

A STUDY GUIDE SERIES ON PEACE AND CONFLICT
FOR INDEPENDENT LEARNERS AND CLASSROOM INSTRUCTORS

GOVERNANCE, CORRUPTION, AND CONFLICT



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Preface

The international system has witnessed dramatic changes in the recent past. Questions relating to how and when ordinary citizens can stand against oppression, injustice, and abuse without resorting to violence challenge all of us to rethink our understanding of international peace and conflict. As academicians, educators, practitioners, private citizens, and students, what is our role in this increasingly complex global picture? What can we do to nurture and preserve international security and world peace?

One thing is certain. We must make sure our learners and educators have access to the best available information about the issues surrounding peace, justice, freedom, and security. Our country's future depends upon their interest in and understanding of these complicated topics. In the belief that knowledge of these issues is vital to civic education, we have developed this study guide to expand our readers' perspectives and knowledge of some aspects of international peace and conflict.

About the Study Guide

This study guide is designed to serve independent learners who want to find out more about international conflict and its possible resolution, as well as educators who seek to introduce these topics into their curricula. The main text of each guide briefly discusses the most important issues concerning the subject at hand, especially those that are related to the critical task of managing conflicts and building international peace.

Other features of each study guide include:

- A glossary to help the reader build vocabulary essential to the discussions about the topic.
- Discussion questions and activities to encourage critical thinking and active learning.
- A list of readings and multimedia resources for additional investigation and learning opportunities.

This guide is a brief summary of the key issues surrounding the issue of governance and corruption. Please do not use the guide as a reference in your essay or as a bibliographic citation. We encourage you to consult the references listed in the resource section and in the notes. These resources may be included as references in your bibliography.

It is our hope that citizens around the world will find the contents of the study guide useful as they strive to deepen their understanding of international peace and conflict.

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Introduction

The international community has been paying increasing attention to corruption and how to control it. For one thing, international institutions, governments, donors, aid workers, and peacebuilders all realize that corruption has very high costs for society, but particularly in states emerging from conflict. Not only can corruption keep states in cycles of violence by funding armed groups and criminal networks, but it can also prevent the development of effective institutions of governance. When money and resources available to government are diverted by corrupt officials instead of being channeled for the benefit of citizens, the clock turns back on social and economic development. This, in turn, can create further instability. In these ways, corruption, governance, and conflict are all linked. But, corruption exists everywhere in some form and can be pervasive in some societies. Rooting it out is more difficult than it would seem.

Corruption

What Is Corruption?

Almost everyone who studies it would agree that corruption is difficult to define and nearly impossible to measure. When a high-level government official steals millions of dollars for his/her own personal gain, it's relatively easy to identify that as corruption. But, what if your neighbor gave preferential treatment to a friend or relative in her business dealings? Is that corruption? What if a parent made a donation to a school in order to prevent the expulsion of a child? What if you live in a conflict-ravaged country where food supply is limited and you pay the officials a little bit of money under the table to get extra rations to feed your hungry family? Corruption exists at many different levels. And, some would argue that a definition for corruption is impossible because it is a concept that is culturally determined and varies from one society to another. For example, gift-giving to officials may be expected in one country and prohibited by law in another. For the purpose of this guide, corruption involves the misuse of power by those who hold it—people who, in their official position, exploit the power with which they are entrusted by seeking private gain.

The private gain obtained by corrupt public officials, who have been entrusted with guiding and implementing public policy and service, is at the expense of both the common good and of those who don't "cheat the system." In this sense, corruption is widely viewed as an immoral practice and is increasingly condemned around the world. Even those compelled to participate in corrupt systems in order to survive are frequently fed up with the role that corruption may play in their daily lives. Corruption creates a system whereby money and connection determines who has access to public services and who receives favorable treatment. Kofi Annan, former Secretary General of the

United Nations, put the cost of corruption succinctly in his Foreword to the 2004 United Nations Convention Against Corruption. Calling corruption an “insidious plague that has a wide range of corrosive effects on societies,” he added that it diverts funds intended for development, undermines the ability of governments to provide basic services, feeds inequalities and injustice, and discourages foreign aid investment.”¹

These practices have particular repercussions in countries emerging from conflict because monies that are needed for development of, for example, roads, utilities, education, health care, and transportation, are diverted by greed and desire to survive and get ahead in a broken system.

“I Miss Mao” by Xiao Chi An

"I have good news," Fan Xiaoli told her brother, Fan Dayi, on the phone one day in August 2008 (the family's names have been changed). "I've finally found someone who can help us to send Yuanyuan to the school."

They were talking about how to get Yuanyuan, Fan Xiaoli's daughter, into a prestigious junior high school in Guangzhou, China. When test results were released in mid-July, Yuanyuan did not do well enough to meet the school's entrance requirements. Xiaoli was as disappointed as her daughter. She then decided, as many Chinese people in the same situation do, to try to find someone who could help. Through a colleague, she got to know a Mr. Yang, who claimed to know "some decision-maker in government" and said he could help get the girl admitted to the school if Xiaoli paid him 70,000 yuan (US\$10,257). "I know it is corruption," Xiaoli said, "but it works and everybody is willing to do it if they can afford the money." She paid the money and by mid-August, Yuanyuan got an offer from the school.

"It is not so bad a deal for my sister because she wants her daughter to go to the school and she can afford the money," Fan Dayi said, "but it is sad for the people in this country. There is too much corruption. Nominally, we have all kinds of laws, regulations and responsible officials, but in reality, only money and *guanxi* (nepotism or relations) work when people want something done in this society."

The Corruption Notebooks, 2008
Global Integrity

Corruption can reach many levels and aspects of governance and span a range in its scale. Corruption that involves the public interacting directly with low- or mid-level bureaucrats who implement policies is known as “petty corruption.” A health inspector taking money from a restaurant owner to give a passing inspection is an example of petty corruption. “Grand corruption,” in contrast, involves high-ranking public officials or politicians who influence policies and rules. They can influence policy to give businesses unfettered access to natural resources, or help pass laws or regulations that are in the interest of those who are willing to pay. In unstable countries, another form of grand corruption occurs when politicians buy votes in order to get elected and, once in office, engage in corrupt practices to cement their rule. And, even in stable democracies, it is not uncommon for legislators to use their positions of power to reward their financial supporters with favors, the awarding of contracts, or the drafting of new laws. Poor regulation over “the flow of private money into election campaigns and political party coffers” is the “number one governance challenge around the world,” notes the watchdog group Global Integrity in its 2008 report.²

What Are the Costs of Corruption?

There are many economic and social costs associated with corruption, not to mention links to criminal operations and violence. On the financial front, the World Bank has attempted to attach a monetary figure to the extent of bribery (which does not include the embezzlement of public funds or the theft of public assets). Based on worldwide economic data compiled in 2001-2002, the World Bank estimated that the amount of money paid in bribes globally was some \$1 trillion.³

In part because of how it affects access to public services, corruption particularly impacts the poor. “Corruption is costing the developing world billions of dollars every year,” indicates the UN Development Program. “It siphons off scarce resources and diminishes a country’s prospects for development. In a country where corruption is endemic, the consequences are disproportionately borne by the poor who have no resources to compete with those able and willing to pay bribes. In the end, corruption tightens the shackles of poverty on countries that can least afford it, on societies that need every dollar to pay for important social and economic programs.”⁴ Economic development is difficult in countries where corruption undermines the development of fair market structures and distorts competition. And, corruption often leads to the diversion of scarce public resources to uneconomic high-profile projects, such as big office complexes and shopping centers, to the exclusion of necessary infrastructure projects such as schools, hospitals, water treatment plants, and roads. Ultimately, corruption benefits the “haves” at the expense of the “have-nots,” which can lead to growing economic and social inequalities.

Another societal cost is that corruption is linked to the development of organized crime, including the involvement of criminal syndicates in money laundering and trafficking in people and drugs. In Colombia, for example, narcotics trafficking is the source of much of the country’s corruption at high levels. Alliances exist between politicians and the illegal armed groups that make money off of a lucrative trade in cocaine, and

Aspects of Corruption

There are many terms that are used in discussing corruption. Bribery, fraud, embezzlement, nepotism, and favoritism are some commonly used terms. Bribery, an offering of something of value for some action in return, is one example of corruption. Other terms associated with corruption include fraud (using a trusted position to deceive for profit), embezzlement (the theft of government resources by those in authority), and nepotism (favoritism shown to friends or relatives by those in power). While corruption can include all of these terms, it is not just financial gain; there can also be political and legal gains that often include exclusive access to decisionmakers and political and legal authorities. Favoritism is practiced widely, but when there is no exchange of money, it is not legally considered bribery. A favor is simply expected in return at some later stage. It may be a favor granted in return for political support or an appointment to a position. Such preferential treatments given to friends, relatives, or business partners are very common in some cultures, but some argue that such practices undermine the concept of fair play.

want to see their business continue. A booming cocaine trade is also breeding corruption in West Africa, particularly in places like Guinea-Bissau which, notes the UN, “is saddled with high-level corruption and a near-total absence of the rule of law, allowing cocaine gangs to operate with impunity.”⁵ In other words, criminals involved in drug trafficking are bribing public authorities so that they can operate without interference.

Finally, corruption has links to conflict. Although corruption is not likely to be the only factor responsible for the destabilization of a country, it can have a major impact on undermining the government—and public confidence in governing institutions—which, in turn, can become a driver of conflict. The links between corruption, governance, and conflict are complex and interrelated, and they are a reality in many countries. For example, in the Caucasus, corruption and conflict are intertwined in the states and breakaway regions. Corrupt rulers, powerful and contending clans, and networks of elites who have a shared stake in corruption in states such as Georgia, Armenia, and Azerbaijan have used “state power to intrude into the economy with impunity” and created “violence and protection” markets.⁶ As a result, governing institutions are weak and there is a pervasive insecurity. While nationalism and ethnic loyalties have also played a part in conflicts in the Caucasus, links to corruption are intertwined with these and have contributed to the region’s instability. Charges of widespread corruption were at the heart of the public demonstrations that led to the overthrow of Kyrgyzstan’s President Kurmanbek Bakiyev in March 2010.

Where Is Corruption Most Prevalent?

Corruption is very widespread and, because of its diverse forms, it is extremely difficult, if not impossible, to measure. Nathaniel Heller, Managing Director at Global Integrity, compares measuring corruption to “trying to measure a black hole. You can’t measure it because you can’t see it,” he adds.⁷ Global Integrity, therefore, does not measure corruption, but rather assesses its opposite. That is, it examines the anti-corruption and good governance institutions, mechanisms, and practices that are in place. On this basis, the countries it identified in 2008 as not having these elements and, thus, being at “serious risk for high-level corruption” included Angola, Belarus, Cambodia, China, Georgia, Iraq, Montenegro, Morocco, Nicaragua, Serbia, Somalia, the West Bank, and Yemen.⁸

And, there are other corruption indices that are commonly referenced and provide a global picture. Since 1995, Transparency International has published an annual Corruption Perceptions Index (CPI) that ranks the countries of the world according to “the degree to which corruption is perceived to exist among public officials and politicians.” It measures how corruption affects people where they live, such as how much they might have paid in bribes over a given period, for example. The latest CPI in 2009 draws on 13 different polls and surveys from 10 independent institutions. Countries with the lowest scores—or the perceived highest levels of corruption—included Somalia, Afghanistan, Myanmar, Sudan, Iraq, Chad, Uzbekistan, Turkmenistan, Iran, and Haiti.⁹

Transparency International notes that “Fragile, unstable states that are scarred by war and ongoing conflict linger at the bottom of the index.... demonstrate[ing] that countries which are perceived to have the highest levels of public-sector corruption are also those plagued by long-standing conflicts, which have torn apart their governance infrastructure.” Indeed, some of the top states on the list of the Fund for Peace’s Failed State’s Index¹⁰ are the same as those on the CPI, such as Somalia, Sudan, Chad, Iraq,

Afghanistan, Myanmar, and Haiti. Among others, these states show sharp economic declines, little government legitimacy, a deterioration of public services, and arbitrary applications of the rule of law.

In many of these cases, systemic corruption exists—that is where corruption has become a key part of the economic, social, or political order and where the major institutions of government are captured by corrupt individuals or groups. It's interesting to ponder whether corruption like this exists because the state has failed, or whether corruption among elites has led to state failure. Whichever is the case, the link between corruption and failed states is a strong one.

Corruption, Society, and Governance

Corruption—especially when it is prevalent in society—poses a threat to the larger social fabric. Why? Because it undermines the trust and shared values that make a society work. People pay taxes and offer allegiance to a government in return for security and essential public services, notes Raymond Gilpin at U.S. Institute of Peace (USIP). But, he adds, when those in government start to use public money for their own personal benefit and services start to collapse, then there is a breakdown of trust. Judicial, legislative, and executive branches of government also become compromised.

What Forms of Governance Are Likely to Be More Corrupt?

Corruption tends to be more prevalent in autocratic systems (where one person rules with unlimited authority), or oligarchies (rule by a small group of elites). As Minxin Pei from the Carnegie Endowment clarifies, corruption does exist in democracies, but it “is fundamentally different from the massive looting by autocrats in dictatorships. That is why the least corrupt countries, with a few exceptions, all happen to be democracies, and the most corrupt countries are overwhelmingly autocracies... That corruption is more prevalent in autocracies is no mere coincidence. While democracies derive their legitimacy and popular support through competitive elections and the rule of law, autocracies depend on the support of a small group of political and social elites, the military, the bureaucracy and the secret police.”¹¹

Alexis Sinduhije, candidate for president in Burundi’s 2010 elections, talked of the link between corruption and human rights:

“Crime and corruption are deeply rooted in many countries, including Burundi....In such countries, corruption sustains crime, while criminal acts protect the corrupt. In Burundi, the state commits crimes against humanity, despite the fact that we are now supposedly a democracy at peace. Each day, at least 20 people are assassinated for political reasons—more deaths than during our 12 years of civil war. And most such deaths today are fueled by corruption. Crime and corruption reign in poor countries, where there is little international interest in eradicating it. In my country, the global community prefers to maintain the semblance of peace rather than address the violent abuse of basic human rights. In other corrupt, crime-ridden states, rich natural resources and strategic locations serve as a protection from scrutiny or action. Global cartels also support crime and corruption—working to protect their own kind even when it is not in the best interests of the broad population. One of the most striking examples of this is how the leaders of countries bordering Zimbabwe protect President Robert Mugabe from the accusations of “colonial powers”—feeding the cycle of crime and corruption.”

As quoted in “The Big Question: How Can Nations Break the Cycle of Crime and Corruption?” in *World Policy Journal* (March 22, 2010).

A dictatorship is an autocratic form of government and, historically, there are numerous examples of corrupt dictatorships. Take Mohamed Suharto, the president of Indonesia from 1967 to 1998. He reportedly embezzled \$15 to 35 billion from state coffers. Suharto's rule was very centralized and his government was dominated by the military. Although he maintained stability over an extensive region and boosted economic growth, his authoritarian regime was marked by renowned corruption and widespread discontent. Mobutu Sésé Seko, the president of Zaire (present-day Democratic Republic of the Congo) from 1965 to 1997, also embezzled some \$5 billion.¹² Mobutu stayed in power by fostering a broad patronage network, handing foreign-owned firms over to relatives and associates, and publicly executing political rivals. Centralized systems like these rely on the support of a cadre of powerful elites, but the majority of the population has little political influence or other rights.

One-party states may also have higher potential for corruption because of the lack of "checks and balances" on their rule. Vietnam is an example of where one-party rule has led to systemic corruption and little accountability, notes Nathaniel Heller at Global Integrity. All political organizations are under the control of the Vietnamese Communist Party. There is no independent media, or legally recognized opposition parties. In systems like Vietnam's, adds Heller, everything goes through the party, which determines who gets promoted and where contract money goes.¹³ Without checks on a highly centralized form of governance and without a strong public voice that applies pressure on the government, transparency and accountability may be difficult to accomplish. Vietnam has been moving to a free-market economy. Hence, its government acknowledges, more work needs to be done to combat corruption in order to attract foreign investment.

Is Corruption Lower in Democracies?

Corruption exists in all societies and some would argue that you can minimize it, but never eliminate it anywhere. Despite this, a democratic system of government has some built-in mechanisms that keep corruption in check. Democracy is defined by USIP as "a state or community in which all members of society partake in a free and fair electoral process that determines government leadership, have access to power through their representatives, and enjoy universally recognized freedoms and liberties." It is generally accepted that strong democracies have lower levels of corruption, largely because those who are ruled give the government the legitimacy to govern and therefore the citizens can hold the government to greater transparency in its operations.

However, even when a state has free and fair elections and calls itself a democracy, it may still be emerging from conflict, transitioning from authoritarian rule, or be guided by loyalties to one's own clan, tribe, or interest group. A state may also have a political culture that lends itself to corrupt practices. In Russia, for example, there is a preference for cultivating access to influential people rather than adhering to formal and legalistic procedures and norms. Such a political culture continues to proliferate corruption and, as countries like Russia have transitioned to market economies, corruption has particularly benefited the well-connected and newly rich.¹⁴

In states transitioning from one form of governance to another, corruption may actually increase. "When authoritarian control is challenged and destroyed through economic liberalizations and political democratizations, but not yet replaced by democratic checks and balances and by legitimate and accountable institutions, the level of corruption will increase and reach a peak before it is reduced with increasing levels of democratic

governance,” suggests a paper on corruption prepared in 2000 for the Norwegian Agency for Development Co-operation.¹⁵ Many countries in the former Soviet Bloc, for example, have transitioned from Communism to multiparty democracies over the past 20 years, but corruption is still rife in many. In Bulgaria, for example, a variety of legal reforms have been put in place to combat corruption. However, corruption remains prevalent in the judiciary, and the European Union has recently suspended funding for apparent fraud and misuse of funds.

A democratic system does not guarantee a society that is free from corruption. Petty corruption tends to be far less prevalent in strong democratic systems with more open systems of governance, but one can still find plenty of examples of political corruption at high levels or of money influencing politics. These include scandals involving questionable party financing, the selling of political influence to the biggest donors, and politicians using connections to line their own pockets. Campaign finance reform continues to be a subject of much debate in the United States, where the electorate remains concerned about moneyed special interests having undue influence over legislators.

Another example from the West was the high-level corruption of political parties in Italy, which led to a number of scandals in the 1990s. The political party in power made sure that its members dominated government positions. Its members in key positions awarded government contracts to businesses for a price of a bribe, then, gave the money to the party. Among other illicit activities, funds for large infrastructure projects were funneled into party coffers.¹⁶ Transparency International’s Corruption Index 2008 shows that many of the least corrupt countries are democracies. However, countries with less democratic, more authoritarian systems of governance, such as Singapore, United Arab Emirates, and Bahrain are also some of the least corrupt.

Also, democracy is not a panacea for problems related to corruption and conflict. A rule by majority can neglect the needs and desires of minorities, marginalize them, and thus contribute to the rise of separatist movements and even violent rebellions, even with many political parties. And, it takes a long time to establish a solid democracy in societies transitioning from conflict to peace.

What Structures Help Prevent Corruption?

“Good governance” principles can make it more difficult for corruption to take root. Of many requirements of good governance, some key components are participation, accountability, transparency, and rule of law. (See box in Good Governance.) It is the combination of the principles that can help stem corruption and build a stable society. And, in a system where rule of law prevails, citizens have an equal standing under the law regardless of their political affiliation, social status, economic power, or ethnic background. Public participation greatly helps mitigate conflict because there are legitimate public forums and mechanisms for peaceful debate. Public participation in politics (through elections, political parties and civil society organizations) can provide a check on the government and keep political authorities accountable. Such accountability is enhanced by the rule of law, which encompasses the processes, norms, and structures that hold the population and public officials legally responsible for their actions and impose sanctions if they violate the law.

Good Governance

More open and representative governing systems that allow for a high level of civic participation typically have more vibrant civil society organizations that can publicly reveal the abuses of corrupt officials and put their political futures at risk. Civil society describes groups of civilians that work voluntarily (vs. by the mandate of the state) and the organizations that are thus formed to advance their own or others' well-being. It can include civic, educational, trade, labor, charitable, media, religious, recreational, cultural, and advocacy groups. A strong civil society can protect individuals and groups against intrusive government and influence government behavior, protecting the marginalized and furthering the interest of the governed.

Elections provide an important method of public participation in governance and give legitimacy to a government chosen by the people. Free and fair elections also have the effect of holding leaders accountable because, if they misuse their office, they can be voted out of it by citizens during the next election cycle. Given a choice, citizens are not likely to vote for incumbents whom they believe are corrupt or ignore corruption, and can vote candidates into office who are running on anti-corruption platforms.

Public accountability remains one of the most important mechanisms to control corruption. Can officials (elected or otherwise) be exposed to public scrutiny and criticism for not meeting standards and for wrongdoing? Or, perhaps more importantly, can they lose their jobs or be put in jail? Susan Rose-Ackerman notes that "Limits on the power of politicians and political institutions combined with independent monitoring and enforcement can be potent anti-corruption strategies."¹⁷

Transparent governance exists when citizens have a very clear idea of what their government is doing and how they are spending tax dollars. With transparency, decisions made by the government are known and the implementations of the decisions abide by rules and regulations that are freely available and understandable to those who are affected by the decisions and even the public. Such openness does matter, not only to lessening corruption, but also to instilling legitimacy and making a society less vulnerable to destabilization. A critical contributor to such transparency and accountability is an independent media. An independent media, free of government control and interference, provides public access to information, can investigate acts of corruption, and reports on the actions of government,

Lower levels of corruption are closely tied with "good governance." The United Nation's Educational, Scientific, and Cultural Organization (UNESCO) lists eight characteristics for "good governance" as follows:¹⁸

9. Participation (including freedom of association);
10. Transparency (including citizen's access to information);
11. Effectiveness and Efficiency (making the best use of resources);
12. Responsiveness (serving stakeholders in reasonable time frames);
13. Accountability (answering to those affected by decisions);
14. Consensus-Oriented (or mediation of diverse interests);
15. Equity and Inclusiveness (ensuring inclusion, particularly of minorities); and,
16. The Rule of Law (legal frameworks that are enforced impartially).

thus helping to ensure greater transparency and accountability.

Rule of Law

Most policymakers would agree that having “rule of law” tradition is one of the most effective ways to keep corruption in check. A state can operate under many different forms of governance, from autocracy to democracy, and remain stable and free of internal violence, but having widespread respect for rule of law in place ensures that all persons and institutions, public and private, including the state itself, are accountable to laws that are publicly announced, equally enforced and independently adjudicated, and consistent with international human rights norms and standards. While no country is

More Examples of What Works

- **Professionalizing the civil service.** Because civil servants like tax auditors, customs officials, and police officers are poorly paid in some countries, they may be particularly prone to taking bribes. Sometimes, the extra income from a bribe can mean the difference between being able to feed one’s family, or not. Engaging in bribery, in other words, may be a survival strategy. In these cases, improving wages, working conditions, and merit-based promotions may eliminate the need to engage in corruption, not to mention attracting more qualified personnel. While the international community has long called for civil service reform in developing countries, it often remains hard to implement in practice because the capacity for recruitment, training, and reform of public administration is just not there.¹⁹ At the same time, the government may not have the resources to pay civil servants sufficient salaries and wages that would help eliminate their financial dependence on bribery.
- **Legal reforms.** To name just a few that a state can implement to reduce corruption, these include: passing freedom of information laws, which enhances citizen access to information and the transparency of government operations; requiring public officials to declare their assets and incomes; open and transparent budgets of government income and expenditures; and ensuring that there are competitive, open bidding processes for obtaining government contracts.²⁰ These reforms take time to implement in budding democracies and can reflect how well the traits of good governance are put into practice.
- **Separation of powers.** Ensuring that any one branch of government does not exert too much power and that the branches can check the power of the others helps to keep corruption in check. A dominant executive branch, for example, can operate with impunity if there is not strong oversight by a legislative body. Judiciaries too need independence from the other branches. Judicial independence is a key element of rule of law efforts everywhere because judges and prosecutors must be able to decide cases impartially and be free from political

immune from corruption, it tends to be more common in societies where there is not a strong commitment to the rule of law.

In a system where the rule of law has broken down, there is little transparency in government operations and public officials have a lot of discretion in the way that they

carry out their duties. It is more likely that government funds will be used for personal benefit, that services will be disrupted, and that citizens will have few avenues of recourse to lodge complaints, or receive justice. In such circumstances, citizens may revolt (violently or non-violently), or perhaps protest in other ways, like evading paying taxes—believing that there is no point in doing so when they expect the money to go into the pockets of corrupt officials and not to the services that they use (like roads, hospitals, or schools). Tax evasion remains a big problem in countries like Russia, where economic uncertainty after the fall of the Soviet Union led to poverty, corruption, new waves of crime, and a growing distrust of authorities. Tax evasion is also prevalent where there is no rule of law because too often tax collection is either not enforced impartially or equitably. And, in some societies, instead of paying taxes (a legitimate contribution to support government services), citizens will save their money for bribes since that may be a more effective means of ensuring they receive services.

Where Is Progress Being Made Globally?

Many governments around the world have anti-corruption laws on their books, but if they are not enforced, they may have little impact on reducing corruption. Those committing corrupt acts must ultimately be brought to justice. Governments need to send “a signal that the existing culture of impunity will no longer be tolerated,” says the Millennium Challenge Corporation (MCC), whose Threshold Programs aim to tackle corruption in several countries.²¹ They point to work in the Philippines, where the government is focused on stepping up enforcement efforts and significantly increasing the corruption conviction rate. Tanzania too, notes MCC, is “reducing the backlog of pending corruption cases to ensure that violators who are caught are brought to trial in a timely manner.”

Anti-corruption measures can be punitive in nature, focusing on legal prosecution for crimes committed, or preventive, focusing on making sure that corruption does not happen in the first place through practices like implementing accounting controls and regular audits. Both of these are covered in the United Nations Convention against Corruption, which was adopted by the UN General Assembly in 2003, entered into force in 2005, and currently has 140 signatories. This legally binding instrument requires states to develop independent anti-corruption bodies and transparent procurement systems, criminalizes certain offenses, and puts measures in place for states to cooperate more closely with each other on fighting corruption. There are also a variety of similar agreements at regional and global levels, including the African Union, the Organization of American States and the OECD (Organization for Economic Cooperation and Development)—for example, making it illegal to bribe foreign public officials. Such agreements have contributed to a stronger international consensus about corruption and its costs and have increased the number of cases brought before judicial bodies. Critics, however, point out that effective monitoring processes are still lacking and that it remains difficult to track payments that are made through intermediaries (rather than directly). Too often, these conventions are not self-enforcing and require enforcement by national authorities. Common standards have been agreed to by the international community, but greater enforcement at the national level, more compliance by private companies, and greater public education and pressure from civil society groups, are needed.

Anti-corruption campaigns are likely to be more successful when they are backed by strong leadership at the highest levels of government. Although news reports on corrupt heads of state in Africa are common, there are also examples of African leaders who

have made fighting corruption central to their administrations. Seretse Khama, the president of Botswana from 1966 to 1980, did not tolerate a culture of corruption in his government and put strong measures in place against it. Officials who misappropriated funds were prosecuted. With state resources used to build the country's infrastructure, Botswana underwent rapid economic and social progress during his term in office. The current president of the Republic of Rwanda, Paul Kagame, has also exercised "leadership from the top" in fighting corruption. He has professionalized the police force, required all public officials to post earnings statements, and has imprisoned officials caught pilfering public funds.²² There is a long history of corruption in Liberia, which will take time and effort to address. However, President Ellen Johnson-Sirleaf, who took office in early 2006, has launched various efforts to tackle corruption, including protections for those providing information on stolen assets, improving financial management and accountability, and prompt payments for government employees.

Liberia also has an Anti-Corruption Commission, tasked to investigate potential acts of corruption and carry out a public education campaign to highlight its work and shame corrupt officials, but like many other similar institutions in developing countries, it does not have enough staff and resources to be truly effective. While such commissions have had strong enforcement powers and worked very well in wealthier countries like Singapore and Hong Kong, they have not been as successful elsewhere. One of the major critiques of such commissions is that they are encouraged by international donors, but often do not have political support—or capacity—locally.

In addition, there is often resistance among countries in the developing world because they equate anti-corruption campaigns or conditions placed on international donations as attempts by the developed world to "govern other countries like a colonial power," in the words of Ugandan President Yoweri Museveni. He and other developing world leaders and economists often charge the donor countries as using anti-corruption requirements as a way to dictate to poorer countries economic, political, and foreign policy decisions.

More successful initiatives have been ones like the Extractive Industries Transparency Initiative (EITI). Now a global activity supported by companies, countries, civil society, and international organizations, EITI has improved transparency and accountability in the extractive sector, e.g., oil, gas, and minerals. It does this by verifying and publishing both company payments and government revenues from these resources. By making these processes more transparent, the ultimate goal is to see that these natural resources become a means of development rather than a cause of poverty and conflict. EITI has become the global standard in this particular industry, with many hoping to apply the model of international cooperation to other sectors.

Corruption, Conflict, and Peacebuilding

What Challenges Do Peacebuilders Face in States Emerging from Conflict?

In an environment of disorder, it is very difficult to put into practice even the simplest changes. Many of the policy prescriptions for rooting out corruption and establishing good governance are merely ideals for many states that are in the throes of conflict, or emerging from it. These fragile states, some of them nascent or struggling democracies, may face many hurdles in attaining anything close to a stable peace. Even if there is not outright violence being committed by armed gangs or warlords, there may be vast numbers of refugees, little (if any) government infrastructure, limited access to basic services, and scarce resources with which to rebuild.

Many of these states depend heavily on foreign assistance until they can get basic security in place, or the institutions of governance up and running. In that sense, peacebuilding and post-conflict reconstruction has been a “growth industry” for the international community, which finds itself with the complex task of trying to help rebuild war-torn or failed states. And, the process can take years. Peacebuilding was conceived in the context of post-conflict recovery efforts to promote reconciliation and reconstruction, but the term has now taken on broader meaning to include, among others, providing humanitarian relief, protecting human rights, ensuring security, establishing non-violent modes of resolving conflicts, fostering reconciliation, repatriating refugees, and aiding in economic reconstruction. International actors, bilateral donors, international and local civil society organizations, local governments, and private security agencies may all be involved in these processes.

There are many reasons why it is difficult to bring about a stable peace in a country that has been ravaged by conflict. While corruption is not the only benchmark related to fragility of a state, many of those involved in peacebuilding work are increasingly recognizing that corruption can be a major factor in preventing a stable peace from emerging. Why? It may not only keep conflict cycles going by enriching the gangsters, warlords, or individuals who are responsible for the conflict in the first place, but it can also prevent economic and social stability because corruption networks (by benefitting some at the expense of others) strengthen inequalities and divisions in society. “In conflicts where nepotism or patronage networks exclude vast swaths of the population from decision-making and access to resources, then corruption lies at the heart of society’s problems,” argue Cheyanne Scharbatke-Church and Kirby Reiling. “Corrupt networks themselves can reinforce the very divisions along lines of ethnicity, religion or class which feed the conflict cycle. If corruption is not addressed, the chances of that durable solution in the form of lasting positive peace remain slim.”²³

Iraq offers a concrete example. Deep fissures remain in Iraq—particularly between Shiite and Sunni religious communities—and different factions in the transitional government

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