



Street-level rule of law: Prosecutor presence and the fight against corruption

Guillermo Toral

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 - Lack of data on prosecutor behavior



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Empirical:

- **Causally identified evidence of the effects of prosecutorial presence** on anti-corruption action, and on local governance outcomes

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Empirical:

- **Causally identified evidence of the effects of prosecutorial presence** on anti-corruption action, and on local governance outcomes
- Complementary insights from in-depth **interviews and surveys**

Preview of the empirics

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Causal event study design
(Liu et al. 2024; Borusyak et al. 2024)

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Administrative data on prosecutors' presence and actions,
and on municipal employment

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1. Argument – Prosecutors' advantage in the fight against corruption, and proximity as a source of their effectiveness

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4. Implications and next steps
5. The broader project

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- **Can act in real time** and deter malfeasance before it takes place

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- **Politicians perceive a higher probability of detection**, which may deter malfeasance

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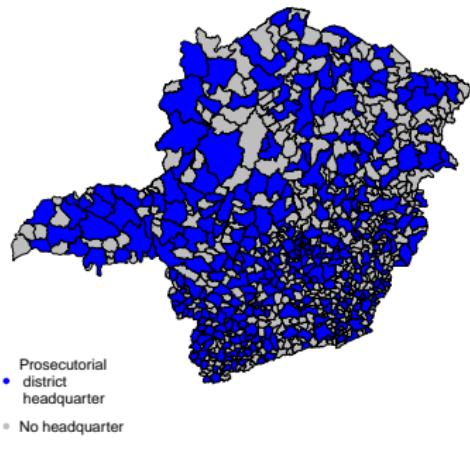
State of Minas Gerais (853 municipalities)



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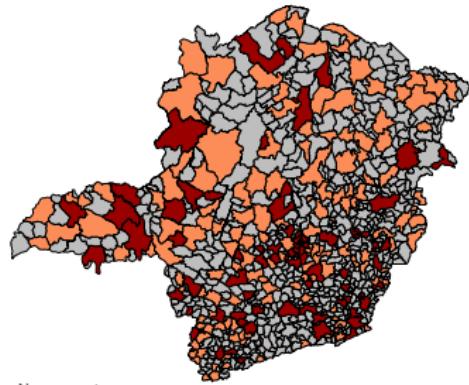
Prosecutorial district headquarters



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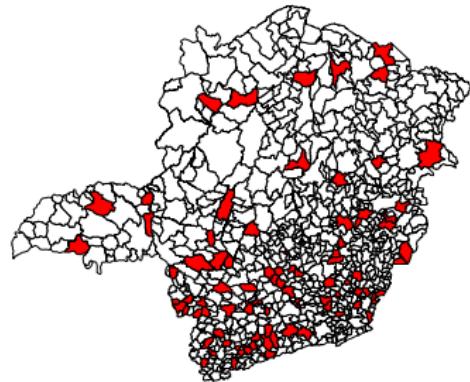
Prosecutorial presence (2020)



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District headquarters with no prosecutor (2020)

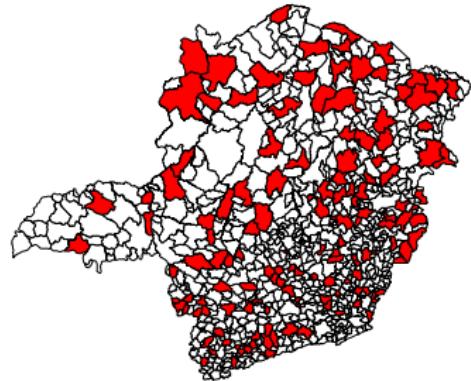


• Headquarter with no prosecutor

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MORALIDADE MUNICIPAL

De cada dez cidades de São Paulo, quatro têm prefeitos condenados

28 de fevereiro de 2016, 7h53

Por Lilian Matsuura, Thiago Crepaldi e Claudia Moraes

* Texto publicado originalmente no [Anuário da Justiça São Paulo 2016](#)

Contratações sem licitação, fraudes a licitações, dispensa de concurso público, uso indevido de verbas públicas, uso da máquina para propaganda pessoal, nepotismo. Estes foram os principais motivos para as 266 condenações de prefeitos e ex-prefeitos do estado de São Paulo por improbidade administrativa, de novembro de 2014 a outubro de 2015. O levantamento, feito pelo Anuário da Justiça São Paulo, baseou-se na análise de 402 apelações julgadas no mérito em ações de improbidade administrativa contra prefeitos no período.

Constatou-se que 66% das ações terminaram com a condenação do acusado. Na maioria dos casos de absolvição (34%), a falta de provas ou da presença de dolo na irregularidade apontada fundamentam os acórdãos. De janeiro a setembro de 2015, 1.132 novos casos de improbidade (de diversos cargos públicos, não só de prefeito) foram distribuídos na Seção de Direito Público do Tribunal de Justiça de São Paulo.

Os processos de improbidade contra prefeitos começam na primeira instância. Uma das principais matérias-primas para ações de improbidade contra prefeitos são os pareceres do Tribunal de Contas do Estado. Promotores baseiam-se nos motivos para rejeição ou aprovação parcial das contas para pedir a responsabilização judicial do mandatário.

AÇÕES DE IMPROBIDADE

Procedentes	266	66%	Multa	221	83%
Improcedentes	136	34%	Ressarcimento	208	78%
Total	402	100%	Cassação de direitos políticos	182	68%

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 - Individual treatment effects (ITE)
 - Dynamic treatment effects by period (DTE)
 - Average treatment effect on the treated (ATT)

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- **Inference by block bootstrap**, clustered at the municipality level

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- **Presence:** administrative data from the websites of 8 state prosecutor's offices [► details](#)

States with data on prosecutor presence



Empirics: Data

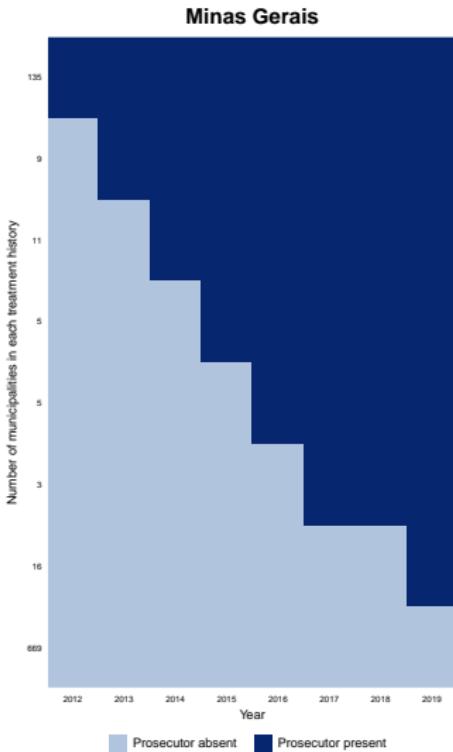
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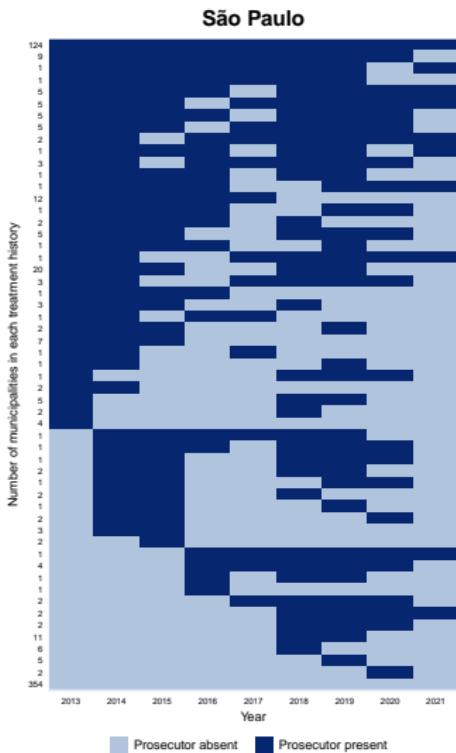
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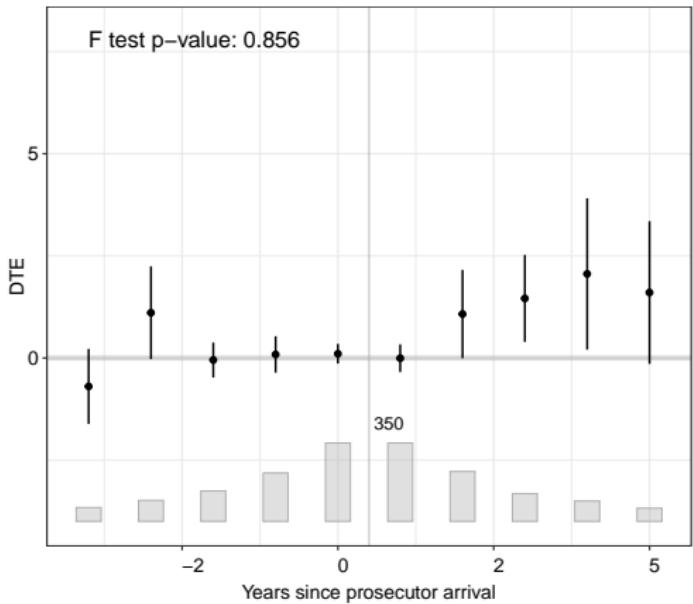
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- **Public employment:** administrative data from the federal government

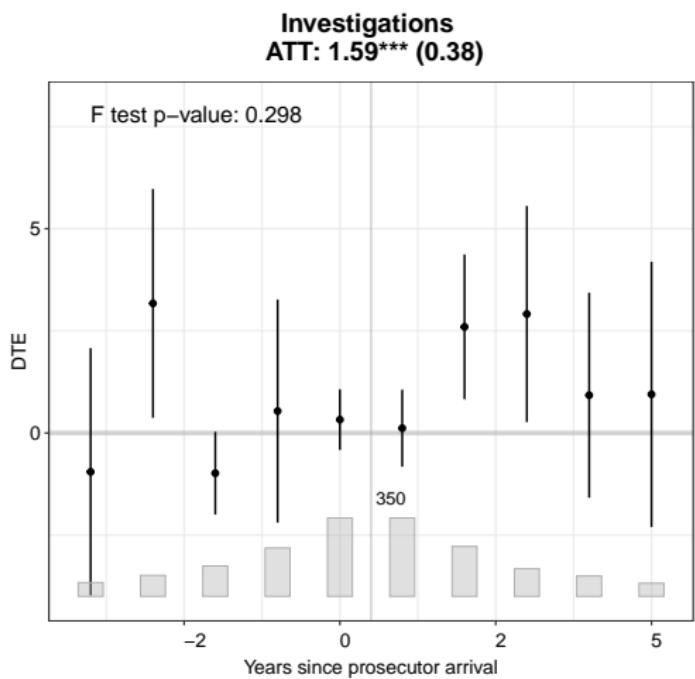
Results: Effects of prosecutor presence on anti-corruption action targeted at the local government

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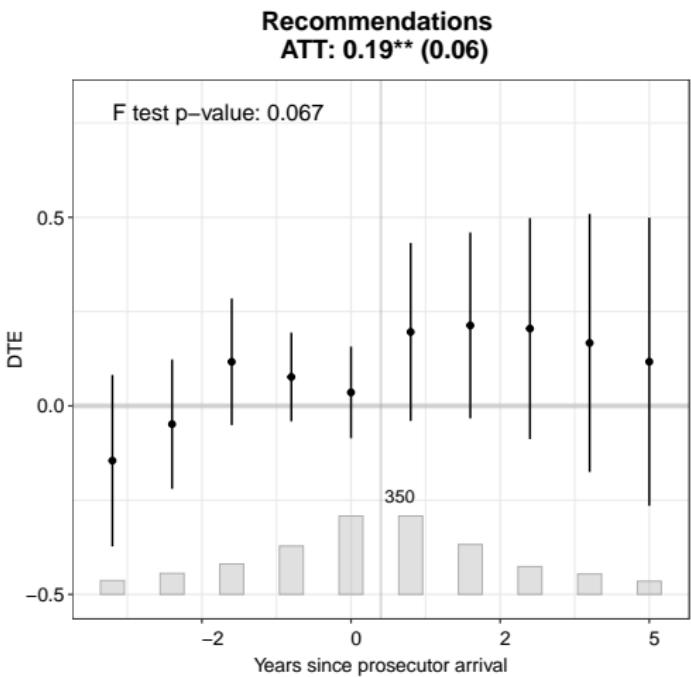
Preparatory proceedings
ATT: 0.74*** (0.2)



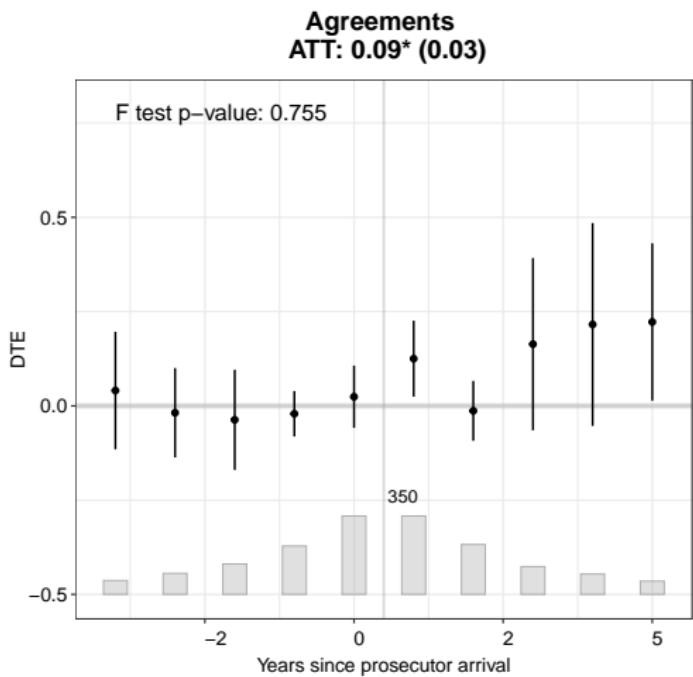
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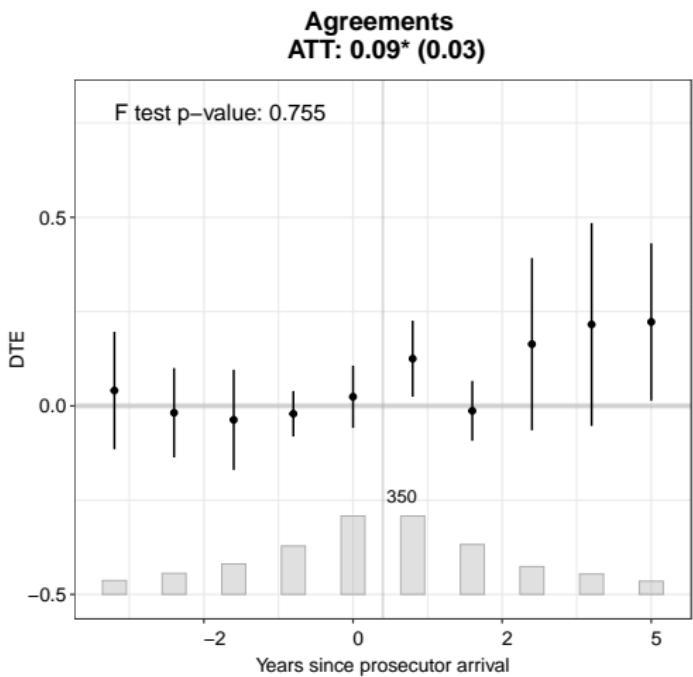
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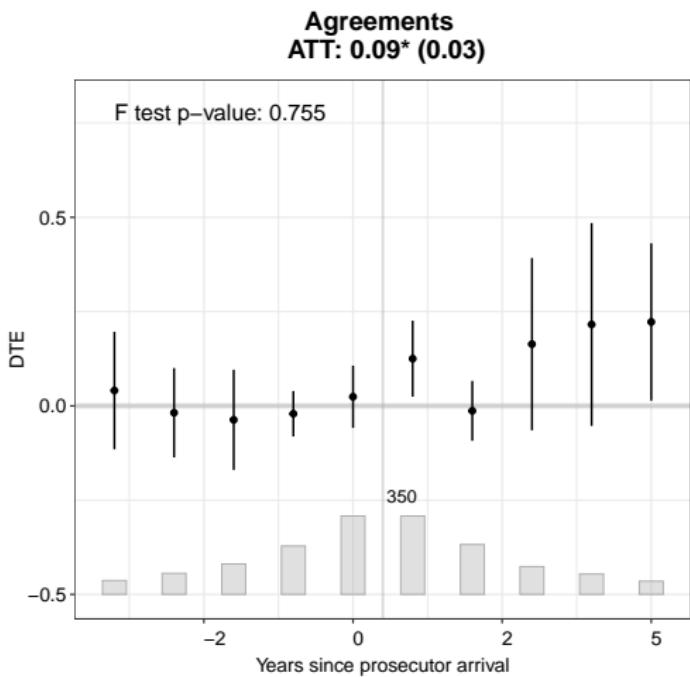


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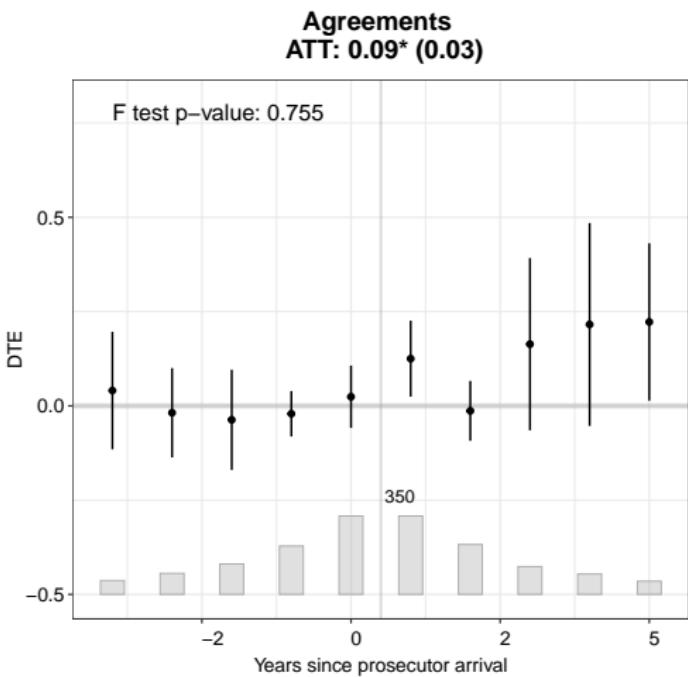
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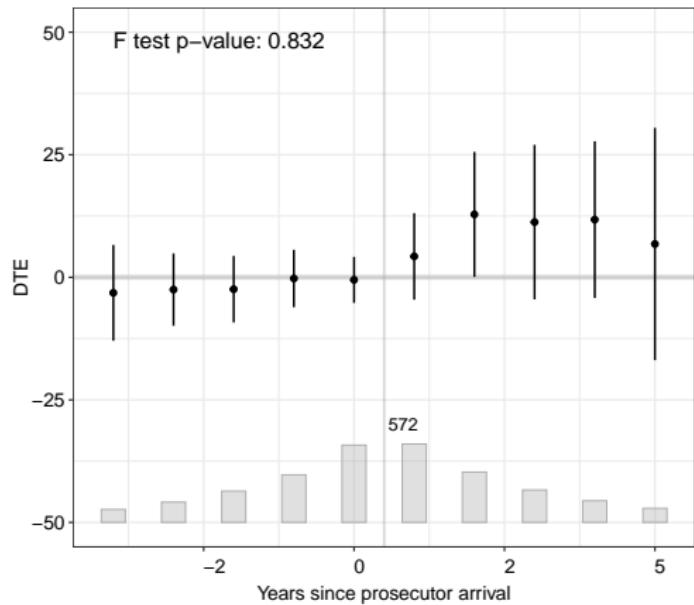


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- Similar results with binary or logged measures of the outcomes

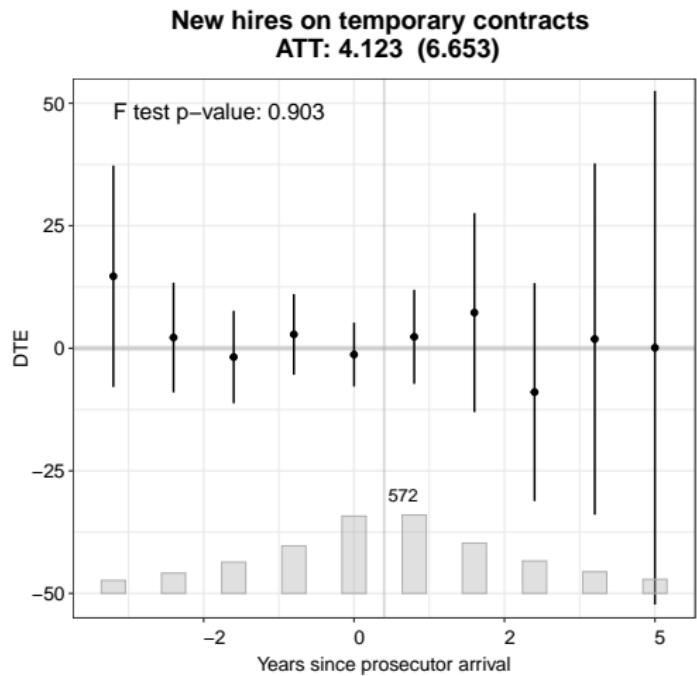
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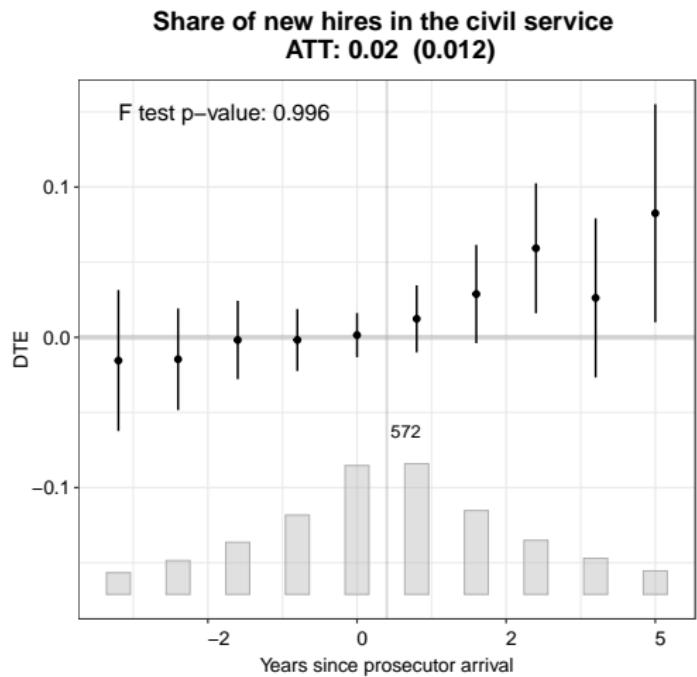
New hires in the civil service
ATT: 7.326* (3.307)



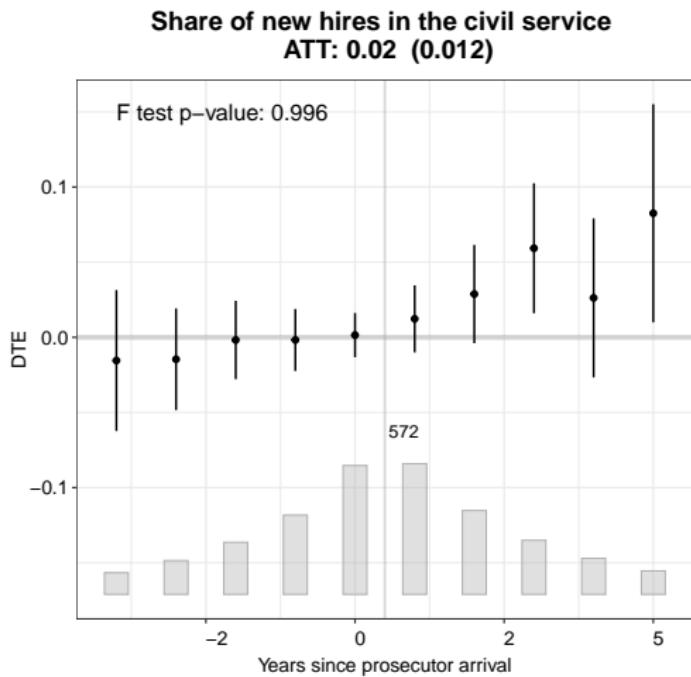
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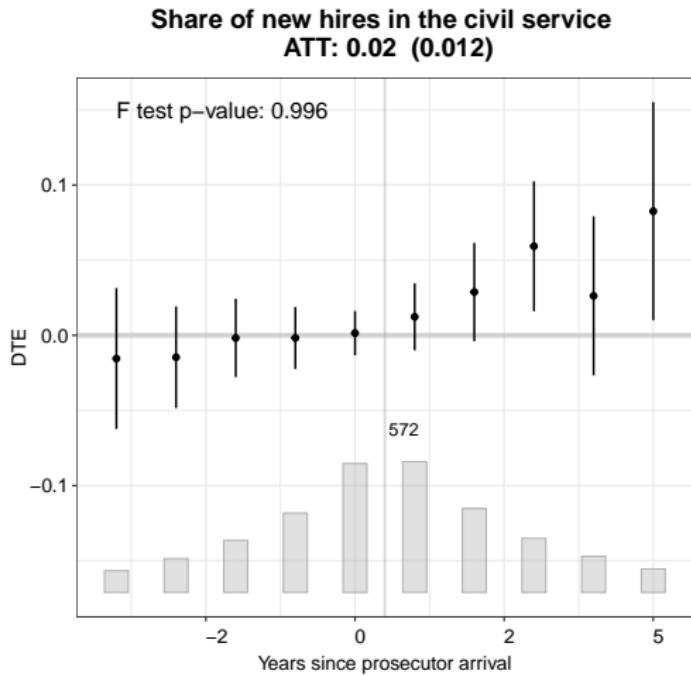


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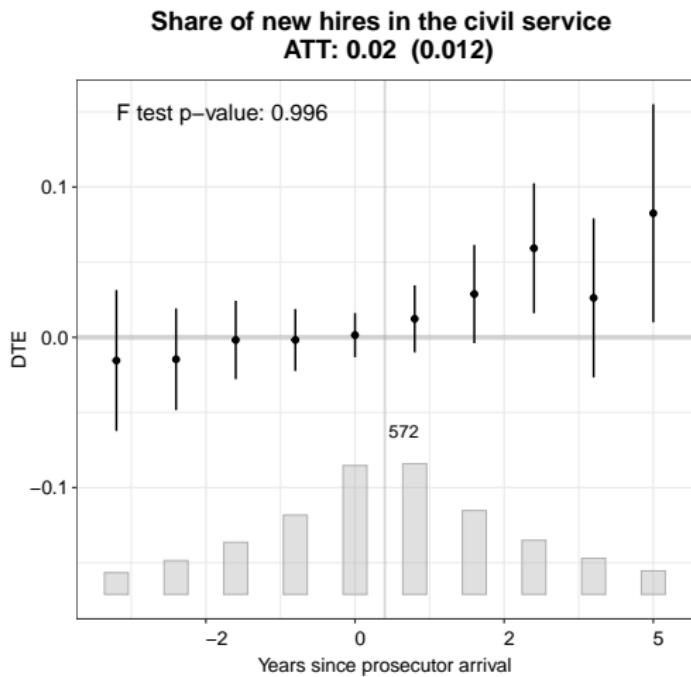
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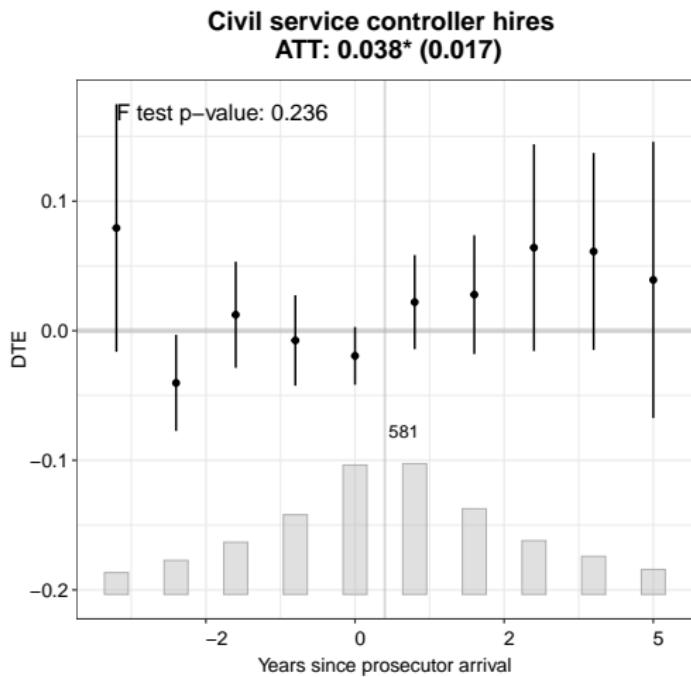
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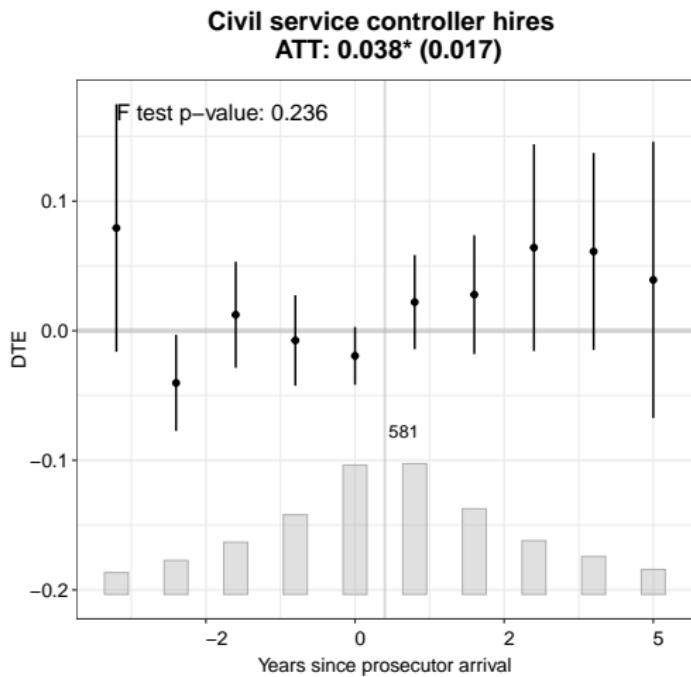
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- Results sensitive to model specification

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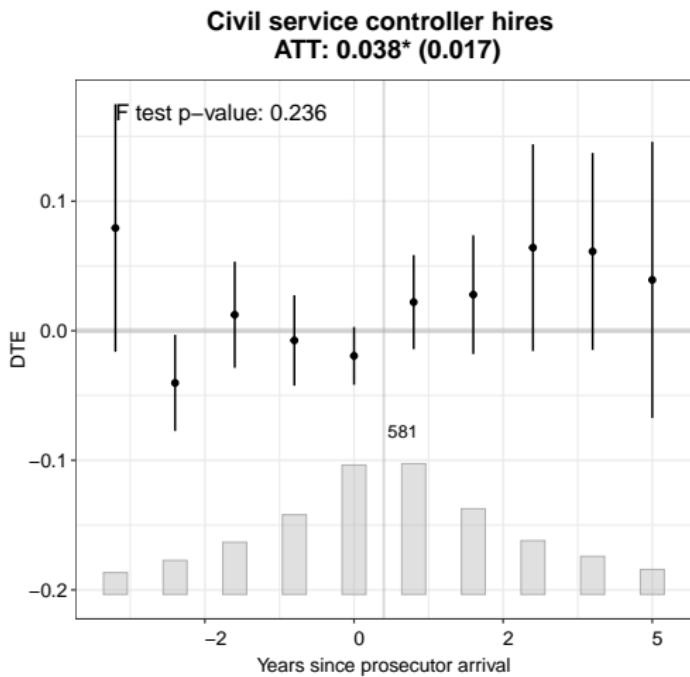


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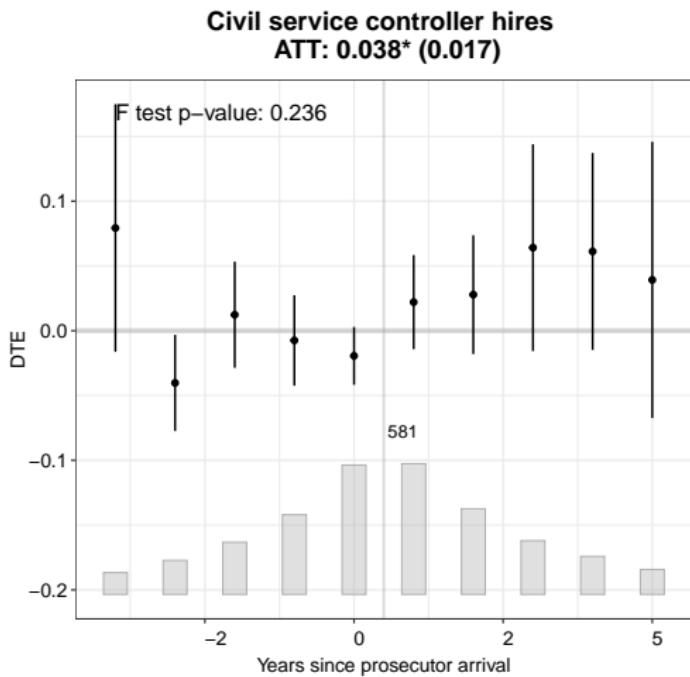
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- Online survey of local politicians in 2019 in the state of Rio Grande do Norte

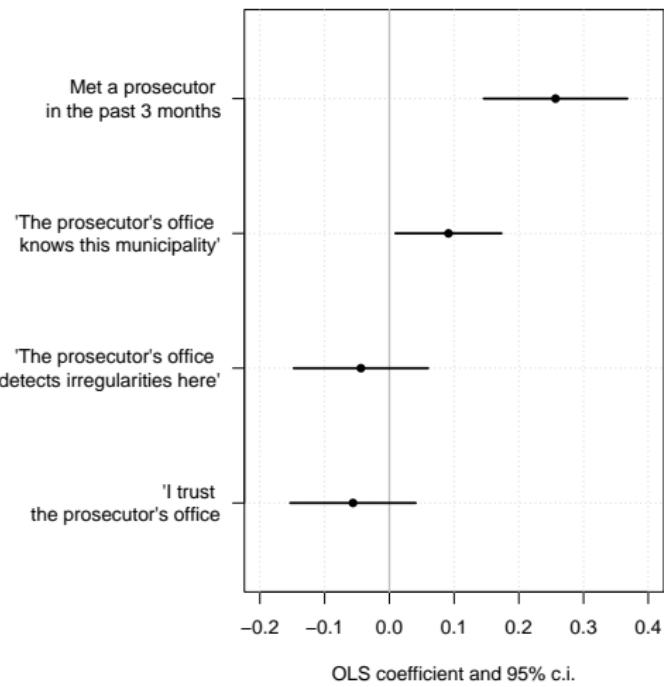
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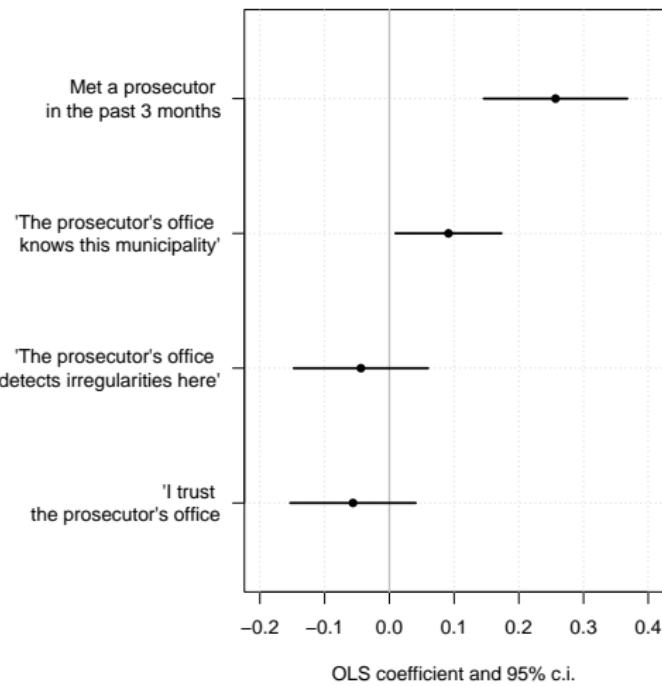
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- Similar results controlling for population or omitting large districts

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- Effects on civil service hiring and the hiring of controllers suggest that effective anti-corruption action **can potentially foster anti-corruption reform**

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Next steps:

- Adding more states and years
- Examining more anti-corruption actions, and more governance outcomes
- Looking at effects on economic and human development
- Exploiting heterogeneity (across anti-corruption actions, jobs, and municipalities) for mechanisms

Broader project:

The bright and dark sides of empowered prosecutors

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Additional materials

Institutional environment

- Public employment
- Perceptions of temporary hires as political appointments
- Management practices

Regression tables

- Effects of prosecutorial presence on anti-corruption activity
- Effects of prosecutorial presence on municipal employment
- Correlations between prosecutorial presence and politician survey responses

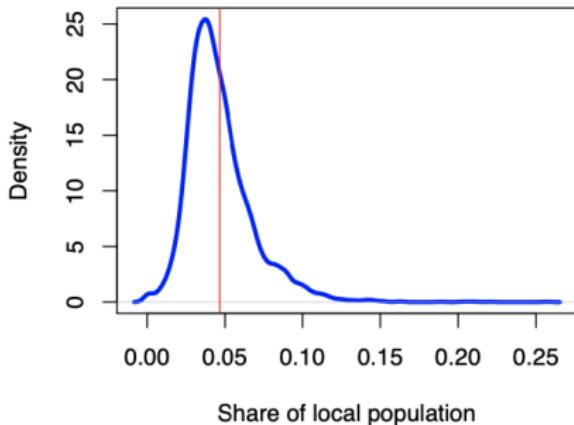
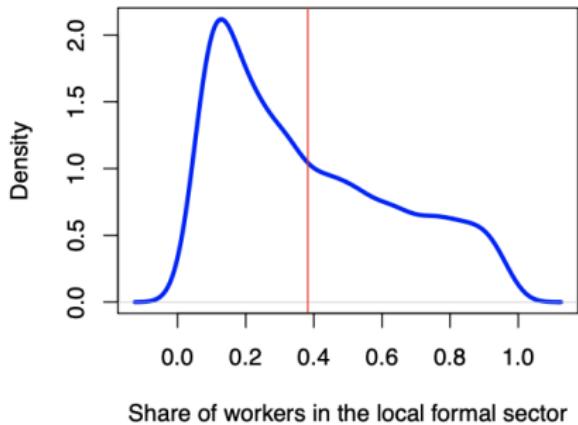
Treatment histories

- Treatment histories by state
- Treatment histories in the whole sample

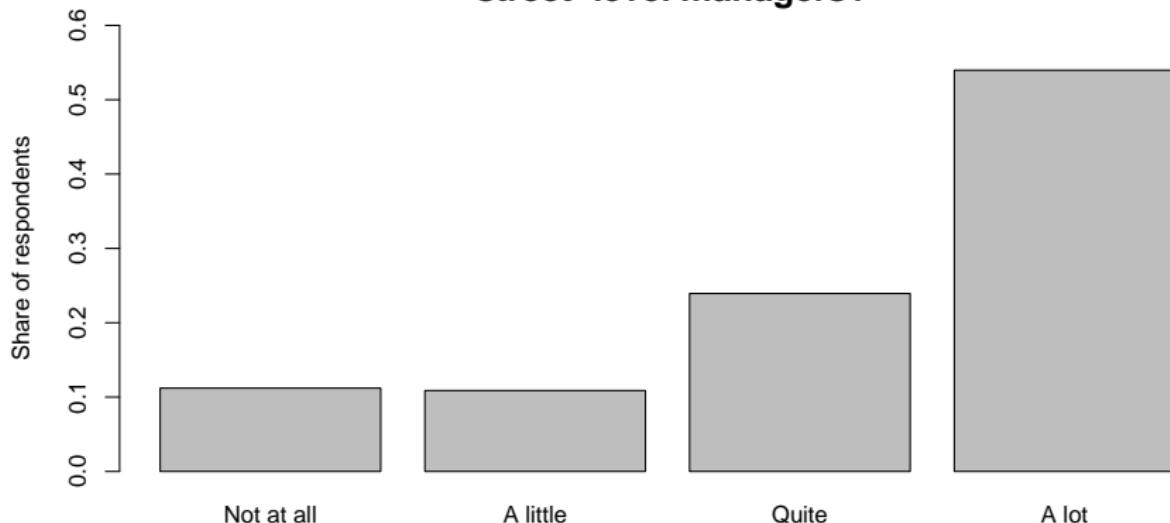
Descriptive statistics

- Descriptive statistics by state
- Descriptive statistics by treatment group

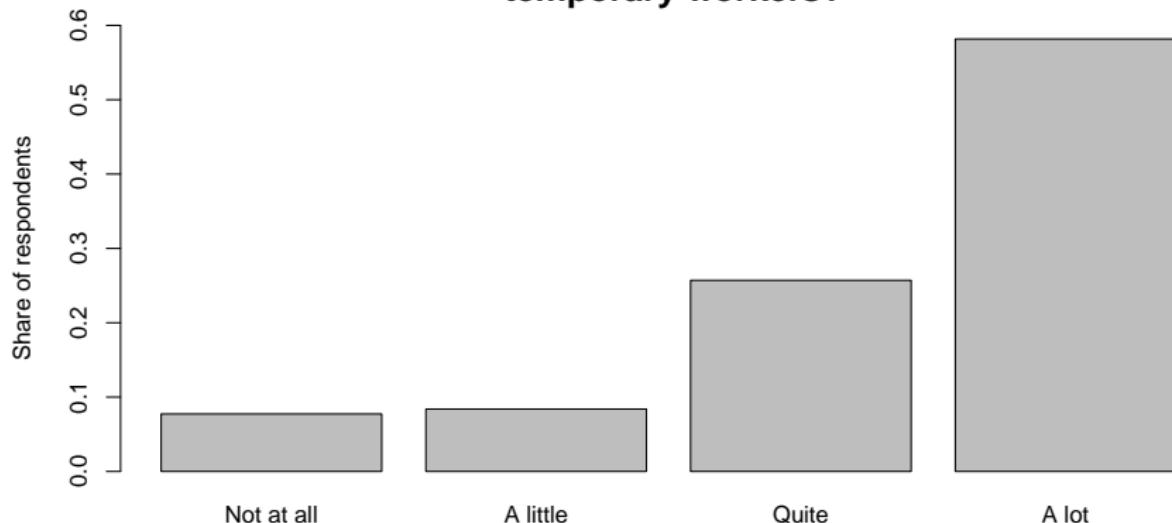
Public employment in Brazilian municipalities

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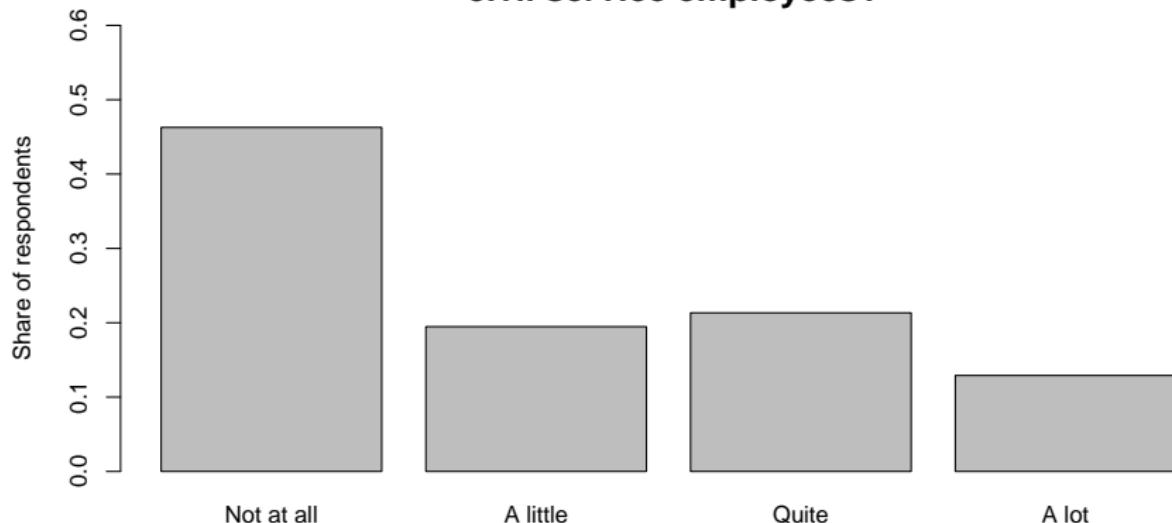
Do political connections influence the hiring of street-level managers?

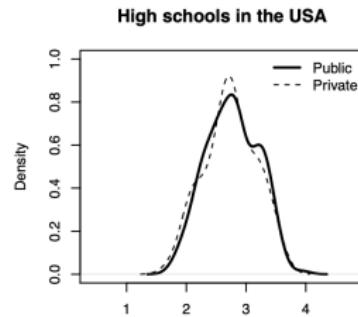
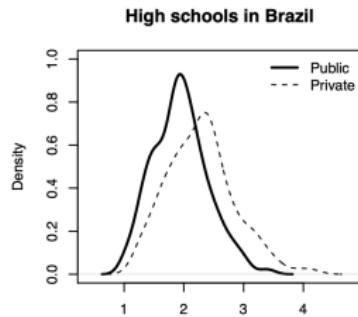
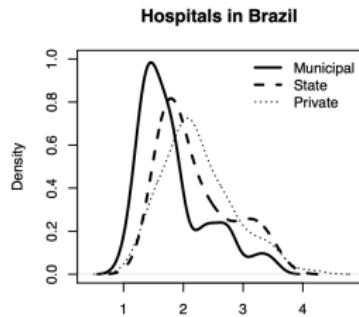


Do political connections influence the hiring of temporary workers?



Do political connections influence the hiring of civil service employees?



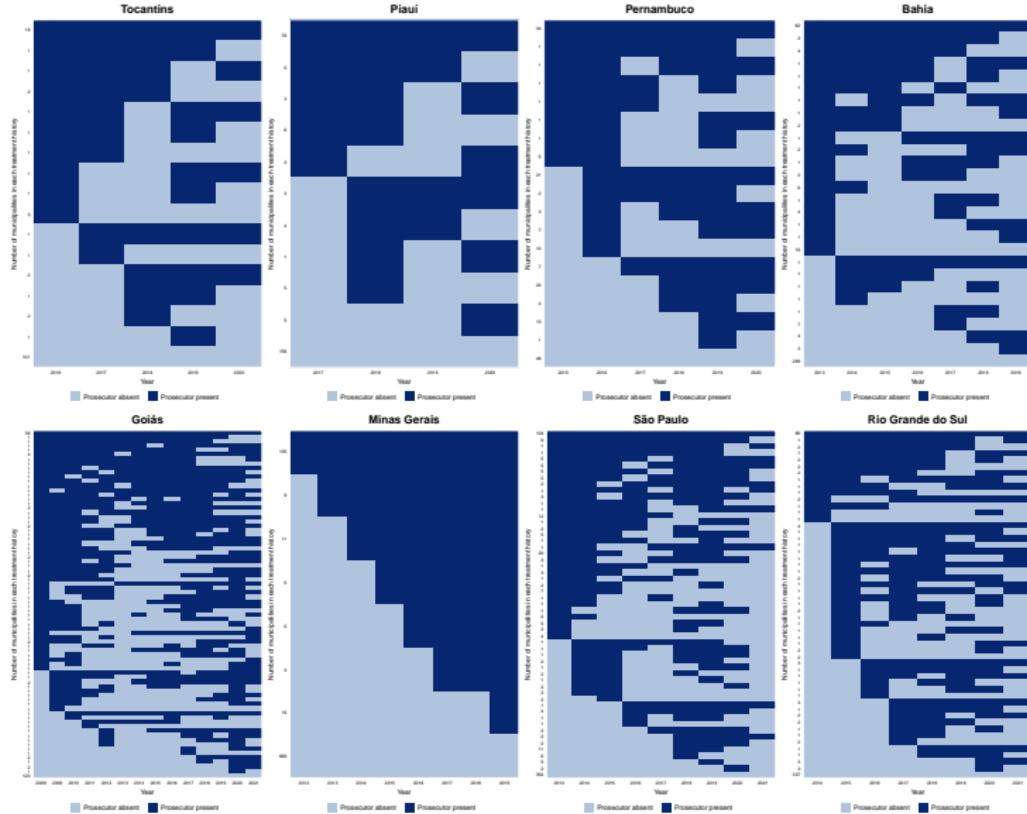


Data are from [Bloom et al. \(2014, 2015\)](#) and correspond to 289 hospitals and 513 high schools that were randomly selected in Brazil, as well as 270 high schools in the USA for comparison. Most public high schools in Brazil are managed by state governments. I only code as municipal or state hospitals those that have those words in their name.

Treatment histories by state

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Treatment histories in the whole sample

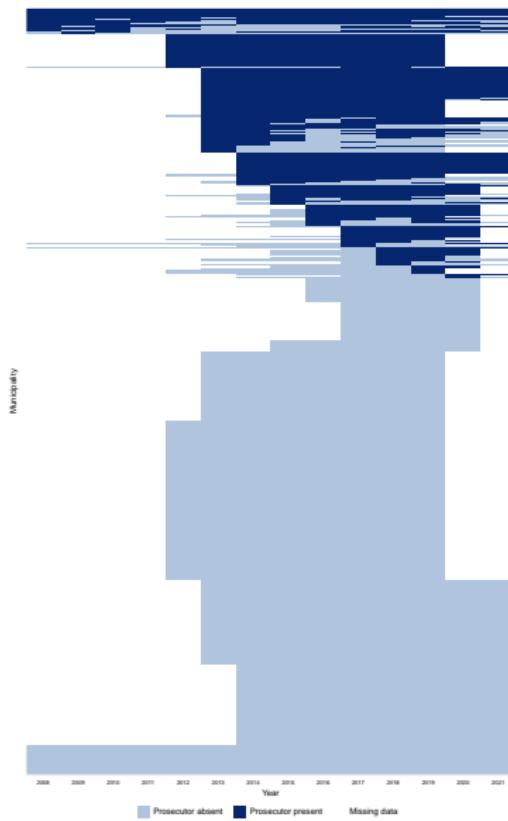
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Table: Descriptive Statistics of the States Included in the Dataset

	SP	MG	BA	RS	PE	GO	PI	TO	All
Residents (in millions)	44.4	20.5	14.1	10.9	9.1	7.1	3.3	1.5	110.9
Municipalities	645	853	417	497	184	246	224	139	3,205
Prosecutorial districts	318	297	203	164	152	127	64	41	1,366
Prosecutors	2,058	1,063	586	695	443	414	161	108	5,528
Data on prosecutor presence	✓	✓	✓	✓	✓	✓	✓	✓	
Data on prosecutor activity	✓	✓	✓	✓	✗	✗	✓	✗	

Descriptive statistics of municipalities by treatment group

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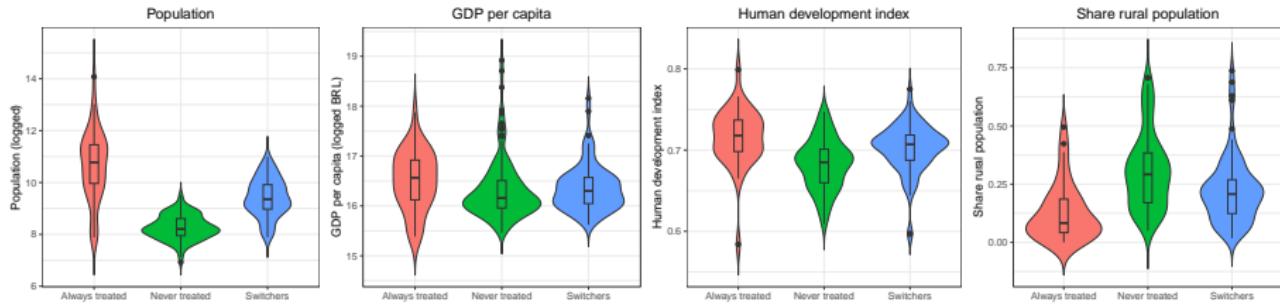


Table: Average Treatment Effect Estimates of Prosecutor Presence on Anti-Corruption Actions

	Proceedings	Investigations	Recommendations	Agreements
\widehat{ATT}	0.743*** (0.183) [0.384, 1.102]	1.587*** (0.381) [0.840, 2.334]	0.186** (0.065) [0.060, 0.313]	0.086* (0.033) [0.020, 0.151]
Mean outcome under control	0.755	3.378	0.194	0.112
\widehat{ATT} as percent of mean	98.410	46.980	95.876	76.786

* p<0.05; ** p<0.01; *** p<0.001. The municipality-clustered standard errors are in brackets, and the 95% confidence intervals, in square brackets, below them. Both are estimated through the block bootstrap.

Table: Average Treatment Effect Estimates of Prosecutor Presence on the Hiring of Municipal Bureaucrats

	Civil servants	Temporaries	Share civil servants	Controllers
\widehat{ATT}	7.326* (3.563) [0.342, 14.310]	4.123 (6.736) [-9.080, 17.326]	0.020* (0.011) [-0.003, 0.042]	0.038* (0.017) [0.005, 0.070]
Mean outcome under control	27.805	56.055	0.347	0.088
\widehat{ATT} as percent of mean	26.348	7.355	5.763	43.182

* p<0.10; * p<0.05; ** p<0.01; *** p<0.001. The municipality-clustered standard errors are in brackets, and the 95% confidence intervals, in square brackets, below them. Both are estimated through the block bootstrap.

Table: Correlation between Prosecutorial Presence and Politician Survey Responses

	Met with a prosecutor in the past 3 months	<i>Agreement with statement:</i>		
Prosecutor present	0.257*** (0.056)	0.091* (0.042)	-0.044 (0.053)	-0.056 (0.049)
Constant	0.337*** (0.034)	0.765*** (0.027)	0.613*** (0.031)	0.801*** (0.026)
Observations	450	455	455	455
R-squared	0.060	0.011	0.002	0.004

* p<0.05; ** p<0.01; *** p<0.001. Municipality-clustered standard errors in brackets. The dependent variables are dummies for whether the respondent reports having met at least once with a prosecutor over the previous 3 months, and whether the respondent's level of agreement is at or above the median for the following statements: "The prosecutor's office knows the reality of this municipality", "The prosecutor's office detects the management irregularities that take place in this municipality", and "I trust the prosecutor's office."