

Building Institutional Resilience to Global Illicit Financial Flows as Enablers and Drivers of State Capture

Project Summary

The research proposal aims to build upon the Center for the Study of Democracy's considerable practical anti-corruption experience in EU candidate countries, the Western Balkans, Armenia, Georgia, Moldova, and Ukraine. It zooms in and deciphers how to most effectively develop evidence-based policies, institutions, tools and instruments to tackle state capture and strategic corruption. The project will map the evidence of the elements of the state capture toolbox that local and foreign (Russian) oligarchic networks and enablers have deployed for exercising corruptive influence in these countries. The research and policy action will focus on the most powerful weapon and driver of strategic corruption and state capture: illicit financial flows (IFFs). This exercise will outline a clear, practical pathway for curbing strategic corruption and countering state capture risks in ODA-eligible countries through measuring and monitoring IFFs and providing relevant public institutions with the necessary anti-corruption instruments and know-how

Policy and Programming Implications

The proposed research will pioneer the measurement of IFFs as drivers and enablers of state capture and strategic corruption in ODA-eligible countries. Additionally, this research will provide tested and effective low-level instruments to practitioners and policy makers engaging in fighting corruption in the Global South.

The project will produce tailor-made products for each of its main target audiences with a special focus on transforming research excellence into policy advocacy and outreach, including: (i) working papers, transforming the academic findings into practical action agendas; (ii) policy briefs, policy notes and testimonial statements translating the project's research into relevant policy messages; (iii) academic papers in peer-reviewed journals.

The Governance Integrity Anti-Corruption Evidence (GI ACE) research programme supports 8 projects around the world generating actionable evidence that policymakers, practitioners, and advocates can use to design and implement more effective anti-corruption initiatives.

Research Questions

1. What are the main sources, channels, and enablers of IFFs in each of the selected countries being studied and how do the findings correspond with the specifics of the Global South?
2. What are the most effective tools for tackling IFFs in unconsolidated democracies, and how can these be adapted to the countries of the Global South?

Methodology

CSD proposes to deploy a funnel approach to discovering IFFs, state capture and strategic corruption-vulnerable sectors and initiating ad-hoc investigations. It focuses on building resilient institutions in these sectors through the monitoring and self-monitoring of anti-corruption policy implementation with innovative instruments.

The project will advance CSD's two decades of research and practical work on anti-corruption, countering state capture and exposing the corrosive effects of Kremlin's economic influence in the region to build significant new knowledge by mapping illicit financial operations and their role in driving and enabling strategic corruption and state capture.

Research Team Members

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