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STRATEGIC CORRUPTION AS INSTRUMENT OF STATE POLICY: A THREAT TO NATIONAL SECURITY AND AN INTERNATIONAL FOREIGN POLICY ISSUE

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Abstract: Foreign corruption is becoming a matter of global concern, intersecting issues of protecting the integrity of nations, human rights, transnational crimes and terrorism and impacting national security. It is a foreign policy challenge in changing world order and impedes conflict management. Weak governance is admittedly the weak link in our quest for prosperity and equity. It is imperative to eliminate corruption and abuse of office, not only from a moral perspective but also to ensure economic prosperity. The responsibility to ensure good governance is dualistic. The Government and people are shareholders. The well-being of the society and the Nation are determined by conjoined participation.

This paper is a commentary on *Strategic corruption* and its impact on governance mechanisms, and the threat it imposes on human security and the integrity of a nation. Happenings across the globe, engulfing nations in debt trap leading to the sale of strategic public assets, economic dependency curtailing decision on economic sanctions highlights the latent threat a nation faces due to corruption. A systemic phenomenon, corruption must be dealt with globally and form a coordinated foreign policy action amongst the comity of nations.

Index Terms – Strategic, weaponization, corruption, state tool, Governance, Security

The age-old practice of graft is a feature of a nation's political system. Power and corruption appear hand in glove and threaten rule of law and hinder the protection of basic civil and economic rights. However, what is new is the transformation of corruption into an instrument of national strategy. The scale at which it is being practised gives anarchy a new dimension. It is being called 'weaponised corruption'. The National Security Strategy 2017 of the US states, "Economic tools—including sanctions, anti-money laundering and anti-corruption measures—can be important parts of broader strategies to deter, coerce, and constrain adversaries." It declares, "Terrorists and criminals thrive where governments are weak, corruption is rampant, and faith in government institutions is low. Strategic competitors often exploit rather than discourage corruption and state weakness to extract resources and exploit their populations." It also states that China in particular, "spreads features of its authoritarian system, including corruption and the use of surveillance." (The White House, National Security Strategy of the United States of America, December 2017). The US tackles corruption abroad through an institutionalised 'Foreign Aid' mechanism among other internal and external mechanisms.

The implication on national security is profound when seen against the background of ethical governance as a necessity for progress. Any threat emanates from two principal issues. One, greed as a vulnerability amongst humans, is exploitable and will be exploited. Secondly, the cohesion of the political elite on matters of national importance is a foundational prerequisite for nation-building, the absence is a security concern. (Murali, 2020).

Scholarly research explains the subtlety of the term corruption as bureaucratic corruption is a pervasive form that affects our daily life such as obtaining permits or bureaucratic approvals. In grand corruption, the interaction and power balance between politicians and administrators are very important (Carl Dahlstrom, 2012). Grand corruption involves business leaders or criminals paying off key governmental functionaries or political parties in exchange for a favour in an economic sector where high margins are at stake. In both the traditional forms it is a process of greed and an attempt to be richer. It is also the destruction of integrity in the discharge of public duties. Strategic corruption is inducement against a target country as part of a national strategy (Michael A. Weber, Katarina C. O' Regan, Nick M. Brown, 2020). Vulnerable to corruption are weak states leading to breakdown and civil conflict. The situation in Algeria, Venezuela, Iraq, and Bolivia is a result of this ongoing great game. Congressional Research Service (May 2020) in the US calls Russia and China '[strategic](#) competitor' states (Michael A. Weber, Katarina C. O' Regan, Nick M. Brown, 2020). A strategic competitor exploits state weakness and population to extract resources. The fact that terrorism and criminals thrive where governments are weak, rampant corruption and disruptive and deceitful polity provide the link to strategic corruption as a tool for state policy. It has perhaps taken the war in Ukraine for nations to realise the security threat imposed by illicit economic ties.

There are prominent cases of strategic corruption in recent times. Ukraine imbroglia, China's BRI projects and involvement of CEFC China Energy, and Chinese *overlordship* in Italy are vivid examples being played in the international arena. Impeachment of the US President has foreign roots. This commentary intends to highlight a few examples of the means of inducement as a state tool, practised by a few countries to achieve their strategic goals and spilling the fabric of the society and integrity of the targeted countries.

What started as a game to remove the US Ambassador in Ukraine led to Dymtro Firtash, the controller of the Turkmenistan-Russia- Ukraine gas trade with the backing of the Kremlin. For Russia, the gas trade is of national importance. Firtash was arrested in 2014 in Austria and is fighting an extradition trial since then. His promise of documents indicting the then Presidential candidate Joe Biden in an inappropriate deal is the diabolical connection that elevates ordinary graft to high-level geopolitics.

China was quick to pounce on the opportunistic strategy for fulfilling its BRI dream. CEFC China Energy executive Patrick Ho was arrested in the US in 2017 for bribing and money laundering. His bribing skills extend from the President of Chad to Uganda, Iran, Libya and Qatar. China now has built a global connectivity system built on Chinese standards and norms, financed by a network of state-controlled banks. The enabler of this dream is Chinese graft on a mammoth scale.

Chinese efforts in reshaping the political environment are systematic and the methods vary with target countries. A structured effort into Australian political space was detected in 2018 when a senator was forced to resign due to his countersurveillance deal with a Chinese donor. Indications of the political and strategic influence came as early as 2005 from the defected Chinese diplomat Chen Yongling. Australia's business lobby had made a compelling case for pursuing a thriving commercial engagement with China despite the warning. The structured inroad into Australia started with the lease of the strategically important port of Darwin to Landberg Industry a subsidiary of the Shandong Landbridge Group on a 99-year lease for a sum of A\$ 506 million, 99 years in 2015 (Walsh Christopher, 2019). Attempts to take over the mammoth Kidman farms (100000 Sq Kms) and 50% stake in NSW electricity distribution company Ausgrid to State Grid of China ran into trouble with the new Federal government. Australia, a member of the Five Eyes intelligence-sharing alliance declared its opposition to China's 5G program (Navdeep Suri, August 2020). Suri further explains the phenomenon of simultaneous efforts to foster corruption among the political elites and Chinese real estate developers, influence and intimidation at universities (sponsored violence and protests by Chinese students),

setting up of Confucius institutes, cyber-attacks of a sophisticated kind on the Australian National University in 2018 were the state-directed methodology. The happenings are endless. A weak and accommodative political class with permeated corruption among social elites was exploited by China to its advantage. Nonetheless, the Malcolm government and the present governments have woken up to the 'Pandemic' threat and hopefully will be free of the virus.

In Italy, legal and illegal Chinese labour since the 1980s set the ball rolling for the present crisis. Hardworking and quick to learn, the Chinese have ousted family businesses and set up Chinese villages Prato in the heart of Tuscany is the largest concentration of Chinese in Europe and is virtually under siege. In 2017, the Bank of China agreed to pay 600000 Euros to settle a money laundering case involving its Milan branch for illicit transfers (Beanz, 2020). In March 2019, Italy agreed with China, part of its BRI initiative, that allowed the port of Trieste to be revitalized and managed by the PRC. Italy is now beholden to China and *Indebted* to them for a long time. A political upheaval may get them out of this quagmire.

The admitted MOU between Indian National Congress and the Chinese Communist Party was in the news in India. The Supreme Court, while hearing the plea on a plea seeking a National Investigation Agency/Central Bureau of Investigation probe into the Memorandum of Understanding (MoU) signed on August 7, 2008, between the Indian National Congress (INC) and the Communist Party of China (CPC) for exchanging high-level information and co-operation between them, wondered, 'how can a political party sign an agreement with a political outfit of a foreign country (Times-News August 07, 2020). Opinions abound on the involvement of greedy elements within the political class in the unresolved boundary dispute with China and the Kashmir conundrum. The Rajiv Gandhi Foundation (RGF), established in 1991, is under scrutiny for receiving bribes from the Chinese embassy in New Delhi. Transfer of funds from PM National Relief Fund to RGF is also under probe. The FTA agreement with China under the previous regime due to Chinese influence and manipulations, if proved will substantiate the strategic corruption theory.

The financial and political crisis in Sri Lanka and Pakistan in India's immediate neighbourhood is a classic case of imploding nature of a failed state and a latent threat to India's security. Sri Lanka has purportedly fallen into an economic trap of developing unviable and non-profitable public infrastructure projects with Chinese funding (read soft loan). Global Strat View (22 February 2022), in their analysis, cite Hambantota port, Colombo Eastern cargo terminal and Mattala airports as examples of commercially unviable projects. The report mentions that the debt trap led Sri Lanka to hand over to Beijing Hambantota port, Colombo port city (88 Hectares) on a 99-year lease (Global Strat View, 2022). (Srimanna, April 17, 2022) quotes Govt sources of attempting to raise 8 billion \$ by sale/lease of public assets. The report lists, Colombo port city, Colombo North Port, and Mattala International airport among other assets to be sold. It is an opportunity created for consolidating the Chinese hold and creating a demographic shift in populating the areas with Chinese with freedom of access militarily.

Petty corruption is associated with governance mechanisms that poison the administrative institutions of a state. Arthashastra an ancient Indian treatise on Governance written in 3 / 4 B.C recognized the triad of Leader, Administrator and the normative structure of state and state machinery as foundations for a prosperous empire. Indian social thought expressed itself in terms of a static ideal in the policy. The comity of nations, by and large, have bureaucratic systems. The Weberian approach calls for tackling corruption by addressing the bureaucracy. The ruling elites should aim to create *an impartial* and *impersonal* state structure that protects human rights, economic rights and social rights of the people.

Corruption as a tool of state policy pervades the gamut of governance of a nation. Russia plays the game of strategic corruption to geo strategical advantage. A new analysis from (Transparency International, Feb 2022) has identified at least £1.5 billion worth of UK property owned by Russians accused of financial crime or with links to the Kremlin. Russian corruption weakens the national security architecture of targeted countries by creating financial dependencies on the will of Moscow (Oksana Huss, 16 March 2022). Delayed

and partial economic sanctions by the EU on Russia in the Ukraine imbroglio are a direct result of the dependencies created on some countries of Europe.

In the wake of the ongoing crisis in Sri Lanka, The Sri Lanka Institute of Directors (SLID) issued a statement, "Corruption has ruined nations, economies, and businesses. It takes a giver and a taker for corruption to flourish. Corruption runs against good professional ethics, business ethics and social ethics," (The Business Times, Sri Lanka, April 17, 2022). The Organisation for Economic Co-operation and Development (OECD) is an international agency that coordinates and acts on combatting corruption globally. It recognizes corruption as a global phenomenon and a pressing policy challenge of our times. It has been instrumental to the global anti-corruption movement in three complementary directions: fighting against transnational bribery and other forms of unfair competition; promoting integrity and transparency; and good governance in the public and private sectors (OECD, 2018). Issues of foreign corruption intersect with a variety of foreign policy issues that are of congressional concern, including promoting democracy and human rights, deterring transnational crime and terrorism, and advancing economic development (Michael A Weber, et al. 2020).

Tackling corruption requires political will because it is a political challenge to ensure good governance. At the global level agencies and institutions must coordinate their efforts and share information and evolve an institutionalised mechanism to fund anti-corruption agenda as a security parameter of national security strategy. Gullibility among the social elites and weaknesses in the social structure is exploited by a few countries for their gains. Strategic corruption is being understood and recognized as a security issue, to be dealt with on priority. Countries affected by it have changed their laws or are in the process of tightening them. Affected countries are showing political unity among the ruling and the opposition parties in tackling strategic corruption. Strategic corruption is a warning that mirrors a new form of warfare on the weak and vulnerable sections of society and political class.

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