

# **Lessons from Civil Resistance for the Battle against Financial Corruption**

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## **Abstract**

The first part of this article presents an overview of civil resistance theory and practice, including key concepts and the historical record of nonviolent movements ending authoritarian and occupying regimes. It will also present a practical checklist for assessing why people power movements succeed or fail. The second part of this article will demonstrate how civil resistance applies to the global scourge of financial corruption. It will first illustrate two recent successful people power campaigns against financial corruption, then examine their dynamics in terms of new research and analysis of organized, collective nonviolent action targeting graft and abuse. Finally, it will adapt the general civil resistance checklist to the anti-corruption arena, concluding with the specific elements that are most critical to curbing financial corruption.



Photo: Ryan Morrison

## INTRODUCTION

The question this paper will address is how organized, collective nonviolent action by civil society and regular citizens can advance global financial integrity and transparency. Valuable work is being done to study the causes of financial corruption, estimate illicit financial flows and tax evasion, assess social, economic and political damage in affected societies, and identify legal and regulatory responses. These deliberations are almost exclusively conducted among elites, whose orientation is institutional and “top down”. We argue there is another dimension of pressure that can be unleashed through “bottom-up” civil resistance featuring large-scale public involvement. These people power campaigns are as much about reforms and accountability mechanisms, as they are about disrupting the corrupt status quo and changing norms, practices and attitudes among political and economic powerholders and society at large.

Civil resistance, also known as nonviolent resistance, nonviolent conflict, and people power is defined as what citizens do when they find the status quo intolerable but reject reliance on military options to fight back. Instead, they resort to aggressive tactics that disrupt the adversary but do not kill or injure members of his base of support. These tactics most notably feature

strikes, boycotts, and mass protests, but include literally hundreds of actions that emanate from the complexity of civic life.

Our article divides into two parts. The first part will discuss how people power movements succeed against authoritarian rule. In comparison to struggles for gaining racial and ethnic rights, gender equality, workers' rights, LGBT rights, and environmental protection, there are two reasons for this initial focus. First, dictators and their retinues are among the most frequent beneficiaries of illicit financial flows. Second, campaigns of civil resistance against authoritarian regimes have the most developed theory and offer the most comprehensive data as to past practices, as well as successes and failures. Even while we are treating the topic separately, the dynamics of resistance against financial corruption is quite similar to that of resistance to dictatorship. Both involve disruption and defections. In the former case, civil resistance can interrupt the smooth functioning of illicit financial flows and tax evasion, and shift the positions and loyalties of powerholders, corruptors and their enablers, leading to noncooperation with corruption and defections from the venal system. The second part of our article will look at how nonviolent movements and campaigns can advance financial integrity and transparency. We will present two specific case studies and pertinent lessons from new research on people power targeting corruption, identify the most promising tactics, and analyze the dynamics of civil resistance against this form of oppression and injustice.

In comparison to anti-authoritarian struggles, the financial corruption arena is manifestly global, encompassing not only authoritarian societies, often with less developed economies, but also

countries with stronger economies that are at least somewhat democratic. The latter are often the places where venal actors are paid to enable corruptors, organized crime bosses and terrorists to safely stash their ill-gotten gains or convert them into tangible assets. These enablers secure the movement of tainted funds through illegal and legal channels, which explains the global nature of the injustice.

## **PART I: THE CIVIL RESISTANCE LEGACY**

### 1.1 A Litany of Misconceptions

Today an increasingly high percentage of conflicts are being waged within rather than between states. The most intense conflicts featuring violent repression are those pitting an authoritarian against the population he/she intends to control. The common assumption is that a population living under such tyranny has only two choices: either acquiesce or mount a violent insurrection. History tells us a different story. Since 1900 there have been over 120 significant campaigns of civil resistance and two thirds had their beginnings after 1972 (Karatnycky and Ackerman, 2005). This nonviolent history has been hidden in full view. The reason is that there exist several persistent misperceptions about civil resistance held by the general public as well as key elites, including think tank intellectuals, media professionals, and official policy makers.

Civil resistance is often seen as a form of passivism or nonviolence. The basis for passivism and nonviolence is an ethical choice made by individuals; it is not a way to battle tyranny. One may ask, what about Mohandas Gandhi and Martin Luther King, Jr.? We remember Gandhi not for

his religious writing but for what he did in 1930. He left his ashram and walked about 214 miles to Dandi Beach along with thousands of regular people, bent over, picked up a handful of sand, threw it into a pot of boiling water and made salt (Ackerman and DuVall, 2000). His illegal act of manufacturing salt was echoed by hundreds of millions of Indians and nearly brought down British colonial rule like no other violent resistance had in the past. As for King, one needs to only read his “Letter from a Birmingham Jail” or study the work of Reverend James Lawson, his key strategist, to appreciate the centrality of continuous societal disruption as a pathway to change.

Civil resistance is not a new way to prevent or resolve conflicts. It is not a form of negotiation or mediation, but a strategy for winning conflicts that cannot be avoided. Civil resistance, because it maintains nonviolent discipline for strategic reasons, is often erroneously viewed as a form of peacebuilding, especially as peace and tranquility often become interchangeable terms. Bernard Lafayette, one of the leaders of the U.S. civil rights movement, and David Jensen point out that the opposite of violence is “a seemingly peaceful status quo that tolerates the brutal and sometimes subtle victimization of people...” (1995: 6). Therefore, there is a difference between positive peace (justice that can be achieved through civil resistance) and negative peace (a state of peacefulness without justice) (Beyerle 2013). They deem the latter as a violation of human rights and dignity. According to Vaclav Havel, this kind of unjust peace must be disturbed by mobilized citizens, as they have themselves the power to produce a more positive, just order (Havel, *Power of the Powerless*).

One of the reasons “people power” movements have impressive success rates is because high levels of civilian participation can lead to the disruption of the status quo. This triggers a very different dynamic than when the status quo is disrupted by a few armed and athletic young men trying to shoot their way to the top. The civic movements in South Africa against apartheid succeeded with a very different paradigm than Fidel Castro and the violent revolution in Cuba.

Nonviolent conflicts are not spontaneous conflagrations that appear out of nowhere and then disappear without a trace. Successful campaigns are premeditated and occur in stages. This will be no different for the so-called Arab Spring struggles in Egypt and Tunisia, as was for the conflicts in Chile, Poland, South Africa, and the U.S. Civil Rights movement. The conscious capacity to sequence the nonviolent movements’ tactics into a carefully designed strategy is the major contributor to victory. Why would we assume otherwise, since we expect our military leaders to be impeccable planners.

Nonviolent resistance is not just street protest. It comprises many other tactics. Street protests may be exciting to watch on YouTube but they hardly convey all the tactical possibilities that lead to movement success. For example, the key weapon for Solidarity in Poland was the Gdansk shipyard strike, for the civic groups in South Africa it was the consumer boycott, in the American South, it was a combination of marches, and bus and lunch counter boycotts. A diverse portfolio of tactics is also a key driver of success to curb financial corruption.

Civil resistance has been studied for decades, but only in the last five years has a large amount of historical data been collected. The conclusions rendered from this data are the most authoritative to date and often run counter to conventional wisdom. In their groundbreaking, award-winning book, “Why Civil Resistance Works,” published by Columbia University Press, Erica Chenoweth and Maria Stephan examined 323 nonviolent and violent campaigns between 1900 and 2006. They found that civil resistance initiatives were more than twice as likely to succeed in achieving their maximalist objectives as compared to violent insurrections. They documented that “major nonviolent campaigns have achieved success 53 percent of the time, compared with 26 percent for violent resistance campaigns.”(2011).<sup>1</sup>

A 2005 Freedom House study, entitled “How Freedom is Won,” yields two other critical conclusions. Nonviolent resistance was a major source of decisive pressure in 50 of the 67 transitions from authoritarian rule from 1972-2005. Additionally, of the 50 successful transitions that were driven by campaigns of nonviolent resistance, 32 (64%) resulted in higher levels of respect for political rights and civil liberties (Karatnycky and Ackerman 2005). And what is perhaps the most hopeful result is that five years after a failed campaign of civil resistance, the prospect for a democratic transition was still 33%. In contrast, a failed campaign of violent insurrection starts with a 5% possibility of a democratic result and decreases to a 2% probability five years later.

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<sup>1</sup> This book won the 2012 APSA award and the 2013 the Grawemeyer Award.

The explanation for the resiliency of people power in contrast to guerilla warfare is the high level of civilian participation in the former. Strikes, boycotts, protests require coordination and compromises, as compared to violent insurrection, which in almost all cases operates with limited or no public engagement. The guerilla who loses is annihilated; the civil resister who loses still has future chances to undermine his or her authoritarian adversary. In fact, virtually every successful civil resistance movement experienced a number of failures, but went on to learn from the mistakes and organize society more effectively against its opponent.

Another widely held assumption is that the prospects for successful civil resistance are constrained by conditions. The data suggests otherwise. A follow-up Freedom House study found that:

...contrary to what one might assume, factors such as regime type, level of economic development, literacy rate, or fractionalization of society along ethnic, linguistic and religious lines have not had a statistically significant impact on the ability of a civic movement to achieve success through civil campaigns (Chenoweth and Stephan 2011: 64, referencing Marchant 2008).

Here we are entering the age old debate in the social sciences between conditions (structure) and skills (agency) heavily favoring the latter. Thomas Schelling, the Nobel Peace Prize winning economist, first made this argument in 1969 (351-352). He stated:



The Tyrant and his subjects are in somewhat symmetrical positions. They can deny him most of what he wants- they can, that is, if they have the disciplined organization to refuse collaboration. And he can deny them just about everything they want- he can deny it by using the force at his command...It is a bargaining situation in which either side, if adequately disciplined and organized, can deny most of what the other wants; and it remains to see who wins." (underlining added)

## 1.2 The Civil Resistance Checklist

If skills are paramount, it should be possible to distinguish between capable and poorly managed campaigns of civil resistance. Another way of thinking about the definition of skills is what you would tell civil resistance leaders when they ask how they are doing while in the middle of their high risk conflict. Here is a list of six questions the International Center on Nonviolent Conflict – an international educational foundation advancing research, study and teaching in the field of civil resistance - would use to assess the performance of nonviolent campaigns.

- 1) Has the civil resistance campaign united around goals and leaders?
- 2) Is the civil resistance campaign committed to strict nonviolent discipline?
- 3) Does the civil resistance campaign have an operational plan for victory?
- 4) Are the number and diversity of participants confronting the tyrant growing?
- 5) Is the impact of the tyrants' repression diminishing towards backfiring?
- 6) Are defections among the tyrant's key supporters accelerating?

This checklist is most helpful for those battling authoritarian regimes. It provides a structure for decision making and enhances the prospects of success. However, it provides a general

framework that can be adapted to other struggle contexts, as will be demonstrated in the final section.

The case studies presented next are neither top-down, institutionalized, nor elite-driven. They illustrate the force of regular people organizing to confront the existing structures of entrenched governance and political and economic power that are key enablers of financial corruption.

## **PART II: ADDING CITIZENS TO THE STRUGGLE AGAINST FINANCIAL CORRUPTION**

Thus far, we've delved into traditional civil resistance theory and its historical record and efficacy in ending dictatorships and occupations. But as the articles in this special issue demonstrate, its application and impact extends to so many other forms of oppression and injustice. In the wake of the 2008 global financial crisis and ensuing economic recession and social hardship, financial corruption has come under increasing scrutiny.<sup>2</sup> Is there a role for civil resistance to tackle this pervasive problem and are there recent precedents that can point the way from theory to practice? The answer is yes.

### **2.1 Targeting UK Tax Dodgers**

At the national level, UK UNKUT is “a grassroots movement taking action to highlight alternatives to the government’s spending cuts,” (UK UNKUT website, 2013). It encourages individuals, groups and communities to launch their own nonviolent actions. One of its overarching goals is to clamp down on tax avoidance and tax evasion in the UK, which it asserts would reduce the need to cut drastically from social services. According to a 2011 report by the

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<sup>2</sup> Financial corruption refers to illicit financial flows, tax evasion, trade mispricing, money laundering, and the accompanying financial infrastructure and professionals (lawyers, accountants, off-shore financial secrecy and tax “havens”) enabling these activities.

Tax Justice Network, it's estimated that GBP 69.9 billion is lost annually due to tax evasion (Murphy, 2011).

UK UNKUT began in 2010, after a media report that the Vodafone telecom company was set to pay approximately GBP 6 billion on UK profits that had been channeled to a company in Luxembourg. However, it was reported that the Chancellor of the Exchequer, George Osborne, suddenly cancelled most of the bill. A senior official in the Revenue and Customs departments described the decision as “an unbelievable cave-in,” (Hari 2010). After learning of this, one man, Thom Costello, appealed to people through Twitter to take action. As a result, on October 27, 2010, 70 citizens occupied Vodafone's flagship London store. While some held a sit-in, others protested on the curb and leafleted passersby. The outlet was forced to temporarily shut down. Within three days, via the hashtag #ukunkut, 30 more outlets around the country briefly closed due to similar actions. In the ensuing months and years a movement has emerged. It has been targeting banks and other well-known British retail companies, such as Top Shop, Boots, and Fortnum and Mason, launched a “carnival of civil disobedience,” and joined forces with other civic groups in mass actions (Taylor 2011).

According to a *Guardian* newspaper editorial, the movement put tax justice “back on the agenda,” (2010). It said, “... give the UK UNKUT demonstrators credit for this: instead of taking cheap shots at [prime minister] David Cameron, they are making a tricky, worthwhile argument about tax.” In 2011, Robert Field, the head of tax in the law firm serving the Royal Family, announced support for changes to corporate tax laws. He went on record stating, “There is clearly a problem with corporate tax avoidance and one which we have seen has taken on a moral dilemma with lobbying groups like UK UNKUT taking a stand,” (Pagano 2011). While he

may have confused lobbyists with grass-roots activists, he hosted a debate attended by the head of HM Revenue and Customs, and over 250 bankers and accountants, and publicly called for “a principle-based approach” that can slash tax avoidance (Pagano, 2011)

With even a cursory examination of UK UNKUT, we can see familiar elements of civil resistance at work. Outrage has been tapped and channeled into nonviolent actions. Regular people participate, becoming citizen-activists in the struggle. The issue of tax evasion is linked to widely-held concerns, in this case, cuts of social services that impact a large part of society. Documentation is provided to back up arguments. The movement seeks to build unity across age, gender, race, and ethnicity. It is employing a variety of nonviolent tactics, such as occupations, sit-ins, protests, leafleting civil disobedience, fairs, people’s assemblies, and nonviolent blockades.

However, it’s not clear if the movement is attempting to strategically engage with powerholders, officials and enablers of illicit financial flows, in order to pull them towards the struggle, shift positions, and empower reformers on the inside. A significant weakness is that UK UNKUT does not appear to make any concrete demands. It calls for an end to tax evasion and subsidies to banks, and general policy changes regarding cuts to social services. Nonetheless, it has had an impact. It raised the issue of tax justice to national prominence. It is mobilizing thousands of citizens, provoking the attention of enablers, such as lawyers and accountants. It is collecting expert commentary from leading UK and international economists across the ideological spectrum.<sup>3</sup> According to an international anti-corruption expert, UK Prime Minister David Cameron’s October 2013 announcement to create a central public registry of corporate beneficial ownership information and his call for other countries to follow suit, was in part due to UK

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<sup>3</sup> Commentary by economists can be found at [falseeconomy.org.uk/cure/what-do-the-experts-say](http://falseeconomy.org.uk/cure/what-do-the-experts-say).

UNKUT's people power. Overall, the movement has activated the dynamics of civil resistance through:

- disruption of the status quo by exposing corporate tax dodgers and physically shutting down sites of commerce
- significant civic participation creating extra-institutional pressure on powerholders
- winning people over to the struggle from the public
- shifting positions (loyalties) of enablers, for example, tax lawyers
- producing defections from the illicit financial flows system.

## 2.2 An Interim Victory at the G8

In June, 2013, as the heads of state of the G8 countries met in Lough Erne, Northern Ireland, regular people found a way to flex their civil resistance muscles.<sup>4</sup> Avaaz.org, the global digital resistance platform, joined forces with “The Enough Food for Everyone IF Campaign,” a coalition of 208 civil society organizations (CSOs), religious organizations, and even celebrities, such as the Senegalese music star, Baaba Maal. They found common cause over financial corruption. For the IF Campaign, tax evasion in Global South countries deprives states of revenues that should be used for development (IF Campaign website, 2013). They delivered 1.4 million messages to Prime Minister Cameron at the summit, the outcome of a six-month grass-roots mobilization involving offline and online actions (IF Campaign, 2013). In the latter realm, one imaginative tactic was posting “polite” messages on the Prime Minister’s Facebook site, which is a digital form of occupying a public space. In conjunction with the G8 summit, IF

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<sup>4</sup> The G8 was composed of the following countries: Canada, France, Germany, Italy, Japan, Russia, the United Kingdom, and the United States.

Campaign held an all-day festival in Belfast gathering over 10,000 citizen-activists from across the UK, and conducted humorous stunts, including a flotilla sporting people posing at the G8 leaders.



<http://www.avaaz.org/en/highlights.php>

Avaaz.org complemented these nonviolent actions with two additional tactics. A couple weeks before the summit, it launched a digital petition demanding that Canadian Prime Minister Stephen Harper shift his opposition to tax dodging. In a call to action, Avaaz.org declared: “If thousands of us join together to pressure Harper and his negotiating team we can get them to support a real deal against tax evaders,” (Avaaz.org, 2013). Over 736,000 people digitally signed the petition. It also engaged the private sector, getting 21,000 business people to sign a letter against tax evasion.

How was civil resistance manifested at the 2013 G8? Box 2 provides the clues.

Box 2: Avaaz.org report on the G8 action

Each year, greedy companies and wealthy individuals use tricky schemes to hide away an estimated \$1 trillion, depriving governments of tax they need to fix our services and our countries. This year we spotted an opportunity to go after the missing money, built a massive petition and linked up with famous singer Baaba Maal and worked closely with Save the Children, ActionAid and other campaign groups to deliver our voices to David Cameron, G8 summit chair. **Our letter signed by 21,000 business representatives helped position this as a pro-business, pro-citizen issue, and to shift the positions of Germany and Canada**, resulting in an historic agreement that can get governments to work together to stop tax evasion. The 'Lough Erne Declaration' was short on specifics, but gives us huge leverage in chasing governments to block shady tax schemes. (*original bolding*)

<http://www.avaaz.org/en/highlights.php>

The joint summit campaign was united over a shared grievance (tax dodging) and objective (changing positions of powerholders for a G8 commitment). It also built unity of people, consisting of a coalition of civic organizations and their respective members, regular citizens, public figures, and sectors of society from organized religion to business. The issue of financial corruption was framed in everyday terms rather than as an abstract appeal: "...greedy companies and wealthy individuals use tricky schemes to hide away an estimated \$1 trillion, depriving governments of tax they need to fix our services and our countries." The targets of the campaign were clear. Overall, they were the G8 heads of state in general. In particular, Avaaz focused on the Canadian and German prime ministers, while the IF Campaign concentrated on the UK. Avaaz and IF Campaign used a variety of nonviolent tactics, both on-the-ground and online, that not only involved activists but marshalled over two million citizens via digital resistance in a low-risk, simple, mass action. Together, IF Campaign and Avaaz activated the dynamics of civil resistance through:

- mass civic participation that applied nonviolent pressure on powerholders, illustrating the the power of numbers.
- engagement with citizens, by winning people over to the struggle from the public and key sectors of society
- direct engagement with powerholders, by delivering the signatures of 21,000 business people, and meeting with Prime Minister Cameron, where the letter with 1.4 million signatures and a scrap-book of the six-month IF Campaign were presented (Kerr 2013). A video of interviews with IF Campaigners and bloggers invited to the summit can even be found on his official 10 Downing Street Facebook site.
- disruption of the status quo through blogging, and stunts one day prior in Belfast, which forced leaders to take notice of citizen demands
- shifting positions (loyalties) of powerholders, in this case, G8 leaders who were not favorable to action on illicit financial flows.

The outcomes are encouraging. They generated collective social pressure on G8 powerholders, and political will that helped Prime Minister Cameron push for consensus during the summit.

The result was the “Lough Erne Declaration.” While not a paragon of action, it represents a step forward in an ongoing process of change. Avaaz announced an interim success, cleverly framing it as a further call to action: “The ‘Lough Erne Declaration’ was short on specifics, but gives us huge leverage in chasing governments to block shady tax schemes.”

### **PART III: CIVIL RESISTANCE VERSUS CORRUPTION**

Around the world, citizens are standing up to corruption in its myriad of forms. In 2012, the co-author, Shaazka Beyerle, completed an international qualitative research project to identify,



record, and analyze a variety of nonviolent social movements, campaigns and community-based civic initiatives to curb corruption, demand accountability, and win rights and justice.<sup>5</sup> Sixteen cases literally involving millions of people were documented and analyzed from the following countries: Afghanistan, Bangladesh, Bosnia-Herzegovina, Brazil, Egypt, Guatemala, India, Indonesia, Italy, Kenya, Mexico, Philippines, Russia, South Korea, Turkey, and Uganda (see Table 1). The project culminated in a new book entitled, “Curtailling Corruption: People Power for Accountability and Justice,” (Lynne Rienner Publishers 2014). Drawing upon the research and analysis of this study, the next section examines the dynamics of civil resistance targeting corruption and draws lessons for the global financial integrity struggle.

### 3.1 A Systemic Approach

Corruption and illicit financial flows function within systems. Corruption is not simply the aggregate of individual interactions between a corruptor and a corruptee, willing or unwilling. Nor are illicit financial flows merely a collection of transactions involving a corruptor or criminal on one side, and a receiving entity (legal or illegal) charged to safely protect the ill-gotten gains on the other side. Financial corruption, such as illicit financial flows, function within systems that:

- 1) Encompass state and non-state beneficiaries – such as despots, heads of state, parliamentarians, officials, oligarchs, multinational corporations, organized crime, paramilitary groups, terrorist groups

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<sup>5</sup> Another recent source documenting bottom-up anti-corruption and accountability projects, receiving financial support from the Partnership for Transparency Fund, is “Citizens Against Corruption: Report from the Front Line,” by Pierre Landell Mills (Partnership for Transparency Fund, 2013).

- 2) Cut across political, economic and social spheres - within a country or territory and across borders
- 3) Include legal and illegal activities
- 4) Involve complex, intertwined relationships, some obvious and many hidden, with long-standing vested interests that reap benefits - domestically and internationally via professional enablers (lawyers, accountants, wealth advisors), financial institutions, shell company providers, tax havens, and purveyors of costly assets (such as property, licit businesses, luxury goods, art).

Once viewed in a systemic manner, it is much easier to understand why it's so difficult to change policy and practice regarding financial corruption. Political will is essential but not enough, given that vested interests will resist change and actively strive to sustain the venal status quo through various means, from non-compliance and lobbying to harassment and intimidation. Likewise, state, corporate and financial sector integrity champions can be thwarted, as they are easily outnumbered by these vested interests.

The strategic question for the global financial integrity struggle is how to weaken these logjams of vested interests and undermine the overall systems of financial corruption. There is an abundance of top-down policies, mechanisms, laws, and tools available to achieve these ends.<sup>6</sup> But how to get policymakers and various state, corporate and professional powerholders on board - when they refuse to listen to respected nongovernmental organizations and scholars,

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<sup>6</sup> Good sources of research and policy, legal and practical recommendations may be found at the following links: [gftintegrity.org](http://gftintegrity.org), [financialtransparency.org/category/blog/](http://financialtransparency.org/category/blog/), [oecd.org/tax/exchange-of-tax-information/oecd-delivers-new-single-global-standard-on-automatic-exchange-of-information.htm](http://oecd.org/tax/exchange-of-tax-information/oecd-delivers-new-single-global-standard-on-automatic-exchange-of-information.htm)

disregard powerful arguments, ignore the data, and turn a blind eye to illicit practices? This is where people power comes into the equation.

### 3.2 The Dynamics of People Power to Curb Corruption and Gain Financial Integrity

Civil resistance adds an essential element to the traditional, top-down anti-corruption equation - bottom-up pressure that arises outside of existing structures of formal power and governance.

There are three main dynamics to people power in the corruption and illicit financial flows context:

- Disrupting - systems of graft and abuse through strategically chosen and sequenced nonviolent tactics. This can entail upending activities, practices, and relationships, thereby making “business as usual” difficult, if not impossible.
- Applying - nonviolent pressure on corruptors who refuse to change the venal status quo through the power of numbers, namely people raising their collective voice over shared demands.
- Engaging - the public and powerholders in order to win people over to the struggle; shift positions (loyalties) of decisionmakers; and produce defections”, that is, individuals and groups within the corrupt system who refuse to go along with it. The engagement dynamic is based on the reality that not everyone is equally loyal, equally corruptible and equally wedded to the system enabling financial corruption.

Thus, people power brings complementary dimensions to the struggle for financial transparency and integrity. First, mobilized citizens, often together with non-state entities and actors, comprise a social force that can exert pressure on the government and other sectors in society so they respond to civil society demands. Second, civil resistance has a strategic advantage. It consists of

extra-institutional pressure to push for change when powerholders are corrupt and/or unaccountable and institutional channels are blocked or ineffective (Beyerle 2011). As well, people power can weaken sources of support for powerholders, policies, entities, and corruption enablers. In the context of illicit financial flows, one could posit shifting support concerning policies and measures, on the part of government leaders, officials, financial institutions, and legal, accounting and wealth management advisors.

Hence, top-down and bottom-up approaches are synergistic. Both are needed to curb illicit financial flows. In this context, people power campaigns and movements have the potential to

- Stimulate societal debate among the general public and well as within sectors, such as finance, business, law, accounting, media, organised labour, and organised religion
- Create political will to develop, enact and implement policy and laws and administrative mechanisms to curb illicit financial flows called for by civil society
- Empower and protect reformers and integrity champions pursuing accountability and change
- Empower and protect honest state and non-state powerholders who are caught in the system, do not want to participate in it, but are outnumbered and may even fear repercussions if they do not go along with the status quo
- Disrupt vertical (within an institution) and horizontal (across sectors) corruption linked to financial corruption.
- Contribute to changing behaviors, practices and general norms regarding graft, including financial corruption.

### 3.3 Lessons for the Struggle against Financial Corruption

Among the research findings, the following six are germane to our inquiry into the role of people power to curb financial corruption.

First and foremost, nonviolent action targeting malfeasance can achieve positive, tangible outcomes. Across countries, societies, contexts, and types of corruption, citizens demonstrated that they have agency and the capacity to wield power through strategic nonviolent actions that:

- disrupt systems of graft and abuse;
- create extra-institutional pressure on powerholders and/or corruptors who refuse to change the venal status quo
- engage powerholders in a manner that shifts their positions (i.e. loyalties);
- support and embolden integrity champions pursuing accountability and reform within the state (i.e. defections from the corrupt system).

Second, these cases reflect the overall findings noted in the first part of our article - skills, planning, strategy, and creative nonviolent tactics can impact and overcome difficult conditions. Nonviolent movements, campaigns and community civic initiatives targeting corruption were often found in societies plagued by unaccountable governance, state mismanagement, poverty, low levels of literacy, and severe repression, the latter perpetrated by the state, paramilitary groups or organized crime. As well, they parallel the results of a 10-year, meta-case study analysis emerging from the development and democracy fields. This inquiry on citizenship, participation and accountability established that citizen engagement:

can make positive differences, even in the least democratic settings – a proposition that challenges the conventional wisdom of an institution and state-oriented approach that

relegates opportunities for citizens to engage in a variety of participatory strategies to a more 'mature' democratic phase (Gaventa and Barrett 2010: 54).

Third, information combined with action can produce people power. In the broader anti-corruption field, asking questions and requesting documents serve as nonviolent tactics that start disrupting the malfasant status quo. In the financial corruption context, this can consist of acquiring financial information or supporting research that is disruptive to the status quo. Latter examples include estimates of ill-gotten gains held by authoritarians, and tax evasion efforts by companies, individuals and officials. However, information on its own may not be enough of a challenge to the corrupt system. More often than not, it needs to be magnified through nonviolent direct actions that produce extra-institutional pressure on state, economic and financial powerholders.

The fourth pertinent finding is that innovative online tools can create very powerful tactics that alter power relations, pressure powerholders, and yield observable outcomes. The benefits were manifold. These anti-corruption movements and campaigns increased the variety of mass, low-risk, nonviolent actions executed by regular people and fostered a sense of collective identity and ownership of the struggle. They also produced economies of scale in terms of organization, communication, outreach, and citizen participation. However, equally important to note is that it was the skillful combination of both real-world and digital resistance that ultimately produced overwhelming civic pressure on powerholders.

Fifth, civic leaders took graft and abuse out of the realm of the abstract. Corruption was tied to public outrage over powerholder behavior and impunity, or to widely shared and experienced grievances. Moreover, organizers identified tangible goals and clear demands, even when tackling overall systems of endemic graft and abuse.

Sixth, successful movements and campaigns targeting corruption are not formulaic. There is no such thing as “one-size-fits-all” when it comes to civil resistance. Nor are they top-down in the sense that regular people are viewed as subjects at the beck and call of civil society elites. Rather, organized nonviolent mobilizations are characterized by intangible qualities emanating from the grass roots, including:

- *Resonance* - of goals and nonviolent tactics to the needs and capacities of regular people.

Key lessons for the struggle against financial corruption is that it’s essential to avoid abstract appeals against illicit financial flows, as well as legalistic and technical jargon.

Not only is the latter unrelated to everyday life, it reinforces the notion that these challenges are best left to experts and professional advocacy groups rather than citizens.

In tandem, campaign and movement discourse should stem from the social and cultural realities of citizens, not the language of technocrats.

- *Collective identity and collective ownership* – two sides of the same coin that bind citizens to the struggle. The former refers to what sociologist Lee Smithey calls a sense of “we-ness” that comes from shared cognitions and beliefs (2013: 32). Successful campaigns and movements targeting corruption cultivated these qualities through their discourse, collective grievances and goals, nonviolent tactics, and symbols.

- *Legitimacy* - of the movement or campaign, in the eyes of the public, powerholders, and oppressors, is indispensable for successful people power. It can counter cynicism, corruptor efforts to discredit civic mobilization, impede intimidation, and make attacks backfire. As well, it can weaken the loyalties of powerholders to maintain the status quo, and cumulatively build support from the public as well as from within corrupt systems. Legitimacy arises from unity of people, grievances, and objectives plus credibility of the civic actors plus collective ownership of the struggle.

### 3.4 Tactics

Box 1 provides a glimpse of creativity, diversity and variations of tactics developed by grass-roots movements and campaigns targeting corruption (listed in Table 1).

#### **BOX 1: Nonviolent Tactics Used in Struggles Targeting Corruption**

exposure of corrupt activities and/or impunity

boycotts and reverse boycotts (patronizing business behaving with integrity)

candidate blacklists and voter boycotts of corrupt candidates

monitoring (e.g., officials, institutions, budgets, spending, public services)

information gathering, Right to Information procedures

social audits and “face the people” forums

noncooperation (with corrupt practices)

anti-corruption pledges, citizen-sponsored integrity awards

digital actions (e.g. Facebook group and Twitter mobilizations, blogging, exposure of corruption via SMS, e-petitions, contacting powerholders directly via digital tools to send emails and make phone calls)



low-risk mass actions, displays of symbols

street actions (e.g., protests, vigils, marches, leafleting, sit-ins, occupations)

petitions, signature drives, letter-writing

street theatre, stunts, music, poetry, cultural expressions, humor

dilemma actions<sup>7</sup>

education, training, social and economic empowerment, youth recreation

creation of parallel institutions

Of these tactics, there are a few we would like to highlight given their applicability to the struggle against financial corruption. Boycotts of tax evaders have the potential to disrupt the status quo and concurrently wield pressure on transgressing companies and financial institutions. Borrowing a tactic from the People Power movement against the Philippine dictator Ferdinand Marcos, mass withdrawals of money from offending banks can literally deprive them of liquidity. Reverse boycotts could reward companies that do not evade taxes and financial institutions that institute measures to prevent illicit financial flows. In this context, reverse boycotts have the potential of provoking “defections” from the corrupt system. Each firm that embraces tax justice and transparency is, in a sense, a defector. The beauty of the reverse boycott is that the defecting corruptors reap tangible rewards for integrity.

## **V. CONCLUSION: THE WAY FORWARD**

What are the next steps? Ultimately, all nonviolent campaigns and movements start with a small group of people committed to justice and human dignity, who decide they must be the catalysts

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<sup>7</sup> Dilemma actions put the corruptor in a situation whereby the actions it takes will result in some kind of negative outcome for it and some kind of positive outcome for the nonviolent campaign or movement. For information about dilemma actions, see Popovic et al. 2007, ch. 12.

for change. They shoulder the responsibility to ignite the process of collective action. What are the considerations they must address at this early stage and during the struggle? Below is a people power check-list for financial corruption, based on the one presented in the first part of our article. It demonstrates the versatility of this strategic planning tool and its applicability to the broader civil resistance arena.

- 1) Unity of people and purpose. Is there unity around grievances, goals and leaders possessing legitimacy in the eyes of the public and powerholders? Is there a concerted effort to build a sense of collective movement identity and collective ownership of the struggle? Is the campaign or movement's discourse, framing of the issues and call to action meaningful to a wide swathe of the public?
- 2) Nonviolent discipline. Is the campaign or movement committed to strict nonviolent discipline?
- 3) Operational plan and strategy. Does the campaign or movement have an operational plan of action based on a strategy that includes incremental victories towards long-term change? Are nonviolent tactics connected to this strategy?
- 4) Diversity of citizen participation and tactics. Is the campaign or movement bringing in or pulling towards it a variety of groups and parts of society, including policymakers and powerholders? Is civilian participation increasing? Is there enough diversity among the tactics to accommodate different types of people, their capabilities, zones of comfort, and varying levels of time and resource commitment? Are tactics designed to activate the dynamics of civil resistance through:
  - large-scale participation of people raising their collective voice over shared demands (power of numbers)

- disruption of the corrupt system
  - engagement to win support for the struggle, alter policies (shift loyalties), and empower those on the inside to change it as well as to refuse to go along with “business as usual” (defections)?
- 5) Repression. Is the campaign or movement prepared for possible corruptor intimidation, repression or efforts to weaken it by attacks on its legitimacy, credibility of leaders and activists, validity of arguments and research, etc.? Are such attacks starting to backfire on the corruptors and their enablers?

In conclusion, we have seen that civil resistance can play a positive role for global financial integrity. The potential of people power to create political will, change policies, enact measures on a domestic level or transnationally, and transform norms and behaviors concerning financial integrity has yet to be fully tapped. The time has come to turn a collective outcry into a collective force for change, and recognize the essential role of organized, collective, nonviolent action in the financial integrity and transparency equation.

**TABLE 1**

**CASE STUDIES OF PEOPLE POWER IMPACTING CORRUPTION**

FORM OF CORRUPTION	TYPE OF COLLECTIVE ACTION	COUNTRY	ORGANISERS
Reconstruction and development projects	Community-based civic initiatives	Afghanistan	Integrity Watch Afghanistan (CSO)
Public health care	Community-based civic initiatives	Bangladesh	Transparency International – Bangladesh chapter (CSO)
Overall endemic corruption	Campaign within broader social movement	Bosnia-Herzegovina	<i>DOSTA!</i> (Enough) nonviolent youth movement
Political corruption	<i>Ficha Limpa</i> (Clean Slate) - social movement	Brazil	MCCE (Movement to Combat Electoral Corruption) and <a href="http://avaaz.org">avaaz.org</a>
Overall endemic corruption/impunity	<a href="http://shayfeen.com">shayfeen.com</a> /Egyptians Against Corruption – social movement	Egypt	Egyptians Against Corruption SMO
Organised crime (narco-traffickers)/local state capture/ impunity	Community-based social movement	Guatemala	Community
Overall endemic corruption/bribery	5 <sup>th</sup> Pillar - social movement	India	5 <sup>th</sup> Pillar (SMO)
Efforts to neutralize the anti-corruption commission	CICAK (Love Indonesia, Love Anti-Corruption Commission) campaign	Indonesia	Informal network of civic leaders, activists and CSOs
<i>Cosa Nostra</i> mafia	<i>Addiopizzo</i> (Good-bye extortion money) social movement	Italy	<i>Addiopizzo</i> SMO
Parliament Constituency Development Funds	Community-based civic initiatives	Kenya	MUHURI (Muslims for Human Rights) CSO-CBO
Overall endemic corruption	DHP* ( <i>Dejemos Hacernos Pendejos</i> ) -	Mexico	Informal network of civic leaders

	social movement		and activists
Primary school corruption/textbooks	Textbook Count/Textbook Walk campaigns	Philippines	G-Watch, PSLINK (Public Services Labour Independent Confederation), Boy Scouts/Girl Scouts, citizen groups, communities
Environment, illegal development	Movement to Defend Khimki Forest – community social movement	Russia	Informal network of civic leaders and activists
Political corruption	CAGE (Citizens Alliance for the General Election) 2000 campaign	South Korea	Coalition (1104 NGOs, CSOs, citizen groups, YMCA/YWCA, religious organisations)
State-organized crime-paramilitary groups linkages	Citizens Initiative for Constant Light campaign	Turkey	Informal network of civic leaders and activists
Police	Community-based civic initiatives	Uganda	NAFODU (National Foundation for Democracy and Human Rights in Uganda) CSO-CBO

NGO = nongovernmental organization

CSO = civil society organization

CBO – community-based organization

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