

The Indiana Democracy Consortium



PROPOSING AN ODIIOUS FINANCE DOCTRINE AS A DETERRENT TO DESPOTIC FINANCE

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What means do despotic rulers use to acquire the monies that fund their extravagant regimes and lifestyles? When such regimes collapse, do their successors morally bear the financial obligations incurred under authoritarianism? Moreover, what incentives and disincentives exist under extant norms and rules to minimize the likelihood that dictators will use socially unacceptable means of raising capital in light of international norms against funding autocrats? In this presentation, Christy Ochoa examines the odious debt doctrine, a doctrine that argues that democratic successors to despotic governments should not be bound to repay the debt obligations of prior despotic governments if the benefits of those obligations were not passed on to the people. She posits that there may be valuable lessons to be learned from the odious debt doctrine for application to other types of transnational financing arrangements, and proposes that an “odious finance” doctrine is the better approach.. The contours of such an odious finance doctrine are presented herein. The *Harvard Journal of International Law* selected the article for an issue forthcoming in early 2008.