

## **CORRUPTION: THE UNRECOGNIZED THREAT TO INTERNATIONAL SECURITY**

### **WORKING GROUP ON CORRUPTION AND SECURITY**

Systemic corruption has an unrecognized bearing on international security. Policymakers and private companies often pay insufficient attention to corruption when deciding what foreign and defense policies to pursue or where to invest. Greater understanding of the nature of acute corruption and its impact on global security would contribute to a better assessment of costs and benefits and therefore to improved policy and practice.

### **Security Implications of Severe Corruption**

- Acute corruption should be understood not as a failure or distortion of government but as a functioning system in which ruling networks use selected levers of power to capture specific revenue streams. This effort often overshadows activities connected with running a state.
- Such systematic corruption evokes indignation in populations, making it a factor in social unrest and insurgency.
- It contributes to other international security threats, such as symbiotic relationships between states and transnational organized crime networks, facilitation for terrorist organizations, permeable international security regimes, and acute economic disruptions.
- Corruption does not fuel these threats alone. It combines with other risk factors, such as ethnic, religious, or linguistic rifts in a population or severe economic disparities, to increase the likelihood of a security challenge.
- Western policymakers typically prioritize other considerations, such as immediate security imperatives, the economic or strategic value of maintaining relations with a given government, or return on investment, over corruption concerns. As a result, Western institutions and individuals often enable corrupt governments, exacerbating security threats and incurring sometimes dangerous reputational risk.

### **Recommendations for Public- and Private-Sector Decisionmakers**

**Rigorously analyze systemically corrupt countries.** Gather information on the structure of ruling networks, the levers of power and revenue streams they capture, and other risk factors with which acute corruption may be interacting.

**Use the analysis to inform choices on engaging with severely corrupt regimes.** Policymakers and business executives alike should conduct nuanced cost-benefit analyses before deciding to invest in a systemically corrupt state. Where involvement is unavoidable or fulfills a separate policy priority, modifications to standard operating procedures can reduce the likelihood of crises and help avoid the costs associated with interventions that might otherwise be required.

**Devise creative ways to avoid enabling systemic corruption.** Decisionmakers should take advantage of the wide variety of available tools and leverage when approaching corrupt countries (see appendix in full paper). Depending on the circumstances, changes in diplomatic practice, military assistance, development efforts, aid to civil society, membership requirements for multilateral regimes, business investment, and rules regulating international capital flows will be required.

#### **CONTACT**

Christopher Dockrey  
Government Affairs Manager  
+1 202 939-2307  
cdockrey@ceip.org

Clara Hogan  
Media Manager  
+1 202 939-2241  
chogan@ceip.org

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