

# Corruption, Crisis and Conflict – Contexts and Challenges

## Strengthening statehood in times of crisis

### Background

More and more people are living in fragile contexts. According to OECD estimates, some 1.8 billion currently live in countries whose governments are either unwilling or unable to provide the basic functions of a state. These people are suffering from the effects of violence, poverty, corruption and despotism. Fragile states are associated with increased social inequality and economic and political insecurity and pose an international security risk. Non-functioning state structures leave scope for the emergence of criminal and terrorist networks.

**Weak state structures and fragility are an increasing challenge in international cooperation.** There is growing discussion about how corruption affects the success of international intervention measures. Relevant indices suggest a link between endemic corruption and the onset of fragility and intra-state violence. In 2017, no fewer than 14 of the world's most fragile states also appeared on the list of the 20 countries perceived as being the most corrupt. Corruption fuels conflicts and crises in two ways: as a **cause and catalyst** as well as an **obstacle to overcoming fragile statehood**.

### Corruption: a cause and catalyst of crises, conflicts and fragility

Political crises, fragility and conflicts are the result of economic, political or social problems, each exacerbating the other. In particular, restricted access to resources and perceived inequality can cause major social conflict. In this context, corruption increases social inequality and enables unfair advantage, e.g. the use of raw materials and distribution of resources by patronage networks along ethnic, political or religious lines. This can encourage marginalised groups to attempt to redistribute resources by violent means. State legitimacy is also called into question when basic services (in

sectors such as security, health care and education) are only available upon payment of bribes, no incorruptible conflict resolution mechanisms are offered and the administration and judiciary do not act transparently, accountably or in accordance with the rule of law.

» Crisis prevention focuses on the structural, political and social causes of conflicts such as inequality, corruption and fragile statehood. It is these issues in particular that [...] require a lasting commitment.«

*(N. Deitelhoff & C. Daase (PRIF) from the PeaceLab blog 2016)*

### Corruption: an obstacle to rebuilding and overcoming fragile statehood

Once an armed conflict has been resolved and people's livelihoods have been secured, political stability and the performance of core state functions need to be safeguarded. In post-war contexts in particular, overcoming fragility often means having to **restore the eroded state monopoly on the use of force** and the **legitimacy of newly created government institutions**. In the long term, this cannot be done without including the parties involved in the conflict and all sections of society. However, endemic corruption often hinders this kind of inclusive, participatory approach, as patronage networks continue to exist and their beneficiaries have little interest in distributing resources equitably and inclusively or ensuring proper accountability. Nepotism also makes new structures much less efficient.

Successful reform of the security sector has a decisive role to play in restoring the state monopoly on the use of force. **Yet corruption makes it more difficult to implement the nec-**

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essary changes, leaves the door open for organised crime and contributes to human rights violations and general insecurity. Deploying security forces is harder when resources are being misappropriated or misdirected, especially in the context of procurement processes and staff recruitment or payment.

The consequences can be clearly illustrated by specific examples. The fall of Mosul to the so-called “Islamic State” in 2014 was attributed in part to the fact that, contrary to official assumptions, elements of the Iraqi security forces either did not exist or were not fit to be deployed. Corruption is also seen as a key reason behind the failure of efforts to bring stability to Afghanistan.

### Anti-corruption: approaches in fragile contexts

Fragile power structures and the risk of a (renewed) outbreak of violence are a major challenge for development cooperation. Corruption is often especially difficult to fight in fragile contexts because it calls into question existing power structures. As well as forming part of a thorough peace and conflict assessment, corruption must therefore also be considered in terms of financial and political risk management. Local structures that lack the capacity to absorb approved funding and political pressure to actually spend earmarked funds heighten the risk of strengthening illegitimate actors. This undermines the legitimacy of international support and promotes a widespread narrative of violent opposition, i.e. the fight against corrupt, immoral elites. There is also the danger that anti-corruption work could be abused for political gain by former conflict parties in order to intimidate their opponents.

Given the destabilising effect of corruption, measures designed to prevent and combat corruption can make an important contribution to crisis prevention.



The Federal Government is committed to reinforcing its involvement in the fight against corruption, especially with regard to the aspect of prevention.«

*(Voluntary commitment by the Federal Government of Germany, Guidelines on Preventing Crises, Resolving Conflicts, Building Peace, 2017)*

To overcome fragility, corruption has to be recognised as an obstacle preventing a state from performing its basic functions. To strengthen state legitimacy, welfare and security must be safeguarded. This means implementing measures in key sectors (especially justice, health care and education) and preventing arbitrary decision-making on the part of administrators and policy-makers. The direct involvement of civil society also underpins constructive relationships between a state and its citizens and enables the needs of the population to be recognised and accountability to be strengthened at the local level.

An example of such an approach is the expansion of community-based policing with support from civil society and the provision of support to establish a functioning, independent judiciary to bring corrupt actors to justice.

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