What Makes Post-Conflict Situations Particularly Susceptible to Corruption?

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What Makes Post-Conflict Situations Particularly Susceptible to Corruption and in What Ways Can This Undermine the Peacebuilding Process?

Introduction

Controlling corruption in post-conflict environments is a critical yet largely underestimated challenge. For many years, corruption was marginalised and overlooked after conflict in favour of peace and stability. There was little consideration for the influence corruption might have on the peace process. Since the 1990s, internationally guided 'peacebuilding projects' have dominated post-conflict environments. Cheyenne Church (2007) defines peacebuilding as "any work that seeks to effect change in the key driving factors or actors of existing or renewed armed conflict that would bring a sustained peace". The international community has become increasingly involved in post-conflict environments through these peacebuilding initiatives. Defining post-conflict also alludes to the role of the international community in such environments. The UNDG (2004) identifies 'post-conflict' as "The period in a crisis when partnerships with the international community are most crucial in supporting or underpinning still fragile cease-fires or peace processes by helping to create conditions for political stability, security, justice and social equity". Yet despite the large international involvement, corruption and peacebuilding have until recently been viewed as separate fields with different priorities. However, findings suggest that overlooking the fundamental relationship between corruption and peacebuilding may jeopardise peace and stability and invoke a return to conflict (UNDP, 2010; 3). It is beginning to be recognised that understanding the prevalence and effects of corruption in post-conflict societies requires us to analyse corruption as a fundamental, integral part of the peacebuilding process. Thus, the central objective of this paper can be summarised as an attempt to identify and examine the highly sensitive and complex relationship between corruption and peacebuilding in post-conflict environments.

There are two important areas I wish to explore in depth. Firstly, it is of utmost importance that we understand why post-conflict environments are so susceptible to corruption. Many post-conflict countries are among those perceived to be the most corrupt in the world.[1] This seemingly systematic pattern of corruption has meant this issue has become an increasingly salient one for all societies that are transitioning from war to peace. But in order to make any progress in terms of tackling corruption in these fragile situations, it is above all necessary to understand the fundamental, structural causes of such widespread corrupt practices. The second issue I wish to explore is more concerned with the effects of corruption in post-conflict environments. As the international community has grown more involved in post-conflict peacebuilding, it has become increasingly apparent that corruption deeply affects all aspects of the recovery process, including activities such as institution building, reconstruction and economic development (Zuam & Cheng). Understanding the ways in which corruption may undermine the peacebuilding process is imperative to comprehending the relationship between these two processes. Thus, the two major concerns of this paper are: firstly, to understand why corruption levels are particularly high in post-conflict societies, with reference to the conditions which cause corruption to thrive; and secondly, to examine the ways in which corruption can be an impediment to the peacebuilding and recovery process.

In undertaking these tasks, there are several issues that require attention. Firstly, it will be necessary to

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conceptualise corruption in terms of definition and context. Once this has been established, it will be possible to examine the reasons why post-conflict situations are particularly susceptible to corruption. By analysing the societal structures, governmental institutions and economic systems of these environments, it will be possible to identify the broad factors that contribute to an environment conducive to corruption. In addition, the liberal peacebuilding thesis will be analysed and critiqued, with surprising results that may provide a further explanation for high levels of corruption in post-conflict environments. At this point, I will be in an appropriate position to analyse the consequences of corruption in post-conflict environments. The most damaging of these, and therefore the focus of this section, is the way in which corruption can distort or demolish the intentions of the peacebuilding process. To provide a degree of balance to my argument, I will then briefly assess the functionalist claims for corruption in post-conflict environments. Finally, in order to clarify and apply the multiple and complex conclusions gathered throughout this paper, the cases of Bosnia & Herzegovina and Iraq will be considered. These case studies will highlight one of the central complexities in the relationship between corruption and peacebuilding: effectively, that corruption in such circumstances is often of a cyclical nature, with indistinguishable causes and effects and an unidentifiable direction of causality.

Conceptual Problems: Defining & Contextualising Corruption in a Post-Conflict Situation

Behind the vast and complex issues which frame the relationship between corruption and peacebuilding in post-conflict countries lie a number of substantial conceptual problems linked to how we define corruption and how we understand its position in unstable political contexts. The difficulties with corruption begin with its definition; it is a challenging concept to define, even in the context of orderly political regimes.[2] When societies are experiencing social and political chaos, the term becomes further problematical, not least because of the undetermined, sometimes illegitimate foundations upon which political order is built. An appropriate starting point would be the most widely employed definition of corruption, which predates but has been popularised by Transparency International. It originates with Joseph Nye, who defines corruption as

Behaviour which deviates from the formal duties of a public role because of private-regarding (personal, close family, private clique) pecuniary or status gains (1967; 419).

When we apply this definition to countries emerging from war, there appears to be two major, yet contradictory, concerns. Firstly, Nye's *definition* of corruption is too narrow. For example: the emphasis on 'private gain' fails to recognise the use of corruption where the benefits accrue more widely to social or ethnic groups, networks or organisations; and the emphasis on 'public office' overlooks situations where such a position may be contested or absent (Philp, 2008; 311). Secondly, Nye's *understanding* of corruption is too broad, leaving us unable to distinguish between corruption and other types of malfeasance, and allowing corruption to become an extensive, catchall term. Within these broad concerns there are numerous dilemmas that occur when attempting to define and contextualise corruption in a post-conflict environment.

Post-conflict societies raise the most difficult challenges for those attempting to understand and tackle corruption. This begins with the existence of corruption in the first place. If we take Nye's definition of corruption, it suggests that for corruption to exist, there must be forms of public political office and positions of trust. Mark Philp has written extensively on this, and citing him may produce some clarity. He writes:

In complete chaos there is no corruption. For corruption to exist there must be forms of office and positions of trust and responsibility with rules and norms, and these must form part of a 'to some degree' intelligible and hegemonic system of order and rules (2008; 320).

In countries emerging from war, 'public office' is usually tenuous or non-existent, and often contested. Moreover, national legal and normative frameworks are fragile and unable to provide for orientation of what is considered ethical behaviour. Without a shared conception of what constitutes the responsibilities of public office, the core of Nye's definition of corruption becomes disputed. We must recognise that corruption in peacebuilding situations is largely expected. In creating order, one also makes corruption possible because it is these rules of office that define the criteria for deviance. When we attempt to build peace, we create standards and rules that, once in place, can be broken (Philp, 2008; 322). Understanding this paradox is essential if we wish to comprehend and analyse the

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unusually high levels of corruption in post-conflict situations.

Turning now to Nye's broad *understanding* of corruption, he designates a range of activities such as bribe making and taking, embezzlement, fraudulent mismanagement of funds and nepotism. In a post-conflict environment a broad understanding is particularly dangerous, as corruption may become a catch-all term for a wide array of deviances. In such environments, a wide range of distinct social problems such as weak and dysfunctional governmental institutions, mismanagement of public assets and post-war extra legal networks have all at various times been subsumed under the conception of 'corruption' (Cheng & Zaum, 2008; 302). Each of these problems poses a challenge to a peaceful and prosperous order, but they each require a distinct response, and cannot be subsumed under the same banner of corruption. It has been suggested that one way of narrowing this understanding is by separating corruption into "grand" and "petty" varieties. This distinguishes not between the scale of corrupt activity, but by the level on which it takes place – either in the political leadership, or the bureaucracy implementing and administering policy (Zaum, 2007). By accepting that petty corruption may be a necessary evil during war and post-conflict periods, we can focus on grand corruption, which is more likely to have a detrimental effect on the peacebuilding process as a whole.

The problematic assumptions underlying common definitions of corruption are further complicated when one attempts to contextualise the concept. Michael Johnston summarises these complexities when he explains that the most important issue "may not be what the term 'corruption' means, but rather who gets to decide what it means, and how widely those decisions will be accepted" (quoted in Le Billon; 9). Nye's definition therefore poses a further problem; namely, that what counts as 'misuse' is left open to interpretation. In post-conflict countries, where there is a large international presence, universal standards, as set out by the United Nations, are often implemented. This is considerably implausible and would ignore both the complex ways in which different political systems operate, and the diverging values of cultures. It has been argued that the question of what constitutes corruption and what does not is a largely relative matter, for the norms that shape the understanding of the responsibilities of office are bound to vary between societies and cultures (Cheng & Zaum, 2008; 302). That said, we cannot afford to lose the concept of corruption entirely to local norms governing what counts as misuse, especially in the uncertain and fragile environment following conflict. If standards are entirely local, corruption becomes simply a matter of 'what we regard as misuse around here', which, in a country where norms and standards of behaviour have been damaged by prolonged conflict, is particularly dangerous.[3] To proceed we must take both sides of this argument. Philp explains that "there needs to be a sense of appropriate norms for public office, and a sense of how and on what points they might come to connect with the norms and expectations that exist in the various communities" (2008; 313). Therefore, as well as ensuring that there is some form of universal standard, the international community must be sensitive in their peacebuilding efforts, acknowledging that completely abstract or foreign conceptions of corruption may be detrimental to the process, and may even increase corrupt activity by setting standards of conduct that have few adherents in the local community.

Finally, in contextualising corruption it should be recognised that, although many attributes are shared with developing countries in general, corruption in peacebuilding circumstances has its own peculiarities and requires distinct, unique methods of prevention. Countries in the wake of conflict share with developing countries many characteristics: economic hardship; weak, ineffective or predatory national institutions; and high levels of debt and aid dependency (Large, 5). All of these factors can produce an environment in which corruption can thrive. However, as Bertram Spector notes, problems of widespread corruption are even more acute in post-conflict contexts than in ordinary development situations because the opportunities for corrupt practices are far greater (2008; 9). There are specific issues that make corruption more likely and more persistent in post-conflict situations, including: extreme insecurity; risk of recurring violence; a legacy of human and material devastation; intervening organisations; and large amounts of development aid (Large, 5). Moreover, corruption can become an integral part of the peacebuilding process, with corrupt practices used to create or maintain governance. Norms and values contextualising corruption thus become intertwined with the societal and political structures of countries emerging from war. These factors make studying the explicit relationship between corruption and peacebuilding imperative, and thus this paper takes on importance in its own right.

It is clear that the complexities in defining and contextualising corruption are deeply rooted in the peculiarities of post-

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conflict societies. The problems outlined in this section have highlighted the shortcomings of a narrow definition of corruption. The concept becomes more difficult to use the less consensus there is as to which values, norms and rules should be applied, the less clearly the culture comprehends the idea of political order and its offices being subjected to systematic subversion, and the less there is anything that resembled a viable system of public office and political order (Philp, 2008; 316). Furthermore, we must be cautious in the application of foreign standards of behaviour, and recognise that post-conflict peacebuilding situations have historical, political and religious variations that require distinct responses and analyses. Local ethics and morals must be attached to a universal core, allowing us to have a conception of corruption that invokes an expected standard of behaviour, yet also considers principles that are relative to culture. The particularities of societies emerging from conflict also means that we must differentiate between these societies and developing countries in general in order to best respond to their distinct needs. From this analysis it is clear that, although the two fields have long overlooked one another, peacebuilding and corruption are fundamentally interlinked, sometimes in a paradoxical way. This means it is imperative that we assess firstly, *why* post-conflict situations are particularly susceptible to corruption, and secondly, *how* corruption can thus undermine the peacebuilding process.

Explaining the Prevalence of Corruption in Post-Conflict Countries

In order to understand the relationship between corruption and peacebuilding, it is essential that we explain and analyse the conditions that make post-conflict societies particularly susceptible to corruption.[4] Of course, it would be implausible to attempt to create a broad, general consensus of the conditions in which post-conflict societies emerge from war. As previously noted, such societies greatly differ in terms of culture, as well as in their political, societal and economic arrangements. The explanations for high levels of corruption in post-conflict environments are vast and indeterminate, and often it is unclear as to whether corruption is a cause or an effect of such conditions. However, in general, it can be observed that it is the overall fragility of the rebuilding context after conflict that seriously influences the growth of corruption. According to Emil Bolongaita, this is related to post-conflict environments having the right combination of extraordinarily high opportunities and particularly low punitive risks for corrupt activity (2005; 2). More specifically, it is the weak and fragile conditions of societal structures, governmental institutions and economic systems in the aftermath of conflict that makes post-conflict societies particularly susceptible to and defenceless against corruption. Additional issues which characterise post-conflict societies, yet cannot be categorised as such include the ever-present risk of renewed violence and a culture of greed. Legitimacy and effectiveness are two themes that will systematically arise throughout this section, and can often be seen to underlie many of the conditions that heighten the risk of corruption in post-conflict societies. It is important that we recognise and examine these features of post-conflict societies, as understanding what makes corruption thrive will aid in our attempt to understand how this undermines the peacebuilding process.

Post-conflict environments are characterised by weak societal structures. This is manifested most visibly in a weak civil society and a lack of independent mass media. As Bertram Spector explains, "years of violence can rob society and the mass media of their capacity to organise, mobilise and educate citizens; oversee government effectively; and advocate and pressure for reforms" (2008; 14). An active civil society is imperative in creating and maintaining transparency and accountability, and therefore in curbing corruption. In addition, conflict can both undermine and diminish the social capital required for transparent governance. The lack of trust in other persons and government institutions creates a situation whereby individuals are prone to use their access to public office to provide for their own private needs, thus encouraging more corrupt behaviour (Giraldo, 2006; 6). This is confirmed by the high levels of corruption among war veterans and exiles, who believe their actions are justified as a legitimate form of "pay back" for their efforts and sacrifices during the war (Le Billon, 2008; 346). Finally, societal structures of post-conflict countries are characterised by a limited political will. With political will lacking, administrations struggle to adopt and implement tough anticorruption measures. In summary, post-conflict societal structures are fragile due to a weak civil society, diminished social capital and a limited political will. These conditions contribute to creating an environment in which corruption can prosper.

The 'weakness' of institutions is a recurring theme in the post-conflict literature. Post-war governments are often of a transitional nature, are by definition weak and may have varying degrees of legitimacy and effectiveness (Galtung). If a government is viewed as illegitimate after conflict, corruption may become endemic. This is largely because, in the

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aftermath of conflict, groups will always exist who are unwilling to accept the peace settlement. These are usually either combatants or rival factions who oppose the terms of peace and dispute the legitimacy of the government. These 'spoilers' can manifest their dissatisfaction through corrupt or criminal acts that undermine and weaken the post-conflict state (Spector, 2008; 13). A further issue is that post-conflict governments are often characterised by poor transparency and absent accountability. In many cases, the state does not have an institutional identity independent of the actors who occupy key positions (Giraldo, 2006; 5). In this situation, legitimacy is further weakened and the spread of corruption is virtually assured. Finally, post-war governments may suffer from internal corruption. In transition governments, the threat of dismissal is high, and electoral loss and short-term posting is common (Le Billon, 2008; 346). Thus, the incentives for corruption for those in government are increased. As well as being illegitimate in the eyes of much of the population, a further governmental issue is that state capacity to deliver goods and services effectively has often been diminished by war. This includes the necessary infrastructure, professionalism, systems and resources to deliver meaningful services (Spector, 2008; 14). These problems are exacerbated by a limited rule of law and a legacy of secrecy and impunity from the conflict-era; such problems further diminish the capacity of the state to control corruption by undermining its deterrent effect (UNDP, 2010; 12). Ultimately, the high levels of political chaos, breakdown of the rule of law and ineffective and illegitimate government in post-conflict situations tend to result in enhanced opportunities for the development and entrenchment of corrupt practices.

A central reason why post-conflict societies are particularly susceptible to corruption is because they are often characterised by chaotic and inefficient economic sectors. As Spector explains, "the absence of enforceable laws and regulations… can result in black markets and other forms of illicit economic transactions that exploit resources and contribute little to development" (2008; 14). The unstable and corrupt economic sector may also breed corruption at an individual level, with the general population resorting to corrupt and illegal economic activities as way of coping with the hardships of the situation. Furthermore, the economic systems of countries emerging from war can be made increasingly vulnerable to corruption by the presence of international aid. As Boucher et al explain, "in post-conflict countries, the presence of international peacekeepers and aid providers may contribute to corruption rather than prevent it, owing to the large volumes of cash that follow them into war-ravaged economies" (Boucher et al, 2007; 20). In addition, the international community and donors often regard transition periods between war and peace as a 'state of exception', where the urgency of political and economic transformation creates a 'quick-win' environment. The rush and pressure for quick results can lead to careless and unethical practices, and a disregard for corruption. A final concern is that the presence of international aid often leads to highly inflated local prices and salaries, creating an economic context propitious for corruption (Le Billon; 18). It is clear that the weak economic conditions that characterise post-conflict countries are of central importance in creating an environment conducive to corruption.

Back in 2006, the World Bank revealed that nearly half of all post-conflict countries return to war within five years of signing a peace treaty (Giraldo, 2006; 6). This 'short-term horizon' and the concern that violence may return create an environment in which private gain is undeniably attractive. When faced with uncertainty and opportunity, the incentives to turn to corrupt practices are magnified. There is very little time available to begin reconstruction and stabilisation, and elites who understand this fragility often take advantage of the situation (Spector, 2008; 14). Jeanne Giraldo summarises that 'the concern that violence may return can create an "I need to get what I can now" pathology in post-conflict environments' (2006; 6). The structural difficulties associated with post-conflict societies are thus magnified by the uncertainty of recurring violence, and the opportunities for corruption increase. It has proved difficult to determine exactly what makes post-conflict societies particularly susceptible to corruption. Yet it is clear that the weak structures that characterise such environments play a significant role in creating conditions conducive to corruption.

The Liberal Peacebuilding Thesis

An important, yet previously unmentioned way in which post-conflict societies may become more susceptible to corruption is through the large-scale economic and political liberalisation processes imposed upon them by the international community. This discourse is referred to as the liberal peacebuilding thesis, and its consequences may add to the causes of high levels of corruption in post-conflict environments. Since the end of the Cold War,

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interventions to stabilise post-conflict societies through liberalisation have grown in number, length and scope, with the international community engaging in far-reaching efforts of institutional and societal transformation to prevent a relapse into war and to encourage a sustainable peace (Cheng & Zaum, 2008; 301). Although not directly in reference to corruption, Roland Paris writes extensively about this liberal peace thesis. He explains that the idea that economic liberalisation is a remedy for violent conflict began as a central principle of US President Woodrow Wilson's foreign policy at the end of the First World War (Paris, 2004; 40). Contemporary peacebuilding operations have been based on a set of beliefs similar to Wilson's principles, including the assumption that democratisation and marketisation foster peace in countries emerging from war. However, Paris, among others, is of the opinion that the political and economic liberalisation characterising such interventions has destabilising effects by increasing societal competition and weakening domestic institutions. Oliver Richmond and Jason Franks agree, and further analyse the connection this has with corruption. For them, liberal peacebuilding has, in practice, "created very weak states and institutions that are dependent upon foreign support and subject to tests of power-sharing and corruption" (quoted in Le Billon, 2008; 350). An example provided by Le Billon provides a final reassertion of this argument; he explains, "In Mozambique… the unstable liberalisation undertaken in the context of a structural adjustment and a return to peace has created conditions for greater corruption" (2003; 423). There are two parts to this thesis which require further analysis: firstly, economic liberalisation, including the transition to a liberal market economy; and secondly, political liberalisation, or democratisation. It is imperative that these factors are scrutinised; the fragile and problematic conditions of post-conflict societies will be further complicated if political and economic liberalisation is seen to exacerbate levels of corruption.

Liberal peacebuilding has primarily shaped the transition from war to peace around negotiated settlements and democratisation. This negotiated democracy has potential impacts on corruption. Most notably, the democratisation policies of the liberal peace thesis can be seen to contribute to an environment in which corruption may prosper in two ways: firstly, such policies may overlook corruption in preference for democracy, thus allowing corruption to thrive; secondly, and perhaps more dangerously, political liberalisation policies may embed corruption in the new regime, with tacit agreements on corruption included in the peace accords. A further issue is that transition to democracy represents a critical moment in terms of political party financing. A shift from overtly coercive modes of political control to more democratically savvy forms of patronage and vote buying may aggravate political corruption in the form of illegal political donations and economic activities, misappropriation of public funds or abuse of state resources (Le Billon, 2005b; 690). Essentially, through the process of democratisation, we can see corruption shifting from monopolistic patronage-clientelism ensuring a degree of relative stability, to more competitive and disintegrative patterns of corruption. There is, therefore, a high risk that a transition to democracy increases political corruption, notably more so in the absence of formal institutions for party financing, a common characteristic of post-conflict governmental structures.

Perhaps the more damaging part of the liberal peacebuilding orthodoxy in terms of its effect on levels of corruption is the transition to a 'market' economy that characterised many reconstruction processes in the 1990s. The basic point made by critics of the thesis is that transition to a liberal market economy and insufficiently regulated privatisation can create new opportunities for grand corruption and the unlawful grabbing of state assets by well-placed political elites (Spector, 2008; 12). The prioritisation of private over public ownership by international organisations and agencies may therefore unintentionally play into the hands of local corrupt elites. In some cases, international Western donors and financial institutions are aware and even accepting of this evolution, characterising the process as 'normal' (Le Billon, 2008; 351). In other words, liberal peacebuilding is more concerned with market access than peace, and corruption is tolerated if it fosters the right kind of stability in the eyes of Western donors and institutions. A more damaging outcome of the economic liberalisation imposed upon post-conflict societies may be that corruption is institutionalised and embedded in these societies. This is visible in two ways. Firstly, with nepotism, fraud, lack of transparency and accountability and tax avoidance often characterising various forms of foreign engagement, corruption becomes normalised, and tackling corrupt practices becomes less plausible due to the hypocrisy of the intervention process. And secondly, as Michael Pugh argues, one of the consequences of the imposition of economic restructuring according to neoliberal prescriptions may be the "reinforcement of corrupt elites, the siphoning of privatised public assets into private pockets and the privatisation of government" (quoted in Large, 13). Thus, rather than transforming post-conflict societies, liberal peacebuilding policies sometimes ended up legitimising and reinforcing the de facto power and ownership structures through elections and privatisation (Zuam & Cheng). In

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these ways, the prescriptions of liberal peacebuilding often led to the further entrenchment and institutionalisation of corruption.

To assess whether such critiques of the liberal peace thesis are either viable or plausible, a brief examination of Samuel Huntington's argument is most beneficial. Huntington proposes that rather than economic and political liberalisation (or any other precise form of societal organisation) being the cause of increased corruption during periods of peacebuilding, rather, it is the inherent fragility and opportunistic conditions of *any transition period* that create conditions suitable for corruption. Specifically, he argues that corruption "seems to be most prevalent during the most intense phases of modernisation" (1968; 59), and this can be attributed to three factors. Firstly, modernisation involves a change in the basic values of the society. Behaviour which was acceptable and legitimate according to traditional norms becomes unacceptable and corrupt when viewed through modern eyes. Secondly, modernisation contributes to corruption by creating new sources of wealth and power, a direct product of the rise of new groups into the political system. And finally, Huntington argues, modernisation encourages corruption by the changes it produces on the output side of the political system (Huntington, 1968; 60-62).

Huntington's argument is largely plausible. By definition, transitional periods are unpredictable and opportunistic, with governmental and economic institutions particularly fragile. It *is* possible that rather than liberal peace initiatives such as economic marketisation and political democratisation being the cause of high levels of corruption in post-conflict societies, it may be broader, structural inefficiencies which hold responsibility. This would certainly support my previous arguments, which blame weak and fragile conditions in post-conflict countries for high levels of corruption. However, at the same time, such a broad explanation ignores the specific characteristics of modern peacebuilding processes. Since the 1990s and the rise of liberal peacebuilding interventions, the seemingly systematic failure of such processes and their inability to curb corruption does raise questions about the relationship between economic and political liberalisation and corruption. To ignore such an obvious relationship, and merely brand it as a consequence of a transitional period, would be futile. In order to effectively assess the reasons why post-conflict societies are so susceptible to corruption we must examine equally both claims. Acknowledging that transition periods are times of insecurity and uncertainty will provide a broad, structural explanation, and Huntington's emphasis on conditions of modernity may be useful. Yet we must also be willing to admit that the liberalisation policies of peacebuilding initiatives may further damage the already weak and fragile conditions that make post-conflict societies susceptible to corruption. Ultimately, post-war reconstruction is a phase with a unique conjuncture of both internal and external factors that provide particular opportunities for corruption.

The Consequences of Corruption: Ways in Which Corruption Can Undermine the Peacebuilding Process

It has been established that countries emerging from conflict have particular conditions which make them especially susceptible to corruption. The inherent instability of post-conflict situations, characterised by illegitimate and ineffective governance institutions and minimal accountability and transparency, provides an ideal breeding ground for corrupt behaviour. In addition, the policies enforced by the international liberal peacebuilding initiatives, which have characterised most post-conflict reconstruction since the 1990s, have proven to controversially exacerbate, transform and embed corruption. Perhaps the more pressing aspect of the question in terms of the tangible effects of corruption in peacebuilding situations is an assessment of the ways in which corruption can undermine the process of peacebuilding. In many visible ways, there are similarities between the causes and effects of corruption in post-conflict societies. What is clear is that corruption is deeply rooted in post-conflict societies and this can only be a hindrance to the peacebuilding process. The reasons for this are many, but in sum, corruption is considered to be a key challenge to consolidating peace because it hinders economic development, jeopardises international aid and foreign direct investment, undermines the legitimacy and effectiveness of government and increases the risk of renewed violence (Cheng & Zaum, 2008; 301). Again, we are given an indication of the complex, cyclical nature of corruption in post-conflict environments, with illegitimacy and ineffectiveness playing a role in the effects, as well as the causes, of corrupt practices.

The most immediate way that corruption can undermine the peacebuilding process is by jeopardising and tampering with international aid. Development and humanitarian aid is a fundamental part of the rebuilding process after conflict, and therefore it may be in this way that corruption has the most damaging effect on the initial peacebuilding

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process. There are several issues which require investigation in this regard. Firstly, there exists the possibility that corruption will act as a deterrent to attracting donor support when it appears in local public finances (Le Billon, 2005b; 76).[5] This is particularly true of humanitarian aid; some NGOs are rumoured to allocate a percentage of their budget to account for corruption costs (Zuam & Cheng). Moreover, even if this is not the case, and donors do not decrease the level of aid they release to corrupt countries, the aid they do release is not what is disbursed by corrupt domestic agencies. Another damaging cycle is visible here: corruption in the utilisation of donor funds hampers the implementation of post-conflict policies and programmes, in turn leading to a loss in confidence by donors and less aid (Bolongaita, 2005; 3). It may also be possible that the perception or preconception of corruption is more harmful to levels of international aid and foreign direct investment, than known levels of corruption. Similarly, it has been argued that the *perception issue* has a greater influence on peacebuilding processes than actual corrupt practices.[6] Overall, the most immediate and visible consequence of corruption is a negative effect on the volume, quality and targeting of reconstruction assistance provided by international donors and local authorities. However, this is only a part of the problem, and the consequences of corruption reach much further.

The ways that corruption can undermine the peacebuilding process are both economic and political in nature. There is an indisputable correlation between lower corruption and higher economic growth[7]. Acknowledging this, the World Bank claims that corruption undermines the rule of law and weakens the institutional foundations upon which economic growth depends (Rodgers, 2006). Therefore, a significant way in which corruption can undermine the peacebuilding process is by hindering economic development. Moreover, in its most damaging form, corruption may entrench or exacerbate economic inequalities, therefore further undermining the chances of rapid and effective economic recovery. Another issue is that corruption may undermine the ability of the state to provide public services. Ineffectiveness often leads to illegitimacy: by robbing state institutions of desperately needed resources, corruption delegitimises post-conflict governments. If people cannot trust their government to protect their interests or to reliably provide public security, public services and a level playing field for economic activity, they may stop supporting that government (Boucher et al, 2007; 2). If corruption is rampant, legitimate, professional government will never materialise, the authority of the state will be undermined and external resources will be siphoned away from their objectives. A final political consequence of corruption is the entrenchment of an imbalanced power or political status quo inherited from the conflict. As the groups empowered by the outcome of the war sustain political and economic positions through corruption, they may prevent the redistribution of power, and stifle adequate checks and balances (Le Billon, 2005b; 76). Overall, corruption is considered a key challenge to consolidating peace because it hinders economic development and undermines the legitimacy and effectiveness of government. These problems are multiplied in countries emerging from war because social, economic and political structures have already been damaged by conflict, and there exists few, if any, institutions that can effectively tackle corruption.

Corruption in post-conflict societies can undermine the peacebuilding process by increasing the risk of renewed violence. This can be seen through both the economic and political processes previously mentioned. Economic variables such as the level, structure and growth of income can influence the risk of renewed violence, especially when such variables are discernibly affected by corrupt practices. From a more political perspective, corruption increases the chances of renewed violence by delegitimising local government and leading to social unrest. Although it may be more likely that citizens will turn to violence, there is also the risk that the state may do the same: if, through the emergence of extra-legal groups, the state's control over the resources that fund corruption and internal patronage networks is threatened, it may resort to violence to defend its control over these resources and to reassert its legitimacy (Zuam & Cheng). On a more general societal level, corruption facilitates criminality and persisting violence in post-conflict societies by compromising the conduct and independence of the police and judiciary, and through the recycling of former combatants into the private militias of corrupt politicians or organised crime (Le Billon, 2005b; 76). In these circumstances, the peacebuilding process would certainly be undermined. The consequences of corruption in post-conflict societies, and the ways in which this destabilises the peacebuilding process, are vast, and it is beyond the scope of this paper to assess these issues in their totality[8]. However, it has been established that if governing structures, procedures and the rule of law remain fragile and corruption runs rampant, international aid may be jeopardised, developmental gains may be hampered, government may be delegitimised and conflict can re-ignite, resulting in renewed chaos and human suffering (Spector, 2008; 8).

Assessing the Viability of Functionalist Arguments

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When it becomes endemic, corruption can "derail political and economic transitions, undermine state capacity and legitimacy, exacerbate poverty and inflame grievances linked to conflict" (O'Donnell, 2006; 1). However, although the main consequences of corruption are overwhelmingly negative, functionalist arguments about corruption suggest that some forms of corruption may occasionally have positive effects (Le Billon; 25). In fact, the conflict field, given its emphasis on stability, is one of the few areas where some of the functionalist arguments for corruption retain a foothold (O'Donnell, 2006; 8). In a conflict situation, the first priority is to stop war. In practice, this often implies that trade-offs will have to be adopted in order to achieve this end. One of the trade-offs that is increasingly accepted is with corruption. In the most minimal form, this means the inclusion or acceptance of illegitimate or corrupt actors into the negotiations in order to achieve relative stability (Church, 2007). In its most extreme form, this involves 'buying the peace'. According to this argument, corruption facilitates the creation of a political order in which rulers can co-opt opposition groups, thereby providing a measure of political stability and avoiding conflict. Political stability, it is argued, can be promoted by sustaining legitimate corruption through political handouts, public subsidies, aid or commercial activities (Le Billon, 2003; 420). In the short term, grand corruption can help to ensure the buy-in of all major political groups into the state, by sharing between them the spoils of controlling different state institutions, and the rent and patronage opportunities they offer (Zaum, 2007). A prominent example of the way corruption may have facilitated the peacebuilding process is Afghanistan,[9] where the warlords who fought the Taliban alongside American forces were subsequently rewarded with carte blanche rule over large swaths of countryside as long as they continued to operate militarily (Cheng & Zaum, 2008; 304). Patronage and corruption may be part of the bargaining process in this way, but there is an important division here: there are those who believe corruption is undesirable, but may be necessary for short-term peace; and others who actually encourage corruption as a way of creating stability. Acknowledging this distinction, and ensuring that we are aware of the risks of 'buying peace', will prove fundamental to understanding the possible benefits of corruption in a post-conflict environment.

Whilst functionalist arguments are convincing, in a post-conflict situation there are obvious dangers to such an approach. As previously discussed, grand corruption undermines the ability of the state to provide public services, undermining the trust in the state and leading to the emergence of extra-legal groups that challenge state authority, possibly with violence. Thus, whilst corruption may stabilise societies, it does so by preserving the power structures and political economy that shaped and sustained conflict in the first place. The international community often plays a role in this, negotiating and enforcing a peace agreement that entrenches corruption (Church, 2007). Many cases imply that such 'quick fixes' are unmaintainable, result in misery and social injustice, and have long lasting negative effects; for example, UNITA in Angola or RUF in Sierra Leone demonstrate that buying out spoilers is a risky venture (Le Billon, 2005b; 76). Therefore, whilst corruption may, in the short run, create a peace and stability that is much preferable to violence, in the long term, attempts to buy short-term peace by tacitly condoning corruption may end up backfiring. Groups empowered by the outcome of the war will continue to sustain dominant political and economic positions through corruption, preventing the redistribution of power by stifling checks and balances. Inequalities may become entrenched and could give rise to new grievances and sources of conflict. This creates vicious cycles that are difficult to break out of, as inequality creates a greater social tolerance for corruption, which further reinforces inequality (Cheng & Zuam, 2008; 304). To effectively apply functionalist arguments, we must recognise the distinction highlighted previously, as well as showing some relativism to diverging cultures: in *some* post-conflict situations, accepting corruption as an undesirable but necessary evil may help to yield short-term stability and peace; however, in general, we must actively avoid endorsing or promoting corruption as a form of peacebuilding. In the light of the problems highlighted, every effort should be made to move beyond 'buying peace' as a way of ensuring short-term stability.

Case Studies

To apply the issues raised in this paper, it is imperative that solid examples of post-conflict societies in the midst of peacebuilding are examined. I believe it will be of greatest benefit to initially analyse an historical case; the post-war transition of Bosnia and Herzegovina appears to be most suited. I will then be in a better position to analyse the more politically charged case of Iraq. Each case provides support for various issues raised in this paper, yet it is clear that at the same time each has its own particularities and difficulties, which mean broad assumptions may not always be applicable. In particular, the effects of post-conflict corruption on peacebuilding processes depend on a diverging range of context-specific factors. Therefore, whilst there are common features that can be identified cross-culturally

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and universally, the case studies will highlight the important way in which local customs and values must be used in addition to universal standards of behaviour.

Bosnia & Herzegovina

Over the course of the Bosnian war (1992 to 1995), 200,000 Bosnians lost their lives and over 2 million were displaced either internally or abroad. These large-scale population movements fundamentally changed the character of Bosnia. The current political system reflects post-war divisions with a loose consociation system broken up into two entities (the Bosniak-Croat Federation and Republika Sprska), as established at the settlement at Dayton (Donahue, 2008; 26). In terms of corruption, post-war Bosnia provided fertile ground for its spread and entrenchment. The Dayton Peace Agreement did not remove those who had been in power during the conflict. This political class, created by the lawlessness of the conflict years, combined with a massive inflow of international funding, created an environment in which corruption could flourish. Moreover, corruption in the form of diverted funding and lost state resources seriously hindered reconstruction and the development of formal state structures, and impacted on attempts to embed the rule of law more widely (Devine).

Vera Devine identifies four characteristics of the Bosnian case that made the post-conflict environment particularly susceptible to corruption. Firstly, post-conflict governmental structures, specifically the replacement of formal government with informal networks encouraged the spread of corruption. These networks had been established as the authority of the Yugoslav government had collapsed. They retained power in the post-war period, and were unaccountable, had a habit of illegal actions, and had little interest in establishing the rule of law. In addition, the administration lacked independence and capacity, and failed to provide sufficient checks on the actions of those who had assumed power. Secondly, and in a related way, the legal framework in place did not provide appropriate tools to address the problem of corruption and in some specific cases contributed to it. Thirdly, post-war Bosnia was characterised by an absence of pressure for change from civil society. As a result of the war and the collapse of law and order, public expectations were very low. People were deeply cynical about any progress to be made in fighting corruption and building the rule of law. And finally, the large international presence unexpectedly exacerbated corruption. The High Representative's authority should have acted as a counterbalance to corrupt local elites. But local politicians were able to subvert this authority, in part because international representatives were unfamiliar with the range of corrupt practices and unable to effectively counter them (Devine). Thus, it is clear that a lack of cultural consideration and knowledge actually increased corruption in post-conflict Bosnia & Herzegovina. Ultimately, it can be argued that these conditions fit into my previous model, in which the weak and fragile governmental institutions, societal structures and economic systems are responsible for creating an environment conducive to corruption.

Iraq

The fall of Saddam Hussein marked the beginning of new era for Iraqi citizens. But not, as would be expected, of rapid and effective reconstruction, good governance and accountable and transparent institutions. Rather, in the eyes of many Iraqis, it marked the beginning of an era of intensified theft of state property, corruption and conflicts of interest (Leender & Alexander, 2005; 82). Corruption has been intertwined with conflict throughout Iraqi history. As far back as the creation of a 'modern state' in Iraq by the British in the 1920s, conflict has maintained an unequal society with entrenched Sunni Arab elites overseeing patronage networks. The defeat against US-led forces in Kuwait in 1991 and the imposition of UN sanctions in 1990 represented a shift from this institutionalised corruption to nepotistic and competitive corruption. Oil played an undeniable role throughout the 1990s and 2000s, with the control of smuggled goods and kickbacks from oil sales becoming the central economic focus of the Ba'athist regime (Le Billon, 2005a; 692). Petty corruption increased within the civil service in the context of minimal wages and a de facto 'privatisation' of the state. Corruption in the post-2003 period of instability and insurgency is clearly deeply rooted in the dishevelled history of conflict in Iraq.

As established, corruption thrives in a context of confusion and change. In Iraq this is visible in several ways, and as a result, corruption has expanded, with clear consequences for the peacebuilding operation. One way in which corruption has thrived is through the informal economy. Since 2003, this shadow economy has played an increasing role in Iraq's development. The uncertainty surrounding political developments has contributed to corruption in this

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form, with large segments of the population continuing to rely on survival relationships characteristic of the 1990s sanctions period. The informal economy presents a number of obstacles to peacebuilding. Most notably, it facilitates an opaque environment that accommodates official corruption (Looney, 2008; 430). A further factor, which contributed to creating an environment in which corruption could thrive in Iraq, is lack of social capital, of which trust is an integral part. Conflict destroys the bonds and relationships between individuals thus weakening social trust, and increasing the chances that people will turn to corrupt, selfish practices. In the context of Iraq, corruption reduced trust at all levels, thus making it effectively impossible for a formal economy to grow and displace the shadow economy. Importantly, this may be an example of the cyclical nature of post-conflict corruption: whilst corruption thrives in post-conflict Iraq due to low levels of trust, more corruption lowers levels of social capital even further, meaning the environment becomes even more conducive to corruption. The domestic conditions that have allowed corruption to thrive in Iraq are widespread. Two important ones have been highlighted here: the legacy of the informal war economy; and the weak social capital that exists in Iraq. Furthermore, these issues emphasise a complex yet fundamental concern of this paper: that post-war peacebuilding environments are characterised by inescapable cycles of corruption, within which the causes and consequences are often indistinguishable and intertwined.

In addition to the domestic concerns, the policies of the international community have further exacerbated conditions that make corruption probable in Iraq, thus increasing the likelihood that the peacebuilding process will fail. Reconstruction policy in Iraq was driven from Washington, and was based on a strong pro-market ideology emphasising the need for immediate and widespread privatisation, as well as free trade and lax foreign direct investment rules (Le Billon, 2005a; 695). This imposition of liberal policies has exacerbated corruption in Iraq, primarily because the controversy over and impacts of the policies have contributed to a political and economic environment in which there exists illegitimacy and ineffectiveness. Thus, the case of Iraq underpins the arguments made by critics of the liberal peacebuilding thesis; notably, that economic and political liberalisation can controversially exacerbate corrupt practices. An issue that is manifested both domestically and internationally is Iraq's dependence on oil. The corruption problems of resource-dependent nations are notorious, and in Iraq the post-conflict conditions have exacerbated these difficulties, fuelling greater corruption. One of the major problems is that the transition period has focused on power sharing along sectarian and regional lines and very little thought has been given to how the new Iraq can be more effective in managing oil revenues (Leender & Alexander, 2005; 85). In addition, the oil-for-food programme has aggravated problems of corruption. As well as consolidating the formal patronage capacity of the regime domestically, the programme was manipulated internationally. It would appear that some members of the Security Council have tolerated corruption for the sake of pursuing a sanctions-based security agenda, overlooking questionable practices in preference for security and stability. Moreover, there is evidence to suggest that others unequivocally benefited from the regime of Saddam Hussein, thus directly increasing levels of corruption (Le Billon, 2005a; 693). In summary, the presence of the international community, as well as the policies of the peacebuilding "project", have further added to the immense issues of corruption in post-conflict Iraq.

There are several important ways in which an analysis of post-conflict Iraq has supported my thesis. It can be argued that, in Iraq, the on-going violence, lack of trust and conflict, together with unique factors such as oil revenues and the policies of the international community, have combined to create an environment in which the extent and effects of corruption are even more pronounced than those in 'normal' post-conflict settings (Looney, 2008; 425). Analysing these issues has shown that any attempts to study corruption in post-conflict societies need to view and place the problems in broader historical, social, economic and cultural contexts. Examining the presence of the international community in Iraq has confirmed two things. Firstly, the oil-for-food programme has exposed the issues of corruption *within* the international peacebuilding efforts, with the problem of corruption often being overlooked in order to secure stability. Secondly, the effects of the externally imposed policies of the reconstruction effort in Iraq have, to a large degree, confirmed the critique of the liberal peacebuilding thesis analysed previously. Rather than focusing on trust-building and institutional reform, the current reconstruction strategy has emphasised market reforms, infrastructure development and private foreign investment (Looney, 2008; 437). This may have increased corruption by making worse the unstable conditions that allow corruption to thrive. The case of Iraq has confirmed another imperative issue: that corruption in post-conflict societies is deeply embedded, its causes and consequences are often inseparable, and causality flows in both directions. The issue of social capital has proven this with most clarity: low social capital causes corruption, yet corruption also weakens social capital and thus undermines the peacebuilding process. Therefore, understanding the root causes of such issues is an extremely complex and arduous task. Finally,

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many have argued that "aside from the lack of security, corruption is the biggest threat to progress in stabilising Iraq" (Looney, 2008; 428). However, I would insist that rather than viewing security and corruption as separate fields, it must be recognised that corruption is intertwined with the process of peacebuilding, and thus anticorruption strategies must play an integral part in the development of peace.

Conclusions

Post-conflict situations pose difficult challenges for those concerned with corruption. It is only recently that corruption has begun to receive the attention it requires in societies transitioning from war to peace. Central to this is understanding that corruption and peacebuilding are overlapping, interrelated fields. Throughout this paper, I have emphasised this fundamental, yet previously overlooked, relationship. The complexities associated with this relationship in post-conflict environments begin with issues of definition and context. Importantly, the existence of corruption should not be surprising; peacebuilding processes will inevitably be accompanied by problems of corruption, fundamentally because creating order creates rules that can subsequently be broken. Thus, corruption becomes intertwined with peacebuilding from the very beginning. Attempting to identify the conditions that make post-conflict environments particularly susceptible to corruption proved to be a difficult task. Broadly speaking, a combination of weak societal structures, fragile governmental institutions and unstable economic systems contribute to creating a chaotic environment conducive to corruption. Furthermore, a significant portion of the blame can be attributed to the policies of the liberal peacebuilding thesis. By creating more competitive patterns of corruption and increasing levels of unregulated privatisation, democratisation and economic liberalisation can be seen to increase, embed and institutionalise corrupt practices in post-conflict societies. Corruption can be viewed as a hindrance to the peacebuilding process for a number of reasons. Most significantly, corruption may undermine this process by jeopardising and redirecting international aid, hindering economic development, undermining government legitimacy and effectiveness and increasing the risk of renewed violence. Functionalist arguments expressing the benefits of corruption may appear favourable in post-conflict environments, where stability and peace take precedent. However, whilst the short-term benefits of such an approach are attractive, I would argue that in the long-term, ensuring peace in this way is both precarious and immoral. We must move beyond immediate fixes to more substantial and effective efforts at securing stable and peaceful societies in a sustainable and just way.

As way of closing this paper, we must refer back to the initial aims. It was stated that the overall purpose of this project was to identify, understand and analyse the complex relationship between corruption and peacebuilding in a post-conflict environment. Attempting such a task required an analysis of two, related processes: firstly, of the conditions which make post-conflict societies particularly susceptible to corruption; and secondly, of the subsequent ways in which corruption undermines the peacebuilding process. However, rather than clarifying the relationship, such analyses revealed the vast, compound processes associated with corruption in post-conflict states. Immediate post-conflict periods are environments particularly conducive to corruption due to a number of structural inadequacies. Yet more corruption worsens such conditions, therefore increasingly the likelihood of greater and deeper corruption. In other words, corruption breeds corruption. Furthermore, the effects of corruption may be related to the causes: corruption will further weaken the structural inadequacies which make corruption highly likely in the first place, and therefore undermining the peacebuilding process by jeopardising peace and increasing the chances of renewed violence. Thus, corruption appears to be a highly significant factor in countries emerging from war. Peace and development are compromised because of the inescapable cycles of poverty and corruption in which such societies become caught. This paper has proven that the causes and effects of corruption in post-conflict environments are often inseparable, and situations are worsened by an inability to identify the origins of such difficulties. It appears that the problems facing societies emerging from conflict are much deeper and problematical than initially thought. Nonetheless, it is imperative that we continue to investigate corruption in post-conflict societies; doing so is the only way to shed light on the intricate way in which such practices are embedded and entwined with the establishment of peace.

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Notes

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[1] For example, Transparency International (2010) gave Iraq a Corruption Perception Index (CPI) score of 1.5. Bosnia & Herzegovina scored 3.2, and Afghanistan scored 1.4.

[2] On definition, see Heidenheimer and Johnston (eds) (2002), *Political Corruption*, New Brunswick: Transaction.

[3] What we cannot do is think that however a culture defines corruption must be right, because that would introduce a basic collapse of translatability across cultures, and would mean that when we talk about corruption we would not be talking about the same thing. To preserve the value of the term it needs a universal core.

[4] The causes of corruption more generally have been noted (See Paulo Mauro (1997)). However, what we are concerned with for this paper are the structural problems that make post-conflict societies *more* susceptible to corruption.

[5] However, many dispute this trend. For example, Le Billon (2008; 354) describes how an empirical test of the effect of corruption on aid provisions between 1975 and 1995 indicates that this relationship is only valid for Scandinavian and Australian bilateral donors, but that the US actually provided more aid to more corrupt countries. These results suggest that the international community is overlooking corruption in order to make gains in other post-conflict areas.

[6] Both Emil Bolongaita (2005) and Jonathon Goodhand (2008) make this argument.

[7] For example, the IMF (Paulo Mauro (1997)) has found that corruption discourages investment, limits economic growth, and alters the composition of government spending.

[8] For the most comprehensive assessment of the impact of corruption on the peacebuilding process, see Philippe Le Billon (2005b), and Boucher et al. (2007).

[9] For more information on corruption in Afghanistan see Jonathon Goodhand (2008), and Madalene O'Donnell (2006).

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