

# Ending corruption demands decisive action

**Dr Alexander Kupatadze**

*Corruption is an endemic and persistent challenge in many developing countries. Yet change is possible: political transitions, social protests or socio-economic crises often open 'windows of opportunity' for major positive transformations. The key for actors, both domestic and external, hoping to realize such transformations is to neutralize 'spoilers'; the networks that benefit from corrupt practices.*

*There are four crucial features of a successful strategy for avoiding the spoiler trap:*

1. *Quick and decisive action on the part of national governments*
2. *Comprehensive and radical reforms, especially in the criminal justice system*
3. *Support from international organisations for government reforms, as well as for the development of civil society and independent media*
4. *Over the longer term, building effective institutions with functioning systems of checks-and-balances, and transforming social norms*



## THE 'GREY ZONE' OF CORRUPTION

Developing countries can become stuck in a 'grey zone' of corruption, in which a bad status quo persists due to uncertainty over who will gain from reform measures. Indeed, there is often considerable political benefit to elites in allowing corruption to persist: it can be a useful policy for incumbents to accommodate diverging interests and ensure loyalty of regional 'clans,' and thus ultimately maintain political control. For these reasons governments may choose to allow corruption rather than to engage in comprehensive public sector reform that is expensive, difficult to implement, potentially alienating to political allies, and threatens to destabilise the bureaucratic apparatus. In these environments political elites often become stuck in corrupt equilibrium, where each party expects that everyone else is corrupt and where no one has a strong incentive to work for reducing corruption. By implication, corruption can evolve from being a feature of the political system to becoming the political system itself: corruption becomes the rules of the game.

## ABOUT THE AUTHOR

Dr. Alexander Kupatadze is a scholar and analyst with many years of experience studying organized crime and corruption issues in post-Soviet Eurasia. He has published widely on smuggling, policing, and criminality. He has a PhD in International Relations from St Andrews University (2010) and has held teaching and research positions at American University's Transnational Crime and Corruption Center (TraCCC), the Georgian Institute of Public Affairs, the OSCE academy in Central Asia and the Elliott School of International Affairs at George Washington University. Since September 2012 Dr. Kupatadze is an Oxford-Princeton Global Leaders Fellow.

## THE SPOILER TRAP

However, corrupt equilibriums are not necessarily permanent. Shocks to the political system – such as political transitions, widespread popular protests, or economic or financial crises – may create openings to move to a new equilibrium with lower corruption, marked by a virtuous circle of public demands for action against corruption, political elites who will be rewarded for tackling corruption, and an independent media able to hold the government to account. Yet not every ‘window of opportunity’ will be realized: many will be slammed shut with little fundamental change in levels of corruption. What separates those episodes which result in progress from those that do not?

One key difference is whether or not a country is able to avoid what I have termed ‘the spoiler trap’. ‘Spoilers’ are those vested interests which benefit from the corrupt equilibrium and want to derail nascent reform efforts. Even when both the internal dynamics of public discontent and social protest and the external dynamics of coercive, economic and normative leverage from international actors push for reform, these spoilers may undercut anti-corruption momentum. As the impetus for reform recedes – once international goals are achieved or internal pressure has subsided – spoilers will work to subtly sidestep and undermine anti-corruption institutions, thereby weakening the on-the-ground effectiveness of reform efforts. Hence the crucial question is how to avoid the spoiler trap, or, in other words, how to neutralize the efforts of corrupt stakeholders who will seek to reverse or undermine anti-corruption reforms.

Successfully avoiding the spoiler trap and instituting lasting and effective anti-corruption reforms depends on a combination of both internal and external factors. Internally, the key relationship is between public support for anti-corruption measures and the government’s ability to pursue radical reforms. The support of the population can be secured by eliminating bribery in the sectors where the state interacts with the citizenry (such as licensing, issuing passports, traffic police, etc), and by demonstrating the seriousness of government endeavours through targetting top corrupt officials. Anti-corruption reforms which are backed by wide segments of the population have a much better chance of success

Anti-corruption fights can generate their own momentum, as citizens become accustomed to living in less corrupt environments. The delivery of public goods in a non-corrupt manner raises expectations facing future governments, increasing the likelihood that reforms will outlast the current government. This may be especially effective if there is a strong civil society and free media capable of maintaining pressure on the political leadership.

Internal pressures alone, however, may not be enough. As the Eastern European experiences demonstrate, the success or failure of anti-corruption reforms can be strongly influenced by external actors (see box). Indeed, in many Eastern European countries anti-corruption reforms were mainly externally imposed by the EU, although there are successful examples in the region where the efforts of free media, anti-corruption agencies and non-governmental organizations have pressed for further change, for instance in Latvia and Hungary. In the most successful cases internal and external pressures will reinforce each other, and with time the institutions, and the practices that have been established under internal public pressure or for the sake of international prestige, may become self-perpetuating, as the example of the Indonesian anti-corruption commission suggests. Three basic, mutually reinforcing mechanisms are important: public/civil society pressure to maintain lower corruption levels; the capacity of the institutions to perpetuate themselves; and continuous leverage of external actors over the government, as well as support for free media and civil society initiatives aimed at transparency and accountability.

Ultimately anti-corruption reforms need to be institutionalised by creating effective institutions (for example independent and autonomous anti-corruption agencies) and by establishing functioning systems of checks-and-balances that protect responsible actions and decisions. Even with comprehensive and radical institutional reforms, however, social norms – including the tolerance and encouragement of clientelistic and nepotistic practices – may be slow to change. Any reforms must address these norms and transform political culture.

*See back page for Recommendations*

## DIVERGENT TRAJECTORIES IN POST-SOVIET EURASIA: GEORGIA AND KYRGYZSTAN

Georgia and Kyrgyzstan's differing experiences in tackling corruption reveal the role played by spoilers in perpetuating the grey zone of corruption, and how internal and external forces can work together to avoid the spoiler trap. In Georgia, the interplay of internal and external dynamics has helped the country move away from the 'grey zone' in the aftermath of the 2003 Rose Revolution. This political transition eliminated the influence of the old guard and brought to power a group of young reformers who incorporated anti-corruption policies in their state-building strategy. The support of the electorate for strong measures against corruption converged with broad political consensus in favour of pursuing EU membership, which together established incentives for the leadership to implement wide-sweeping reforms to please both the public and the West. Georgian leadership enjoyed high levels of legitimacy and could therefore afford radical, often unpopular reforms to cut red tape and establish functioning institutions. Moreover, the new leadership was committed to distancing itself from Russia and building an 'alternative governance model in post-Soviet Eurasia'; meaning a government marked by low levels of corruption, in contrast to Russia's experience.

Conversely, in Kyrgyzstan, the Tulip Revolution of 2005 failed to produce significant progress in anti-crime and anti-corruption reforms. In the aftermath of the public uprising the old system, based on nepotism and clan structures, has persisted. In fact, over the period 2005–2010 the criminalization of politics reached its peak. Externally, the desire for European acceptance was absent in Kyrgyzstan, while Russia was a significant 'pull' factor, acting as a role model for most of the country's political elites and the general public. Internally societal and regional divisions in Kyrgyzstan, as in Ukraine, created several centres of power; unity around a common reform campaign was thwarted by infighting among divided elites, and the continued influence of the powerful holdovers from the previous regimes successfully worked to derail anti-corruption efforts.

### FURTHER READING

#### *Organized crime, political transitions and state formation in post-Soviet Eurasia*

Published by Palgrave Macmillan (2012)

ISBN: 978-0230299801

Available through Palgrave Macmillan or at Amazon.com

The book is:

- A major study situating organized crime in the debate on state formation, based on unique empirical data generated through 130 interviews in Georgia, Kyrgyzstan and Ukraine
- The first study that explains the impact of political transitions on organized crime and corruption, and vice versa
- One of the first systematic efforts to make sense of and explain the variety of organized crime trajectories in post-Soviet Eurasia
- Unlike major studies of organized crime focused on Russia, this comparative study discusses the crime and corruption issues of three geographically and culturally distinctive countries in post-Soviet Eurasia and hence elaborates on regional variations in organized crime

## RECOMMENDATIONS

- Governments need to act decisively and quickly once a 'window of opportunity' to fight corruption appears. The designing of various action plans and the establishment of different inter or intra-agency working groups usually take time, and the initiatives emanating from them may be derailed by corrupt interests. Governments need to demonstrate that they are serious about fighting corruption by going after 'big fish'; this will greatly boost public confidence in their efforts and recruit a crucial ally in the process, the general public. Strict measures must be used; however this must not legitimize the use of illegal means such as locking up corrupt officials without legal evidence.
- Reforms must be comprehensive and radical, especially in criminal justice systems including the police, courts and prosecutor's office. Reforms need to be focused on all aspects of governance and legislation (personnel, new laws, structure, functions, etc). For example, simply changing criminal justice legislation – without also cleaning up the police ranks, increasing salaries for police officers and establishing effective system of punishment for corrupt police officials -- will not be effective. Reforming traffic police may not succeed without the reform of police education.
- Foreign governments and international organizations need to engage all major political groups in order to reduce their dependency on corruption and organized crime, and also to ensure that anti-corruption measures do not degenerate into political witch-hunts. Bilateral and multilateral donors should support civil society anti-corruption initiatives, including professional investigative journalism, transparency programmes, and civic control over the country's security apparatus.
- Over the longer-term, national governments in partnership with foreign stakeholders must work to transform social norms and institutionalize anti-corruption reforms through establishing effective public institutions with functioning checks-and-balances systems. While the fear of punishment is important in generating greater self-discipline and rule-abiding behaviour, it needs to be complemented with measures targeting social norms tolerating nepotism and clientelism.



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