

Tackling Corruption in Post-Conflict Situations

Query:

“What are the risks that corruption brings to post-conflict stabilisation? What can international civilian and military staff do to mitigate these?”

In particular, I would like to explore:

1. *Does corruption lead to backsliding into violence? At what stage is the risk greatest?*
2. *Can you address corruption without upsetting fragile post-conflict political settlements?*
3. *What progress / damage can be made in immediate post-conflict contexts which can impact on longer term integrity?*
4. *How do international resource flows into post-conflict settings affect the risk of corruption? What can we put in place and how does this relate to government systems?*
5. *What are priority anti-corruption measures in post-conflict situations?*
6. *Is this a priority area for international civilian resources in post-conflict situations? “*

Purpose:

“Our work on state building tries to address the relationship between priority post conflict actions, and longer term state building and development. We wish to know whether the link between corruption and stabilisation has been explored, to inform how much and how we should address corruption in immediate post conflict situations. “

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- Part 6: What are priority anti-corruption measures in post-conflict situations?
- Part 7: Is this a priority area for international civilian resources in post-conflict situations?

Part 1: Introduction

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Increasingly there is awareness of the need to tackle corruption in fragile states, a category that includes failing, failed and recovering states such as those in post-conflict situations. The challenges of tackling corruption in such states are very different from normal development contexts. Indeed in post-conflict situations development partners may be uncertain about how to prioritise corruption reform efforts since there is pressure to maintain peace and consolidate peace agreements. As Mathisen writes "Sometimes the problem is avoided simply because it is so difficult or uncomfortable for all parties". See H Mathisen "Addressing Corruption in Fragile States: What Role for Donors?" U4 Issue 1: 2007 at http://www.u4.no/document/u4-issue/u4_issue1_2007_fragile_states.pdf This publication takes on board recent international experience and research on fragile states and presents operational advice to anyone wanting to tailor strategic reform initiatives. Guidance is provided on a series of categories including the design and preparation phase, implementation phase and evaluation phase.

Regarding the role of civilian and military staff it is important that they are both in frequent communication in a post-conflict society. Neither group should be engaging in activities that might directly undermine the other. By the same token, if anti-corruption projects are seen as being carried out solely by/for the military, local populations may not feel comfortable approaching and working with those anti-corruption reform efforts if popular opinion turns against military operations.

In this U4 Expert Answer we will address each of the specific questions asked and in so doing indicate literature that explores the link between corruption and stabilisation. We will refer to current thinking on how to address corruption in immediate post conflict situations.

Part 2: Does corruption lead to backsliding into violence? At what stage is the risk greatest?

In short, yes there is a danger that corruption can lead to backsliding into violence but it is not always the case. Philippe Le Billon discusses this issue in "Overcoming Corruption in the wake of conflict" GCR 2005 "Corruption in construction and post-conflict reconstruction" http://www.transparency.org/publications/gcr/download_gcr/download_gcr_2005. Corruption often predates hostilities and in many cases it features among the factors that triggered political unrest or facilitated conflict escalation. Wartime generally sees an entrenchment and diffusion of corrupt practices as governmental structures break down. Armed factions use corruption as a tool for sustaining power structures, justifying it in the context of war. For a lack of an alternative, ordinary people resort to corruption in order to deal with the hardships of war. War generally strengthens corruption however some regimes such as the Taliban in Afghanistan were initially well received by the population for putting an end to the corruption of the mujahedin warlords.

Many authorities become more corrupt in peacetime. For war veteran and exiles freshly in power reconstruction can become a "pay-back" scheme, with wartime "sacrifices" being used to justify the misuse of newly controlled public offices and positions.

Post-conflict "national reconciliation" often results in politically driven distribution of state assets, sometimes with a tacit agreement on corruption built into peace accords. Power-sharing arrangements can undermine institution building and reduce accountability as each

faction asserts "sovereignty" over its territorial or institutional turf. For example, the failure of the UN to secure the result of the 1992 election in Cambodia led to a "coalition" government led by the newly elected prime minister and the outgoing prime minister who refused to cede power. This government was characterised by widespread corruption before ending in a bloody coup d'état in 1997.

The risk of corruption in post-conflict stabilisation tends to be greatest at the outset when an air of confusion can reign, institutions are being built and huge international resource flows are coming into the country for reconstruction.

Part 3: Can you address corruption without upsetting fragile post-conflict political settlements?

As inferred above, sometimes it is imperative to address corruption because certain types of corruption, if not addressed, could derail the whole transition. If corruption is tolerated there is a danger that post-conflict political settlements could collapse on account of perceived unfairness and criminality.

Part 4: What progress / damage can be made in immediate post-conflict contexts which can impact on longer term integrity?

Mathisen sketches out a starting point for anti-corruption reform in post-conflict contexts that can pave the way for longer term integrity. When investigators and prosecutors literally fear for their own security, the first step will be to secure key people and institutions. When this is secured the second step is to see convictions or at least removals of key spoilers of anti-corruption reform in politics and in public administration. Corruption in security sector reform should be tackled immediately in order to build trust amongst the population and prevent a slide back into factionalised fighting. There should be increased dissemination of and access to critical government information, such as budgets, public expenditure and revenue. Key also is increased transparency in major procurements, including the active and informed involvement of civil society as a watchdog as well as increased transparency of political party and campaign finances. There should be a decreased use of public resources for political campaigning and elected officials and key political should publicly declare their assets.

The starting point seems to be clear. Countries urgently need a wake-up call in the form of some high profile prosecutions/convictions. Then development partners will have to support reform that can bring back confidence and hope amongst the population and belief in the public service. Demand should ultimately and ideally come from within.

Mathisen cites examples of damage that can be done in immediate post-conflict contexts if one does not clearly understand the nature of the problem and one is not aware of the potential spoiling effect of anti-corruption tools under such circumstances. One example is taking care not to strengthen groups with criminal links in the transition period. The former structures of the security services in wartime Bosnia, for example, have proved difficult to dislocate, due to their links with embedded networks. The experience in Afghanistan has shown that securing peace by balancing and placating warlords greatly increases corruption

risk. Similarly, police forces that are not trusted by local populations perpetuate instability. The long term security risk is greater when corruption in the security sector is not addressed.

Another example of damage caused by ill-considered anti-corruption reform is that of automatically setting up anti-corruption agencies that in fact worsen the situation by becoming super-corrupt entities, used only to sweep problems under the carpet.

Part 5: How do international resource flows into post-conflict settings affect the risk of corruption? What can we put in place and how does this relate to governance systems?

International resource flows to post-conflict reconstruction projects are particularly susceptible to corruption. Often donors may continue to pour funds into infrastructure projects despite knowledge that a substantial portion is being skimmed. This can be considered the price of getting projects done quickly, thereby attempting to reach out to local communities by way of tangible results. Nascent governments are de-legitimised as citizens witness corruption-riddled projects which are shoddily completed or not at all.

For the effective reduction of corruption in post-conflict reconstruction, three main areas need to be jointly considered with relevant measures tailored to individual situations. For further details please see the 2005 Global Corruption Report on "Corruption in Construction and Post-Conflict Reconstruction"

http://www.transparency.org/publications/gcr/download_gcr/download_gcr_2005

I **Ensuring public support** aims at ending apathy, defeatism and complicity on the issue of corruption, and associating the transition to peace with new values. Such a process can start with a survey of corruption perception, followed by public awareness campaigns and feedback on instances of corruption and enforcement.

II **Providing an appropriate economic and regulatory context** can help eliminate incentives and opportunities for corruption. Such a process can start with the regular payment of adequate salaries for public employees and the regulation of political party financing, reconstruction contracts and corporate practices.

III **Securing a legal framework for transparency and accountability** can start with rules of disclosure for politicians and high-ranking civil servants, as well as the criminalisation of corruption in the legislation. Attention must be directed not only at local authorities, but also at aid agencies and contractors.

Good governance is the key element for reducing corruption in post-conflict countries for the long term. The main measures include establishing adequate reconstruction management procedures, passing anti-corruption legislation, creating implementing agencies, and reforming political party financing, bureaucracies and the judiciary. Local authorities should make a public commitment to the priorities and principles guiding reconstruction, and demonstrate that clear and transparent fund allocation procedures and accountability mechanisms are in place to manage reconstruction efforts. The allocation of reconstruction funds, like all public budget expenditures, should be approved by the legislative branch of

government and subject to the scrutiny of an inspector general's office. Contracting should be submitted to proper tendering procedures.

Post-conflict transition often involves extensive transformation of legal instruments, including the constitution. Careful attention should be devoted to addressing the causes and mechanisms of corruption when revising legislation. A new constitution, for example, should include a commitment to fight corruption, and an effective separation of powers and government structures. It should also address immunity issues for high officials and due judicial process to protect political opponents against politically motivated accusations of corruption. The key role of the judiciary frequently necessitates a high degree of involvement of the international community to assist with reforms, including the nomination of more independent judges, if necessary from foreign countries. Donors should be aware however that the twin principles of judicial integrity are "judicial independence" and "judicial accountability". International assistance in judicial reform, whilst generally positive, can also be a source of threat to judicial independence and caution should be exercised by international donors.

Part 6: What are priority anti-corruption measures in post-conflict situations?

It cannot be strongly enough emphasised that there is no general template and that each post-conflict situation has different risks. However, part 4 of this U4 Expert Answer sets out some of the anti-corruption measures that can be taken in post-conflict situations.

Part 7: Is this a priority area for international civilian resources in post-conflict situations?

Yes.

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