



THE FLETCHER SCHOOL
TUFTS UNIVERSITY

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

Thought Piece: Grand vs Petty Corruption in Conflict Zones

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: CONFLICT, CORRUPTION & PEACEBUILDING THOUGHT PIECE

“Grand’ Corruption, ‘Petty’ Corruption, and Violence after Conflict

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The aim of this ‘thought piece’ is to explore the relationship between violence in post-conflict settings and ‘grand’ and ‘petty’ corruption. At what level is corruption more corrosive of peacebuilding activities (and therefore likely to contribute to renewed violence) – at the level of political elites, whose corrupt activities are likely to involve large sums, and which might deprive society as a whole from resources and services; or at the level of lower public officials, where corruption the scale of individual acts of corruption is smaller, but which are experienced directly by the population in their daily life?

To this end, the paper will first clarify the concepts of ‘grand’ and ‘petty’ corruption. Second, it will examine the way in which corruption affects peacebuilding by creating a culture of impunity, where certain individuals or groups are effectively beyond the law and can carry out acts of violence against members of other groups without fear of punishment. Third, it will discuss the impact of corruption on statebuilding (an essential aspect of peacebuilding), by undermining the ability of the state to deliver public services (including security), compromising the authority of state institutions and creating an environment in which state authority can be violently contested by marginalised or discontented groups. By form of a conclusion, the discussion highlights that the shape and impact of corruption is influenced by the political environment in which it takes place, suggesting that grand corruption among the political elites is most corrosive and poses the bigger challenge to peacebuilding efforts.

Grand and Petty Corruption

Corruption means that the legitimate expectations of people towards the state are disappointed, as corruption results in decisions that cannot be legitimated. Thereby

corruption weakens the authority of the state. Grand and petty corruption – sometimes also referred to as political and bureaucratic corruption – distinguishes not between the scale of corrupt activity, but by the level on which it takes place – either in the political leadership, or the bureaucracy implementing and administering policy.² As the expectations towards these different levels of the state are different (both the expectations of the population and of outside donors in the context of post-conflict peacebuilding), the consequences for peacebuilding, the authority of the state, and the potential for renewed violence differ.

In post-conflict societies, grand or political corruption involves the political leadership, i.e. those individuals tasked with the implementation of a peace settlement and the establishment of a new political order after a conflict. While their corruption is rarely experienced directly by the population, it can affect the effectiveness of the provision of public services (including security) as the state is deprived of resources which are siphoned off for private use, and can change or entrench the distribution of power in the political system, as corrupt activities are used to build patronage and support networks. Grand corruption thus raises questions about the commitment of political leaders to a post-conflict settlement, undermining the development of the levels of trust necessary for effective peacebuilding.

Petty corruption, on the other hand, is experienced by the population in its daily interactions with the state, for example in the form of bribes that have to be paid to officials, or by favouritism granted by institutions to particular individuals or groups – for example the way Kosovar judges treated KLA members suspected of violence against ethnic minorities, discussed below. While the impact of individual acts of corruption on the overall peacebuilding process is low, the routine nature of petty corruption, and the immediate experience of the population of this kind of corruption undermine the trust in the state's ability to be neutral between different groups in the wake of a conflict.

Petty corruption can often be an almost necessary consequence of structural conditions. War or particular economic and legal structures might make petty corruption a necessity

² See for example Jens Andvig et.al, *Corruption: a Review of Contemporary Research*, Chr. Michelsen Institute, 2001, 10-12.

for survival. In Afghanistan, for example, the prevalence of the opium economy and the criminalisation of the drugs trade make corruption all but inevitable.

I want to discuss in more detail two ways in which corruption can undermine peacebuilding and lead to violence: first, by creating a culture of impunity, and second, by undermining the effectiveness and authority of the state.

Corruption and Impunity

In some peacebuilding contexts, forms of corruption have created a culture of impunity, where that state and the judiciary fail to curtail violence by certain individuals or groups in particular against minorities. In the aftermath of the 1999 war in Kosovo, Albanian judges and prosecutors displayed a strong bias in favour of Albanians and against ethnic minorities, in particular Serbs. While minorities could hardly get a fair trial (sometimes facing detention without charges), former KLA members could literally get away with murder – and regularly did – a situation tacitly condoned by parts of the Kosovar political leadership.³ Importantly, the reason for this behaviour corrupting the judiciary and the rule of law was not financial gain but threats of violence against judges and prosecutors from the KLA, and a more general perception among parts of the Kosovo Albanian elite that the judiciary was an instrument to promote the goal of independence.

What this very brief example highlights is, first, the way in which petty corruption present only one perspective on the multi-faceted problem of a culture of impunity in post-conflict settings (in addition to the roles of ethnicity and of institutional decay and collapse in the case of Kosovo); and second, how petty corruption is facilitated by the behaviour of political elites, underlining that the distinction between petty and grand corruption can at times be fuzzy.

In addition to sustaining a culture of impunity, the exclusion of particular ethnic groups from certain parts of the state (in this case the delivery of justice and the rule of law) not only marginalises these groups, but can also turn them against the political order and lead to renewed violence.

³ Dominik Zaum, *The Sovereignty Paradox: The Norms and Politics of International Statebuilding* (Oxford: Oxford University Press, 2007), 148-50.

Corruption and Statebuilding

In an international society based on the ordering principle of state sovereignty, statebuilding (the creation and strengthening of institutions of government in a society) becomes an integral part of peacebuilding.⁴ The (re)-establishment of the Weberian monopoly of legitimate violence in the hands of the state in particular has been a key element of international peacebuilding strategies, for example through DDR and security sector reform, and through attempts to strengthen the rule of law.

Peacebuilding (and statebuilding) generally takes place in environments where public institutions are weak or non-existent. Such efforts therefore rely heavily on the cooperation of political elites, and their support for the peacebuilding process. For statebuilding to contribute to peace and stability, it requires that existing state institutions are not ‘captured’ by a particular group, and are perceived as promoting the interests of all important political and societal groups who could otherwise challenge the state’s authority – they must not be threatened by the prospect of the state institution’s monopoly on violence.

In the short term, grand corruption can help to ensure the ‘buy-in’ of all major political groups into the state, by sharing between them the spoils of controlling different state institutions, and the rent and patronage opportunities they offer. Corruption can therefore help to buy a degree of stability, at least for a limited time. However, grand corruption undermines the ability of the state to provide public services (in particular security), undermining the trust in the state and leading to the emergence of extra-legal groups that challenge state authority, possibly with violence. Furthermore, corruption can be an indicator that parts of the political elite are less interested in peace than in either political power or private economic gain, which are sustained by ‘capturing’ part of the state. Corruption thus stabilises power structures and a political economy that have often have shaped and sustained a conflict in the first place. Grand corruption can therefore be deeply corrosive of peacebuilding.

⁴ See for example Barnett Rubin, ‘Constructing Sovereignty for Security’, *Survival*, Vol.47/4 (2005), 93-106.

Implications for Peacebuilding

Corruption can undermine peacebuilding efforts and contribute to violence by sustaining a culture of impunity and compromise the authority of and trust in the state. As the examples discussed above suggest, corruption is only part of the puzzle of how to build and sustain peace. The form and the impact of corruption are influenced by the political environment in which a peacebuilding process takes place – an environment that is shaped by the choices of the political elites. Furthermore, in a sovereignty-based international order, peacebuilding efforts are inevitable largely top-down, relying on political elites to broker and implement a peace process and political and economic reconstruction. Grand corruption thus directly undermines these efforts. Both these factors suggest that grand corruption has the more corrosive effect on peacebuilding, and that it should be the focus of international anti-corruption efforts in the context of peacebuilding.