CONDUCIR  
NOMBRE: ROSA ALICIA GARCIA COMPEAN  
R.F.C.: GACRU730319

PERIODO	CONCEPTO	DESCRIPCION	CANTIDAD	PORC	TOTAL
2014	14654	LICENCIA PCONDUCE AUTOMOVIL VIGENCIA 4 AÑOS	1	0	544
2014	14271	FOMENTO A LA EDUCACION Y SEGURIDAD PUBLICA	1	22.5	122
2014	14583	FOTOGRAFIA DIGITALIZADA EN LA LICENCIA	1	0	66
2014	14693	FOMENTO A LA EDUCACION Y SEGURIDAD PUBLICA	1	22.5	15
2014	14635	AÑO ADICIONAL	1	0	109
2014	14271	FOMENTO A LA EDUCACION Y SEGURIDAD PUBLICA	1	22.5	25
<b>TOTAL A PAGAR</b>					<b>881</b>

**PAGAR CANCELAR**

Formato para pago en Sucursal **Impome**

**Comentarios** **070** **01800-506-3910** **01800-701-5131**

Linea Directa: Paga Fácil, Asesoría, Información y Solución de problemas.  
\*Para el estado de Coahuila \*Para el resto del país

Administración Fiscal Estatal - Gobierno del Estado de Coahuila - Libramiento Oscar Flores Nájera Km 1.9 Carretera 27 Tal. Rdg 888-1288 C.P. 26200 Saltillo, Coahuila de Zaragoza

## Saltillo's Government Web Page.

[http://www.salttillo.gob.mx/index.php?option=com\\_content&view=featured&Itemid=101](http://www.salttillo.gob.mx/index.php?option=com_content&view=featured&Itemid=101)





## **Vita**

Rosa Alicia García Compeán was born in Mexico City in 1973. Since 1997 she lives in Ciudad Juárez, Chihuahua. She earned her bachelor's degree in Law by the Universidad Autónoma de Ciudad Juárez in 2004. She also has a MBA in finance by the Universidad Autónoma de Chihuahua campus Ciudad Juárez, she obtained her degree in 2007 with the paper "Social Responsibility of Business in Juarez". She taught the courses of Introduction to Law, State Theory and Commercial Law in the Universidad Autónoma de Ciudad Juárez from 2008 to 2012. Since 2011 joined the Political Science master's program at the University of Texas at El Paso as part time student. In 2013 started her doctoral studies in the Social Sciences Doctoral Program at the Universidad Autónoma de Ciudad Juárez. She also is mother of seven years old twins.

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