

Transnational threats and challenges: strengthening the coherence of OSCE response and interaction with other international actors

Corruption as a transnational threat

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Introduction

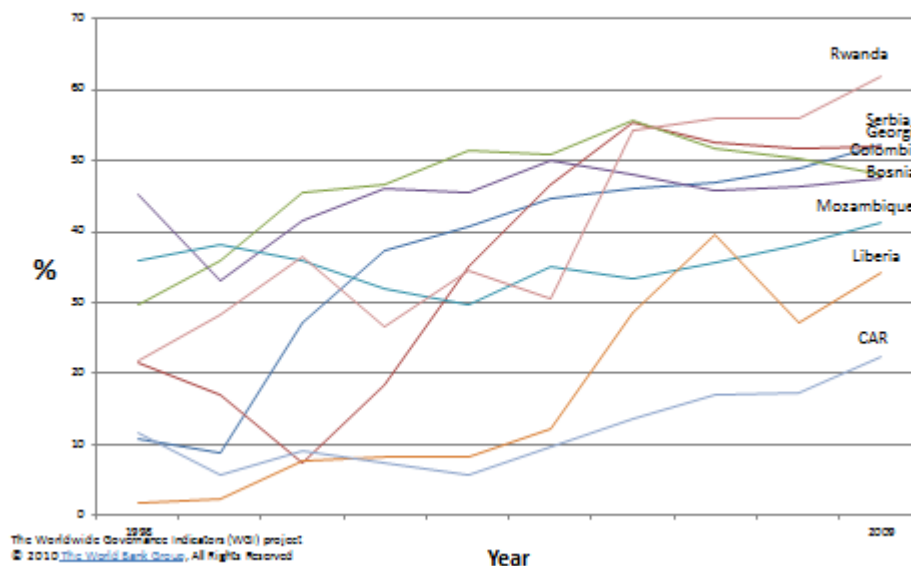
Along with poverty, social unrest and economic deprivation, corruption and organised crime have long been acknowledged as both a cause and consequence of state failure and ultimately conflict. But their importance as important drivers in this destructive cycle is not really recognised, despite the international community's experience with conflicts in the Balkans, Afghanistan and elsewhere.¹ The experience of the last ten years in Afghanistan is perhaps just beginning to change this.

Countries often think it is a daunting task to tackle corruption, particularly in defence and security. But international experience shows that it is possible to curb corruption, including in post-conflict countries. The chart below is derived from one of the most extensive data records on corruption – the World Bank World Governance Indicators (WGI). It demonstrates that a number of post-conflict nations have achieved progress in the WGI metric 'Control of Corruption'. The data confirms that significant progress in countering corruption is possible, and possible within a relatively modest timeframe of 10 years. It is not a change that requires generations.

Definition of corruption

For the purpose of this paper, corruption is defined as the abuse of power for private gain. This definition therefore does not focus solely on corruption in the government but encompasses all sectors of society.

Control of Corruption – Example Nations Post-Conflict



In a wider context, the examples above illustrate that building integrity and reducing corruption risks is possible and success can be achieved. For this, it is necessary to pay attention to corruption both in the security and defence sectors and across government as a whole. Corruption, organised crime and security are not separate issues, they are interconnected and

¹ Pyman/Eldon: Conflict, crime and corruption: Breaking the circle, 1

reinforce each other. In many cases, this link has not been given appropriate attention by policy makers. To emphasise: in a post conflict setting, we believe that too little attention has been given to the importance of corruption in the defence and security sector.

More broadly corruption in national and international security is a major issue, and one that needs much more attention in countries at peace, as well as those in conflict. The path from fragility to conflict or to stalled development is greatly accelerated by corruption in the defence and security sectors. The impacts are multifarious:

- Corruption reduces trust in the effectiveness and legitimacy of institutions, armed forces and other inflicted organisations; this effect is particularly devastating in conflict environments where trust is needed to stabilise the country
- Corruption wastes money and drains resources that otherwise could have been channelled into social change, more security, or basic services
- Corruption of government elites leads citizens to regard their political leaders as having limited commitment and limited ability to end conflicts²
- Corruption in military institutions reduces not only popular trust and involvement in a potential military campaign, it also leads to evasion of military service
- Corruption undermines the morale of armed forces, disillusionment, especially government ones³
- Corruption thwarts key drivers of economic growth, such as foreign investment, that a weak state needs to survive⁴

Corruption as a transnational threat

In the following three sections, this paper will demonstrate that corruption is a transnational security threat in the fields of organised crime (part 1), conflict- and post conflict states (part 2), and will offer some suggestions for concerted international response on how to address corruption and defence corruption more effectively.

1) Organised crime

Organised crime is present in every country and is a growing transnational security threat. Increasingly technology-enabled, it does not respect national or international boundaries and prospers in ungoverned spaces such as fragile and post-conflict states. Motivated by the acquisition of wealth and power, it is arguably beyond the power of any one government agency or nation to contain effectively. Organised crime also penetrates national defence, security, and intelligence establishments and intersects with corruption in these spheres.

The relationship between organised crime and corruption is a simple one: Criminal networks make extensive use of corruption, in its various forms, to carry out criminal activity, avoid investigation, and escape prosecution.

In unstable and post-conflict states, national defence and security forces hold a key position. Infiltration by organised criminal elements can cause particularly difficult problems. The military, security, and intelligence bodies possess not only a monopoly on the means of violence but also have privileged access to classified information, arms stocks, natural and financial resources, and national pillars of power. Prominent examples of criminal infiltration can be found in the former Soviet Union, and in Peru under Fujimori. Once organised crime becomes embedded in the security and military structures, it can perpetuate itself with impunity, as it did particularly in Fujimori-era Peru, where between 1990 and 2000 former President Alberto Fujimori created an elaborate network of organised transnational crime. The organised crime network cooperated mainly with a group run by Peru's head of the National Intelligence Service, who was also the primary security advisor to Fujimori. The network was, essentially, a multi-million dollar criminal enterprise engaged in drugs and arms smuggling, extortion, embezzlement, and bribery.

² Corruption and conflict in the South Caucasus, 15

³ Corruption and conflict in the South Caucasus, 29

⁴ Pyman/Eldon: Conflict, crime and corruption: Breaking the circle, 2011, 1

The link between corruption and organised crime as an international issue can perhaps best be observed on international borders: corruption in cross border transport means that transport blockades and sanctions can be circumvented, taxes are avoided, and those who bribe have access to routes that are officially closed. This severely undermines both national administrations and international security, and, in countries like Afghanistan, robs the fledgling national economy of the badly-needed revenue.

While corruption and organised crime have close bonds in almost all countries, particularly affected by it are conflict countries or countries emerging from conflict, where organised crime often becomes embedded. In an environment where basic state functions are eroded, law enforcement is crippled and judicial process is powerless, organised crime easily takes root and becomes pervasive. The organised crime patronage networks in Afghanistan are an example. Secondly, demobilised ex-combatants and decommissioned soldiers often resort to criminality in such conditions, due to lack of economic opportunity, poor rehabilitation and reintegration programmes, rapid 'release' into lawless society and lack of social support.

Due to the security threats it poses, organised crime will not be tackled seriously unless it figures prominently on the list of national threats and becomes an integral part of national security strategies. Strategies and instruments to combat organised crime and corruption need to be a core part of approaches to conflict prevention and resolution (discussed below), so that they can be developed as part of a broader strategy.⁵

2) Conflict- and post conflict states

Governments in countries that have experienced violent conflict are particularly vulnerable to corruption, which erodes legitimacy at a time when it is particularly needed for reconstruction.⁶ Four main factors contribute to corruption in post-conflict environments:

- Peace settlements often neglect corruption as a factor and, either inadvertently or knowingly 'enshrine' it in the new political system
- Corrupt practices and networks can be carried over from war- or pre-war times
- Post-war uncertainty can contribute to people looking for ways to 'get things done' and undermines the integrity of state institutions.
- Resource wealth and/or high levels of aid money, coupled with poor controls and time pressure, multiply the influx of revenue and therefore provide incentives for corrupt behaviour

In post war environments, frustration with corruption and the status quo can fuel renewed outbreaks of violence. But the contrary can also hold true: post-war peace can be founded on delicate politics and patronage networks, which in turn have developed out of the wartime situation. For this reason, it is important to understand not only how corruption in a country works, but also how it worked prior to and during the conflict. Corruption patterns and the potential success rate of breaking them therefore are determined by how the conflict ended, and who the new forces in power are, e.g. whether it is a new regime or a continuation of the previous regime. One scenario deserves particular mention: brokered peace agreements that do not address the root cause of the conflict. The example to look at again would be Afghanistan and the Bonn Agreement, which neglected to include the Taliban, and also turned a blind eye to the fact that "alleged warlords and drug traffickers were included in the government"⁷.

A huge risk in unstable post-conflict countries is that all attention will be given to improving the military and security situation, neglecting 'soft security factors' such as corruption. As anti-corruption efforts only have a chance of success if they are engrained in governance reforms,

⁵ Pyman/Eldon: Conflict, crime and corruption: Breaking the circle, 2011, 1

⁶United Nations Development Programme: Fighting Corruption in post-conflict and recovery situations, 2010, 86.

⁷United Nations Development Programme: Fighting Corruption in post-conflict and recovery situations, 2010, 11.

and particularly in the case of the defence and the security sector, only if they are driven by the top leadership, they need to be initiated early in the post-conflict transition process. In short, “conflict transformation is impossible in societies in which corruption is rife, as properly functioning public institutions are crucial to the process.”⁸

Addressing corruption early in the defence and security organisations of a post-conflict country has additional benefits: security organisations, as the ones tasked with ensuring citizen security, have a particular need for popular trust. A government that is seen cleaning up corruption in this, often regarded as secretive and “ring-fenced”, sector sends a message of determination, and might be more likely to be trusted in rooting out corruption in other sectors as well. And military leadership, contrary to popular belief, is often a willing ally in fighting corruption, as commanders are likely to have witnessed the detrimental effect of, for example, faulty equipment that was provided as a result of corrupt dealings.

Furthermore, highly corrupt systems –in or outside the defence and security sector- generally can facilitate the arms trade and smuggling of weapons and resources, as well as money laundering. Often, these high-level systems are sustained by low-level administrative corruption, as witnessed in many countries. This, in turn, helps the warring factions finance the costs of armed conflict– a vicious circle that must be broken in order for post-conflict transition to succeed.⁹

The table below is not exhaustive, but shows some corruption risks as they occur on conflict and post-conflict environments. They are sorted by actors / risk bearers.

Risk bearers	Corruption risks (exemplary)		
Border guards	Illicit cross border trade	Weapons smuggling	Blind eye / small bribes
Military institutions	Influence on draft/compulsory service/positions	Weapons trading / military owned businesses	Use of intelligence services for corrupt aims
Peacekeeping Forces in country	Outsourcing of contracts	Implicit support of corrupt officials	Embezzlement of aid / opacity of aid use
IGOs/INGOs	Single sourcing of contracts	Implicit support of corrupt officials	Embezzlement of aid / opacity of aid use
Government	Contract award/kick-backs/ exploitation of resources	Embezzlement of aid	Control of intelligence services

For national and international stability risks of conflict and post-conflict countries to be addressed effectively, anti-corruption and building integrity approaches need to be holistic and integrated. Furthermore, a more holistic view of the elements necessary for successful state-building could be a helpful negotiating tool.¹⁰

This includes an approach in which negotiators give proper regard to corruption in defence and security and other key sectors already at the stage of peace negotiations. It also includes the international donor community addressing the issue, and making efforts to coordinate its approaches to tackling corruption. With respect to the nexus of organised crime, corruption and conflict and post-conflict states, prospects for state sustainability will be compromised unless at least some measure of strategic focus is given to crime and corruption.¹¹

⁸Corruption and Conflict in the South Caucasus, 9

⁹United Nations Development Programme: Fighting Corruption in post-conflict and recovery situations, 2010, 13.

¹⁰ McRae/Hubert: Human Security and the New Diplomacy, McGill – Queens University Press 2001;

Pyman/Eldon: Conflict, crime and corruption: Breaking the circle, 2011, 1

¹¹ Pyman/Eldon: Conflict, crime and corruption: Breaking the circle, 2011, 1

3) Recommendations

National and international security is often regarded as the territorial waters of governments with their armed forces and intergovernmental organisations. This is not wrong. Both the international community and individual governments have a leading role to play in addressing threats to international security, such as rampant corruption.

In many nations we are finding that there is a strong swathe of demand within many defence and security institutions for higher integrity and a reduction of corruption. Both policy makers and governments can use this momentum and start building integrity in this crucial sector. Besides a more effective use of resources, this will first and foremost contribute to national and –ultimately- international security.

On organised crime, a more coherent approach is needed than is currently being implemented: this issue concerns policymakers, law enforcement agencies, and civil society, but all three travel in different spheres, while they should in fact be cooperating. This is an area where peer pressure from the international community is required. There is often little political will and civil society capacity within countries crippled by organised crime, while public opposition is usually difficult or even dangerous. Internal dissent can so quickly become subversion or insurgency, where a blind eye is turned to the ensuing repression or the activities of state forces are judged as less damaging to western interests than a state collapse with a consequent disintegration of infrastructure and rule of law. Taking a broad approach to tackling corruption and organised crime, in defence and security and other sectors, may be the first area addressed by the coalition.

Besides these more traditional actors, civil society as a driving force should not be underestimated. While it must be recognised that there are still too many countries in which the work of civil society is hindered, many countries have recognised that constructive civil society organisations can help drive anti-corruption work through research and monitoring.. There are a good number of national and international NGOs throughout the world that have first-class knowledge on corruption issues and effective approaches on how to build integrity. It is key that they continue to be involved, and that their work be supported. Transparency International's defence and security programme's collaboration with NATO on 'Building Integrity' anti-corruption courses for defence officials and officers is only one example of how cross-institutional collaboration can bring results that neither TI nor NATO could have achieved on its own. More needs to be done in educating young leaders –and established elites- in defence and security on this subject to ensure that the ruling elites of the future are increasingly aware of the risks that corruption poses to international security.