

Building Resilience to State Capture

Project Summary

State capture is a type of systematic corruption whereby narrow interest groups take control of the institutions and processes through which public policy is made, or disable the checks on their power, so as to direct public policy away from the public interest and instead shape it to serve their own interests.

The way in which state capture skews the distribution of power and bakes in advantages for narrow groups means that it is both especially harmful and difficult to reverse. Yet sometimes state capture is stalled in its tracks and a 'window of opportunity' for change is created. The project investigates how countries can best exploit these windows to build resilience to state capture, analysing 3+ countries where there are current openings for reform.

The research focuses on the role of the International Monetary Fund (IMF) and its impact on the domestic bargaining process during these windows. Since 2018 the Fund has played a much more active role in post state capture reform in several jurisdictions. Given its sizeable influence, this new approach is potentially transformative; it is also contentious. The research explores how this development in the international anti-corruption architecture affects post-capture bargaining and reforms.

Policy and Programming Implications

Attempts at recovery from capture face multiple challenges. There may be backlash from aggrieved captor groups. Institutions that were re-purposed during state capture need to be fixed, but without undermining institutional capacity. And there is pressure to deliver rapid results before the population loses patience.

The research aims to provide an evidence base and learnings for governments, civil society and international organisations about how to prioritise reforms and support implementation during windows of opportunity.

Research Questions

1. What were the key mechanisms of state capture in the countries studied, and how did they facilitate one another?
2. What are the key policy dilemmas which are being considered in the window of opportunity? Which actors are driving and resisting these reforms and why?
3. What impact does the IMF have on the domestic bargaining process and engagement by other external actors regarding which reforms to pursue during windows of opportunity and how to implement them?
4. Where sufficient time has elapsed since the window opened to make judgements, how do different groups perceive the value of the reforms negotiated for countering state capture?

Methodology

The research is based on 3+ in-depth qualitative case studies of low- and middle-income countries. Each country is in a window of opportunity for countering capture and the IMF is a key participant in the groups of actors negotiating reforms. To provide a problem-driven basis for assessing reform interventions, the research applies a three-pillar framework for analysing state capture. The project creates a new database on IMF conditionality in countries confronting state capture; undertakes semi-structured interviews with a diverse range of informants involved in making policy (e.g., government officials, international donors), observing and scrutinising policy choices (e.g., civil society organisations, journalists, parliamentarians, academics); and analyses country strategy and policy documentation. Comparative analysis allows for lessons to be drawn on the implications for post capture recovery efforts more broadly.

Research Team Members

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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.

