

General Information

1. Full name (including title)

Professor Elizabeth David-Barrett

2. Mark the statement below [X] as applicable.

[x] I have read the Integrated Review Call for Evidence Privacy Notice and understand that any responses submitted by organisations or representatives of organisations may be published in full.

2. Are you responding (please mark the relevant box [X]):

[x] on behalf of an organisation / company (please complete 6 to 9 below)

If you are responding on behalf of an organisation / company:

6. Organisation / Company

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7. Position within Company / Organisation

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Please provide your response in the box below. Make sure to note the "Guidance for respondents" provided above before completing.

Summary

1. Corruption represents both a threat and an opportunity for the UK. The threats are to prosperity, national security and national well-being; the opportunities are to enhance trade, reinforce global influence and create a more equal, safe and prosperous society.
2. The UK is well placed to combat the threats and take the opportunities; it has a track record, significant expertise and good international links.
3. Public procurement, money laundering initiatives and institutional robustness are among the areas with the greatest potential for both threat and opportunity.
4. Political will and effective anti-corruption governance are central to the UK's successful progress in this field; renewal of the national Anti-Corruption Strategy that expires in 2022 should be a key focal point.
5. Some remedies and approaches are zero cost or cost neutral; some likely to bring a net economic gain; and those which require investment will usually see a significantly greater return.

1. Introduction

The UK's Anti-Corruption Strategy 2017-22 states 'Corruption threatens our national security and prosperity, both at home and overseas. Unchecked, it can erode public confidence in the domestic and international institutions that we all depend upon.' This analysis remains substantially correct. Corruption is highly damaging to societies and economies, and once it takes root, becomes extremely hard to reduce or eradicate. In the international arena, corruption is a tax on free trade and is increasingly a feature of hostile statecraft.

However, the field of corruption also presents opportunities for the UK: domestically, to safeguard national security, increase confidence in public institutions and create a more fair and equal society; and internationally, to enhance Britain's trading prospects and reinforce the global rules-based system.

2. Why prioritise corruption?

There are multiple reasons why the UK government should prioritise the fight against corruption in a post-Brexit world:

- *National security*: corruption creates a downward spiral for fragile and rogue states; it allows hostile governments to thrive, some of which use corruption as a strategic weapon against the UK – the consequences include thriving organised crime and international terrorism.
- *Prosperity*: corruption consistently harms economic development and distorts the operation of the free market.

- *Business environment*: corruption damages the business environment – allowing the award of contracts to the companies that are the best at bribe-paying rather than the providers of the best goods and services at the most competitive price.
- *Reinforcing kleptocrats in government*: corruption entrenches the power of those who are ruling in the interests of personal enrichment rather than in the public interest - especially in resource-rich countries, where there are rich pickings for those in power. Such kleptocrats seldom have interests aligned with those of the UK, especially when they have other potential allies and trading partners.
- *Poverty and well-being*: corruption harms the lives of the world's poorest - for example, when healthcare budgets are diverted to the pockets of health officials – reinforcing poverty and undermining the Sustainable Development Goals (SDGs).
- *Global rule of law*: corruption allows other countries to out-manoeuvre UK plc by breaking global rules - for example when [Russia bribed its way to hosting the FIFA World Cup at Britain's expense](#).

There are also positive reasons why the UK government should put corruption at the core of its strategies. Here are three of them:

- **Trade**: a free market operates when there is a level playing field, with fair rules that are adhered to by all parties; increasing transparency and reducing corruption will help British companies to thrive in a post-Brexit world.
- **Global influence**: as recently as 2016, Britain was demonstrating global leadership on tackling corruption – since then the UK has been marking time, but global leadership remains available to the UK; by contrast, [Russia and China are poised to fill the vacuum](#) of global leadership (Barrington 2020), and may do so if the UK cedes the territory.
- **UK expertise**: the UK is a global centre of excellence in many areas of tackling corruption – including NGOs, academic researchers, business specialists, legal experts, journalists and university courses. That national resource has been a beneficial but unintended consequence of DFID's leadership role in this area – and it could dissipate or be strengthened depending on the FCDO's approach.

3. Integrated Review – questions

The Centre for the Study of Corruption is a global centre of excellence in corruption research. Our responses are therefore restricted to the subject of corruption, and how this plays out within the broader context of the UK's domestic and international strategies.

3.1 What are the key opportunities, challenges, threats and vulnerabilities facing the UK now?

Challenges, threats and vulnerabilities from within exist in several areas:

- loss of public confidence in key institutions, threatening democratic legitimacy and the social contract;
- decline in standards in public and political life, allied to rule-breaking;

- threats to institutions that act as safeguards against corruption.

Although the UK has had a relatively good reputation in terms of its levels of corruption, this should not be taken for granted, particularly during an economic downturn.

Externally, the threats relate to:

- global money laundering and the attractiveness of the UK as a destination for the proceeds of corruption
- hostile states 'weaponising' corruption
- low and middle income countries becoming fragile states due to corruption, or exacerbated by corruption, with knock-on consequences for regional security, migration and economic stability
- organised crime.

Public procurement represents both a challenge and an opportunity. The Covid crisis has demonstrated how organised crime groups increasingly see the state as a potential source of revenue. We have learned the importance of public procurement in allowing governments to respond to crises, but also the extent to which the process is prone to corruption. In some countries, large shares of public procurement are captured by organised crime, terrorist groups or by kleptocratic leaders – meaning not only that state funds are not used for public service delivery, but that they are misused in ways that worsen security threats and the risk of political instability. This damages local economies, but also locks out British companies from competing for lucrative procurement contracts. Yet procurement is an area where some countries have made great progress in cleaning up contracting, e.g. South Korea, sometimes even in very difficult circumstances of entrenched and systemic corruption, e.g. in Ukraine. Our research at the Centre for the Study of Corruption, funded by the DFID Anti-Corruption Evidence programme, has developed a new peer-reviewed methodology for identifying [corruption risks in public procurement using big data analytics](#). These data-driven insights can be used to analyse patterns of corruption risk as well as to assess the impact of reforms. By championing big data analytics and open contracting, the UK government could help to reduce this global risk. Post-Brexit, the UK has an opportunity to do this in reforming its domestic procurement rules, currently subject to a Cabinet Office review. Reforming the UK's procurement systems using new data-driven open contracting will both help ensure that UK public money is spent securely and give the UK a global leadership role.

3.2 What are the key global and domestic trends affecting UK international policy and national security out to 2030, and how should the government prioritise its efforts in response to these?

There are numerous trends in the fast-moving field. We have identified three here, but suggest the UK government should convene an expert round-table to explore this subject more fully.

- i. ***Level playing field for business.*** The rise of China as a major investor poses a challenge to the values of doing business with integrity that the UK has traditionally championed. Our (unpublished) research at the Centre for the Study of Corruption suggests that the increasing presence of China as an investor,

particularly in Low-and-Middle-Income countries, is a major threat to doing business with integrity. This threatens to reverse the great progress made in building integrity in international business over the past two to three decades, and will over time put British firms at a competitive disadvantage. It is vital that the UK maintains its global leadership in resisting bribery in international business, through tough enforcement of the UK Bribery Act, committing resources to international law enforcement for example through the UK-ACT programme, the International Anti-Corruption Coordination Centre, continuing to support business integrity initiatives in LMICs, and harnessing the power of Collective Action in the private sector (David-Barrett 2019).

- ii. **Corruption as statecraft.** Corruption analysts are identifying a new trend, variously described as 'corruption as statecraft', 'strategic corruption' and the 'weaponisation of corruption'. This refers to the active, large-scale and systematic use of corruption by one state against another to secure dependency or undermine strategic enemies. It was first observed in Ukraine, described in January 2017 by former Vice-President Joe Biden: '...Russia over the last decade or so has used another foreign policy weapon. It uses corruption as a tool of coercion to keep Ukraine vulnerable and dependent. So pursue those reforms to root out corruption. It's not just about good governance. It's about self-preservation. It's about your very national security.' More recently, the concept has come to encompass subjects as diverse as interfering in foreign elections and securing strategic trade deals through corrupt transactions. Russia and China are most often cited as the guilty parties, which chimes with their reputation as 'blockers' in the formal UNCAC processes.
- iii. **Corruption, kleptocracy and organised crime.** These three phenomena are increasingly inter-twined, and the UK plays a substantial role in perpetuating and reinforcing them through the provision of money laundering facilities, both within the UK and through the Crown Dependencies and Overseas Territories. This damages the UK's reputation, but also fuels interests that are hostile to the UK and actively threaten its security and prosperity.

3.3 What are the key steps the UK should take to maximise its resilience to natural hazards and malicious threats? How can we build a whole of society approach to tackle these challenges?

n/a

3.4 What are the most effective ways for the UK to build alliances and soft power?

In the field of corruption, with potentially much wider benefits, the UK has several opportunities for alliances and soft power. These include:

- **Global leadership** on the subject of corruption, a position the UK held and vacated, but could be revived via strategic activity in the G7, G20, OECD and UN. Others – probably Russia and China – will fill the vacuum if it remains.
- **Higher Education**; the UK currently hosts a number of courses on corruption (Sussex) and financial crime (various), a hub which is unique in the world, training the next generation of overseas business people and government officials. Actively supporting these courses (eg through scholarships, provision of study days or internships) would build the UK's soft power.
- **Fostering the academic, civil society and policy-development community**, both in the UK and globally. DFID was partially engaged in this, notably through its ground-breaking Anti-Corruption Evidence (ACE) Programme; for relatively little investment, the UK would get a big soft power return.
- **Building on UK expertise**. Likewise, the UK has an unrivalled 'ecosystem' of anti-corruption experts, many former public sector officials, but also in the private sector and civil society. This could be more actively mapped, fostered and deployed by the UK government.
- **Supporting overseas reformers**. Every year, a number of governments come into power promising anti-corruption reform. Some of them seriously intend to follow through. The UK government could be more systematic in identifying them and offering immediate anti-corruption support, possibly via multilateral organisations.

3.5 What changes are needed to Defence so that it can underpin the UK's security and respond to the challenges and opportunities we face?

Transparency International has a world-class team on this subject, based in London, which the government should consult.

3.6 How should the UK change its governance of international policy and national security in order to seize future opportunities and meet future challenges?

The UK should create anti-corruption governance that is fit for purpose. Research by the Centre for the Study of Corruption (Barrington 2020) suggests that the UK should strengthen the role of the Prime Minister's Anti-Corruption Champion and/or consider creating an Anti-Corruption Agency, as France has done recently. Our research has also developed a theory-based methodology for evaluating anti-corruption agencies, focusing on medium-term goals, where capacity building is key (David-Barrett 2020), and three recommendations for the design of ACAs:

- *Law enforcement work should be complemented by work to address root causes, including youth unemployment and inequality.*
- *Law enforcement approaches should be accompanied with efforts to displace old norms and diffuse new anti-corruption norms.*
- *Building networks of expertise is critical to addressing complex cases.*

3.7 What lessons can we learn from the UK's international delivery over the past 5 years? Which are the key successes we should look to develop and build on, and where could we learn from things that didn't go well?

The London Anti-Corruption summit in 2016 was a key example of UK leadership in promoting the values of integrity in public administration and international business. The summit saw 43 countries make 648 commitments and, although progress has been faster in some countries and areas than others, there have been some major successes. For example, the Transparency International [pledge tracker](#) reports that notes that more than 80% of commitments on beneficial ownership registers are underway, ongoing or complete – substantial progress towards making it much harder for criminals to hide the proceeds of corruption. The UN General Assembly Special Session on Corruption in June 2021 provides a key opportunity for the UK to renew its leadership in this area, in the interests of UK business, prosperity and national security.

The UK's own commitments from the Summit have also provided a legacy of global leadership; however, some of these need to be re-invigorated or renewed and the opportunity to do so is presented by the need for a new UK Anti-Corruption Strategy from 2022.

3.8 How should UK systems and capabilities be reformed to improve the development and delivery of national strategy?

- i. **Enforce existing legislation:** the UK has extensive legislation in this area, which is not fully used (Horder 2018).
- ii. **Restore institutional checks and balance:** a number of anti-corruption safeguards have been removed in recent years, some of which could be restored at zero cost – for example, e.g. re-inserting the investigation of corruption into Terms of Reference for local government auditors, which was lost when the Audit Commission was closed.
- iii. **Resourcing:** ensure there is adequate resource for key areas such as the Home Office's Joint Anti-Corruption Unit
- iv. **Strategy:** create a national Anti-Corruption Strategy to 2030, when the current Strategy expires in 2022.

4. Additional areas for consideration

Our research has identified four additional themes internationally and in the UK which merit further attention by policy-makers with regard to corruption:

- i. **Political Corruption:** corruption within the political system of a country has an immense impact on the lives of ordinary citizens, the distribution of wealth, the provision of public services, and the country's attitude to corruption. Yet the subject is barely addressed by international treaties like UNCAC, meaning that systemic problems like state capture can pass unrecognised or flourish with impunity. The broader learning is that tackling corruption needs to be political and

not just technocratic, addressing clientelist structures and power dynamics. The UK has long ducked this subject domestically, but should give it more serious consideration as the UK emerges from the EU into greater international scrutiny.

- ii. **Sport:** in the past two decades, sport has emerged as a significant locus of corruption, coinciding with the professionalisation of many sports, global broadcasting, a significant increase in gambling, and the introduction of much more money into sporting systems. However, sports governance is often weak, and anti-corruption measures have little profile or prominence. Those that exist are primarily focussed on match-fixing, spot-fixing or other gambling-related issues. We believe that strategies should address both sports governance and sports-related corruption beyond match-fixing.
- iii. **Technology & Corruption:** tech-related corruption is an emerging field. This relates to a) the ways in which technology can facilitate corrupt actions, from money laundering to election-rigging; b) the creation of new problems and dilemmas in corruption that could not have been envisaged when UNCAC was drafted, c) the abuse of power, assisted by new technologies, by states and tech giants (corporations). Action is required now to research, understand and categorise the nature of the problem, so that the global community will be well prepared when problems magnify. The UK has an opportunity to take an international lead on this emerging subject through promoting research and policy-development.

5. Bibliography

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Annex: full submission

Centre for the Study of Corruption



*Submission by the Centre for the Study of Corruption
at the University of Sussex to the*

Integrated Review Call for Evidence 2020

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September 2020

The **Centre for the Study of Corruption (CSC)**, founded in 2011, is the UK's foremost academic centre for studying corruption. Located within one of the world's leading universities, CSC is regarded as a highly credible source of independent and objective research and ideas. It is widely recognised for combining world-class academic approaches and research with the practical experience of how corruption can be addressed in the real world. We operate in three broad areas:

- **Research:** undertaking rigorous academic research to address the world's major corruption issues
- **Courses & Teaching:** training the next generation of anti-corruption professionals around the world from undergraduates to PhDs, with three Masters courses
- **Policy:** ensuring that our research informs evidence-based policy and helps change the world.

CSC's research activities are based around four themes:

- Corruption in politics
- Corruption in international business
- Corruption in sport
- Corruption in geographical context – with particular strengths in the UK, Germany & Eastern Europe, China and Africa.

Full details of the published and current research undertaken by our core faculty can be found in the detailed biographies of each faculty member at www.sussex.ac.uk/scsc

Important Note

Consultation submissions made by academic staff at the University of Sussex do not represent official university views or policy unless explicitly stated. This submission should therefore be taken to represent the view(s) of the author(s).

Published in September 2020

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Summary

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There are multiple reasons why the UK government should prioritise the fight against corruption in a post-Brexit world:

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- *Prosperity*: corruption consistently harms economic development and distorts the operation of the free market.
- *Business environment*: corruption damages the business environment – allowing the award of contracts to the companies that are the best at bribe-paying rather than the providers of the best goods and services at the most competitive price.
- *Reinforcing kleptocrats in government*: corruption entrenches the power of those who are ruling in the interests of personal enrichment rather than in the public interest - especially in resource-rich countries, where there are rich pickings for those in power. Such kleptocrats seldom have interests aligned with those of the UK, especially when they have other potential allies and trading partners.
- *Poverty and well-being*: corruption harms the lives of the world's poorest - for example, when healthcare budgets are diverted to the pockets of health officials – reinforcing poverty and undermining the Sustainable Development Goals (SDGs).
- *Global rule of law*: corruption allows other countries to out-manoeuvre UK plc by breaking global rules - for example when [Russia bribed its way to hosting the FIFA World Cup at Britain's expense](#).

There are also positive reasons why the UK government should put corruption at the core of its strategies. Here are three of them:

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- Global influence: as recently as 2016, Britain was demonstrating global leadership on tackling corruption – since then the UK has been marking time, but global leadership remains available to the UK; by contrast, [Russia and China are poised to fill the vacuum](#) of global leadership,¹ and may do so if the UK cedes the territory.
- UK expertise: the UK is a global centre of excellence in many areas of tackling corruption – including NGOs, academic researchers, business specialists, legal experts, journalists and university courses. That national resource has been a beneficial but unintended consequence of DFID’s leadership role in this area – and it could dissipate or be strengthened depending on the FCDO’s approach.

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- loss of public confidence in key institutions, threatening democratic legitimacy and the social contract;
- decline in standards in public and political life, allied to rule-breaking;
- threats to institutions that act as safeguards against corruption.

Although the UK has had a relatively good reputation in terms of its levels of corruption, this should not be taken for granted, particularly during an economic downturn. Externally, the threats relate to:

- global money laundering and the attractiveness of the UK as a destination for the proceeds of corruption
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There are numerous trends in the fast-moving field. We have identified three here, but suggest the UK government should convene an expert round-table to explore this subject more fully.

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- ii. ***Corruption as statecraft.*** Corruption analysts are identifying a new trend, variously described as '[corruption as statecraft](#)', '[strategic corruption](#)' and the '[weaponisation of corruption](#)'. This refers to the active, large-scale and systematic use of corruption by one state against another to secure dependency or undermine strategic enemies. It was first observed in Ukraine, described in January 2017 by former Vice-President Joe Biden: '...Russia over the last decade or so has used another foreign

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- **Building on UK expertise.** Likewise, the UK has an unrivalled 'ecosystem' of anti-corruption experts, many former public sector officials, but also in the private sector and civil society. This could be more actively mapped, fostered and deployed by the UK government.
- **Supporting overseas reformers.** Every year, a number of governments come into power promising anti-corruption reform. Some of them seriously intend to follow through. The UK government could be more systematic in identifying them and offering immediate anti-corruption support, possibly via multilateral organisations.

3.5 What changes are needed to Defence so that it can underpin the UK's security and respond to the challenges and opportunities we face?

Transparency International has a world-class team on this subject, based in London, which the government should consult.

3.6 How should the UK change its governance of international policy and national security in order to seize future opportunities and meet future challenges?

The UK should create anti-corruption governance that is fit for purpose. Research by the Centre for the Study of Corruption³ suggests that the UK should strengthen the role of the Prime Minister's Anti-Corruption Champion and/or consider creating an Anti-Corruption Agency, as France has done recently. Our research has also developed a theory-based methodology for evaluating anti-corruption agencies, focusing on medium-term goals, where capacity building is key,⁴ and three recommendations for the design of ACAs:

- *Law enforcement work should be complemented by work to address root causes, including youth unemployment and inequality.*
- *Law enforcement approaches should be accompanied with efforts to displace old norms and diffuse new anti-corruption norms.*
- *Building networks of expertise is critical to addressing complex cases.*

3.7 What lessons can we learn from the UK's international delivery over the past 5 years? Which are the key successes we should look to develop and build on, and where could we learn from things that didn't go well?

The London Anti-Corruption summit in 2016 was a key example of UK leadership in promoting the values of integrity in public administration and international business. The summit saw 43 countries make 648 commitments and, although progress has been faster in some countries and areas than others, there have been some major successes. For example, the Transparency International [pledge tracker](#) reports that notes that more than 80% of commitments on beneficial ownership registers are underway, ongoing or complete – substantial progress towards making it much harder for criminals to hide the proceeds of corruption. The UN General Assembly Special Session on Corruption in June 2021 provides a key opportunity for the UK to renew its leadership in this area, in the interests of UK business, prosperity and national security.

The UK's own commitments from the Summit have also provided a legacy of global leadership; however, some of these need to be re-invigorated or renewed and the opportunity to do so is presented by the need for a new UK Anti-Corruption Strategy from 2022.

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3.8 How should UK systems and capabilities be reformed to improve the development and delivery of national strategy?

- i. **Enforce existing legislation:** the UK has extensive legislation in this area, which is not fully used.⁵
- ii. **Restore institutional checks and balance:** a number of anti-corruption safeguards have been removed in recent years, some of which could be restored at zero cost – for example, e.g. re-inserting the investigation of corruption into Terms of Reference for local government auditors, which was lost when the Audit Commission was closed.
- iii. **Resourcing:** ensure there is adequate resource for key areas such as the Home Office’s Joint Anti-Corruption Unit
- iv. **Strategy:** create a national Anti-Corruption Strategy to 2030, when the current Strategy expires in 2022.

4. Additional areas for consideration

Our research has identified four additional themes internationally and in the UK which merit further attention by policy-makers with regard to corruption:

- i. **Political Corruption:** corruption within the political system of a country has an immense impact on the lives of ordinary citizens, the distribution of wealth, the provision of public services, and the country’s attitude to corruption. Yet the subject is barely addressed by international treaties like UNCAC, meaning that systemic problems like state capture can pass unrecognised or flourish with impunity. The broader learning is that tackling corruption needs to be political and not just technocratic, addressing clientelist structures and power dynamics. The UK has long ducked this subject domestically, but should give it more serious consideration as the UK emerges from the EU into greater international scrutiny.
- ii. **Sport:** in the past two decades, sport has emerged as a significant locus of corruption, coinciding with the professionalisation of many sports, global broadcasting, a significant increase in gambling, and the introduction of much more money into sporting systems. However, sports governance is often weak, and anti-corruption measures have little profile or prominence. Those that exist are primarily focussed on match-fixing, spot-fixing or other gambling-related issues. We believe that strategies should address both sports governance and sports-related corruption beyond match-fixing.
- iii. **Technology & Corruption:** tech-related corruption is an emerging field. This relates to a) the ways in which technology can facilitate corrupt actions, from money laundering to election-rigging; b) the creation of new problems and dilemmas in corruption that could not have been envisaged when UNCAC was drafted, c) the abuse of power, assisted by new technologies, by states and tech giants (corporations). Action is required now to research, understand and categorise the nature of the problem, so that the global community will be well prepared when problems magnify. The UK has an opportunity to

⁵ See for example Horder, J (2018). *Criminal Misconduct in Office*. OUP, Oxford.

take an international lead on this emerging subject through promoting research and policy-development.

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