Vilnius summer school - Pre-reading

Tackling corruption in defence and security

# Introduction

The defence and security sectors have for decades been two of the more closed sectors of society, and there are few accounts of anti-corruption reform of militaries and Ministries of Defence. In many countries, the sector has used its national security status and the umbrella of essential secrecy to deflect pressure for reform. In developing countries, donor organisations like the World Bank or national development agencies will usually refuse to work in the defence sector: this despite evidence linking defence overspending and defence misbehavior to constraints on development.

Nonetheless, despite these inauspicious factors, there has been substantial anti-corruption reform effort among military forces in many countries during the last 5-10 years.

Why should this be? There are several factors that seem to have driven this change:

* Defence Ministries and militaries have come under greater budget pressures in many countries, making corruption an easier subject to open up.
* International understanding of the drivers of insecurity and conflict has increased dramatically since about 2009[[1]](#endnote-1). In particular, the US State Department has recognised the central role that endemic corruption plays in fostering instability and conflict. Here for example is Secretary Kerry at Davos in January 2015:  *“The fact is there is nothing – absolutely nothing - more destructive to any citizen than the belief that the system is rigged against them and that people in positions of power are – to use a diplomatic term of art– crooks who are stealing the future of their own people. Corruption is a radicalizer because it destroys faith in legitimate authority. It opens up a vacuum, which allows the predators to move in. Corruption is an opportunity destroyer …it turns a nation’s entire budget into a feeding trough for the privileged few.”[[2]](#endnote-2)*
* In Kenya, John Githongo, the former permanent Secretary for governance and Ethics put it well: *“ Corruption – systematic graft – is at the heart of the state’s inability to respond to insecurity in general”.[[3]](#endnote-3)*
* Transparency International’s Defence and Security Anti-Corruption programme produced a detailed comparison of 130 governments - on the extent and quality of the anti-corruption preparedness of their militaries and Defence Ministry. This has received wide publicity and has stimulated some reform action from some 70 Ministries of Defence.[[4]](#endnote-4)
* An additional factor for military forces that have been in operation in Iraq and Afghanistan is that they have experienced at first hand how their mission has been subverted by corruption. This has led to many militaries overturning their historic response of ‘this is a matter for civilians, not the military’; instead to take steps to understand the issue and see what actions they need to take to be better prepared in future operations. This has been true, for example of the US and the UK military, and of NATO.[[5]](#endnote-5)

In this paper, the author presents examples of how corruption in military institutions can be addressed, and discusses the underlying drivers of reform. The author has been deeply involved in military and defence anti-corruption reforms since 2004, having established the Defence and Security Anti-Corruption Programme at the organisation Transparency International (TI), and led the programme from 2004 to 2015. He led the team’s engagement with some 30 countries, including Afghanistan, Bulgaria, Burundi, Colombia, Georgia, India, Kenya, Latvia, Lebanon, Norway, Palestine, Poland, Saudi Arabia, South Korea, Taiwan, Turkey, Uganda, Ukraine and the UK. His work focused equally on defence companies, where he created a similar index of anti-corruption preparedness among all the world’s large defence companies[[6]](#endnote-6), and helped to create a collective action initiative called IFBEC (International Forum for Business and Ethical Conduct in the defence and aerospace industries)[[7]](#endnote-7).

The paper is structured in three parts:

1. An overview of corruption in general, and specifically of defence corruption
2. Examples of reform actions in the militaries and Defence Ministries of 10 countries: five countries at peace (Bulgaria, Georgia, Norway, Poland, South Korea) and five countries with insurgencies or significant instability (Afghanistan, Burundi, Colombia, Mali, Ukraine).
3. Reflections on setting about such reforms.

# Part 1 - Corruption and defence corruption

The World Bank and Transparency International have a very simple definition: **Corruption is the abuse of entrusted power for private gain[[8]](#endnote-8).**

Transparency International was the first to create a metric that compared corruption across countries. Their ‘Corruption Perceptions Index’ (CPI)[[9]](#endnote-9) ranks countries from those perceived to be the least corrupt, such as Denmark and New Zealand, down to those perceived as the most corrupt, currently North Korea and Somalia. This Index has withstood intense scrutiny and is the nearest thing to an authoritative statement on how a country ranks for corruption.

The findings are often surprising. The United Arab Emirates, for example, is ranked at 23, the highest-ranking Middle East country and ranking well above most European countries. Or Finland, which was poor and corrupt after the Second World War, but is now second on the list, after Denmark. Other countries that have significantly improved include Chile, Uruguay, Colombia, Botswana, Poland, Estonia, Georgia, Taiwan and South Korea. In contrast, Kenya, ranked 139, has been steadily declining over the same period[[10]](#endnote-10) and is now on a par with Ukraine, ranked at 130, where the corruption is truly pervasive.

It’s an expensive problem. The World Bank estimates that $1tn is lost to corruption every year worldwide[[11]](#endnote-11). This is not just bribery, but larger-scale aspects such as political corruption; defined as ‘A manipulation of policies, institutions and rules of procedure in the allocation of resources and financing by political decision makers, who abuse their position to sustain their power, status and wealth’[[12]](#endnote-12).

Such political corruption is what is often behind the huge sums involved in individual countries. For example, the total official aid to developing countries in 2012 was $89bln, and the total foreign and direct investment flows were $789bln. Astonishingly, the sum of these two, $879 bln, is less than the total of the illicit outflows from all the countries, at $991bln[[13]](#endnote-13). It is the same huge scale that is so astonishing in Afghanistan: the US has invested $119 bln[[14]](#endnote-14), more than the whole of the Marshall plan in Europe after the Second World War, but with not so much to show for it.

# Corruption in defence

‘Corruption’ is a deceptive word. Most people feel that they understand the word, but it easily gets away from you when you seek to get into detail, because there are so many different specific sorts of corruption. It becomes absolutely fundamental to be able to say: “Here, **these** are the specific types of corruption” at a sufficient level of detail and granularity to be able to get right inside the subject together.

Such granularity is specific to sectors. In defence, the solution was to develop a typology of the specific corruption issues that are relevant to the military and defence organisations. It took several years by the author and the organisation Transparency International to develop, working on the typology with one country’s military, then developing it a little further with another. The defence typology has been stable now since 2012[[15]](#endnote-15).

The result is of 29 specific risks that cover a wide range; from political issues like the infiltration of the Defence Ministry by organised crime, through issues like nepotism in recruitment and promotion, to more technical risks like single source procurement, or corruption via private security companies.



These risks are shown in the Table above, organised into five categories: political corruption issues, financial corruption issues, personnel corruption issues, operational issues and procurement issues. In total, there are 77 questions, in the index, spread across the 29 risks. The exact number of questions relating to each specific risk is shown in the Table in a little black box.

****It is important to note that the index is a technical one, not a perceptions one. For example, it asks about the actual percentage of the defence budget that is secret; about the level of theft in the disposal of military assets; about the percentage of non-competitive defence procurement.

Results are available for all areas of the world, as an aggregate result on a scale from A, the best prepared, to F, the least prepared. The chart opposite shows, for example, the results across the Middle East and North Africa[[16]](#endnote-16).

The results for NATO allies and NATO partners[[17]](#endnote-17) are shown in the following chart:



The results for each country are also available as a detailed report, typically 50-70 pages, detailing the score for each of the questions and the evidence that supports the score assigned.

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The analysis allows for more detailed comparison. For example, if we look below the headline results for the North African countries[[18]](#endnote-18), we can see the areas where a country’s military is most and least vulnerable. Take Egypt, what you see in the next chart is that their integrity score in personnel – the red bar – is pretty high. That means that salaries are public, they are paid on time, they do not have ghost soldiers, their promotion system is more-or-less meritocratic. On the other hand, Egypt scores very poorly in the other four areas of defence corruption risk (political, finance, operations, procurement).

The results are also used by nations as the basis for specific improvement plans. For example, in Lebanon, the military have taken this analysis seriously and are seeking to improve risk-by-risk, so as to take action to maintain the army’s integrity, in an otherwise very weak government environment, as best as possible.

# Part 2 – Country reform experiences

Whilst militaries and Defence Ministries are often reluctant to share details of their anti-corruption reforms, the amount of information available is steadily increasing as countries are more active against corruption and are more open about their progress. The examples below are from ten countries – five at peace and five with significant insurgencies or national instability.

# Countries at peace

## 2.1 Bulgaria

The Bulgarian government of 2009-2013, led by the GERB party, was strongly focused on anti-corruption. Bulgaria had just had some of its EU funding cut off due to lack of progress on tackling corruption. The focus was especially strong in the Defence Ministry, whose senior leadership had already developed an anti-corruption strategy in 2008, ready to implement in 2009 were they to be elected.

Theirs was a broad initiative, attacking corruption on almost all fronts, using the new NATO-TI integrity-building tools, encouraging external media and NGO engagement, and being highly transparent. The successes and failures of the initiative have been described in some detail by the former Bulgarian Deputy Defence Minister[[19]](#endnote-19).

Besides large-scale staff changes, the new leadership made the following changes:

* Immediately established an anti-corruption council in the Ministry of Defence (MOD) as the key leadership change body
* Introduced transparency into formulating decisions as well as into the decision making process as a basic weapon against the hidden practices related to abuse of position-in- office for personal gain.
* All the activities of the leadership of the Ministry of Defence were conducted under complete publicity. This considerably improved the relations of the political leadership of defence with the expectations of the public
* Developed the strategic documents of the defence policy and the modernisation of the armed forces under the conditions of clear accountability to the citizens regarding the ways of spending the defence budget
* Put into law that any contract over €50 million should be approved by Parliament
* Developed an Ethical Code of Conduct for the military and civilian personnel
* Introduced specialised training in anti-corruption practices
* Implemented rules on preventing and determining conflicts of interest
* Changed the internal rules on publication entirely: because everything was confidential or secret and nothing was published on the MOD website
* Changed the rules for the so-called “special procurement” for secret tenders. For the first time ever information about special tenders could be found on the website.
* Created a strategy for the management of surplus property and published on the webpage the complete list of real estate.

Positive evidence of the impact of these changes was found in the relatively good scoring of Bulgaria – in band C - in the TI Government Defence Index in 2013 and 2015[[20]](#endnote-20), though no earlier comparative evidence is available.

## To what effect?

The GERB government resigned in 2013, and the successor administration reversed a number of the reforms. Ms. Tzvetkova’s own assessment is that she was halfway through their reform programme when the GERB government fell. Bulgaria’s experience offers the following policy lessons:

* Ministry-by-Ministry plans have to be prepared. These plans have to be pre-prepared, unless major changes, including staff dismissals, are planned to be implemented right from the beginning
* Countries should be cautious about all-encompassing Ministry reform plans, however strong the will and commitment of the leadership. More prioritisation (see for example Poland below) is a lower-risk route.
* Have two plans running in parallel: Plan A to show progress through one electoral cycle, Plan B to build progress through two cycles, if re-elected.
* Transparency of information and decisions did help, but much less than anti-corruption theology would imply. It helped internally to know that the information was public, but it was not really picked up by the media or NGOs. The media, despite being courted, was similarly not much of a key player in encouraging or stimulating the reforms.
* The real lesson was that it was hard, internal work that had to be done to change the key processes – eg defence acquisition policy decision-making, technical requirement specifications, promotion approval boards, conflict of interest actions – and the key people, in order to see effective reduction in corruption.
* From a mentoring point of view, it was critical for outside advisers to visit the MOD every few months, to provide support, offer ideas, and help resolve problems. There is so little practical anti-corruption expertise around that such ‘mentoring’ plays a big role in supporting a Ministry.
* Similarly, leading an anti-corruption initiative is a lonely endeavour. Creating a support community internationally is very helpful[[21]](#endnote-21), as are military gatherings where like-minded nations can confer, such as have been set up by NATO.

## 2.2 Georgia

The anti-corruption reforms in Georgia are well known[[22]](#endnote-22). The MOD and the military have equally played their part in these reforms. Nonetheless, the assessment in the Government defence Index of the Georgia in 2013 was quite poor, in band D-.[[23]](#endnote-23)

Perhaps surprised by the poor result, the MOD was very energetic in responding to the poor results. They dissected the answers to all 77 questions in detail, took just those where they scored poorly - scoring 0,1 or 2 out of a maximum of 4 - and used the model answers to these questions as the basis of an improvement action plan[[24]](#endnote-24). The diagram shows all the questions where Georgia scored poorly.

They followed that up with leadership days, senior officer anti-corruption training and secondments by senior officers, who then took over the training at the National Military Academy in Tbilisi.

#### To what effect?

The new Georgian MOD leadership had committed to maintaining the reform momentum. There is a strong indication of improvement from the 2015 GI result – Band C – up from D- in 2013. The policy lesson is that the combination of leadership determination with sector-specific tools that can quantify the extent and quality of corruption prevention measures are a huge leap forward.

## 2.3 Norway

Despite its status as one of the ‘cleanest’ countries*,* Norway has been humble in its approach to defence corruption. Norwegian society expects high standards from its government, and there have been several cases of Norwegian contractors being too close to their MOD, and of dubious sales of second hand assets to third party countries. As a result the MOD has set up very strict rules for the ways that contractors can work with the MOD. They have been active supporters of the NATO “Building Integrity’ initiative, and they were one of the first countries to put themselves through the NATO Integrity Self-Assessment Process[[25]](#endnote-25). They have recently established a ‘Centre for Integrity in the Defence Sector’.[[26]](#endnote-26)

#### To what effect?

Norway scored in band B in the 2015 Government index, a score that was unchanged from 2013. Whilst it is not a country in need of policy prescriptions, its readiness to look out for corruption issues is an exemplar and one that other nations in Western Europe would benefit from following, as there is plenty of unwarranted complacency about corruption across Europe. Norway also continues to be supportive of strong and ambitious “Building Integrity” efforts within NATO, and including vis-à-vis the “Partnership for Peace” nations.

## 2.4 Poland

Poland had a government-wide anti-corruption initiative in the period 2006-2010, and again in 2011-14[[27]](#endnote-27). The early initiative was particularly strong in the Ministry of National Defence, where the Defence Minister provided strong political direction for reform. They identified eight weak areas, ranging from procurement to conscription - see diagram opposite. To follow up, they then set up a full-time task force, one that included civil society personnel, and whittled the eight priority areas down to just three: high value procurement, high rank officers, and abuse of power.

The key to its success was the presence of the full time task force. It comprised only 4 staff, but they were committed, and clearly had the support of the Minister. The staff were largely brought in from outside the Ministry, and the team was headed by a man who had previously been a civil society activist.

#### To what effect?

Poland moved from being the most corrupt nation in the EU in 2005, to one in the middle (15th out of 28) by 2013. In defence, their own self-assessment put them in band D- in in 2006. They were ranked by TI in Band C in 2013 and Band B in 2016.

The principal policy lesson was the importance of putting in place a full time implementation team. In Poland this started out with the modest title of ‘The Anti-Corruption Procedures Bureau’. It is now quite well established, with a rather grander title: Office of the Minister’s Plenipotentiary for Anti-Corruption Procedures. It does not have to be large – Poland’s is only 4 people, and it was a good move to staff it with outsiders. The team has been a permanent feature of the Ministry for almost ten years.

## 2.5 South Korea

South Korea has taken many measures against corruption and the country ranks number 43 on the CPI. However, the Defence Sector – the military and the Defence Procurement Agency (DAPA) - has generally not had a good reputation, with corruption scandals and a difficult relationship with past top military officers. Nonetheless, they have introduced some very positive measures in the past, such as introducing independent/NGO ombudsmen to monitor defence procurements, though this was later weakened.

Korea did adequately in the Government Defence Index, scoring in band C in 2015, though this was down from 2013 (Band B) and Korean defence companies also did very poorly in the equivalent TI Defence Company Index[[28]](#endnote-28).

# Countries with insurgencies or significant instability

## 2.6 Afghanistan

Public opinion surveys are kind to the Afghan National Army – it has a relatively high degree of public trust, and is almost bottom on the list of the public’s corruption concerns. However, there is extensive corruption: most of the defence procurement chiefs were fired for corruption in 2013, and many Generals again were fired in 2015 as President Ghani took office. Ghost soldiers can comprise 100 men out of a 500-man battalion’s strength.

The ANA and the MOD have undertaken reforms on corruption since about 2009, with the support of the NATO forces: first the International Security Assistance Force (ISAF), then Resolute Support Mission (RSM). An interesting piece of evidence about effect was Afghanistan’s score in the Government Defence Index, where Afghanistan was assessed to be in band E[[29]](#endnote-29). Whilst this is poor, it is on a par with Indonesia, Saudi Arabia and Uganda: countries that also have major corruption problems but whose militaries would conventionally be seen as ’better’ than that of Afghanistan. The ranking is one up from the worst (band F) – and this is possibly the only corruption index where Afghanistan is not in the bottom rank.

The author has worked withthe Afghan National Security Forces (ANSF) since 2008. The work came about because two Afghan Colonels came to one of TI’s corruption-prevention training courses at NATO in 2008. They were astonished to find that there was a group putting forward constructive remedial measures to tackle defence corruption, rather than presenting yet another analysis of the extent of Afghan corruption and somehow blaming Afghan society. They asked TI to adapt its course for a conflict country and then to lead such courses in Kabul. TI has since trained several hundred Afghan army and police Colonels in five-day corruption prevention courses and have run train-the-trainer courses. TI’s experience was that corruption prevention training efforts were well appreciated individually, but did not reach the mass sheep-dipping scale necessary to have a widespread impact. Evaluation of the effectiveness of the training was typical for low volume training, e.g. *““Yes, the course changed my idea about corruption, but unfortunately we are not allowed to bring major changes, and we have to follow all the current procedures, which are outdated. If we have suggestions for improving our work, our superior officials do not attend to our suggestions, which makes us disappointed and disinterested.”[[30]](#endnote-30)*

TI also led a full-day event in Kabul in 2009 with the Afghan military and police leadership on corruption prevention strategies, and have twice carried out detailed reviews of ISAF’s and the ANSF’s anti-corruption initiatives[[31]](#endnote-31),[[32]](#endnote-32).

Despite all the well-publicised corruption problems of Afghanistan, there have also been some good anti-corruption initiatives within the Afghan army. These include establishing a system of Judge Advocates in each Corps, who receive and follow up corruption reports; a professional defence procurement training school (run by the Ministry of Finance and supported by the World Bank); plans for performance audits of the MOD by the Supreme Audit Office; and a hotline for soldiers to report concerns to an MOD call centre..

### *Western military forces in Afghanistan*

The reason why so many western military forces are looking much harder at corruption as an issue than before can be traced to their experiences in the recent wars in Iraq and Afghanistan, where corruption in both countries had a huge, negative impact on the military campaigns. A turning point was in 2010, with the revelation of extensive corruption in trucking contracts supplying US bases in Afghanistan[[33]](#endnote-33).

The author led a study in 2014 to analyse exactly how and why corruption did gain traction - but only slowly - during the war in Afghanistan[[34]](#endnote-34). 75 senior policy-makers and implementers were interviews, including the British Secretary of State for Defence, General David Petraeus, the Deputy Secretary-General of the UN and numerous other well-informed members of the international community. There were nine principal reasons for the slow realisation of the severity of the corruption issue:

1. Early political decisions that embedded corruption
2. Political difficulties and dilemmas
3. Complacency among policy makers about corruption
4. Primacy of security
5. Perverse spending incentives
6. The limited range of anti-corruption tools
7. A disconnect between research and policy
8. Host nation countermoves
9. The weakness of local civil society

The reasons are as relevant for the military as they are for the diplomats.

## 2.7 Burundi

The international community has been working with Burundi on a large Security Sector Reform programme (SSR) since 2008[[35]](#endnote-35), led by the Netherlands. Whilst the programme has made considerable progress, the country has remained unstable, and 2015 saw a resurgence of violence and conflict, triggered by the decision of the President to seek a third term in office. The author, together with the national TI Chapter ‘ABUCO’, has been working with both the military and the police, facilitating leadership days and assisting with developing anti-corruption action plans with both[[36]](#endnote-36).[[37]](#endnote-37)

A positive element of the reform programme was that both the Ministry of Good Governance and the Security Reform Programme were ready to include anti-corruption in their programme. This is unusual: most SSR programmes fight shy of addressing corruption, on the grounds that it is too sensitive, or on the basis that good governance measures will in time reduce corruption without the need for any more specific action.

The Ministry of Good Governance took some groundbreaking actions to make the defence and security budgets more transparent than they had ever been in the past. The chart opposite shows the annual budgets of the army, police and various Ministerial Departments (blue bars), and contrasts this information with the number of budget headings and amount of budget detail available (red and green bars). The chart shows how the police and the army can have huge budgets but reveal very little. What is astonishing is that this chart is available on the basis of public data – there are dozens of countries in a similar situation, but the comparable detail is not available or is secret.

Burundi offers one policy lesson for governance evolution: where there is significant insecurity, the whole security sector needs to be brought within the fold of good governance efforts. Not to do so would make a mockery of the reform programme.

## 2.8 Colombia

Colombia has made major efforts against corruption for the last 10-15 years, with mixed success. The Defence Ministry has been a part of those efforts, recognising that the wars against FARC and the narco-traffickers would never be won for so long as the military are engaged – or are perceived as being engaged – with either group, or with corruption. The military has implemented a whole string of measures; including an ‘Ethics and Transparency Commission’, a single logistics agency across the three military services, initiatives to legitimise the army in society’s eyes, and a strong Internal Control Office.

The Secretary General of the Defence Ministry instituted one of the cleverest institutional reforms that the author has seen. Almost all procurements had been secret. Of itself this is not a corrupt act, but the bureaucratic convenience that goes with not having to tender, or to be public about who wins contracts, quickly leads to corruption. She decided that henceforth all contracts would be public; unless she personally signed to say that one needed to be secret, for reasons of state security. An official could thus still get permission for a contract to be secret and/or not tendered. But it would now be a career-limiting move to argue that an order for, say, 4-wheel drive vehicles had to be secret, when this was patently not a matter of state security. Within a year or two, the culture had changed substantially, with public tendering becoming the norm and no longer the exception.[[38]](#endnote-38)

Colombia is another country where the military now have a high positive level of public trust. This is both an opportunity for further country improvement, but also necessary. With a military of 300,000, they are large enough to dominate governance and integrity issues for the worse as well as for the better.

Colombia scores highly in the 2013 TI Government Defence index, in band C[[39]](#endnote-39). In line with this, the Defence Inspector General declared at a NATO conference in February 2015 that after 10 years of defence corruption being a top problem for the Colombian military, corruption had now been sufficiently reduced that it was no longer one of the top three concerns.

## Policy lessons

Power often sits in specific organisational structures, which have to be changed before other softer reforms can have an impact. In the Colombian MOD, big anti-corruption changes were impossible until the power of the individual military chiefs (Army, Navy, Air Force) had been cut back. This took several years and several senior careers. On the other hand, Colombia showed that clever use of administrative rules –as opposed to law – can dramatically change culture, like the example of the authority level required for making a procurement process secret.

## 2.9 Mali

Mali offers an object lesson for countries providing ‘security assistance’[[40]](#endnote-40), [[41]](#endnote-41). Mali received significant security training support from the US and the French between 2001 and 2011, when the coup attempt happened. A recent study[[42]](#endnote-42) interviewed the US trainers, the French trainers, the Malian military and Malian civilians. The finding was that the international trainers were no match for those in the Malian military wishing to divert - and indeed subvert - the assistance, and use it to support the 2012 coup. Mali received US and French defence assistance between 2001 and 2011. As can be seen from the two quotes below, people on the ground knew full well the weakness of the Malian army, whilst those providing the assistance, despite good intentions, were absolutely not focused on the corruption threat.

*“The weakness of the Malian army…came as little surprise to anyone who had been watching the steady erosion of state institutions, largely as a result of widespread corruption.”* Andrew Lebovich, Foreign Policy, March 2013[[43]](#endnote-43)

*"We were so focused on the small unit tactical stuff and by the time we started to shift the focus to the institutions the coup occurred”* Senior US military officer, 2015[[44]](#endnote-44)

## 2.10 Ukraine

In Ukraine, corruption is not a pathology or some sort of deviant behaviour from the normal: Ukrainian politics and governance had been largely set up as a successful mechanism for extracting money and power to the benefit of a small elite.

At the same time, their armed forces, who are no more or no less corrupt than the rest of the state, have been fighting a war against the separatists and the Russians in the East. They have been greatly hampered by the scale of the corruption in the military and MOD.

One young conscript illustrates the problem. He is a 32-year-old Ukrainian who worked for the NATO Liaison Office in Kiev. He received his call-up papers in 2015 at the time that he was on secondment to TI to learn in depth about anti-corruption measures. He immediately faced a dilemma. He could either pay $2,500 to get a false medical certificate saying that he was unfit to fight. Or he could pay $2,500 to buy a functioning AK47, body armour, night sights and a first aid kit. He needed to do this because all the money for such equipment had been stolen by the Ukrainian military hierarchy, so conscripts had to buy their own. His conclusion: “Corruption can be just as deadly as bullets”.

The issue of corruption is thus not just a marginal nuisance problem for the military– it is absolutely at the heart of state insecurity and incapacity, and all solutions have to start from this understanding..

In 2008-2012, some in the security ministry were ready to undertake limited anti-corruption reform, though with no high level political will. In that time the Defence Ministry showed no interest in reform. In 2012-2013 the position was reversed, with the Defence Ministry more ready to undertake limited reforms, though again with no top-level support. After the Maidan protests in Kiev in 2014, the willingness to reform has risen exponentially, but the actual change on the ground is still modest.

Some significant changes have taken place.

* The Defence Minister has dismissed a number of senior generals
* He has brought civil society volunteers into key internal MOD positions (eg Head of the Tender Board). This is a very radical move; which seesm t be going well (at least as at march 2015)
* The MOD has set up an anti-corruption training academy (‘BITEC’), training over one thousand Colonels.
* Has trained many auditors in anti-corruption,
* The MOD have recently finalised an ambitious and wide-ranging anti-corruption plan.
* Training several hundred security service senior officers and senior military officers, taking ten senior secondees for intensive anti-corruption experience and research in London, providing input on possible anti-corruption actions in an environment of low political will, and supervising research on Ukrainian MOD corruption by the Ukrainian secondees; eg[[45]](#endnote-45).

The author led a workshop of senior MOD and military personnel in early 2015. This was the third in a series, and focused on the priority areas for anti-corruption work in 2015 and 2016. Among the group, the following reforms were prioritised:

|  |  |  |
| --- | --- | --- |
| **Priority** | **Topic** | **Voting** |
| 1 | Proper Personnel Policy, Procedures (11 votes); and Honesty and integrity of personnel (3 votes) | 14 |
| 2 | War supplies | 10 |
| 3 | Budget, spending and proper use of funds | 7 |
| 4= | Effective internal control | 5 |
| 4= | Reform of Procurement processes | 5 |
| 6 | Action against the corrupted | 2 |
| 7 | Honesty and integrity of contractors and enterprises supplying the Ministry and Armed Forces | 0 |

### To what effect?

The principal policy lesson was how a military can make progress when there is no political will for reform. It is a cliché that progress requires political will. But it is reality that sometimes there will be political will and sometimes there won’t be. The Ukrainian security and defence leaders were smart: they had a highly developed sense of what reforms they could implement without making their political masters nervous, and which others would get them fired, or in deeper danger. Their chosen tools were mass training – training is very low-profile politically - leadership days, and secondments.

The Polish corruption task force head had another observation to add: when you do enjoy the political will, prioritise those reforms that will be impossible to undo when the will goes away again (eg prosecution of high ranking officers; imposition of asset declarations). At times of low political will, prioritise lower profile reforms, eg electronic auctions and training.

# Part 3 - Setting about such reforms

All the above countries, and many others, are having a measure of success. How might other countries go about learning form these experiences? Specific country observations and policy suggestions have already been made in Part Two. Those observations can be summarised as follows:

1. Military leadership personnel are driven by both personal incentives and patriotic incentives. Personal incentives include personal pride in the military, the desire to see a better military for their children, and of course personal ambition. Patriotic incentives are also strong in the defence sector – the desire for better operational performance to safeguard the lives of their soldiers, or to safeguard the nation against external foes. These incentives also mean that individuals and leadership teams will continue to support reforms even when they are complicit in corruption
2. Putting in place a full time counter-corruption implementation team is critical.
3. There is a large tactical/strategic element of the choice of anti-corruption approach to be taken. This includes the political factors of having to maintain reforms over a significant period, e.g. over two electoral cycles, and of the different tactics required for situations when there is strong political will, and when the political will is weak
4. Large-scale, substantive corruption-prevention training for the mid to senior levels is an essential pre-cursor, so as to build a new mental model of corruption among the top and middle military leadership
5. Quantitative monitoring of the anti-corruption plan is very powerful.
6. Leading an anti-corruption initiative is a lonely endeavour. Creating a support community internationally is necessary and very helpful.

These experiences also almost all have in common that the changes rarely happened through putting new institutions or new laws in place. Leading organisational behaviour change and instilling new behaviours needs rigorous attention as a process in its own right.

In this final part of the paper, the author discusses five factors that can help in setting about large scale defence corruption reform:

1. Shaping a common leadership view of corruption in defence
2. Gaining collective leadership support for change
3. Build sector-specific anti-corruption expertise
4. Having a single sector focus, such as on defence
5. Emphasising counter-corruption for military forces on operations

## 3.1 Shaping a common leadership view of corruption

As the author and his team went into more and more country Defence Ministries, the same comment was regularly voiced:

*‘Yes, we do indeed have a serious corruption issue in our Ministry/ military/ security force’. And, in all honesty, we don’t really know how to get the corruption out of the system, or even where to start.’*

We learned another unexpected thing. We learned that their view of corruption was very simple and almost invariably followed the following format:

*‘I know corruption is a crime; I know I am involved in it, as are my colleagues; I know it is a hard and difficult process to eradicate it; I know I am vulnerable to accusations of it. Therefore, I will not talk about it and will not raise it in any meeting.’*

Thus there is usually no discussion of the subject at leadership level – it is never, ever on the leadership agenda. There is little or no awareness of the importance of *prevention* as the key tool against corruption. There is no expectation that there could be a common leadership initiative against corruption. There is no hope that progress can be made.

Once the author and his colleagues understood the prevalence of this mental model, we experimented with different mechanisms for bringing it to the surface and developing a constructive solution to it. We evolved what we now call ‘leadership days,’ in which a large proportion of the defence ministry and military leadership take a whole day to discuss the nature of the corruption issues that they face and possible ways in which they can be tackled. Our experience was that, once the leadership team had concluded that it was politically safe to talk about this subject, then they would do so with clarity ad perceptiveness.

For example, in the diagram below, thirty senior military and defence ministry officials from Botswana are ‘voting’ on which of the 29 defence corruption risks are most relevant for their country[[46]](#endnote-46). Interestingly, the risk almost at the top was of corrupt control of the military and civilian intelligence functions; a risk that has been significant in Latin American countries and currently is common in many West African countries.

Such prioritisation of the corruption risks is important: it forms the basis of an action plan centred around which of the principal risks can be tackled; one that will have the support of the leadership, because they have shared in the analysis of the risks.

Such a leadership day does carry political risk for the principal sponsor; this sometimes means that there will be two or three such leadership days involving deputies and delegates, before the real leadership feels confident enough to participate. But by the same token, the very unusualness of the event offers the opportunity of a significant step forward in understanding.

## 3.2 Gaining collective leadership commitment to change

We found that senior Defence Ministry officials and top military officers will support a lot of change even if they themselves are part of a corrupt system. There are several incentives that drive such leadership support: integrity matters for their professional pride and for the military concept of leadership – leading ‘their’ men into battle and possible death. Many military and security officers see themselves as one of the core elements of their society, and deeply regret the loss of respect that comes with increased corruption. Allied with such readiness to accept change is the acknowledgement – indeed relief - that they are not experts, or even amateurs, in tackling embedded corruption.

This illustrates a very fundamental point: changing large organisations is a skill in its own right. Business Schools and the business literature are overflowing with guidance on how to lead change: demonstrating that it is not yet a skill that has been articulated or codified. The business world would scoff at the anti-corruption movements’ touching faith in implementing individual technical initiatives without addressing how to lead the organisational behavioural change needed to adapt to the new technical agencies.

In the case of defence, militaries are highly tuned organisations – they can plan campaigns, they can operate highly complex, dangerous equipment, they can move hundreds of thousands of soldiers and vast amounts of equipment. But they are not trained to squeeze corruption out of their systems.

## 3.3 Building centres of sector-specific anti-corruption expertise

The author advocates the need for full time defence counter-corruption groups in all Defence Ministries. This needs resources, and therefore expertise, and therefore specialist training. There are now five Centres for defence integrity: one in Norway MOD, one at the UK Defence Academy, one at the national Defence University of Ukraine in Kiev, one at NATO HQ in Brussels; plus the one at the TI defence programme.

## 3.4 Having a single sector focus

Counter-corruption work has in the past been a cross-government activity. This is for good reasons – because corruption crosses all organisational boundaries. But it has a major disadvantage, in that such a broad approach can disenfranchise the professionals in each individual sector. Focusing on an individual sector has this obvious disadvantage. On the other hand, the single sector approach means that those working in the sector recognise that the initiative is aimed specifically at them; this is highly motivating. The single sector focus means that the Ministry and the military teams in the country develop a level of real competence in anti-corruption in the sector: sufficient to lead new knowledge gathering, to mentor senior officers and officials and to have the credibility to compare country capability at a technical level.

## 3.5 Counter-corruption for military forces on operations

Coming back closer to home, forces have started to introduce corruption scenarios into their exercises. NATO, for example, has started to introduce corruption elements into its scenarios, as, for example, in the ARRCADE FUSION exercises in 2013 and 2014. The scenario below outlines a scenario for US military for a US training operation.

*Scenario: Your unit has been given a WARNORD to deploy to a fragile, conflict ridden country where an insurgent group has rapidly moved towards the capital and is now considered an existential threat to the state by NATO leadership.*

* *You expect to deploy in about 30 days*
* *The country is highly corrupt according to TI*
* *The country last had a civil war a decade ago; previous to that was a long term, violent anti-colonial movement*
* *Both the government and the insurgent groups have been accused of rent seeking activities (oil, precious stones) and criminal linkages*
* *Because of years of authoritarian rule, impunity for senior leaders, many do not consider the gov’t to be a legitimate representative of the people*

**S**itting behind such a scenario are the beginnings of guidance on how a military commander might need to reshape his force structure in order to be better prepared for a highly corrupt environment.

A handbook entitled ‘Corruption threats and international missions’ brings together all the current knowledge on how commanders should prepare themselves and their brigades. . It has been well-reviewed in military academies[[47]](#endnote-47), and is currently the only written guidance on how to prepare for operations in a highly corrupt.

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