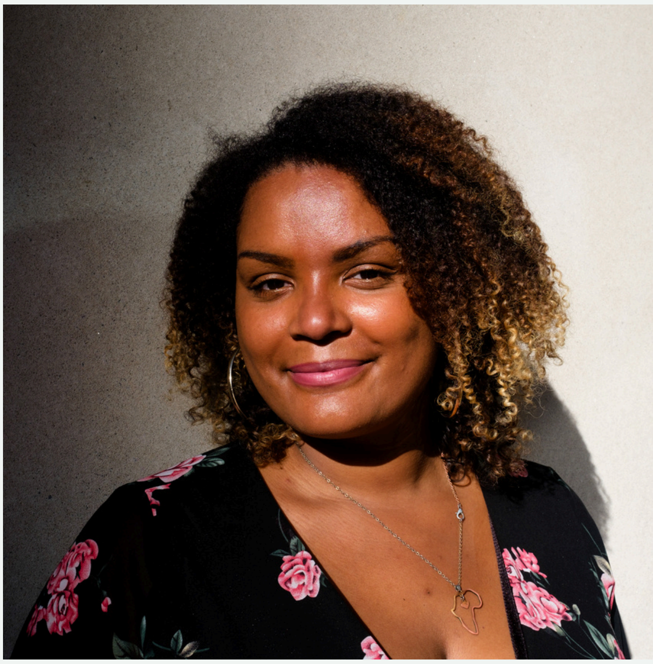
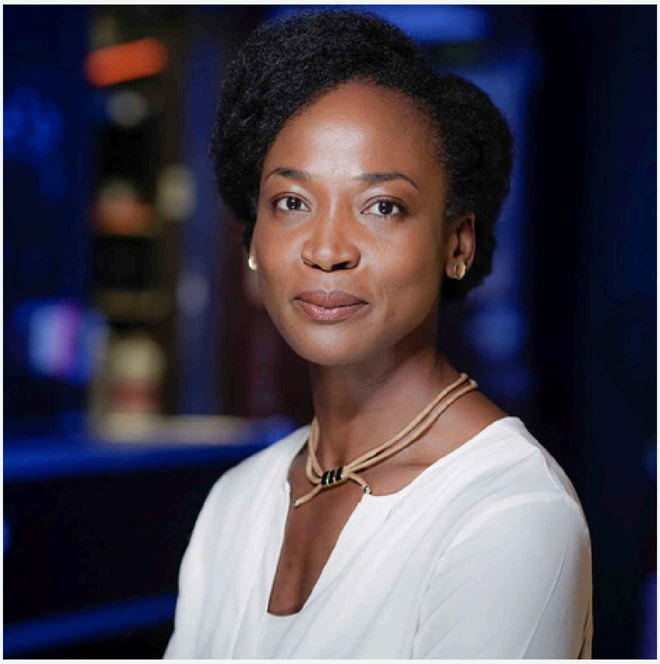
Peace, Security and Corruption



Miriam Mona Mukalazi

in conversation with

Leena K. Hoffmann



VIDC Vienna Institute for International Dialogue and Cooperation

Interviewee:
Leena K. Hoffmann holds a PhD in African Studies from the University of Birmingham. She is an anti-corruption researcher and the co-founder of Luxembourg for Transparency (L4T). She is a member of the International Council of Transparency International and a former investigator at Nigeria's anti-corruption agency. With over 15 years' research experience and advising international organisations, her work focuses on how social norms and networks sustain systemic corruption, the political economy of insecurity and how integrity reforms can support peace and accountable governance.

Interviewer:
Miriam Mona Mukalazi holds a PhD in Political Science from the Heinrich-Heine-University Düsseldorf. She is leading the Africa Policy Programme at the Vienna Institute for International Dialogue and Cooperation (VIDC).

Publisher: Wiener Institut für Internationalen Dialog und Zusammenarbeit – Vienna Institute for International Dialogue and Cooperation (VIDC) Möllwaldplatz 5/9, A-1040 Vienna
www.vidc.org

Published in accordance with §25 of the Media Law. The views expressed in this publication are those of the interviewee, and not necessarily those of the VIDC.

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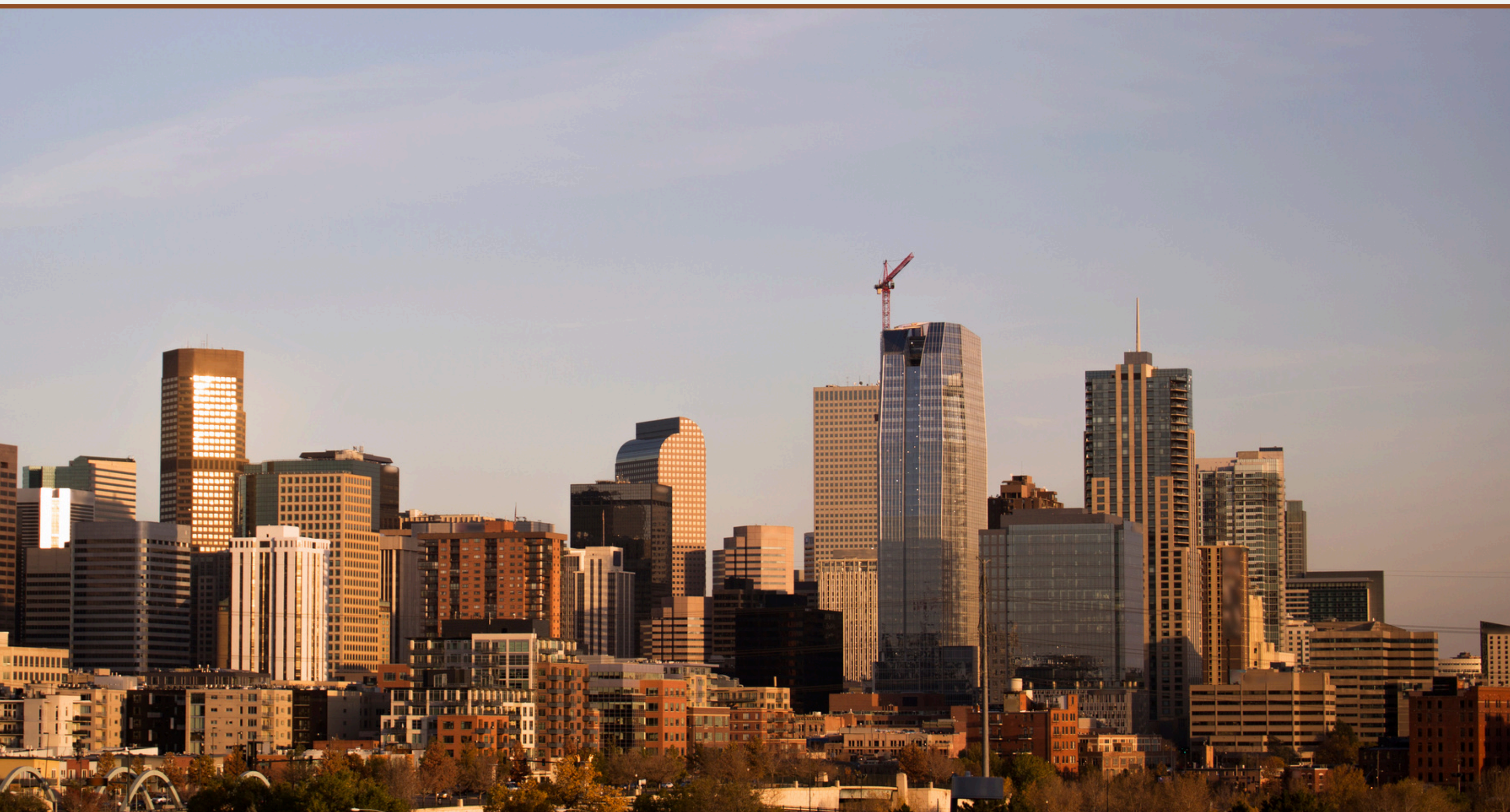


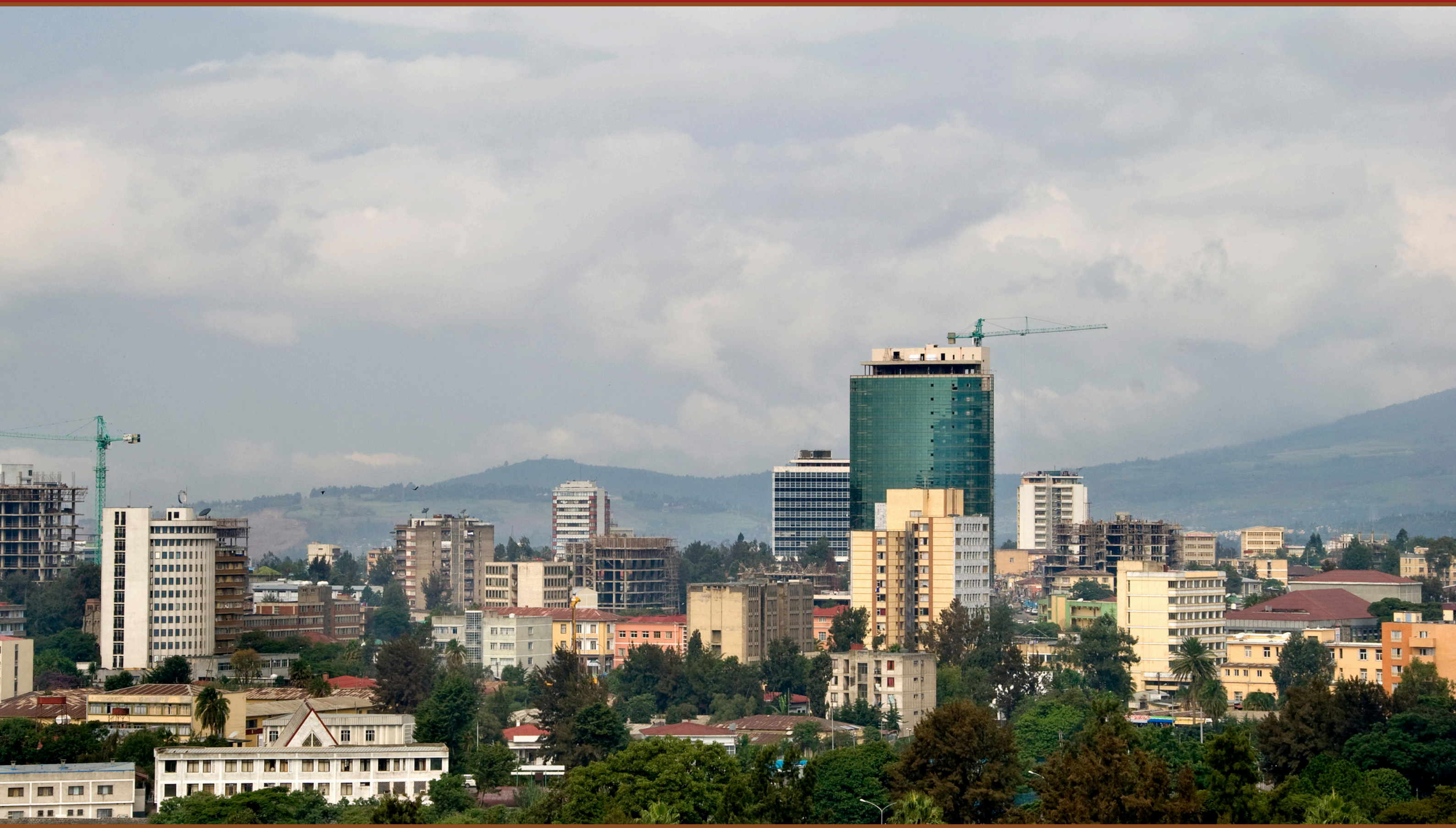
Africa-Austria relations

The Austrian government has gained a seat as a non-permanent member at the UN Security Council 2027-2028, and has recently passed it's Africa Strategy 2026-2029. Both events present an opportunity for Austria to reshape its relationship with the African continent and African stakeholders.

When it comes to Africa-Austria relations, the Vienna Institute for International Dialogue and Cooperation is monitoring these processes as a critical observer and is fostering cooperation and dialogue between various stakeholders. Therefore, the VIDC is actively working on policy engagement regarding peace and security policies. More information on VIDC's work can be found via www.vidc.org/en/regions/africa.

"It is crucial that we
move away from the myth that corruption
is an entrenched Global South problem,
and instead recognise how global financial
rules, secrecy jurisdictions and professional
services keep these systems running.
The consequences are very real: they produce
and reproduce deprivation and, in many cases,
violence in different parts of the world."

Leena K. Hoffmann



Why do we assume corruption is only a problem of the Global South?

HOFFMANN:

Public debate around corruption often encourages us to think of it as something that happens “over there”. When I write about corruption in Nigeria or Kenya, it is easy to point to the visible evidence: hospitals without basic supplies, or young people protesting, politicians who abuse their power. This type of evidence is less immediately visible in the Global North, which makes it easier for Northern states to present themselves as “clean saviours”.

The reality is far more complicated and deeply interconnected. Systemic or grand corruption is a global system that relies on financial, legal and political infrastructure across multiple jurisdictions. Put bluntly, much of what we label as “corruption in the Global South” relies on enabling and support services in the Global North. For every dollar looted from a national budget or diverted from the treasury, there is usually a bank, law firm, trust provider or real estate broker in a Northern financial centre ready to receive and launder it. These professional enablers turn the theft that drives protests at home into globally mobile capital. Many of the leading providers of financial secrecy – shell companies, opaque trusts, anonymous vehicles – are found in G7 or OECD countries or their dependent territories. This secrecy makes it extremely difficult for authorities in the Global South to identify beneficial owners or to trace and recover stolen assets.

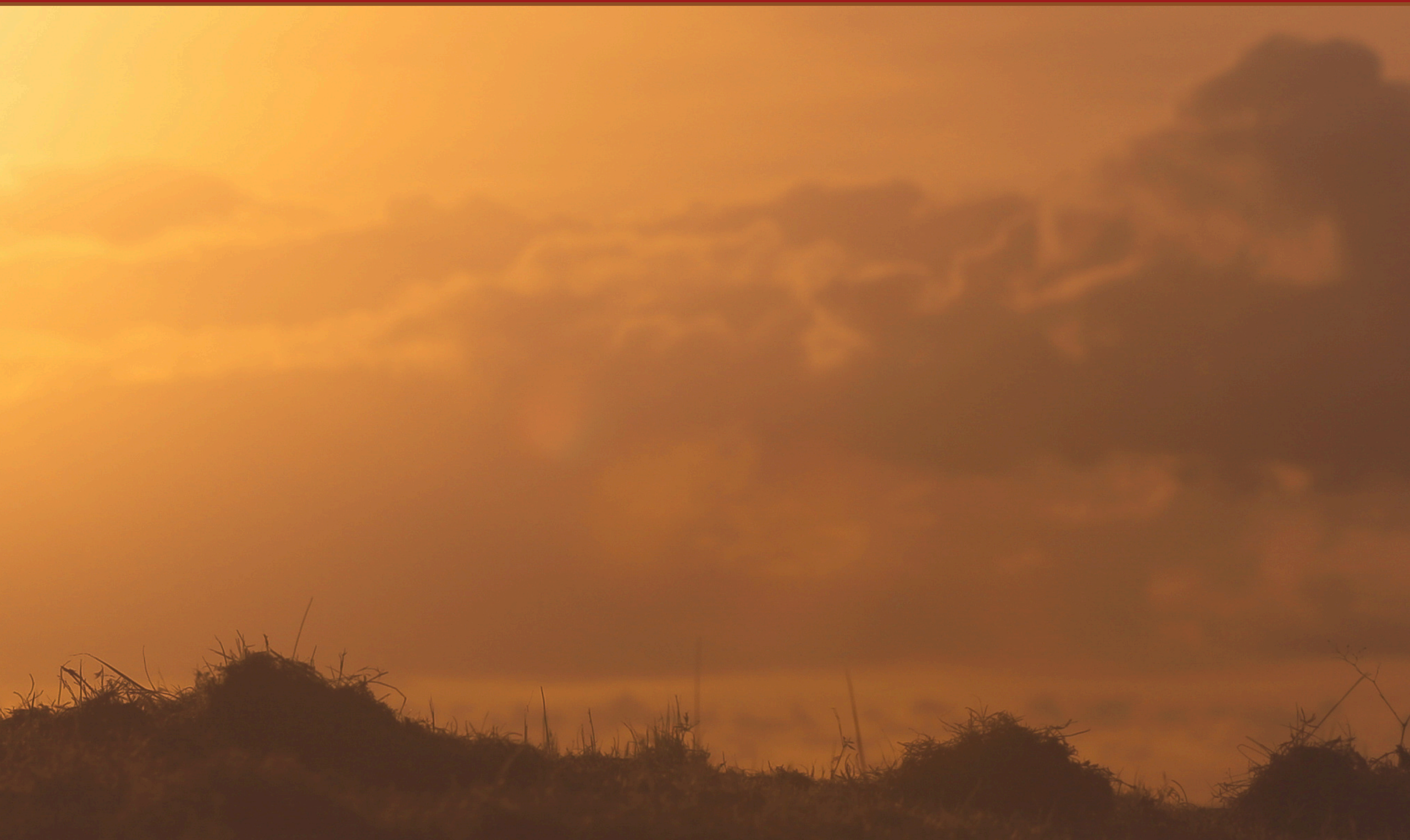
It is also important to remember that the largest component of illicit flows is not "cash in suitcases" but the manipulation of trade and tax rules. Multinational corporations, often headquartered in the Global North, use aggressive transfer pricing and profit-shifting to move their earnings out of African and other Southern economies where resources are extracted or goods are produced. When this happens, Africa's taxable base and foreign reserves shrink, infrastructure gaps widen, and public investments stall.

We also know that many countries in the Global South lose more each year in illicit outflows than they receive in aid. Africa, for example, is estimated to lose around USD 88.6 billion annually to illicit financial flows, far more than it receives in official development assistance. This haemorrhaging of capital creates a perverse situation in which many African states have low tax bases and foreign reserves but high levels of debt and dependence. Their fiscal fragility, institutional capture and shrinking civic space are all facets of the same underlying problem.

If we bring this back to conflict, wars tend to reorganise economies around illicit supply chains. We see this around gold from Sudan, timber in the DRC, drugs and other "conflict commodities". These goods do not stay in circulation locally; they are exported to places like the UAE and on to wider global markets, feeding consumer demand and financial systems in the North and elsewhere, while fueling instability in the zones of their extraction. The profits are then laundered through the same global financial channels that move entirely legal capital, but which are also used to move illicit funds.

“Corruption generates the kind of illicit wealth that keeps militias and personal armies afloat and well-armed. At the same time, corrupt governance fuels grievances that can spark conflict or provide a ready – and, for some, compelling but tragic – justification for non-state actors to turn to violence. “

Leena K. Hoffmann



How are illicit financial flows linked to armed conflicts?

HOFFMANN:

Armed conflicts are, by their nature, capital-intensive and often prolonged or cyclical. Illicit financial flows ensure that many of these conflicts can keep going. One dimension of this is the militarisation of public safety: security agents are positioned at checkpoints, roadblocks and border posts that become de facto toll booths for extorting bribes. This was documented in the DRC, where a large number of roadblocks are run by security actors looking to compensate for low or unpaid salaries.

We have already touched on conflict commodities, but it is worth emphasising that conflicts are prolonged because armed groups tax or directly control gold mines (as in parts of northwest Nigeria), timber, charcoal, fish and any type of lucrative commodity. They then use transnational laundering channels to convert these into cash and weapons. Groups like Al-Shabaab earn millions annually from checkpoint extortion; others such as the Taliban, were able to finance long wars through the drug trade. The result is a tight marriage between war and commerce. Conflict becomes less about achieving a political settlement and more about keeping a profitable violent enterprise alive. When a small group stands to gain more from continued fighting than from peace, the incentives are firmly bent towards sabotaging negotiations.

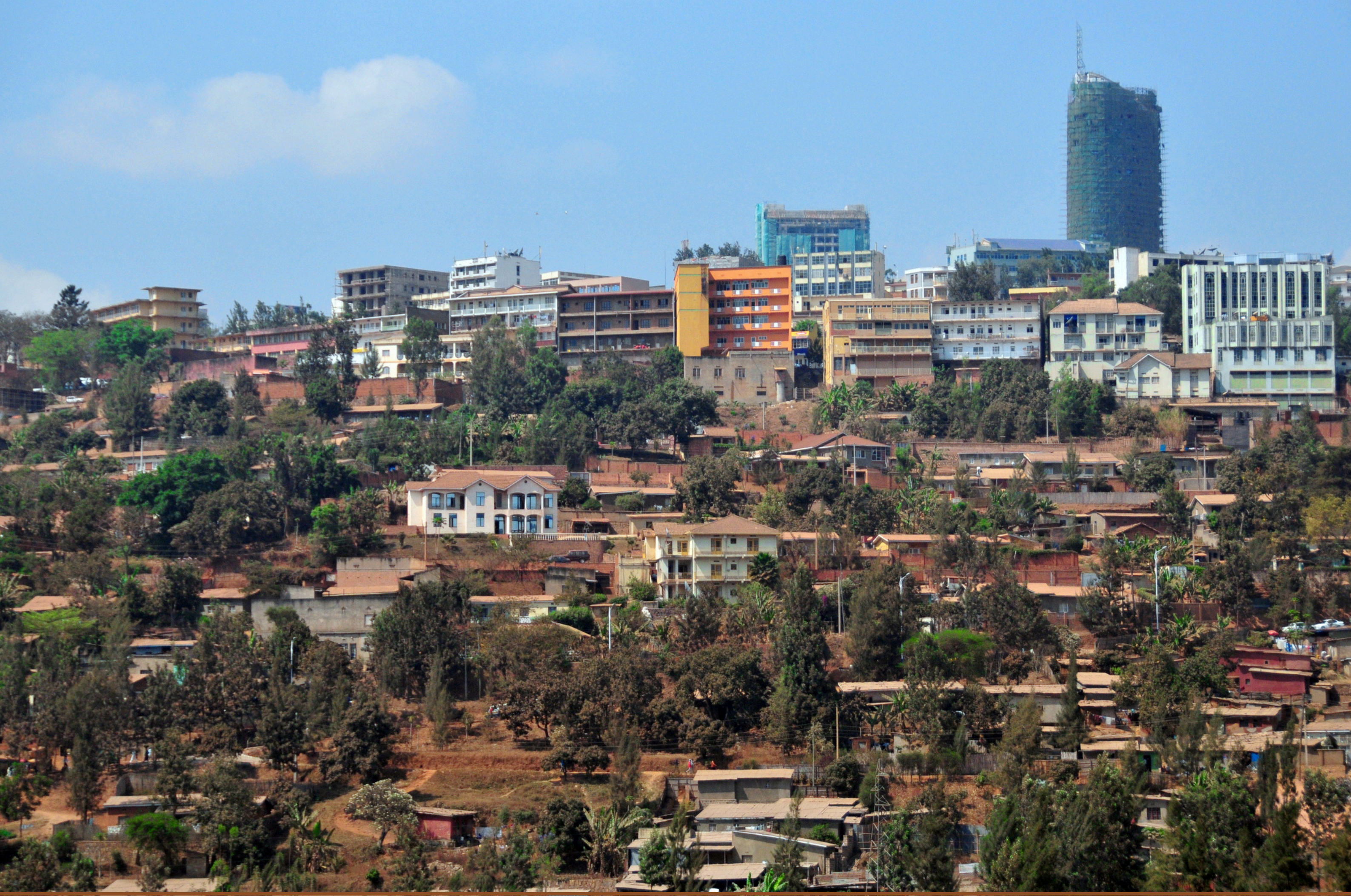
We see something similar in large-scale kleptocratic capital flight. One case that made a strong impression on me early in my career was that of Nigeria's military ruler Sani Abacha, who stole hundreds of millions that were then layered through international banks and have taken decades to trace and repatriate. Asset recovery can succeed, but it is painfully slow, politically complex and depends on sustained transnational cooperation and monitoring.

MUKALAZI:

What are some starting points to actually disrupt the status quo?

HOFFMANN:

In terms of what needs to be done, a crucial starting point is robust beneficial ownership transparency: public registers that reveal the real people behind companies and trusts. This is vital for tracing laundered funds and deterring their movement. When ownership structures are anonymised, following the money becomes almost impossible. Alongside this, we need better automatic exchange of tax and customs data between countries, and clear regulation and sanctioning of professional enablers. The lawyers, accountants and corporate service providers who facilitate these flows are as important to address as any individual kleptocrat or warlord. We also need to bring anti-corruption into peace-building from the outset. Safeguarding against state capture and ensuring transparent resource management are essential to prevent old conflicts from reigniting in new forms.



"Anti-corruption measures that ignore social dynamics can easily backfire. For example, by recentralising or concentrating power in ways that exclude women's groups, or by shutting down informal coping mechanisms, whether they are family networks or even relationships with armed actors, without providing credible alternatives."

Leena K. Hoffmann

In what ways does corruption shape post-conflict recovery?

HOFFMANN:

Post-conflict reconstruction is often described in technical terms: rebuilding infrastructure, restoring services, supporting communities that are exhausted and traumatised, and ensuring a basic level of safety. All of that is true, but in reality this period is also about redistributing power and resources, and about different elite factions assessing what they have won or lost. If corruption is not considered at this stage, reconstruction and the inevitable reallocation of resources can lock societies into an "inequality trap", with certain groups permanently pushed into disadvantaged positions. For women and girls, the costs at this point can be extremely high. When basic services such as water, healthcare, schooling, identity documents and even food are scarce, access becomes discretionary. In these conditions, women and girls are disproportionately targeted for sextortion – a situation in which women's bodies are treated as currency to be extracted in exchange for services or protection. Most anti-corruption laws and AML frameworks still fail to adequately address this economy of sexual coercion.

Corruption in reconstruction also means that large contracts in infrastructure, energy or food support are usually awarded through male-dominated patronage networks and bribe-taking. Women-owned businesses, which are often smaller and less connected, are effectively frozen out.

MUKALAZI:

How can we move past these recurring cycles of violence and exclusion?

HOFFMANN:

Women’s political and economic power is also easily eroded in post-conflict power-sharing arrangements. When money that should go to schools, maternal health or social protection is siphoned away through corruption and illicit flows, women and girls – who rely heavily on these services and often shoulder unpaid care work when systems fail – are the first and most affected. Given these realities, post-conflict efforts need explicitly gender-responsive anti-corruption measures built in from the start. Frameworks should recognise sextortion as a form of corruption; some countries, like the DRC have begun to move in this direction, backed by legal reform, combined with training for justice institutions and the establishment of safe, gender-sensitive reporting mechanisms. Whistleblower protection schemes must be designed with a clear understanding that women who expose corruption, particularly in fragile and violent contexts, face specific risks of gender-based violence and social sanction. Data systems also need to be improved to capture incidents of sextortion and other gendered abuses of power. At a minimum, we need these realities to show up in statistics and reporting in order to end their invisibility.

Because social norms have been central to my own research on corruption over the last decade, I also want to stress the need for gendered systems analysis that takes these norms seriously. Anti-corruption measures that ignore social dynamics can easily backfire – for example, by recentralising or concentrating power in ways that exclude women’s groups, or by shutting down informal coping mechanisms, whether they are family networks or even relationships with armed actors, without providing credible alternatives. Only when reconstruction addresses corruption and gender inequality together, do we have a realistic chance of moving societies out of recurring cycles of violence and exclusion.

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International Partnerships Austria

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