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Breaking the Vicious
Circle from a Peacebuilding
Perspective

Future needs
Peacebuilding

Breaking the Vicious Circle from a Peacebuilding Perspective

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Summary and Background:

Corruption is both an underlying cause and a driver of conflict. Violent conflict, fragility and corruption can be considered a vicious circle. We argue that peacebuilding and conflict prevention need to pay more attention to corruption and join forces with actors promoting transparency, accountability and good governance. Peacebuilding can contribute with its vast array of approaches and methods of analysis and reflection, supporting cohesion and coalition building, dialogue facilitation and visioning as well as transformation to the fight for accountability. This paper will suggest eight potential entry points for further discussion.

This background paper has been prepared for the FriEnt Peacebuilding Forum 2021 and a dedicated session on conflict and corruption. This session builds on previous discussions at two IACC conferences as well as on a dedicated conference on anti-corruption in fragile states. In December 2019, the German Federal Ministry for Economic Cooperation and Development (BMZ), Transparency International Germany, the U4 Anti-Corruption Resource Centre and GIZ hosted an international conference which brought together anti-corruption activists and peacebuilders. Participants called for closer collaboration amongst both groups to improve mutual understanding and learning, as well as for a comprehensive, whole-of-government approach. Minutes of the BMZ Conference can be found [here](#). ↗

With this paper, we are following this call. It explores the interlinkages between corruption and conflict from a peacebuilder's perspective and suggests how the peacebuilding community can contribute to addressing the vicious circle.

1. Why does corruption matter for peacebuilding?

Everyone involved in peacebuilding will have their own stories about how corruption matters in their respective context and how it relates to corruption. This will be different for the protest movements in Lebanon and Iraq, the institutionalised approaches to tackle impunity in Latin America, or the local groups resisting land grabbing and deforestation in Southeast Asia. Whether dealing with security sector reform in Africa, providing humanitarian assistance in Yemen or Bangladesh or long-term reconciliation in Nepal or Philippines, most peacebuilders have encountered corruption in their work environment, they have established institutional safeguards and compliance mechanisms to prevent fraud and other forms of corruption, and they

have to report problematic incidents to their respective donors. Also, corruption features in most of the conflict analysis done to guide peacebuilding efforts. Nevertheless, peacebuilding rarely addresses corruption directly. We will argue in this paper that this practice should change.

Summarising the general relevance of corruption in fragile contexts, corruption in its many forms appears to be a **central variable that defines fragility** as it affects state authority, capacity as well as legitimacy. Violent contestation of the state, insecurity and at times even limited access of state actors to conflict zones further undermine weakened state legitimacy and make efforts to improve governance more difficult. We know from experience that grand corruption has a more significant effect on state legitimacy than petty corruption. At the same time, petty corruption serves as a survival strategy in a context of weak rule of law, collapsed bureaucracy and lack of income for a large part of the population.

But how does corruption relate to conflict? We know that a low level of corruption is the **strongest predictor of peacefulness and one of the core pillars of positive peace**, as the Global Peace Index shows (IEP 2017, IEP 2020). Corruption needs to be understood as **root cause and driver** for violent conflict. Corruption and the related grievances resulting from lack of rule of law, elite rent-seeking, perceived injustice, unfair treatment and marginalisation in society are considered central push factors for contestation, unrest and violent conflict.

Yemen, for example, saw massive embezzlement of public funds and tax evasion between 1990 and 2008. Around US\$12 billions of capital flight contributed to economic stagnation that led to the 2011 uprising (Hill 2013). There are many other examples of abuse of power by elites for the purpose of self-enrichment which is displayed in different ways according to context, e.g. through the misappropriation of natural resources and their revenues or illegal land grabbing. Perhaps more importantly from a peacebuilding perspective, however, these actors also utilise corruption to maintain their power, buy alliances and circumvent legal and democratic processes. For example, allegations of corruption may be exploited to damage the reputation of political opponents, thus undermining democratic processes and also trust and cooperation in society (Johnston 2010).

Consequently, corruption contributes to mobilisation of protest movements, democratic contestation, but also violent opposition and radicalisation. It often serves as a key element in narratives of armed groups contesting a corrupt state. Corruption also enables illegal access to financial resources that could be used for (re-)armament, as well as undermining sanctions regimes and embargoes. It might affect security sector reform as well as transitional justice. **Essentially, corruption has an impact on all aspects of state-society relations, the social contract as well as social cohesion.**

While many of these effects are well known, it remains difficult to grasp their complexity and desperately unclear how to design effective interventions in such contexts. The **lessons of failed international interventions** in Afghanistan – captured in a recent meta review of international evaluations commissioned by BMZ – or Iraq are stark examples. They demonstrate that technical anti-corruption approaches, e.g. capacity building for government administration, remain largely ineffective without the political will to empower reform actors or without the capacity to deter or penalize corrupt behaviour.

While many donors, implementing agencies and academics tend to **compartmentalize** the phenomena of violent conflict and poor governance, they actually interact and fuel each other. Interestingly, the perception of a distinction between these phenomena occurs mostly in the external/donor perspective. Local peacebuilding actors

What is corruption?

There is no exact definition as corruption is perceived differently in each local context. Corruption is widely considered as the abuse of public roles and resources for private benefit. In a context of violent conflict, however, all aspects of such a definition are contested, and allegations of corruption are regularly used by political opposition. Furthermore, it is important to differentiate corruption according to different types, levels and motivation. One important differentiation is that between petty corruption, which happens on a daily basis between officials and citizens, and grand corruption, including political corruption and elite rent-seeking leading to state capture. This text focuses on grand corruption.

For more information look up the basics at the [U4 Anti-Corruption Resource Centre](#) ↗

Further reading:

[Anti-Corruption In Fragile Settings: A Review Of The Evidence](#) ↗

GIZ 2020.

[Pilfering the Peace: the Nexus between Corruption and Peacebuilding. New Routes 3/2009](#) ↗

Life and Peace Institute 2009.

[Defence and Security 2017. The Fifth Column. Understanding the Relationship between Corruption and Conflict](#) ↗

Transparency International

[Meta-Review of Evaluations of Development Assistance to Afghanistan, 2008 – 2018. BMZ](#) ↗

Zürcher 2020.

mostly do not differentiate in the same way between corruption and other forms of injustice and impunity. Following such an **integrated perspective**, external actors supporting peacebuilding AND good governance, should work **hand in hand** as well.

The literature provides a set of recommendations on how to address corruption in fragile settings with a mix of preventive, detective and punitive measures, it remains less clear **what can be done from a peacebuilding perspective to support the fight against corruption?**

2. Understanding the vicious circle

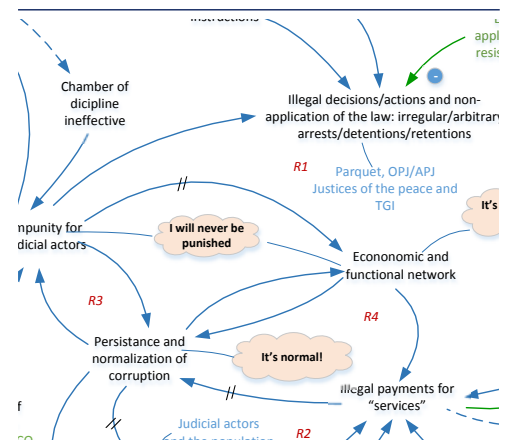
A first step is to understand the political economy of conflict and corruption by applying **systems thinking**. Recent years have seen growing interest in understanding the **interlinkages** of corruption and violent conflict. How both aspects interact depends on the political economy of the specific context: the resource-rich oligarchy of Azerbaijan will display different manifestations of corruption and conflict than in the impoverished context of Hurricane recovery in Haiti. But these contexts have something in common.

The concept of a **self-perpetuating vicious circle** is best suited to understand the **system of corruption and violent conflict** as well as its damaging effects on state-society relations. Given the complex relationship between these two multi-dimensional phenomena, cause and effect become blurred: corruption and conflict feed from and fuel each other. Let us consider one example: weak state institutions without effective checks and balances invite predatory, corrupt behaviour. As a consequence, service delivery is diminished, the allocation of resources and the access to services is distorted, and the state is increasingly perceived as unresponsive to the population's needs. The resulting frustration fuels populist narratives of exclusion and supports mobilization of militant opposition groups. With growing insecurity, state resources are withdrawn from the affected areas and the few, underpaid public officials in service in such hostile contexts use the remaining resources to secure their families' physical safety and well-being, further weakening the public's perception of the legitimacy of the state and fuelling the insurgency. In systems thinking, this is called a positive feedback loop.

A systemic perspective helps to realize fundamental characteristics of the vicious circle:

- all elements in this complex puzzle are **interconnected**,
- their relationship is **non-linear with various feedback loops** overlapping and contradicting each other, and
- the system **resists interventions**, it adapts, and it can even absorb the resources of the intervention. For example, capacity-building programmes for law enforcement agencies may be counterproductive if the latter are instrumentalised to target political opponents, creating more grievances and instability.

A deeper understanding of the vicious circle between corruption and conflict is useful in order to reveal the **inadequacy of linear, technical project-type activities** and to identify intervention points that can interrupt and actually affect the self-perpetuating dynamics. One 'problem' with systemic thinking, however, is its 'oddity' that makes integration in project management toolboxes difficult. Since we are so used to linear planning, we struggle with the complexity of systemic approaches. It is worthwhile, however, to challenge our approach since there are additional benefits to be obtained.



Systemic Thinking in Action:

An example from CDA's work with local partners in DRC provides insights how a systemic perspective can help to understand anti-corruption interventions in justice sector reform. This [text](#) shows how to read the systems map.

Systemic thinking can help us to **incorporate our own role and interventions** into the analysis and basically **combine conflict sensitivity and corruption sensitivity**. Compliance with the basic principle of “do no harm” also applies to **trade-offs between anti-corruption efforts and peacebuilding**. For example, large amounts of funding for stabilisation and peacebuilding, which is supposed to trigger a ‘peace dividend’, can attract additional problems given the weak capacity of local administration to handle them. If funds overwhelm a society’s absorptive capacity, they risk the emergence of highly disruptive forms of corruption and state capture.

In addition, systemic thinking **encourages whole-of-government approaches** as it might point us to relevant intervention points for which development actors do not have an effective response. For example, civilian approaches of institutional reforms and capacity building that are readily funded by donors often have little leverage against corrupt, armed actors and warlords that use coercive force to co-opt local institutions.

In sum, a systemic approach towards corruption and conflict offers a number of advantages: improved analysis and comprehensive understanding, identification of trade-offs, and a consideration of the political economy of interventions. But it also requires a number of things that are not easily available in crisis contexts: **granular analysis, sufficient staff resources and time, long-term commitment, multi-actor alliances and whole-of-government approaches**. These are required as stepping-stones in order to turn the vicious circle into a virtuous one. The following chapter discusses how peacebuilding can provide to some of these requirements.

3. Eight contributions from a peacebuilding perspective

The following section identifies opportunities for peacebuilders to address the conflict-corruption system and support anti-corruption measures. These contributions have to be considered against the background of a **bigger picture**. They can only address some parts of the system and they have to go together with others, in particular detective and punitive measures. The specific focus of peacebuilding is to build on **existing assets** in the system, to build and strengthen **multi-stakeholder alliances** and to support their strategic interventions in long-term processes. In addition, **transformative** approaches address the **rules and paradigms** of state and society as well as **collective values and norms**.

With these characteristics in mind, peacebuilding can go beyond the above-mentioned **conflict-corruption sensitivity** and contribute actively to turning the vicious circle into a constructive system – a **virtuous circle**.

The following generic ideas imply different levels of engagement and different dimensions of peacebuilding. They present only a first effort to differentiate potential entry points and require further discussion as well as contextualization:

1. Political economy analysis (PEA) should incorporate peacebuilding needs

so it reveals the interlinkages between conflict and corruption and shows leverage points from a peacebuilding perspective. Instead of addressing all aspects of corruption at the same time, an incremental approach should focus on those aspects of corruption that cause most grievances and thus matter most from a peacebuilding perspective. Usually, peacebuilding activities are based on an assessment of most significant peacebuilding needs.

Eight contributions at a glance:

1. Political economy analysis integrates peacebuilding needs
2. Reflect on the political economy of peacebuilding and peacemaking
3. Integrate accountability and social cohesion
4. Coalition building, joint strategizing, and risk management
5. Facilitation of accountable state-society interaction and trust building
6. Inclusive social dialogue to develop alternative, future visions of a peace economy
7. Consider how to address corruption in peace processes
8. Support the transformation of social norms

This should be done in a granular way to identify concrete entry points and priorities. Bringing both tools of analysis together is necessary to integrate anti-corruption and peacebuilding.

2. Include the systemic reflection of our own role

It is important to incorporate in any political economy analysis the **impact of peacebuilding and peacemaking interventions** and address **dilemmas of intervention at different levels**. Experience shows that lasting peace cannot be bought. Nevertheless, it remains a challenge how to address corruption in peace processes. Usually, peacemaking is prioritized over integrity because anti-corruption is feared to derail peace efforts if, for example, corrupt but relevant stakeholders are excluded from talks. Another example is generous per-diem payments or other incentives for delegates to peace talks that may be perceived as corruption (Life and Peace Institute 2009). The resulting dilemmas should be addressed among local peacebuilding actors but also among external actors in **inter-ministerial planning and donor coordination**. This allows for prioritization, impact monitoring and more effective strategies to address any 'side-effects'.

3. Accountability and social cohesion

measures should be considered together. In order to strengthen state legitimacy, accountability often matters just as much as – or even more than – service delivery, as experience from many fragile contexts shows. Thus, anti-corruption efforts regularly focus on equipping civil society with tools to hold the state accountable, ideally building on existing grassroots initiatives. Likewise, they strengthen data collection and reporting so that civil society and business groups can monitor public budgets and procurement processes. From a peacebuilding perspective, such social accountability mechanisms provide an opportunity for strengthening social cohesion. If done in an **inclusive** way, these activities bring together different parts of society, e.g., through inclusive community monitoring of service delivery at the municipal level, participatory budgeting, citizen report cards, etc.

4. Coalition building, joint strategizing, and risk management

can use support from a peacebuilder's perspective. Firstly, in order to tackle rent-seeking activities of armed elites in fragile and insecure contexts, a broad coalition of civil society groups, trade unions, the media and marginalised sections of the business community is necessary. In many cases, these coalitions need to overcome identity barriers, political and other affiliations in order to **unite against corruption**. Such processes can benefit from peacebuilding expertise. Furthermore, it is important to weigh the risks vs. the potential for success, and to devise joint strategic action. That requires an evaluation of the relative power of actors who will likely resist these efforts – peacebuilders can support such approaches by bringing their experience in dealing with **spoilers** to the table. Finally, just as for human rights defenders, **protection and deterrence of violent repression** are essential for anti-corruption actors, and donors engaging in anti-corruption and peacebuilding in insecure contexts need to use their enabling role to back up local level activists.

5. Facilitation of accountable state-society interaction and trust building

are natural entry points for peacebuilders. Trust and confidence building can help to unify an often highly fragmented civil society, state and political actors willing to fight corruption and to find accountable solutions in local governance. Facilitation of state-society encounters, in particular at the sub-national level, can support local conflict resolution and constructive problem-solving. These encounters can be used to promote integrity and accountability, too, if they actively seek to integrate social accountability measures and encourage state actors to be more transparent.

6. Inclusive social dialogue to develop alternative, future visions of a peace economy

The overall economy and governance system has to be transformed because the current system often is built on corruption and conflict. Whereas concrete steps such as codes of conduct for the private sector and mutually agreed regulatory frameworks can help ensure that rent seeking does not undermine any efforts in economic development and job creation, these are not yet enough. Therefore, peacebuilding and [post-conflict recovery and reconstruction](#) need to address the deeper transformation of the economy and governance system. Just as ending violence does

not bring peace, anti-corruption does not end the war economy if there is no political will among leaders to allow for transformation, to sanction corruption and to create viable alternatives. Such political will needs encouragement and can be supported by **uniting all parts of society** behind the future visions and to 'lock-in' the required long-term political will and commitment.

7. Consider how to address corruption in 'peace talks'

corruption needs to be addressed in all efforts of transforming state-society relations and of renewing the social contract. Thus, it is also relevant for activities working towards political settlements, e.g. the negotiation of peace accords as well as for the facilitation of national dialogues. In these domains of peacemaking and peacebuilding, however, addressing corruption appears to be very challenging. Often, the priority will be to bring actors to the table rather than raising concerns regarding their integrity. At the same time, it will send the wrong signal to ignore corruption. Dealing with such dilemmas will require more reflection on the systemic linkages of anti-corruption and peacebuilding efforts. In that regard, it is important not to forget engaging actors opposed to this integration as well as those that enable predatory behaviour. Here, lessons could be drawn from addressing spoilers, including the use of smart sanctions and criminalization at international levels.

8. Support the transformation of social norms

Sustainable change can only be achieved by transforming social norms. Peacebuilders know this well, but it is also true for fighting corruption. Comprehensive approaches need to carefully expose and address the deep-rooted norms and values that inform perceptions of corruption, of what is considered corruption or rather socially acceptable behaviour in a local context. Peacebuilders can contribute to this quest since they regularly address attitudes and values in their **reflective and transformational work with conflict actors**. In order to transform corrupt behaviour in a sustainable manner, it is necessary to recognize a broader understanding of self-interest, mutual interdependence and to create alternative win-win options. Such outcomes are often achieved in relationship-building as well as problem-solving workshops and leadership training, and peacebuilders can apply these methods to support anti-corruption efforts. And of course, in order to go beyond 'key people' and reach 'more people' – as a [well-known formula in peacebuilding](#) posits – support to independent media and peace education can help to inform and disseminate new social norms regarding corruption and integrity.

4. What next?

The above list provides initial ideas to identify opportunities for peacebuilders to support anti-corruption efforts. It is clear that anti-corruption, governance and peacebuilding need to work hand in hand in order to cut the Gordian knot of addressing corruption and conflict in insecure and violent settings. The ideas discussed above need further discussion, research and development. Here are a few suggestions on how to move forward:

Exploring the integration of anti-corruption and peacebuilding requires more in-depth research, e.g. on the effectiveness of leadership engagement or approaches to address social norms, as well as more refined methodologies to improve PEA, power analysis and risk assessments. A review of the peacebuilding literature addressing corruption would be a good next step, as well as a mapping of PEA methodologies.

Beyond that, we need practical efforts to bring the insights of analysis into action. We need to pilot collaboration. Just as activists on the ground join forces for a common cause, donors and aid agencies should break out of their silos and test systemic approaches. We also need to gather more evidence through monitoring and evaluation. Therefore, action research should accompany the testing of systemic approaches in the daily routines of donors, anti-corruption activists and peacebuilders.

Given the need for whole-of-government approaches, the topic would ideally be addressed with an inter-ministerial strategy. In the case of Germany, this would supplement the Federal Government's Guidelines on Preventing Crises, Resolving Conflicts, Building Peace of 2017 and the

ensuing [strategy document](#) ↗ on promoting the rule of law of 2019. The latter highlights mostly police and justice sector reforms with regards to anti-corruption. Likewise, the topic should be reflected in the BMZ's strategic approach towards its new concept of "nexus and peace partnership" that was coined as part of the recent BMZ 2030 reform agenda.

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