

CORRUPTION, PEACE AND SECURITY

Plenary Panel Presentation by Professor the Hon Gareth Evans, President Emeritus of the International Crisis Group and Chancellor of Australian National University, to Transparency International 14th International Anti-Corruption Conference, Bangkok, 14 November 2010

We are all familiar with the ugly impact of corruption in distorting markets and competition, corroding the integrity of the private sector, ruining the investment climate, eroding the effectiveness of development, breeding cynicism among citizens, damaging governmental legitimacy and generally undermining the quality of governance. Much of the time of this conference will be devoted, as always, to looking at the problem through this set of lenses, and rightly so.

What we are being asked to do in this session is a little more unusual: to focus on the devastating impact of corruption through another set of lenses, those of peace and security. Partly this overlaps with familiar ground. To the extent that by ‘security’ we mean ‘*human security*’ – everything that goes to ensuring the basic safety and well-being of individuals in our societies – we know how much this is tied up with the quality of basic governance, including respect for the rule of law, and with the effective operation of a state’s economy.

Societies made lawless by corruption are not safe for most people to live in; transnational criminal organizations, bribing their way across borders, generate despair by their trafficking in drugs, weapons and people; economies made hopelessly inefficient by corruption are those where continued poverty is guaranteed for all those who can’t manipulate the system; diversion of government funds away from expenditure on social sectors like education and health is a direct and major contributor to poverty and human misery; and the diversion of development funds to corrupt individuals, and their systematic misappropriation by kleptocratic governments, also shamefully reinforce poverty and human insecurity generally.

But what I want to focus on in my remarks is a security dimension that is less often discussed in this context: the impact of corruption not on human security in the broad sense, but on *state* security in the traditional, narrower sense – what is necessary to stop sovereign states disintegrating through internal conflict, to stop them being torn apart by external attack, or to enable them to recover from catastrophic violence.

There are a number of things that can I think usefully be said about the direct contribution of corruption to undermining peace – to making not just individuals but whole states insecure, or much less secure than they would otherwise be. Let me take four areas in particular: the role of corruption in contributing to civil conflict, in inhibiting post-conflict reconstruction, in contributing to terrorism and in contributing to nuclear weapons proliferation. All of them are well discussed, in much more detail than I will have time for here, in Robert I Rotberg’s excellent edited collection, *Corruption, Global Security, and World Order* published by Brookings Institution Press last year, on which I have heavily drawn.

Corruption and Civil Conflict

The causes of violent internal conflict are as many and varied as the conflicts themselves, and generalizations here are always dangerous. Poverty by itself rarely generates violent reaction, and for economic or political grievance – including discontent with systematic stealing and misappropriation of state funds by corrupt governments – to become explosive, this usually has to be linked to strong identification with a group that has suffered longstanding discrimination or marginalisation. But it is difficult to believe that the corrupt and inequitable distribution of wealth and welfare has not played a part in stimulating many of the civil conflicts – driven by grievance, greed or both – that have had erupted over the decades, not least in resource-rich countries like Indonesia, Nigeria, Sudan and the Congo.

An easier judgement to make than any about motivation is that corruption has undoubtedly *facilitated* much of the most savage civil conflict that we have seen. What makes most such wars both possible, and really lethal, is the huge and still largely unchecked worldwide spread of small arms and light weapons: and corrupt transactions, involving border smuggling and diversions of material, are the norm in this area, massively compounding the negative impact of irresponsible trading and weak export controls.

The money to buy such weapons, or to initiate and sustain violent conflict in other ways, often comes from the theft or misuse of natural resources, West and Central African blood diamonds being the best known example. And financing major civil conflict from the proceeds of drug, contraband or human trafficking has long been a phenomenon in countries from Colombia to the Balkans, the former Soviet Union and beyond.

Corruption and Post-Conflict Reconstruction

It is becoming increasingly recognised (particularly from the recent work of Susan Rose-Ackerman in countries including Guatemala, Angola, Mozambique, Burundi and Kosovo) that just as corruption makes a significant contribution to countries getting into deadly conflict situations, so too can it very significantly inhibit the process of getting out of them, in the post-conflict peace-building phase. The problems here are not very different from those in other high-corruption environments, but opportunities for dishonesty appear to multiply in these situations, and with consequences that are even more troubling. The best indicator for future conflict has always been past conflict, and unless states can take advantage of peace to address the underlying causes of war, it is only a matter of time before the wheel of violence will turn again.

The problems that become particularly acute in these contexts are weak institutions operating with unclear and poorly enforced rules to deliver benefits or impose costs; big one-off infrastructure projects creating high-level payoff opportunities; large influxes of emergency and development aid, with ample skimming opportunities; big legitimate profit-making opportunities creating the potential for disguising less legitimate ones; and the likely hangover from the conflict period of influential organized crime groups.

There are multiple possible strategies to deal with these specific situations, including insisting on tougher measures being incorporated into formal peace agreements (including at one level effective financial control inside key agencies, and at another the exile – rather than embrace in government – of the most deeply corrupt leaders); international trust funds to administer aid programs; more effective training of law enforcement personnel, judges and prosecutors; and the establishment of effective oversight organisations and protection for whistle-blowers.

Corruption and Terrorism

When it comes to terrorism, the scourge and fear of innumerable states around the world, especially since 9/11, there are two ways (usefully recently analysed by Jessica Teets and Erica Chenoweth) in which corruption might be seen to play a role. The first is as a motivator: the presence of corrupt and, as such, illegitimate regimes inspiring and mobilizing followers to take up arms to wipe them out. But while the cases of Hamas and Hezbollah might offer some limited support for this approach – although their grievances have not been limited to ruling party corruption and illegitimacy – it is hard to see any correlation at all between terrorist targets and the most corrupt states.

A stronger argument, as with civil conflict generally, is that corruption *facilitates* terrorist activity. In states where the rule of law is weak and criminalization flourishes, terrorists can accumulate weapons, funds and forged documents. They can take advantage of existing criminal organisations, or create their own, to traffic profitably in guns, drugs and humans, and acquire and transport, including across state borders, the materiel they need for terrorist attacks. They can bribe – as has the FARC in Colombia, on a massive scale – customs and security forces, and local officials: corruption makes possible organisational formation and expansion, and the conduct of attacks.

Strategies to address this phenomenon in all its variations are complex and difficult to implement, but need to focus particularly on the global supply chain, in particular of weapons, ensuring effective controls especially at the weakest points, and investing real resources in training and capacity building.

Corruption and Nuclear Weapons Proliferation

The most troubling of all state security issues in the contemporary age, although too many policymakers have been too complacent about it for too long, is the threat posed by nuclear weapons, in the hands of both state actors and non-state terrorist organisations. Nuclear weapons are not only the most indiscriminately inhumane weapons ever invented, but the only ones capable of destroying life on this planet as we know it. There are still 23,000 of them in existence – with the destructive capability of 150,000 Hiroshima bombs – and it is sheer dumb luck, not a matter of good political leadership or failsafe systems, that we have not blown ourselves up so far.

In the case of state actors, any further proliferation – any new state being added to the eight fully-fledged weapons possessing states we already have (or nine if North Korea

is included) – adds dramatically to the risk of catastrophe, by accident or miscalculation if not design.

Would-be nuclear proliferators need access to weapons design and manufacturing technology, but also to the technology and materials necessary to make weapons grade nuclear fuel, in particular the most commonly chosen, highly enriched uranium. While the possibility of gaining access by way of purchase or theft, to a complete existing nuclear weapon cannot be entirely ruled out, the real proliferation threat is from states making their own. And in a world where the supply of this technology and the relevant material is generally banned, or extremely circumscribed, it is through the illicit back door of corruption – in particular through the extraordinary network developed by the Pakistani nuclear engineer AQ Khan – that this has been achieved, by Libya, Iran and North Korea in particular.

It may be that ideology or mistake (in the case of dual use material) can explain some of the situations in which sensitive technology or material has been made available to those wanting to misuse it, but the analysis done by Matthew Bunn – the leading expert in this area – indicates that bribery, both of public officials and of private employees using entrusted power for private gain, is the most likely and prevalent lubricant. The typical illicit procurement transaction involves multiple stages at which this can and does come into play: convincing an individual or firm to provide sensitive technology, equipment or materials; bypassing or gaining approval from whatever internal review process may exist at the firm; bypassing or gaining approval from whatever export control system the country may have; and bypassing or gaining approval from customs and border control officials. We know now that all that has happened in the past – and in the United States and European countries as well as in more familiar suspects elsewhere – and we cannot be certain it is not happening now, and won't in the future.

In the case of non-state terrorist actors, we can probably be confident that manufacturing their own nuclear bomb fuel – whether through using centrifuges to highly enrich uranium or any other route – is out of reach. But it is absolutely not fanciful to believe that a sub-state group like Aum Shinrikyo and al Qaeda, who have tried this in the past, might eventually succeed in making and detonating – from the back of a delivery truck on small boat in a city centre – a crude Hiroshima-sized device that could cause unbelievable havoc.

All that would be necessary would be to obtaining enough HEU or plutonium, again most likely through corrupt means: convincing an individual or group to steal the desired items (or turn off alarms while someone else does so); or convincing an individual or group to sell already-stolen items; and, again, bypassing or gaining approval from border control officials. And there are many well documented accounts of efforts being made on all these fronts over the last twenty years.

Significantly increased attention has been directed to nuclear security issues in recent years, culminating in the Obama Summit in Washington in April. But more effort will be needed to counter the proliferation-corruption linkage, through a multi-dimensional strategy involving, among other things, (as Matthew Bunn describes it) further strengthening of the moral norm against proliferation (through training of personnel in all relevant sectors – easier going than in other areas where corruption is involved);

improving controls over sensitive technologies; making it difficult to overcome controls without a large and very conspiracy (e.g. by such simple means as having a two or three, rather than single key, access requirement for sensitive matter); increasing the probability that conspirators will be caught; increasing the expected consequences of being caught for corruption here.

In every one of these areas I have briefly discussed there is no alternative to a coordinated international effort based on cooperation to enforce international mechanisms, provide financial and institutional support when needed and promote an anti-corruption culture based on integrity and accountability. That means, as always, real leadership from key governments and key national leaders, without which inertia is always the preferred option. And that means, as always, effective action to hold governments and national leaders to account, both from their peers and from below, not least at conferences like this. There is no nongovernmental organisation anywhere in the world or on any subject more formidably effective at mobilising this kind of action and this kind of accountability than Transparency International: may its work long continue.

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