



THE FLETCHER SCHOOL
TUFTS UNIVERSITY

**The Nexus:
Corruption, Conflict & Peacebuilding Colloquium
*Thought Piece***

Fighting corruption has become an increasingly important topic for governments of the industrialized donor nations and the institutions whose membership they dominate. The World Bank and US government are at the forefront of this agenda, though most of the European nations have subsequently added it to their foreign aid policies in recent years.

Despite the increasing attention placed on this issue by the international community, very little exchange occurs between those working on conflict/peacebuilding and those engaged in fighting corruption. The de-facto pillars operate simultaneously and often in overlapping sectors yet without co-ordination or purposeful mitigation of possible consequences (positive or negative) each may have on the other.

The Institute for Human Security within the Fletcher School at Tufts University hosted a select group of thinkers and policy makers to discuss the critical questions related to the nexus of conflict, corruption and peacebuilding on April 13, 2007. The *purpose* of the event was threefold:

- 1.) Finalize a map of existing research and activity related to the nexus;
- 2.) Exchange views and ascertain thinking about gaps and emerging questions; and
- 3.) Determine the questions of significance for a research agenda and attendant activities moving forward

In preparation for the colloquium, each participant was asked to draft a short *Thought Piece* on a specific aspect of the agenda in order to fuel the discussion. These pieces were intended to be 'food for thought' and not academic, formal publications;¹ nor were they intended to be made public. However after much discussion regarding the paucity of existing literature it was felt, where authors permitted, that there was value in making them available.

For further information on the Colloquium, contact Professor Cheyanne Church at Cheyanne.church@tufts.edu or visit <http://fletcher.tufts.edu/corruptionconf/index.html> .

¹ Further information on the agenda and the parameters provided on the Thought Pieces may be found on the Colloquium website.

**THE NEXUS: CORRUPTION, CONFLICT & PEACEBUILDING
THOUGHT PIECE**

Remarks for Panel on “Good Governance and the Fight against Corruption”

Short version of a talk presented at 2006 Parliamentary Hearing at the United Nations, ECOSOC Chamber, 13-14 November 2006, “Conflict Prevention and Peace-Building; Reinforcing the Key Role of the United Nations”

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In a state with very weak institutions, corruption may be a short-term way to hold the system together and prevent violent disintegration. Political leaders buy off powerful private actors with patronage, and powerful private actors, including criminal groups and wealthy business interests, buy off weak politicians with money or promises of future jobs and business ventures. This makes the achievement of “good governance” difficult.

Unless care is taken, a sharp break with a corrupt status quo can breed instability and violence as those who benefited from the corrupt system struggle to maintain their position. If conflict prevention and peace building are supported by outside funds, these funds may simply be diverted into the pockets of the powerful with some trickling down to the mass of the population as a way to keep them quiet. Corruption undermines the reform agenda, and it may be the crutch on which existing leaders rely to maintain power in a chaotic environment.

The goal is to create a well functioning system where violence is seldom intertwined with politics and where allegations of corrupt self-dealing leads to a scandal that has political consequences. In such a system revelations of corruption may tip the balance against incumbents implicated in the wrongdoing. In contrast, when democracy is entwined with endemic corruption, and where public order is less well established, elections can be an opportunity for violence against opponents, individualized payoffs to voters, and corrupt payoffs to politicians.

In countries where threats of violence originate in the private sector, efforts to limit the threat can lead to an *increase* in violence if the crackdown means that a truce between competing gangs or mafias breaks down. This is especially likely if the truce was brokered by corrupt police and government officials. As the government’s role as a

corrupt peacekeeper ends and the groups fight for control of illegal businesses, such as drugs or smuggling, violence may escalate. The fighting may be mostly between competing criminal groups, but ordinary citizens will be caught in the crossfire.

Similar problems can arise when the groups capable of using violence are not only criminal mafias, but also include guerilla groups or para-military organizations, or even the nation's regular armed forces. Credible threats to use violence can be used to extort payoffs from ordinary people, businesses and politicians. Kidnapping may develop into a business in which threats to harm the victim generate ransom payments. Groups with the capacity to use violence may combine political and economic strategies.

Inside the government a powerful military may leverage its ability to use force against the civilian government into a device for engaging in illegal businesses. These might include the smuggling and resale of luxury items, the purchase of excessive levels of military equipment as a way to hide kickbacks to top brass, or the use of soldiers as workers in private business ventures.

If such systems are working "well" from the point of view of the extortionists, there may be little actual violence. Those who are extorted or threatened simply play along and do not rock the boat. Threats of violence can be costly to the growth and democratic legitimacy of a fragile democracy even, or perhaps especially, when little actual violence occurs. A calm status quo does not necessarily indicate that a good governance program can be easily implemented. Reformers need to ask what is likely to happen if they decide to upset established corrupt relationships or those based on intimidation and fear.

When reform begins, new structures of government and control need to be available quickly or the very reforms meant to produce good governance and the rule of law can generate into a spiral of violence and corruption as citizens seek to deal with the uncertainty generated by reforms. The rule of law is meant to introduce clarity and certainly into economic, social and political relationships. However, if the rhetoric is not matched by a real improvement along these dimensions, the stage is set for chaos and a new set of corrupt incentives.

What are some options to consider, and how can the international community help? Each case is different but here are some suggestions.

- **Pick your fights carefully to achieve some early and visible victories and to fit reform programs to the capacities of the country.**
- **Buy off or neutralize those who may otherwise undermine reform efforts.**
These may include both powerful individuals, ordinary citizens, and rank and file policemen, soldiers and bureaucrats.
- **Review the training and integrity of law enforcement and military personnel.**
This may involve mass firings followed by universal training opportunities with testing before people are hired or rehired.
- **Involve ordinary people and local businesses in oversight and participation, and provide safe havens for whistleblowers. But eliminate self-help vigilantes and replace them with the regular police.**
- **Restrict the armed forces' and other security services' ability to participate in legal businesses and to engage in illegal businesses and the acceptance of kickbacks.** This may need to go along with a one-time buyout strategy.
- **Create bodies both inside government agencies and independent of the executive** for the administration of a freedom of information law, to audit and monitor government spending, etc.
- **Strengthen independence of prosecutors and courts.**
- **Start simple.** For example, be sure primary systems of financial control inside agencies are in place before creating secondary bodies such as anti-corruption commissions (O'Donnell).
- **Assure a media free of both government censorship and excessive concentration in a few private hands.**

Given such a list, what can international bodies do beyond providing peacekeepers to create a window of opportunity for reform?

- **In post-conflict situation they can seek peace agreements that incorporate measures to limit corruption.** This condition, however, will only be valuable if combined with other policies such as those suggested below.
- Anti-corruption and government reform efforts can either set the stage for more reforms or destabilize a fragile equilibrium. Thus **international peacekeepers may be needed to create a space in which reform can occur.** (Madelene

O'Donnell compares the relatively well-resourced body in Liberia in 2005 with the poorly funded force in Democratic Republic of the Congo.)

- **International bodies can help buyoff and arrange exile for corrupt top leaders.** Contrast this option with the effort in Afghanistan to integrate into the government warlords with involvement in the drug trade. The result has ultimately been destabilizing (O'Donnell).
- **They can help integrate former rank and file combatants with financial aid and training.**
- **Do not simply pour in funds without clear checks on their use. Thus, international actors can use trust funds to administer some aid programs with the ultimate goal of turning over programs to government.** For example, consider the trust fund in Mozambique that funds political parties and accepts foreign donations (O'Donnell).
- **They can provide technical assistance for programs such as the creation of internal financial controls and independent agencies, the development of methods to incorporate public input or the training of government personnel or media.** Stress the creation of systems to monitor public spending and policymaking, in general, not just to control the disbursement of aid funds. An example: DRC effort by aid financed NGO to control payoff in river transport. Slow success over time with mixture of information provision, consultation with local actors, introduction of two-way radios (Brown et al.).
- **More systematic study of interventions to see what works and what does not.** Gather baseline data and track programs.
- **Develop stronger international controls on money laundering to make it more difficult for corrupt officials to export their gains.**

Violence and corruption are often deeply intertwined. In such cases, proposals for reform may produce more and violence and corruption in a vicious spiral. Thus, care must be taken in starting down the road to reform. Strong leadership from the top is needed that moves toward the goal of a more legitimate and better functioning government and sidelines those who have in the past been using the state as a tool for private gain through threats and intimidation. International assistance can, in principle, help but it needs to be

tailored to avoid exacerbating the underlying problem created by the mixture of corrupt and threats of violence from those inside and outside the government.

Sources:

Michael Brown, Philippe Ngwala, Albert Songo, and Leonard Wandé, *Combatting Low-Level Corruption on Waterways in the Democratic Republic of Congo: Approaches from Bandundu and Equateur Provinces*, George Washington University Law School, Public Policy and Legal Theory Working Paper, No. 116, 2004. Available at <http://ssrn.com/abstract=627684>.

Philippe Le Billon, "Buying Peace or Fueling War: The Role of Corruption in Armed Conflicts," *Journal of International Development* 15: 413-426 (2003)

Madalene O'Donnell, "Post-conflict Corruption: A Rule of Law Agenda", in International Peace Academy, *Civil War and the Rule of Law*, forthcoming 2006.