

Organized crime and development: challenges and policy options in West Africa's fragile states

Vorrath, Judith

Veröffentlichungsversion / Published Version

Forschungsbericht / research report

Zur Verfügung gestellt in Kooperation mit / provided in cooperation with:

Stiftung Wissenschaft und Politik (SWP)

Empfohlene Zitierung / Suggested Citation:

Vorrath, J. (2015). *Organized crime and development: challenges and policy options in West Africa's fragile states*. (SWP Research Paper, 9/2015). Berlin: Stiftung Wissenschaft und Politik -SWP- Deutsches Institut für Internationale Politik und Sicherheit. <https://nbn-resolving.org/urn:nbn:de:0168-ssoar-459793>

Nutzungsbedingungen:

Dieser Text wird unter einer Deposit-Lizenz (Keine Weiterverbreitung - keine Bearbeitung) zur Verfügung gestellt. Gewährt wird ein nicht exklusives, nicht übertragbares, persönliches und beschränktes Recht auf Nutzung dieses Dokuments. Dieses Dokument ist ausschließlich für den persönlichen, nicht-kommerziellen Gebrauch bestimmt. Auf sämtlichen Kopien dieses Dokuments müssen alle Urheberrechtshinweise und sonstigen Hinweise auf gesetzlichen Schutz beibehalten werden. Sie dürfen dieses Dokument nicht in irgendeiner Weise abändern, noch dürfen Sie dieses Dokument für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, aufführen, vertreiben oder anderweitig nutzen.

Mit der Verwendung dieses Dokuments erkennen Sie die Nutzungsbedingungen an.

Terms of use:

This document is made available under Deposit Licence (No Redistribution - no modifications). We grant a non-exclusive, non-transferable, individual and limited right to using this document. This document is solely intended for your personal, non-commercial use. All of the copies of this documents must retain all copyright information and other information regarding legal protection. You are not allowed to alter this document in any way, to copy it for public or commercial purposes, to exhibit the document in public, to perform, distribute or otherwise use the document in public.

By using this particular document, you accept the above-stated conditions of use.

SWP Research Paper

Stiftung Wissenschaft und Politik
German Institute for International
and Security Affairs

Judith Vorrath

Organized Crime and Development

Challenges and Policy Options in
West Africa's Fragile States

RP 9
December 2015
Berlin

All rights reserved.

© Stiftung Wissenschaft
und Politik, 2016

SWP Research Papers are
peer reviewed by senior
researchers and the execu-
tive board of the Institute.
They reflect the views of
the author(s).

SWP
Stiftung Wissenschaft
und Politik
German Institute
for International
and Security Affairs

Ludwigkirchplatz 3-4
10719 Berlin
Germany
Phone +49 30 880 07-0
Fax +49 30 880 07-100
www.swp-berlin.org
swp@swp-berlin.org

ISSN 1863-1053

Translation by Hillary Crowe

(English version of
SWP-Studie 18/2015)

Table of Contents

5	Problems and Recommendations
7	The risk of organized crime. From the security to the development agenda
11	What threats for whom? Challenges posed by organized crime in fragile states
11	TOC as an external stressor
13	TOC as an economy of violence
14	TOC as state capture
15	TOC as a world of existence/survival
18	Illicit economies in West Africa. TOC and statehood in Guinea, Liberia and Sierra Leone
18	Global and regional drivers
24	Criminal networks and violent actors
25	The state and its criminalization
27	TOC and livelihoods
30	New wine in old bottles again? Options for development cooperation
30	Identifying threats and trade-offs
32	From “do no harm” to “do no crime”?
32	A whole-of-government approach
34	Evaluation, linking compartments and the multilateral level
35	Abbreviations

Dr. Judith Vorrath is an Associate in SWP's International Security Division

This study was prepared as part of the project "Organised Crime: A Challenge for German Development Cooperation in Fragile States", funded by the German Federal Ministry for Economic Cooperation and Development

Organized Crime and Development Challenges and Policy Options in West Africa's Fragile States

The development implications of transnational organized crime (TOC) have attracted growing attention in Germany and at the international level in recent years. Fragile and conflict-affected countries are a particular focus of interest. In the development policy debate, it has long been recognized that TOC and criminal violence are among the reasons why most fragile states have not achieved the Millennium Development Goals (MDGs). This is one reason why the development community has to engage with the issue of organized crime and the risks that it poses to fragile states. Organized crime is a cross-cutting issue, not merely a security problem. TOC is accompanied far more often by economic damage, environmental degradation, health problems and corruption than by widespread violence and instability. What's more, the conventional "law and order" approach on its own has proved largely unsuccessful in fragile states. Combating organized crime is primarily a task for civil law enforcement agencies, but they too are increasingly recognizing the need for new approaches and forms of cooperation. Entry points for synergies and a networked approach thus exist, especially since the development community is already dealing with TOC or TOC-relevant fields more often than assumed – whether in bilateral programmes to promote alternative development in drug cultivation areas or when supporting the establishment of sustainable fishing and forestry sectors in partner countries.

More systematic engagement with TOC must be based, however, on a precise analysis of the threats with which it is associated and the trade-offs that can arise in contexts of fragile statehood, for TOC can bypass or operate in tandem with, against and/or in place of the state. Not only do the drivers of criminal activity and the networks involved vary in each context. TOC itself may adopt various *modi operandi* in conditions of fragile statehood, acting as an external stressor, an economy of violence, a form of state capture, or a world of existence/survival. On this basis, four threat categories can be identified. They often overlap and all four are usually relevant in one and the same context, albeit to varying extents. However, they each require different approaches and measures,

ranging from classic deterrence to economic transformation and cultural change around TOC. These measures do not necessarily interact; indeed, they may conflict, so manifestations of TOC in any given country should be analyzed with reference to these four threat categories in order, at least, to anticipate possible trade-offs.

The analysis of illicit economies in Liberia, Sierra Leone and Guinea shows that the threats posed by TOC change over time and that their impacts vary across localities and sectors within and between countries. Cocaine trafficking and illegal fishing in particular are powerful external stressors with clearly negative consequences for societies, but have, so far, rarely been associated with direct violence. However, links between the transit of cocaine and actors in the region are further advanced, and the potential for violence in the drug trade is higher overall, than in illegal fishing, especially in Guinea. If intensifying law enforcement is the only action taken against unauthorized industrial fishing, there is a risk that the state and politicians will be “captured” to a greater extent by criminal interests and networks capable of purchasing higher-level protection. So in this sector, combining various measures in a networked approach can be a sensible solution. This can take place through cross-sectoral and interdepartmental programmes along the entire illicit trade chain. In the case of the three West African countries mentioned above, better surveillance of coastal areas should be combined, at the very least, with reforms to make the onshore regulation and governance of the fisheries sector more effective and transparent. In view of the effort required for deterrence in the maritime sector, it may also be appropriate to involve local artisanal fishermen in the monitoring of coastal waters. The development community can make an important contribution here and can also help to improve the management of the sector. Integrating development policy approaches with those from other policy fields, which may be sensible in this context, is not necessarily the appropriate response in other situations, however. In relation to cocaine trafficking, for example, a complementary engagement, e.g. in security sector and/or judicial reform, should be considered. In Guinea, given its political situation, it is questionable whether building deterrence capacities is useful at all. If any measure is to be adopted, then improving general transparency in the political process should be considered. In all three countries, implementing specific recommendations made by the West Africa Commission on Drugs,

especially those pertaining to prevention and harm reduction, may be an important starting point. There also is some scope for contributions from development cooperation to curb illegal logging. In relation to the illicit gold and diamond trade, the development community should focus primarily on alternative development and violence prevention in mining areas and also work towards the further harmonization of legislation and certification in the countries concerned while targeted efforts should be made to curb organized fraud and scams involving counterfeit minerals.

There are no universal solutions to the trade-offs identified in the context of TOC in Liberia, Sierra Leone and Guinea. Nonetheless, some broad conclusions can be drawn about the options for development cooperation. In order to design development programmes which are sensitive to TOC, new or modified analytical tools are required. Rather than viewing TOC purely in terms of criminal violence, these tools should treat it as a part of the political economy which permeates almost all areas of life. With such diverse threats, it is impossible to avoid programmes having side effects on the TOC complex, but these effects should be anticipated as far as possible and factored into decision-making. With regard to development programmes containing organized crime or mitigating its impacts, it is essential – in addition to targeted interdepartmental and cross-sectoral approaches in some fields – to systematically evaluate experiences and better link different pillars in development cooperation itself. Furthermore, the regional and global levels are highly relevant for action, especially in relation to the (illicit) trade in natural resources. German development policy can play an active role in international forums when it comes to the TOC/development nexus, for example in the implementation of the Sustainable Development Goals (SDGs), for although fragile states are especially at risk, criminal networks are increasingly globalized, and their operations strongly driven by demand in other world regions.

The risk of organized crime.

From the security to the development agenda

Organized crime (OC)¹ is a multidimensional phenomenon, and the risk spectrum associated with it is similarly broad. The impacts of OC range from economic damage to threats to domestic and even international security. The OC-terrorism nexus in fragile states has often been a cause of particular international concern. Actors engaged in peacekeeping and peacebuilding, too, have increasingly had to grapple with illicit economies, TOC and the associated business interests.² In particular United Nations (UN) peace operations are almost always confronted with the remnants of war economies and new manifestations of crime during

periods of transition.³ TOC has been recognized more recently as a challenge for development and, indeed, for actors engaged in development cooperation. Part of the reason for this growing attention is that security policy approaches to combating TOC in conflict countries and regions have rarely achieved the desired results, but also that bilateral and multilateral development cooperation is increasingly focusing on fragile and conflict-affected states. This group of countries is commonly regarded as highly vulnerable to TOC and its impacts, even though the driving forces behind organized crime tend to operate on a global scale and these states usually play a minor role in the value chains associated with transnational illegal markets.

As early as 2003, the European Security Strategy identified organized crime as a key threat, emphasizing its link to weak or failed states.⁴ It is no coincidence that the ESS makes specific mention of poppy grown in Afghanistan, the largest source of heroin consumed in Europe by far and an important source of income for the armed groups operating in that country. Not viewed as a priority at the start of the international intervention, efforts to fight the drug trade were reinforced from around 2004 onwards, particularly by the US and the UK.⁵ However, policies

1 Organized crime (OC) is typically characterized by the following attributes: continuity, structure and the use of criminal resources in order to obtain a financial or other material benefit (Joseph Wheatley, “Transnational Organized Crime: A Survey of Laws, Policies and International Conventions”, in *Routledge Handbook of Transnational Organized Crime*, ed. Felia Allum and Stan Gilmour [Abingdon/New York, 2012], 65–79 [67]). The United Nations Convention against Transnational Organized Crime (Palermo Convention), which was adopted by the United Nations General Assembly in 2000, defines organized criminal groups as “structured group[s] of three or more persons, existing for a period of time and acting in concert with the aim of committing one or more serious crimes or offences established in accordance with this Convention, in order to obtain, directly or indirectly, a financial or other material benefit”, see Article 2(a), United Nations Convention against Transnational Organized Crime, in *United Nations Convention against Transnational Organized Crime and the Protocols thereto* (New York: United Nations, 2004). The use of this definition is sometimes problematical, as the term “serious crime” is defined in the Convention as meaning “conduct constituting an offence punishable by a maximum deprivation of liberty of at least four years or a more serious penalty” (Article 2(b)); however, the legal situation in some signatory states – particularly fragile states – does not always accord with this definition, even for conduct which the international community clearly classes as organized crime. The more general definition is therefore used for the purpose of this study which generally focuses on TOC, meaning all forms of organized crime with a transnational dimension.

2 See, for example, *Profiting from Peace. Managing the Resource Dimensions of Civil War*, ed. Karen Ballentine and Heiko Nitzschke (Boulder/London: Lynne Rienner, 2005).

3 On this aspect, see also Judith Vorrath, *From War to Illicit Economies. Organized Crime and State-building in Liberia and Sierra Leone*, SWP Research Paper 13/2014 (Berlin: Stiftung Wissenschaft und Politik, November 2014).

4 European Union, *European Security Strategy: A Secure Europe in a Better World* (Brussels, 2003), 4f. The conventional terms “fragile states” and “state fragility” are used in this paper and denote deficiencies in the provision of public goods, in the assertion of the state’s monopoly on the legitimate use of force, or simply in the provision of security and/or in the acceptance of rules on the exercise of power and the distribution of wealth (see Charles T. Call, “Beyond the ‘Failed State’. Toward Conceptual Alternatives”, *European Journal of International Relations* 17, no. 2 [2011], 303–26 [306ff.]). The threshold for classifying a state as fragile due to such deficiencies is a highly contentious issue. In this study, the OECD’s list of fragile states and economies for 2015 is used, see Organisation for Economic Co-operation and Development (OECD), *States of Fragility 2015. Meeting Post-2015 Ambitions* (Paris, 2015), 32f.

5 Vanda Felbab-Brown, “Peacekeepers among Poppies: Afghanistan, Illicit Economies and Intervention”, *International Peacekeeping* 16, no. 1 (2009), 100–14 (106).

based primarily on opium poppy eradication proved to be largely counterproductive.⁶ They revealed the international community's incapability in responding to illicit economies in fragile states, as well as its overly narrow focus on the financing of violent conflict from opium poppy cultivation.⁷ The repressive approach adopted in the "war on drugs" in Latin America is also increasingly questioned or even rejected. Many production and transit zones are now seeking new responses to the drug problem.⁸

From a development policy perspective, however, TOC in fragile states has become an increasing focus of interest for another reason, namely that most fragile and conflict-affected states failed to reach the Millennium Development Goals (MDGs) and still tend to have the highest poverty rates.⁹ There are many reasons for this, but TOC and criminal violence are increasingly identified as main factors. As early as 2005, the resolution on the World Summit outcome drew attention to the negative effects of transnational crime on development, peace and security and human rights.¹⁰ Since then, repeated cycles of armed conflict and criminal violence have frequently been identified as obstacles to development.¹¹ As a consequence, the influence of TOC on conflict and fragility in general has moved into sharper focus.¹² The "conflict trap" has extended to a "crime trap", a term which encompasses

the entire spectrum of potentially negative impacts of crime on development.¹³ The 2015 OECD report *States of Fragility* describes transnational organized crime as a "global public 'bad'" which has a particularly adverse effect on fragile states but is not adequately reflected in aggregate country lists.¹⁴ Accordingly, the UN's Open Working Group enshrined the reduction of illicit financial and arms flows and combating all forms of organized crime in a separate target of the global Sustainable Development Goals adopted as part of the 2030 Agenda at the UN Summit in New York in September 2015.¹⁵ Beyond the multilateral level, various papers commissioned or published by bilateral donors have also identified possible development responses to TOC or TOC-dominated illegal trade such as in the drug economy.¹⁶

This gradual accession of TOC onto the development agenda is controversial, however. Above all, there is a fear that it will open the door for a further "securitization" of development policy. The current discussion surrounding the TOC-development nexus is, indeed, often equated with the debate about civil-military cooperation in conflict situations, which has been ongoing for more than a decade. A pragmatic counter-argument is that the development community should respond to TOC and the associated challenges because otherwise, security actors will simply adopt its strategies and instruments according to their

6 Ibid., 110.

7 Daniel Brombacher, "Nicht nur ein Problem innerer Sicherheit. Konsequenzen der organisierten Kriminalität für das internationale System", *Internationale Politik* 65, no. 6 (November/December 2010), 20–25 (21).

8 Two notable regional examples are: Organization of American States (OAS)/General Secretariat, *The Drug Problem in the Americas* (Washington, D.C., 2013); West Africa Commission on Drugs (WACD), *Not Just in Transit. Drugs, the State and Society in West Africa* (June 2014).

9 See United Nations, *The Millennium Development Goals Report 2015* (New York: United Nations, 2015), 8. There will thus be a growing concentration of poverty and weak human development in countries affected by fragility, see OECD, *States of Fragility 2015* (see note 4), 18.

10 United Nations General Assembly, *Resolution Adopted by the General Assembly, Sixtieth Session, 60/1. 2005 World Summit Outcome*, Agenda items 46 and 120 (24 October 2005), Article 111 (p. 26).

11 World Bank, *World Development Report 2011. Conflict, Security, and Development* (Washington, D.C., 2011), 1 and 5; United Nations General Assembly, Report of the Secretary-General, *Keeping the Promise: A Forward-looking Review to Promote an Agreed Action Agenda to Achieve the Millennium Development Goals by 2015*, A/64/665 (12 February 2010).

12 See, for example, OECD, *Think Global, Act Global: Confronting Global Factors that Influence Conflict and Fragility* (Paris, September 2012).

13 James Cockayne, "Breaking the Crime Trap: Factoring Crime into Development Policy", *IPI Global Observatory* (online), 13 February 2014, <http://theglobalobservatory.org/2014/02/breaking-the-crime-trap-factoring-crime-into-development-policy/> (accessed 2 September 2015).

14 OECD, *States of Fragility 2015* (see note 4), 69ff.

15 Target 16.4 states: "By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime"; United Nations, *Transforming our World: The 2030 Agenda for Sustainable Development*, A/RES/70/1, <https://sustainabledevelopment.un.org/content/documents/21252030%20Agenda%20for%20Sustainable%20Development%20web.pdf> (accessed 20 December 2015).

16 See, for example: United States Agency for International Development (USAID), *The Development Response to Drug Trafficking in Africa: A Programming Guide* (Washington, D.C., April 2013); *Getting Smart and Scaling Up: Responding to the Impact of Organized Crime on Governance in Developing Countries*, ed. Camino Kavanagh (New York: New York University, Center on International Cooperation, June 2013); Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), *Development Cooperation and Illegal Economies* (Eschborn, February 2012).

own logic.¹⁷ But there are other more relevant reasons to engage with this issue and consider the options for action from a development perspective.

Firstly, organized crime is a *cross-cutting issue*. Although it is usually accompanied by the threat and/or use of coercion and violence is a common corollary, its main motive is profit. TOC operates, by and large, according to the logic of illicit markets. Violence is the outcome of cost-benefit considerations or is used to keep “order”, rather than being driven by any ideological or political rationale. Although the motives and objectives of the actors involved are not always clearly distinguishable, TOC differs from other transnational threats, such as terrorism, with which it is often – wrongly – lumped together. Violence and insecurity can occur, but the threats posed by TOC are far more diverse. For example, the threats to the achievement of the Sustainable Development Goals (SDGs) are not limited solely to Target 16.4, mentioned above. In fact, organized criminal activities may well have direct or indirect negative implications for a number of SDGs across various sectors and may in some cases inhibit real progress, especially on health, the environment and governance/justice.¹⁸ This applies particularly to fragile states, where “organised crime may thrive on fragility, further erode statehood, and thus have a further negative impact on already low levels of governance and weak state capacity”.¹⁹ For development cooperation, then, TOC is of cross-sectoral relevance and at the same time there is a particularly urgent need for action in fragile states.

Secondly, combating TOC as part of the security agenda is mainly about law enforcement. Although the military or units of the armed forces are deployed against TOC in some cases – notably in the war on drugs in Latin America and in tackling crime at sea – combating TOC is, in essence, a civilian matter, to be tackled by the police and justice system; so as a matter of principle, this is not about development policy objectives being subordinated under a military agenda.

¹⁷ Sasha Jespersen, “Development Engagement with Organised Crime: A Necessary Shift or Further Securitisation?”, *Conflict, Security & Development* 15, no. 1 (2015), 23–50 (41).

¹⁸ The Global Initiative against Transnational Organized Crime (GI), *Organized Crime: A Cross-Cutting Threat to Sustainable Development. Measuring and Monitoring Transnational Organized Crime within the Framework of Sustainable Development for the Post-2015 Development Agenda: Goals, Targets and Indicators*, A Research Report (Geneva, January 2015).

¹⁹ BMZ, *Development for Peace and Security – Development Policy in the Context of Conflict, Fragility and Violence*, BMZ Strategy Paper 4/2013e, 7.

Although law enforcement agencies have other goals and strategies than development cooperation, there are certainly some overlaps, for example when it comes to promoting the rule of law or decentralization. Furthermore, there is a growing recognition among law enforcement agencies around the world that as globalization gathers pace, the conventional responses are, for the most part, no longer capable of dealing effectively with TOC. In fragile and conflict-affected states in particular, the dominant “law and order” approach to tackling organized crime has had very limited success, prompting calls for new and innovative responses to strengthen such countries’ resilience to TOC.²⁰ Various forums for dialogue and sharing of experience among law enforcement agencies, development experts and representatives of various policy areas already exist,²¹ creating at least some entry points for synergies and networking.

Thirdly, the development community itself already has more experience in dealing with TOC than is commonly assumed. The term “organized crime” might not be mentioned explicitly in project outlines, but many programmes touch on aspects that have strong connections with this problem area. For example, some bilateral programmes promoting alternative development in drug cultivation areas or sustainable fishing or forestry sectors, tackle causes of TOC or contribute to reducing criminal activities in specific sectors. Other programmes may help to mitigate the negative effects of TOC; examples are anti-corruption measures and health projects providing treatment for drug users, such as those being implemented jointly by the United Nations Office on Drugs and Crime (UNODC) and the World Health Organization

²⁰ Rachel Locke, *Organized Crime, Conflict, and Fragility: A New Approach* (New York: International Peace Institute [IPI], July 2012), 1.

²¹ One such dialogue process was initiated in 2011 by the International Peace Institute and led to the founding, in 2012, of the Global Initiative against Transnational Organized Crime, which promotes the debate within the framework of a Development Dialogue; see Peter Gastrow, “Catching Up With Transnational Organized Crime: Time for New Thinking”, *IPI Global Observatory* (online), 27 April 2012, <http://theglobalobservatory.org/2012/04/catching-up-with-transnational-organized-crime-time-for-new-thinking/>, and Global Initiative against Transnational Organized Crime, *The Development Dialogue* (online), www.globalinitiative.net/programs/governance/the-development-dialogue/ (both accessed 2 September 2015).

(WHO) in West Africa.²² In Germany, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH has set up a TOC Working Group in order to facilitate a more systematic dialogue on development engagement with TOC and share practical project-based experiences.²³ In other words, the development community not only has an interest in focusing more on the risks posed by TOC, but already has entry points to do so.

In recent years, various case-, sector- and group-specific analyses have added to our knowledge of the specific risks posed by TOC in fragile states. The pros and cons of various responses to TOC and its impacts have also been discussed.²⁴ In order to substantiate the development policy options, the first step is to draw up a systematic list of the threats and challenges posed by TOC in the context of fragile statehood, for although the available tools are well-known, the diversity of TOC and the various degrees and types of state fragility make it impossible to draw general conclusions about these tools' potential interaction and trade-offs. At the same time, it is neither realistic nor desirable for bilateral development cooperation to tackle the whole range of TOC and its effects. It is more important to set priorities, keeping in mind the possible undesired side effects of any measures taken, and to choose a more comprehensive approach if necessary. This study offers a format for this process, based on a structured presentation of the threats associated with TOC and possible countermeasures, which then is applied to three focus countries²⁵ in West Africa: Guinea, Liberia and Sierra Leone.

22 For more details, see Camino Kavanagh, *International and Regional Responses to Drug Trafficking in West Africa. A Preliminary Overview*, WACD Background Paper no. 6 (Geneva: WACD, September 2013), 50.

23 For an overview of challenges and experiences identified, see GIZ, *Tackling Transnational Organised Crime: Challenges, Responses and Partners of International Development Cooperation* (Bonn and Eschborn, April 2015).

24 See, in particular, Tim Midgley, Ivan Briscoe and Daniel Bertoli, *Identifying Approaches and Measuring Impacts of Programmes Focused on Transnational Organised Crime* (London: UK Department for International Development et al., May 2014).

25 Due to the transnational character of TOC but also to the use of four threat categories, rather than separate country studies, for the empirical analysis, this paper talks about "focus countries" instead of "case studies". The empirical analysis is based to a large extent on interviews conducted in 2013 and 2014 during one-month field research trips in each of the three countries. The interviews are anonymised and referenced with a country code, serial number and the date of interview.

What threats for whom?

Challenges posed by organized crime in fragile states

Fragile states are seen as being particularly vulnerable to organized crime due to their weaknesses in fulfilling core state functions. However, this statement says nothing about the specific threats that they are exposed to on an individual basis. Broadly speaking, TOC can operate undetected, bypassing the state, or it can operate against, in tandem with and/or in place of the state. Often, all four variants can arise in one and the same context, albeit to varying extents over time and for different illicit trade flows. For each variant, specific *modi operandi* and threats posed by TOC can be identified, which in turn require specific policy responses.²⁶ From a normative perspective with regard to the three core functions of the state (authority, capacity and legitimacy²⁷), TOC can materialize as an external stressor, a violent economy and/or state capture, further worsening fragility. In addition, under conditions of weak governance, it can act as a substitute for the state.²⁸ Even if these arrangements of “governance without government”²⁹ deviate from the norm and are unstable in some respects, they are nonetheless an expression of a society’s ability to adapt, as well as being an important precondition for the survival of some groups within society.³⁰ It therefore cannot be assumed that TOC automatically has a destabilizing effect; rather, its functions and embeddedness in the society concerned must be considered.

In the debate about TOC in fragile states, the four threat categories are reflected in different but sometimes overlapping lines of argument. They correspond

with specific countermeasures, which range from classic deterrence to cultural change around TOC, target different levels of the TOC system and can be implemented by a variety of actors.³¹ The four categories are by no means mutually exclusive; on the contrary, they usually intersect. Accordingly, assigning all the forms of TOC that exist in one specific state to a single category is impossible. But the threats posed by TOC can be identified according to the four categories depending on the illegal market and the constellation of actors concerned. The conceptual differentiation ensures that individual challenges associated with TOC in fragile states are not viewed in isolation, as each measure targeted primarily towards one specific threat category can also have an impact on the others. It is important, therefore, to identify possible side effects and trade-offs in order to reach, at the very least, an informed decision on priorities in dealing with TOC.

TOC as an external stressor

The threat of violence and decay in fragile states is often linked to specific pressure factors or stressors. TOC is usually classed as an external stressor which, like a virus, infects and further destabilizes already weak states. Sometimes, certain illegal contact and transmission routes, and the TOC associated with them, are regarded as particularly dangerous; examples are illicit financial flows, international drug trafficking and the trade in conflict resources.³² The states’ limited resilience plays the key role here, combined with the dynamics of global value chains – licit and illicit. From this perspective, the fact that fragile states are usually the weakest parts of the international market exacerbates their vulnerability as risks of globalization and illicit economies tend to gravitate

²⁶ This has been stressed generally for dealing with fragility by Charles T. Call, *Beyond the ‘Failed State’* (see note 4), 306.

²⁷ Based on these categories, typologies of state fragility have been developed; see Jörn Grävingholt, Sebastian Ziaja and Merle Kreibbaum, *State Fragility: Towards a Multi-Dimensional Empirical Typology*, Discussion Paper 3/2012 (Bonn: Deutsches Institut für Entwicklungspolitik [DIE], 2012), 1.

²⁸ Daniel Lambach and Felix Bethke, *Ursachen von Staatskollaps und fragiler Staatlichkeit: Eine Übersicht über den Forschungsstand*, INEF-Report 106 (Duisburg: Institut für Entwicklung und Frieden [INEF], 2012), 10.

²⁹ For an overview of the related debate, see Tanja A. Börzel and Thomas Risse, “Governance without a State: Can It Work?”, *Regulation & Governance* 4, no. 2 (2010), 113–34.

³⁰ Tobias Debiel and Daniel Lambach, “State Fragility as a Development Policy Challenge”, *Rural* 21, no. 1 (2012), 9.

³¹ Midgley, Briscoe and Bertoli, *Identifying Approaches* (see note 24), 10.

³² Tim Midgley, Larry Attree, Thomas Wheeler and Hannah Vaughan-Lee, *Defining and Measuring the External Stress Factors that Lead to Conflict in the Context of the Post-2015 Agenda*, Conflict, Crime, and Violence Results Initiative (CCVRI) (London: Department for International Development et al., April 2014), 7f. and 10.

towards them.³³ The main drivers are market conditions and forces, as well as criminal networks, most of which are based outside fragile states. These states then fall into the crime trap, with economic inputs being sucked steadily into the criminal economy.³⁴ The attraction of fragile states for TOC lies primarily in their porous borders, weak regulatory environment and utterly inadequate law enforcement. These states are of little importance as markets in the international context, but criminal networks can operate here with minimal resistance and to a large extent with impunity, meaning that fragile states are relevant primarily as transit zones, resource suppliers and, if need be, as safe havens. Various Central American countries are often-cited examples of how drug and human trafficking and other criminal activities negatively impact on statehood. Here, several countries that regained political stability a little while ago are now facing the decay of the state, whose institutions lack the strength to face the penetration by TOC.³⁵ In other words, external stressors amplify existing problems and increase the risks of insecurity and violence. Of course, international organized crime and global economic instability are creating new threats for the world as a whole,³⁶ but fragile states are particularly vulnerable to them.

Possible responses include, firstly, reforms to the global regulatory framework, with a particular focus on improving legislation and monitoring, and, secondly, strengthening or building the capacity of fragile states. The problem with the first approach is that the global regulatory level is far removed from the local arena in which these regulations must take effect. Implementing and enforcing international standards ultimately remains the responsibility of national governments.³⁷ For that reason too, more efforts are now being made to assist fragile states with deterrence – either directly through joint operations or indirectly through advice, training and equipment, mainly for the police and the criminal justice system.³⁸ Deter-

rence can also be achieved through administrative measures such as the withdrawal of licences and the imposition of financial penalties; so there is also scope to cooperate with public authorities in fragile states responsible for such acts.³⁹

States' resilience can be strengthened in a variety of ways. Yet when efforts are made to boost protection from TOC as an external stressor, deterrence measures are often given priority, based on the assumption that TOC mostly worsens existing problems such as corruption, possibly even leading to state failure. The specific dynamics and stakeholders in the countries themselves are of secondary importance in this line of argument. As a consequence, the political economy and the linkage between organized criminal networks and power structures in the fragile states tend to be neglected, not least because these illicit relationships are often impenetrable to outsiders, as well as being a highly sensitive issue in the context of international cooperation. But capacity building of a primarily technical nature may not only be ineffective, but can also have unintended consequences if, for example, it strengthens the capacities of institutions that have already been co-opted by criminal networks. Even if new structures, such as special units to combat TOC, are established, there is no guarantee that they will function in the medium to long term or that they will not become entangled in illicit activities themselves.

On the other hand, successful capacity building can lead to an escalation of violence. If there is a real strengthening of law enforcement, international criminal networks will shift their operations elsewhere if possible. But particularly those groups based in the country itself may respond with violence if they believe their business operations to be at risk. Sometimes, more intensive pressure from law enforcement agencies causes the fragmentation of existing networks and the emergence of new configurations and rivalries, resulting in violence within or between criminal organizations. Furthermore, illicit activities

³³ OECD, *Think Global, Act Global* (see note 12), 56.

³⁴ James Cockayne calls this scenario a "junky economy" ("Breaking the Crime Trap" [see note 13]).

³⁵ Jorge Montaña, quoted in *World Development Report 2011* (see note 11), 10. Montaña was a member of the International Narcotics Control Board until 2013 and sits on the WDR Advisory Council.

³⁶ World Bank, *World Development Report 2011* (see note 11), 38.

³⁷ Midgley, Briscoe and Bertoli, *Identifying Approaches* (see note 24), 38.

³⁸ A further entry point is economic transformation, which would put fragile states in a stronger economic position. This

is also mentioned by Midgley, Briscoe and Bertoli, *Identifying Approaches* (see note 24). Here, however, the impact pathway is very difficult to follow, so this approach is discussed solely in the context of the fourth threat category.

³⁹ On this issue and on the deterrence approach more generally, see Sander Huisman, "Appendix 3: Deterrence as a Security Concept against Organised Crime", in Frans-Paul van der Putten, Minke Meijnders and Jan Rood, *Deterrence as a Security Concept against Non-traditional Threats*, In-depth Study, Clingendael Monitor (The Hague: Netherlands Institute of International Relations Clingendael, June 2015), 48.

and actors may enjoy more legitimacy in the eyes of some parts of society than the state itself. In such circumstances, expanding and strengthening the state's capacities may be viewed negatively, especially if this action leads to income losses for certain groups. These potential trade-offs are not an argument against capacity building per se, but such an approach must be weighed up against the background of other threats that TOC poses in fragile states.

TOC as an economy of violence

The threat mentioned most frequently in connection with TOC in fragile states is probably its linkage to violent actors who are in competition with the state. These links generally arise when non-state armed groups control areas in which they tax or provide protection for licit and illicit economic activity or engage in criminal activities themselves. Fragility, then, does not simply mean the absence of the state but the presence of forces which challenge the monopoly of force in a very real way.⁴⁰

The sources of funding for armed actors have changed, particularly since the end of the Cold War. In place of support from powerful states, there is now, in many cases, the trade in conflict goods such as drugs, diamonds and oil.⁴¹ Armed groups have to engage in cross-border cooperation with business-people and middlemen to ensure that these goods reach the world markets. Not all these configurations can be described as TOC. However, “[s]hadow economies engaged in violent conflicts often feature mafia structures, gangs of organized criminals or, generally, actors who exercised control over shadow sectors of the economy even before the war to finance an armed rebellion, for instance”.⁴² The boundaries between war and serious violent crime are generally blurred,⁴³

for armed actors tend to have diverse motives which often change over time. Not only might the revenue derived by non-state violent actors from illicit business activity prolong or worsen a conflict; the economic motives may in some cases become an end in themselves if, for example, the insurgents are unable to seize central power. Nor is a civil war required for TOC to turn to non-state violent actors – which can include private security firms or urban gangs – to protect their profits. Such a linkage between economic interests and competing authority can equally create economies of violence. The basic scheme is that monies from illicit business operations flow into non-state protection and control structures – which may or may not have been established specifically for this purpose. This creates the risk of an expansion, or at least an entrenchment, of state and human insecurity and perhaps even a regional spillover of instability.

The primary strategy for engaging with TOC, then, is in most cases to decouple business from violence. The common feature of all the measures is that they aim to reduce or end the violence. The pathways towards this objective vary, however, depending on the type and extent of the link between violent actors and crime. One option is to work towards modifying the behaviour of organized criminal groups as a means of minimizing the negative impacts on security and decreasing the intensity of the conflict. This is more about addressing the harmful effects of the criminal activities rather than curbing these activities altogether. Examples of this approach include agreements with violent (criminal) groups, and the selective targeting of only the most violent crimes.⁴⁴ Thus, violence is curbed, to a large extent, by leaving certain criminal business operations untouched.

Another strategy focuses on drying up the violent actors' irregular sources of income, e.g. by imposing embargoes and other sanctions. The aim is to deprive armed groups of the resources needed to perpetuate the violence. Frequently, this is accompanied by efforts to reach a negotiated settlement, in order to end militant activities and the conflict in general. In exchange for a renunciation of violence, the actors usually gain access to government positions and resources. The response to non-state violent actors' challenge to the monopoly of force, then, is either acceptance of limited

⁴⁰ Jörn Grävingholt, Claudia Hofmann and Stephan Klingebiel, *Development Cooperation and Non-State Armed Groups*, Studies 29 (Bonn: German Development Institute, 2007), 23.

⁴¹ Daniel Lambach, “Das veränderte Gesicht innerstaatlicher Konflikte”, *Bundeszentrale für politische Bildung* (online), 3 February 2014, www.bpb.de/internationales/weltweit/innerstaatliche-konflikte/54556/veraenderte-konflikte (accessed 8 September 2015).

⁴² Grävingholt, Hofmann and Klingebiel, *Development Cooperation and Non-State Armed Groups* (see note 40), 63.

⁴³ On this issue, see, for example Sabine Kurtenbach and Peter Lock, “Kriege als (Über)Lebenswelten. Schattenglobalisierung, Kriegsökonomien und Inseln der Zivilität”, in *Kriege als (Über)Lebenswelten. Schattenglobalisierung, Kriegsökonomien und*

Inseln der Zivilität, ed. Sabine Kurtenbach and Peter Lock, Eine Welt, Schriftenreihe der Stiftung Entwicklung und Frieden, vol. 16 (Bonn, 2004), 20–37 (24).

⁴⁴ Midgley, Briscoe and Bertoli, *Identifying Approaches* (see note 24), 20ff.

state authority in certain spheres, or the integration of these same violent actors in the state apparatus. Experience has shown that these approaches are often preceded by an escalation of violence in which the state's inability to assert its authority effectively across its entire territory becomes only too clear.

The focus then shifts to decoupling the (structures of) violence from the criminal business operations, albeit leaving the illicit activities themselves untouched. The reality is that even with the integration of armed groups into government structures, the business practices themselves do not, as a rule, disappear. The main point of criticism is that reducing or ending violence in this way can cause the state to forfeit some of its legitimacy – for decoupling violence and business generally takes place through arrangements which grant the criminals or violent actors some measure of recognition, whether as direct negotiating partners or via more informal agreements.⁴⁵ This has become especially apparent in the government-negotiated truces between gangs in El Salvador. In exchange for the pledge of a reduction in violence, imprisoned gang members were granted less restrictive conditions of detention. The murder rate then decreased. Nonetheless, the medium-term effect of such agreements is highly contentious.⁴⁶ A low or decreasing level of violence can also be a manifestation of strong enmeshing of the state with TOC, with officials becoming part of criminal networks as protectors and/or dealers. At the start of peace processes in particular, such links are often accepted as the price to be paid for stabilization. However, they pose the risk that political reforms and better service provision by the state will be impeded, resulting in the (re)production of structures that are regarded as a key cause of insecurity and instability. Furthermore, this approach may even create incentives for external TOC to step up its engagement as the risk of prosecution is reduced due to the arrangements.

⁴⁵ Sanctions of various types are an exception since their purpose is to temporarily interrupt flows of goods and money, but they are not intended to combat or transform illicit business operations per se.

⁴⁶ For arguments for and against the truce in El Salvador and neighbouring countries, see, for example, Michael Lohmuller, "Should El Salvador Renew the Gang Truce?", *InSight Crime* (online), 3 August 2015, www.insightcrime.org/news-analysis/new-study-offers-guidance-for-future-latam-gang-truces (accessed 8 September 2015).

TOC as state capture⁴⁷

A further threat associated with TOC is the waning legitimacy and possible erosion of the fragile state, resulting from the entanglement of state institutions and criminal networks discussed above. This does not simply involve individual acts of corruption, but the general connection of public offices with private interests. In such configurations, elites manipulate internal and external actors' access to legal and illegal markets.⁴⁸ This also provides the basis for emerging "protection economies" for criminals who are intertwined with the state; indeed, in some cases public officials are directly involved in illegal businesses. In relation to sub-Saharan Africa in particular, clientelism and patronage systems have repeatedly been identified as significant gateways for criminal interests – with the potential risk of a criminalization of entire states and political arenas.⁴⁹ Indeed, there are fears that private syndicates are eroding state institutions.⁵⁰ One study on the impact of organized crime on governance in developing countries emphasizes that "political and public sector corruption has allowed organized crime to develop or flourish, undermining the legitimacy of state institutions, and pro-

⁴⁷ Originally, the concept of "state capture" was applied mainly to oligarchs who, during periods of transition, manipulated policy formation and even shaped the emerging rules of the game to their own advantage (see, for example, Joel Hellman and Daniel Kaufmann, "Confronting the Challenge of State Capture in Transition Economies", *Finance & Development* 38, no. 3 [September 2001]). However, the concept was subsequently broadened and applied to a diverse range of actors outside private companies. The influencing of decision-making and rule-setting processes by TOC is also a familiar phenomenon. In the following, the expression refers to TOC "capturing" the state in a broader sense in order to protect profits and buy influence.

⁴⁸ William Reno, "Mafiya Troubles, Warlord Crises", in *Beyond State Crisis? Postcolonial Africa and Post-Soviet Eurasia in Comparative Perspective*, ed. Mark R. Beissinger and Crawford Young (Baltimore: Johns Hopkins University Press, 2002), 105–27 (110).

⁴⁹ The entanglement of crime with the state and politics in Africa were already being investigated in the 1990s; see, in particular, Jean-François Bayart, Stephen Ellis and Béatrice Hibou, *The Criminalization of the State in Africa*, African Issues (Oxford and Bloomington, 1999). However, the authors point out that despite fairly strong links between crime and politics/public office, none of the countries studied can be described as fully criminalized (see, *inter alia*, 29).

⁵⁰ Reno, "Mafiya Troubles" (see note 48), 107.

viding limited incentives for citizens not to engage in, or benefit from, organized crime.”⁵¹

The focus here is on the lack of legitimacy of state structures that have links to transnational criminal actors. Rather than being entirely absent, the state and its decision-makers perform functions other than those officially envisaged. Government officials and politicians, instead of serving the public, provide services or protection for criminals and other actors who are willing to pay. “Abuse of public office” and “official complicity” are common terms used to encapsulate these relations in a normative sense.⁵² In such contexts, the public tends to have very little confidence in state institutions and may even regard them as a source of insecurity, particularly if TOC’s capture of the state and politics is well-advanced. Violence can occur in such circumstances but in a strong “protection economy”, it is rarely needed to enforce criminal interests. In many settings where organized crime is prevalent, it is the absence of violence that should be of concern, as this indicates a political-criminal “settlement”.⁵³ Instability can of course be a consequence of the steady erosion of the state’s legitimacy, which occurs when TOC infiltrates the state’s structural composition.⁵⁴ The threat posed by the crime-politics nexus consists not only in increased corruption and widespread patronage, but also a power shift in favour of criminal networks.

In order to prevent or mitigate state capture, the key priority is to impede the formation of links between politics, the state and organized crime. Above all, this refers to procedures for making political and administrative processes more transparent. Options include establishing supervisory bodies, introducing or better enforcing rules on political party funding, and promoting an independent media. Policy platforms on TOC and codes of conduct for parties can also help to make the political process more immune to the influence of TOC.⁵⁵ However, bringing to light and curbing the generally clandestine interaction between the state, politics and organized crime comes with a number of risks. The crushing or disruption of “settlements” can precipitate violence – especially if

these changes occur suddenly – largely due to the increased role of non-state violent actors in subsequently providing protection (again) or due to resistance from factions within the security forces that have links to criminal networks. This puts civil society actors such as non-governmental organizations (NGOs) and journalists, who have a key role to play in supporting this approach through their watchdog function, in a dangerous position. In addition, merely changing the rules and revealing the links brings few benefits unless there are real consequences for those implicated. Indeed, it can further undermine state legitimacy if the involvement of state actors is revealed but no action is taken. And finally, it must also be kept in mind that measures which impede the formation of links between the state and TOC may be conducive to the incursion of more professional criminal networks from elsewhere which are capable of establishing more sophisticated “front” business structures in fragile states.

TOC as a world of existence/survival⁵⁶

Not only can organized crime have strong links with the state; it can also substitute for it. Here, a distinction must be made between statehood and the provision of public goods. The latter can be delivered by a multitude of actors,⁵⁷ in some cases including criminal entrepreneurs if, for example, they invest in infrastructure or provide local security.⁵⁸ In the international academic discourse, too, it is acknowledged that criminal networks can “govern”, even if this does not take place in a sustainable or fair manner.⁵⁹ TOC may gain public legitimacy and popular support by acting as a “proxy” or substitute state.⁶⁰ Particularly in the context of fragile statehood, therefore, the distinction between legality and legitimacy is important. Certain

⁵¹ *Getting Smart*, ed. Kavanagh (see note 16), 14.

⁵² OECD, *Think Global, Act Global* (see note 12), 49.

⁵³ *Getting Smart*, ed. Kavanagh (see note 16), 19.

⁵⁴ Paula Miraglia, Rolando Ochoa and Ivan Briscoe, *Transnational Organised Crime and Fragile States: A Thematic Paper Supporting the OECD DAC INCAF Project “Global Factors Influencing the Risk of Conflict and Fragility”* (Paris, October 2012), 4.

⁵⁵ *Getting Smart*, ed. Kavanagh (see note 16), 21.

⁵⁶ The concept of “worlds of existence/survival” arose mainly in the context of wars, which become a sphere of existence “because alternative life chances in the regular economy appear to be out of reach” (Kurtenbach and Lock, *Kriege als (Über)Lebenswelten* [see note 43], 24).

⁵⁷ Stephen D. Krasner and Thomas Risse, “External Actors, State-Building, and Service Provision in Areas of Limited Statehood: Introduction”, *Governance: An International Journal of Policy, Administration, and Institutions* 27, no. 4 (October 2014), 545–67 (550f.).

⁵⁸ *Getting Smart*, ed. Kavanagh (see note 16), 26.

⁵⁹ OECD, *Think Global, Act Global* (see note 12), 47.

⁶⁰ Miraglia, Ochoa and Briscoe, *Transnational Organised Crime and Fragile States* (see note 54), 10.

Table 1
Transnational organized crime in fragile states

<i>How TOC works</i>	<i>Reaction / Goal</i>	<i>Approach</i>	<i>Instruments</i>
Stress factor	Reduce vulnerability to TOC	Deterrence → Capacity	Cooperation or capacity building in law enforcement/criminal justice sector, e.g. establishing special anti-TOC units
Economy of violence	Curb TOC-related violence	Managed adaptation → Authority	Negotiation with armed groups; sanctions; selected targeting of particularly violent activities/actors
State capture	Impede the formation of links between politics and TOC	Transparency of political and administrative processes → Legitimacy	Anti-corruption measures; codes of conduct; disclosure of party and election campaign funding; dialogue platforms
World of existence/ survival	Reduce the role of TOC as a livelihood base	Economic and cultural transformation → Society	Better information about TOC; civil society initiatives; alternative development programmes; community policing

practices which are officially criminalized may have been an essential part of the local economy for some time and may be regarded as legitimate; one example is the smuggling of various locally consumed goods. This applies especially if these activities provide a survival strategy or opportunities for advancement for demographic groups which otherwise have very limited economic prospects.⁶¹ Traditional smuggling routes and the – in some cases highly specialized – actors who operate them can also be utilized by international criminal networks. Furthermore, it should be borne in mind that TOC is also associated with legal activities which often operate through informal, locally embedded institutions that can easily become criminalized.⁶² Some TOC actors also directly supply

goods and services to communities which have little or no access to state resources, e.g. due to their ethnicity or social status. Under these conditions, representatives of criminal networks can count on at least a measure of support from within society – even if the substantial profits from these activities mainly flow to the criminals themselves and may in some cases be detrimental to the community at large.

The primary goal of some initiatives, therefore, is to withdraw community support to TOC. This can be achieved through better information about the impact of TOC, through local initiatives against practices like protection racketeering, and by improved trust between security agencies and citizens, e.g. through community policing.⁶³ One commonly mentioned problem is that more intensive law enforcement against TOC often results in livelihood deprivation for some demographic groups at the lower end of the value chain, with no alternatives being available to them. Another possible response to TOC, therefore, may be to promote economic transformation at the local level, e.g. by providing more public services in

⁶¹ James Cockayne and Adam Lupel, “Conclusion: From Iron Fist to Invisible Hand. Peace Operations, Organized Crime and Intelligent International Law Enforcement”, *International Peacekeeping* 16, no. 1 (2009), 151–68 (153).

⁶² Günther Maihold and Markus Hochmüller, “Einleitung: Von *failed states* und Räumen begrenzter Staatlichkeit – Organisierte Kriminalität, Gewalt und Staat in Lateinamerika”, in *Gewalt, Organisierte Kriminalität und Staat in Lateinamerika*, ed. Günther Maihold and Daniel Brombacher (Opladen, Berlin and Toronto: Barbara Budrich, 2013), 9–23 (19).

⁶³ Midgley, Briscoe and Bertoli, *Identifying Approaches* (see note 24), 26.

the health and education sectors, developing employment programmes, and giving local communities improved access to legal markets and resources.⁶⁴ In addition to alternative development programmes, another possible instrument addressing TOC's impact on society are projects to mitigate harm, for example the health impacts of the drug trade or efforts to the decriminalize certain minor criminal offences.⁶⁵

However, this type of measures has little impact on the incentives for TOC and the protection economies with which it is associated. The transformation approaches outlined above take time to have an effect and therefore pose no direct threat to criminal networks' profits or leaving plenty of scope for them to make the appropriate adjustments to their operations. In fragile states in particular, locally embedded TOC or protection racketeers are integrated into patronage networks which permeate the entire political system. In such cases, the withdrawal of popular support without accompanying reforms can pose a real threat by creating scope for power shifts. By contrast, TOC activities which are largely driven from the outside and tend to generate much higher profits are less affected by this type of approach. The understanding of TOC as a basis for livelihood is important primarily in anticipating unintended consequences of initiatives which focus on strengthening state capacity, authority and/or legitimacy. Under certain circumstances, it may therefore be useful to give precedence to transformation, e.g. if TOC is an important source of income for marginalized groups. However, it is important to strike a balance between the stabilizing effects of TOC and the associated harm to the community and the destructive potential of the other threat categories under discussion.

⁶⁴ Ibid., 30.

⁶⁵ Ibid., 20f.

Illicit economies in West Africa. TOC and statehood in Guinea, Liberia and Sierra Leone

The development relevance of TOC and its impacts is now well-known, as is the range of instruments available to deal with the related challenges. In order to be able to set priorities for bilateral development cooperation in fragile states, however, the specific impacts of, and threats posed by, TOC must first be defined systematically so that unintended consequences can be avoided. This process is context-dependent and its outcomes naturally vary, but it can be guided by the four threat categories described above. The following analysis of TOC in West Africa, therefore, is not based on a study of individual illegal markets or affected countries but looks at the significance of the four threat categories for various criminal activities. It covers all relevant illicit economies⁶⁶ in the focus countries Liberia, Sierra Leone and Guinea. All three countries are generally assessed as fragile, *inter alia* by the OECD and by Germany in the context of its development cooperation.⁶⁷ Furthermore, all three are members of g7+, an association of countries affected by conflict and fragility which was set up within the framework of the New Deal for Engagement in Fragile States. Indeed, Liberia and Sierra Leone have both emerged from many years of civil war,⁶⁸ while Guinea experienced military rule which culminated in

a bloody massacre in 2009.⁶⁹ After these periods of instability, all three countries underwent political transitions, the last of which officially ended in Guinea with the 2013 parliamentary elections and the recognition of their results. As these are neighbouring countries, all located along the West African coast, there are numerous political and economic links – licit and illicit – between them. Due to these similarities and links, the analysis looks at all three countries simultaneously with regard to how TOC works and the related threats.⁷⁰ However, differences between these countries and their domestic developments are explained whenever this is relevant for the purpose of this study.

Global and regional drivers

Due to their economic parameters, poor infrastructure and general insecurity, countries like Liberia, Sierra Leone and Guinea are not per se attractive for organized crime. On a global scale, they have little significance as markets, particularly for high-price goods such as hard drugs, gold and diamonds.⁷¹ They are mainly of interest as transit zones or starting points for illicit trade flows or as a source of commodities.⁷²

⁶⁶ Illicit economies encompass economic transactions and trade in commodities of which the production and/or marketing are prohibited by law unless certain regulations and standards are complied with. “Organized criminal groups are generally (but not exclusively) the key operators of illicit economies, given the requirement for high levels of organization to facilitate and protect repeated transactions”, Mark Shaw and Fiona Mangan, *Illicit Trafficking and Libya’s Transition: Profits and Losses* (Washington, D.C.: United States Institute of Peace, 2014), 7.

⁶⁷ OECD, *List of Fragile States and Economies Used for Preparing the 2015 OECD Report on States of Fragility*, www.oecd.org/dac/governance-peace/conflictandfragility/docs/List%20of%20fragile%20states.pdf. In the context of its development cooperation, Germany groups the three countries together with Côte d’Ivoire in its Fragile States in West Africa programme; see the BMZ’s table of cooperation countries: www.bmz.de/de/was_wir_machen/laender_regionen/laenderliste/index.html (both websites accessed on 8 September 2015).

⁶⁸ In Liberia from 1989 to 2003, with a hiatus from 1996 to 1999; in Sierra Leone from 1991 to 2002.

⁶⁹ For background, see Human Rights Watch, *Waiting for Justice: Accountability before Guinea’s Courts for the September 28, 2009 Stadium Massacre, Rapes, and Other Abuses* (December 2012).

⁷⁰ The aim, therefore, is not to establish causality in a narrower sense but to depict, in a systematic way, the various types of illicit economies in the three countries and identify the ensuing threats posed by TOC in contexts of fragile statehood.

⁷¹ The Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) notes that intensive money laundering also tends to take place in countries such as Côte d’Ivoire, Ghana, Nigeria and Senegal, see WACD, *Not Just in Transit* (see note 8), 27. Since money laundering, in addition, takes place downstream from other criminal activities and little reliable information is available about illicit financial flows in the three focus countries, this field of activity is not discussed in detail below.

⁷² In addition, illicit dumping of electronic and hazardous waste along the West African coast and in larger cities also takes place on a massive scale. On e-waste dumping, see *inter alia* Kwesi Aning, Sampson B. Kwarkye and John Pokoo, “A Case

The most important illicit goods trafficked from or through the three focus countries are natural resources and drugs, particularly South American cocaine destined for Europe. According to the United Nations Office on Drugs and Crime (UNODC), crime related to the trafficking of cocaine and natural resources poses the greatest threat to the stability of West African states in general.⁷³ These are also the sectors in which the forms of TOC that act as the strongest external stressors can be observed.

Overall, the trafficking of South American cocaine through West Africa has noticeably increased in the last 10 years. This shift was due to the growth in demand for cocaine in Europe, falling demand in the US, and more stringent surveillance along the route through the Caribbean.⁷⁴ As drugs such as cocaine are illegal goods, trafficking is by its very nature a criminal activity and tends to be dominated by TOC. In 2008, flagrant cases of drug trafficking came to light in all three focus countries. Guinea in particular had become an important hub for South American cocaine under President Lansana Conté. After his death in late 2008 and a military coup, the new leader Moussa Dadis Camara used sometimes drastic methods to crush the trade. At its peak, roughly between 2006 and 2008, planes laden with cocaine were landing at airstrips across the country with impunity, similar to the scenario in neighbouring Guinea-Bissau. The trade was apparently controlled by South Americans, mainly Colombians.⁷⁵ After seizing power, Camara paraded numerous members of the former government and foreign nationals who had been arrested for their alleged involvement in drug trafficking, including Nigerians and Ghanaians, on TV. This public pillorying was to a large extent politically motivated, although it seems likely that many of the accused were genuinely

implicated.⁷⁶ As a consequence, Guinea's links to drug trafficking were briefly interrupted. However, this disentanglement was short-lived, not least because Camara's presidency ended less than a year later with an attempt on his life.

Unlike neighbouring Guinea, Sierra Leone and Liberia have not been identified as important hubs in cocaine trafficking. Nonetheless, Sierra Leone gained notoriety in 2008 with the discovery of around 700 kilos of cocaine on a Cessna plane from Venezuela that had landed at the airport in the capital Freetown. Apart from 11 Sierra Leoneans, a number of foreign nationals, including Colombians, Mexicans, a Venezuelan and an American were subsequently arrested. Before they could be charged, however, new legislation had to be enacted. In Liberia, the ship *Blue Atlantic*, with a Ghanaian crew and 2.5 tonnes of cocaine on board, was intercepted off the coast by a French naval vessel and towed to port.⁷⁷ Although the drugs were not destined for Liberia, the case revealed the weaknesses in Liberia's legislation and criminal justice system, as possession and trafficking of drugs were tried under the Public Health Act with insignificant fines.⁷⁸ New legislation did not come into force until 2014. Guinea still does not have a specific drug law, which means that cocaine traffickers can easily "buy their way out" while people who are caught with small quantities of drugs – mainly cannabis – are often in prison for longer periods since they are unable to pay the fine or bribe.⁷⁹ Furthermore, law enforcement capacities – especially as regards investigation and evidence-gathering – are extremely limited in all three focus countries, and access to forensic technology is minimal or non-existent. Thus in Sierra Leone, the case known as the Lungi affair was pursued solely thanks to judicial and investigative support from the United Kingdom and the United Nations.⁸⁰ In Liberia, the *Blue Atlantic* case and the prosecution of crew

Study of Ghana", in *Getting Smart*, ed. Kavanagh (see note 16), 97–134 (114ff).

⁷³ United Nations Office on Drugs and Crime (UNODC), *Crime and Instability: Case Studies of Transnational Threats* (Vienna, February 2010), 16.

⁷⁴ Due to the nature of the trade, precise figures are not available; however, the amount of pure cocaine transiting through West Africa for Europe in 2010 was an estimated 18 tonnes, with a value of USD 1.25 billion, UNODC, *Transnational Organized Crime in West Africa: A Threat Assessment* (Vienna, February 2013), 17.

⁷⁵ Interviews GUI-9_24-7-14; GUI-15_30-7-14; GUI-12_25-7-14; for an explanation of the interview reference numbers, see note 25.

⁷⁶ Lansana Gberie, *Crime, Violence, and Politics: Drug Trafficking and Counternarcotics Policies in Mali and Guinea* (Washington, D.C.: Brookings Institution, 2015), 10f.

⁷⁷ Interviews LIB-3_13-11-2013; LIB-51_5-12-13.

⁷⁸ United Nations Security Council (UNSC), *Midterm Report of the Panel of Experts on Liberia Submitted Pursuant to Paragraph 5(b) of Security Council Resolution 2128 (2013)*, S/2014/363 (23 May 2014), 21; the new Controlled Drugs and Substances Act was finally signed into law by the Liberian President in October 2014.

⁷⁹ Camino Kavanagh, *Harmonizing Drug Legislation in West Africa – A Call for Minimum Standards*, WACD Background Paper No. 9 (Geneva: WACD, 2014), 11f.

⁸⁰ WACD, *Not Just in Transit* (see note 8), 16.

members collapsed when the Supreme Court overturned the convictions due to lack of evidence.⁸¹ In another case, a Sierra Leonean drug kingpin was arrested in Liberia in a joint operation with the US Drug Enforcement Administration (DEA) in 2010 and put on trial in the US.⁸² Overall, the picture which emerged in the West African states was one of predominantly external networks encountering weak or non-existent drug laws and painfully under-resourced law enforcement agencies.

Even so, for a long time there was no sense of urgency within the region, precisely because drug trafficking mainly occurred as transit of cocaine by external networks and was rarely regarded as a stress factor in the countries themselves. However, in its 2014 report, the West Africa Commission on Drugs pointed out the negative consequences of this branch of organized crime for West Africa, including an increase in drug consumption.⁸³ Furthermore, the transnational criminal networks not only use the cover of legitimate businesses in their operations, but also have links to senior officials.⁸⁴ More transactions also appear to be taking place in the region itself, with less direct involvement of South American networks.⁸⁵ It is also important to consider the longstanding assumption that the mafia-type structures which dominate drug trafficking in Latin America or Italy are largely absent in Africa; instead, the trade is based on more decentralized, flexible and less hierarchical groups.⁸⁶

In all three focus countries, the common assumption is that it is predominantly *Nigerian* networks that are implicated in trafficking since Nigerian mules are

frequently apprehended at airports.⁸⁷ The individual quantities of drugs being seized have generally decreased. However, the smaller amounts of cocaine being seized in West Africa are thought to reflect a change in traffickers' strategies rather than a significant reduction in the amount of the drug in transit.⁸⁸ Apparently, the traffickers having been making less use of light aircraft or ships to transport the drugs to Guinea and Sierra Leone recently and rely more on container vessels and drug mules on international flights. Ports and airports therefore continue to be important entry and exit points and, in all three countries, remain very vulnerable to trafficking despite international efforts to introduce more stringent controls.⁸⁹

In Guinea, after the temporary hiatus following the coup, the organizations that dominated the drug trade before 2008 – including the South Americans – have obviously resumed operations.⁹⁰ Liberia and Sierra Leone, by contrast, are not considered to be hubs in the cocaine trade which might in part be explained by the stronger international presence in these countries, mainly in the form of UN missions. Combating transnational organized crime formed part of the mandate of the UN Integrated Peacebuilding Office in Sierra Leone (UNIPSIL), for example, which began work in 2008 and was closed in 2014.⁹¹ In Liberia, measures to combat the drug trade have at least been integrated into the implementation of the existing UN mandate since 2008.⁹² Despite all these adjustments and missions' general evolution towards complex multidimensionality – evident from these expanded mandates – peace operations are still seen as ill-equipped to deal with organized crime.⁹³ Nonetheless, they do have a deterrent effect, thanks to the presence not only of blue helmets but also of UN

⁸¹ Interview LIB-26_26-11-13.

⁸² United States Attorney Southern District of New York, "Sierra Leone Man Pleads Guilty in Manhattan Federal Court to International Narcotics Distribution Conspiracy", *Sierra Herald* (online), 1 March 2011, www.sierraherald.com/cocaine-us-trial-sesay.htm (accessed 22 August 2014).

⁸³ WACD, *Not Just in Transit* (see note 8), 9.

⁸⁴ *Ibid.*, 12.

⁸⁵ Mark Shaw, *Leadership Required: Drug Trafficking and the Crisis of Statehood in West Africa*, ISS Policy Brief no. 37 (Pretoria: Institute for Security Studies [ISS], October 2012), 3.

⁸⁶ Bayart, Ellis and Hibou, *The Criminalization of the State in Africa* (see note 49), 11. Furthermore, there is the general international shift away from rather hierarchically structured groups that serve or perhaps even dominate a variety of markets towards more flexible and heterogeneous groups specializing in specific activities. On this trend, see *inter alia* Europol, *SOCTA 2013, EU Serious and Organised Crime Threat Assessment*, public version (The Hague, March 2013), 8.

⁸⁷ Interviews LIB-23_25-11-13; LIB-20_22-11-13; LIB-31_27-11-13; LIB-46_3-12-13; SL-12_23-1-14.

⁸⁸ UNODC, *Transnational Organized Crime in West Africa* (see note 74).

⁸⁹ Interviews GUI-15_30-7-14; GUI-9_24-7-14; SL-13_23-1-14; SL-4_17-1-14; LIB-14_20-11-13; LIB-20_22-11-13.

⁹⁰ Interviews GUI-15_30-7-14; GUI-12_25-7-14; GUI-23_2-8-14.

⁹¹ UNSC, *Final Report of the Secretary-General on UNIPSIL*, S/2014/192 (17 March 2014), 1.

⁹² Wibke Hansen, *Mehr Interaktion als geplant. Friedenseinsätze und Organisierte Kriminalität in fragilen Staaten*, *Wissenschaftliche Schriften der WWU Münster*, Reihe VII, vol. 12 (Münster, 2013), 206.

⁹³ Walter Kemp, Mark Shaw and Arthur Boutellis, *The Elephant in the Room: How Can Peace Operations Deal with Organized Crime?* (New York: IPI, June 2013), 1.

police and the generally more intensive international monitoring of the security situation. For example, the reports by the UN Panel of Experts on Liberia – whose purpose is to monitor implementation of the sanctions imposed on the country – have also yielded a wealth of information about illicit activities. With the impending withdrawal of the UN missions from Sierra Leone and Liberia⁹⁴, there have been concerns that the security situation could deteriorate, which have been exacerbated by the Ebola epidemic.

In the natural resources sector, TOC occurs as a particularly powerful external stressor in the context of industrial fishing.⁹⁵ Firstly, the strong demand for fishery products in other regions of the world, notably Europe and Asia, is driving up illegal fishing on a massive scale. Secondly, unauthorized fishing off West Africa is undertaken almost exclusively by vessels from outside the region. It is estimated that the West African coastal states lose up to USD 1.5 billion a year as a result of illegal fishing.⁹⁶ It is no coincidence that in the EU Strategy on the Gulf of Guinea, adopted in March 2014, illegal, unreported and unregulated (IUU) fishing⁹⁷ is right at the top of the list of threats – ahead of trafficking of human beings, narcotics and arms.⁹⁸ Indeed, West African waters are estimated to have the highest levels of IUU fishing in the world.⁹⁹ Many of the region's artisanal fishermen also work without a licence, but the really organized forms of

illegal fishing are conducted by large trawlers from Asia (mainly China and South Korea).¹⁰⁰ Certain companies stand out in particular, including the China National Fisheries Corporation, which was responsible for 33 per cent of total documented Chinese IUU cases in six West Africa countries during the periods 2000–2006 and 2011–2013.¹⁰¹ Endangered and threatened species in particular can be sold at very high prices in Asian markets.¹⁰² Aside from the weakness in international law governing the high seas, it is fragile states' inability to effectively regulate and monitor fisheries that attracts IUU fishing practices.

Guinea seems to be worst affected by illegal fishing in its exclusive economic zone (EEZ).¹⁰³ The country loses an estimated €100–150 million annually – around 10 per cent of its national budget – as a result of illegal fishing.¹⁰⁴ Since more stringent surveillance was introduced in the waters off Sierra Leone, the problem has apparently worsened off Guinea's coast.¹⁰⁵ Guinea lacks both an effective vessel monitoring system for the EEZ and a separate zone reserved exclusively for artisanal fishermen.¹⁰⁶ A fisheries inspectorate – the Centre National de Surveillance et de Protection des Pêches – exists but is poorly resourced and many of its official bases along the coast are not fully operational.¹⁰⁷ In just one month, 16 illegal fishing cases committed by 12 Chinese-flagged and/or owned vessels were documented by Greenpeace in

94 The UN Peacebuilding Office in Sierra Leone closed in March 2014. The UN Mission in Liberia (UNMIL) will undergo a phased withdrawal, with the Liberian Government expected to assume full responsibility for security from June 2016.

95 On the classification of illegal fishing as organized crime, see the Global Initiative against Transnational Organized Crime (GI)/The Black Fish, *The Illegal Fishing and Organized Crime Nexus: Illegal Fishing as Transnational Organized Crime*, Lead Author: Teale N. Phelps Bondaroff (Geneva and Amsterdam, April 2015).

96 Estimates range from USD 1 billion to as much as USD 1.5 or 1.6 billion. See, for example, Africa Progress Panel, *Grain, Fish, Money. Financing Africa's Green and Blue Revolutions*, Africa Progress Report 2014 (Geneva, 2014), or Environmental Justice Foundation (EJF), *Pirate Fishing Exposed. The Fight against Illegal Fishing in West Africa and the EU* (London, 2012).

97 This includes not only illegal fishing but also unreported and unregulated practices such as false declaration of catches and the use of unmarked vessels. This report will mainly focus on illegal fishing as IUU activities come to light less often in West Africa.

98 Council of the European Union, *EU Strategy on the Gulf of Guinea* (17 March 2014), www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/141582.pdf (accessed 10 September 2015).

99 GI/Black Fish, *Illegal Fishing* (see note 95), 48.

100 Interviews LIB-24_25-11-13; LIB-31_27-11-13; SL-12_23-1-14; SL-17_24-1-14.

101 Greenpeace, *Africa's Fisheries' Paradise at a Crossroads: Investigating Chinese Companies' Illegal Fishing Practices in West Africa* (Beijing and Dakar, May 2015), 2.

102 GI/Black Fish, *Illegal Fishing* (see note 95), 22.

103 In this zone, which extends up to 200 nautical miles from the territorial sea baseline, countries have sovereign rights relating to the economic exploitation of the waters and seabed, including fishing.

104 Interview GUI-6_23-7-14.

105 Environmental Justice Atlas, *Illegal, Unreported and Unregulated (IUU) Fishing in Sherbro River, Sierra Leone*, April 2014 (last update), <http://ejatlas.org/conflict/illegal-unreported-and-unregulated-iuu-fishing-in-sherbro-river-sierra-leone> (accessed 12 June 2015).

106 Interpol, Environmental Security Sub-Directorate, *Study on Fisheries Crime in the West African Coastal Region* (Lyon, September 2014), 46, 48, 51.

107 Interviews GUI-13_29-7-14; GUI-25_5-8-14; see also Catharina Lewerenz and Judith Vorrath, *Illegale Fischerei und maritime Sicherheit. Gegen Gefahren in Westafrika auf See und an Land vorgehen*, SWP-Aktuell 76/2014 (Berlin: Stiftung Wissenschaft und Politik, December 2014).

the waters of Guinea alone.¹⁰⁸ Despite the improved surveillance in Liberia and Sierra Leone, the relevant authorities in these countries also still lack expertise and equipment. Penalties imposed for IUU fishing generally take the form of fines, which have very little deterrent effect.¹⁰⁹ What's more, fish from falsely declared catches from Guinea or Sierra Leone is still reaching Europe by circuitous routes.¹¹⁰ This causes substantial economic losses for the coastal states by depriving them of licence fees and export duties, and jobs in processing are lost as well.

It is a similar scenario in the forestry sector, where demand for tropical timber in Europe and Asia intersects with often inadequate regulation and poor forest management. Guinea has extensive forests but very few of them are formally protected. Due to the logistical effort and relatively distant markets, it is often larger companies which are involved in illegal logging operations. Of the companies exporting timber from Guinea in 2011, fewer than half were allegedly licensed to do so.¹¹¹ In Liberia, the illegal trade in timber was already a key element of the war economy in the 1990s. The sector was reformed during the peace process and the international embargo was lifted in 2006. In 2012, however, it emerged that the licence system was being circumvented through the issuing of private use permits (PUPs) to commercial companies as a new legal loophole. A PUP is a commercial forestry licence that was introduced to allow private landowners to utilize forest assets situated on their property.¹¹² Despite a moratorium on the issuing of PUPs, the shipment of timber continued unabated. Among those involved was Atlantic Resources, a company linked to the Malaysian logging giant Samling.¹¹³ Similarly,

Sierra Leone imposed a ban on timber exports in 2008,¹¹⁴ but again it became clear that exports continued illegally, for example when 33 containers carrying timber were intercepted at the Freetown port in 2011.¹¹⁵ With strong demand growth in Asia, Chinese organizations are believed to be behind many of the logging operations, whether as financiers or as exporters.¹¹⁶ A paper by the European Commission concludes that illegal logging in Sierra Leone is often managed by Lebanese from Guinea and Liberia, who obtain agreements with local chiefs.¹¹⁷ Unlike the fisheries sector, the timber trade, both legal and illegal, necessitates a far greater degree of cooperation with local authorities, transport companies and business partners. What's more, most of the timber has to be shipped, and the sheer volume of the product means it is very difficult to evade the admittedly patchy controls at ports. Important drivers of illegal logging, such as demand, and the main hubs lie outside the region. In this sector, however, companies and actors from the West African countries themselves are involved in the criminal business networks to a greater degree.

Illicit gold and diamond mining and trafficking operations are even more firmly embedded in the countries. Again, the markets/international hubs in this trade are located in Europe and Asia, with Antwerp playing the key role for diamonds and Dubai one of the leading gold centres.¹¹⁸ Industrial mineral extraction is still at low levels in all three countries. Illicit gold and diamond mining activities are, in the main, small-scale or artisanal, with some semi-industrial mining which includes the use of light machinery. The precious stones or gold extracted in these mining activities are either legalized by being sold to a licensed dealer or exporter, generally via various staging posts, or are smuggled abroad. All three countries are participants in the Kimberley Process (KP), which aims to stop the trade in conflict diamonds through regulation

108 Greenpeace, *Africa's Fisheries' Paradise* (see note 101), 2 and 19.

109 GI/Black Fish, *Illegal Fishing* (see note 95), 23.

110 Interviews SL-17_24-1-14; GUI-6_23-7-14.

111 "Environmentalists Want Illegal Logging Stopped in Guinea", *Illegal Logging Portal* (online), 7 January 2011, www.illegal-logging.info/content/environmentalists-want-illegal-logging-stopped-guinea (accessed 11 September 2015).

112 Global Witness, Save My Future Foundation and Sustainable Development Initiative, *Signing Their Lives Away: Liberia's Private Use Permits and the Destruction of Community-Owned Rainforest* (September 2012); Special Independent Investigating Body (Liberia), *Report on the Issuance of Private Use Permits (PUPs)* (19 December 2012).

113 Global Witness, *Logging Company Flouts Liberian President's Timber Export Ban and Drives Breakdown in Rule of Law* (20 December 2012), www.globalwitness.org/library/logging-company-flouts-liberian-president%E2%80%99s-timber-export-ban-and-drives-breakdown-rule-law (accessed 2 August 2014).

114 Summer Walker and Elisa Burchert, "A Desk Study of Sierra Leone", in *Getting Smart*, ed. Kavanagh (see note 16), 161–96 (178).

115 Nano Daily and AFP, "S. Leone Anti-graft Agency Stops Illegal Timber Exports", *Nano Daily* (online), 10 February 2011, www.nanodaily.com/reports/SLeone_anti-graft_agency_stops_illegal_timber_exports_999.html (accessed 22 August 2014).

116 Interviews SL-27_29-1-14; SL-29_30-1-14; SL-47_8-2-14.

117 European Commission, *Cross-border Flows of Timber and Wood Products in West Africa*, Final Report, authors: Hugh Blackett and Eric Gardette (20 October 2008), 59.

118 Interview GUI-6_23-7-14.

and licensing.¹¹⁹ Initially, however, they implemented the KP requirements in different ways and did not harmonize their export duties. This provided incentives for smuggling, with the result that there was a massive drop in exports from Sierra Leone after it increased its tax on precious stones, whereas exports from Guinea and Liberia noticeably increased.¹²⁰ The report of the Review Mission to Liberia in March 2013 also noted that there were clear indications of routine smuggling of Sierra Leonean diamonds into Liberia; in addition, diamonds from Côte d'Ivoire which were under a sanctions regime that embargoed the export were most likely being trafficked through Liberia.¹²¹ The Mano River Union, a regional organization comprising Sierra Leone, Liberia, Guinea and Côte d'Ivoire, therefore intensified its efforts to harmonize the regulation and governance of the diamond trade as part of the implementation of the Kimberley Process. By comparison, government control over the gold sector is weaker in all three countries, and the trading of most of the gold extracted in these countries is believed to bypass the official system.¹²²

In these three West African countries, most activities in gold and diamond mining and trade rely on established relationships and informal rules.¹²³ As these often carry more weight than official licensing procedures, the trade includes both licensed and illicit dealers or middlemen. Foreign investors who cannot rely on such networks frequently become the victims of fraud and are duped with fake diamonds or gold. A number of the criminal groups behind these scams are well-organized and have set up local companies to front their activities.¹²⁴ Presumably, foreign investors also purchase gold and diamonds and smuggle them out of the country via ports and airports.¹²⁵ However, very little reliable information is available about these activities as it is very easy to smuggle these goods on account of their small size and the extremely patchy

controls. As digging for mineral resources is labour-intensive and the trade relies on established business relationships in the countries of origin, the networks which earn money from these activities are highly localized. Unlike the scams, the line between licit and illicit is not clear-cut for the trade in real gold and diamonds; it is therefore debatable whether some of these activities can be classed as organized crime.

Other illicit economies in Liberia, Sierra Leone and Guinea – although certainly well-organized, with a transnational dimension – qualify to a lesser extent as external stressors with drivers outside the region. In addition to the transit of hard drugs, cannabis, for example, is grown, traded and consumed in all three countries. Occasionally, the trafficking extends beyond the three focus countries, mostly to other countries in the region, such as Côte d'Ivoire. However, the trade is particularly active between and within the three countries, especially between Liberia and Sierra Leone (in both directions).¹²⁶ Security officials are apparently involved in the trafficking.¹²⁷ In November 2013, for example, a Liberian police officer who had been under observation for some time was arrested as he attempted to smuggle cannabis with a street value of more than USD 36,000 across the border in an official vehicle. The operation led to the arrests of a superintendent, the head of the presidential escort, and four others, including a member of the Sierra Leonean armed forces.¹²⁸

Forms of human trafficking exist in all three countries, although it is difficult to track flows of people within the region as there is freedom of movement within the ECOWAS region and the borders are porous anyway. Alongside some notorious cases in which Guinea, Sierra Leone and Liberia have been transit or target countries for human trafficking from Asia, it appears, on the whole, to be a local phenomenon. Often, children from rural areas are sent or lured to the cities, where they are exploited as cheap labour. Some of these activities are well-planned and organized and have devastating impacts. As this paper focuses on transnational crime, however, they will not be considered further.

Genuinely systematic forms of piracy and robbery at sea mainly occur in, or are orchestrated from,

119 For details, see the Kimberley Process website:

www.kimberleyprocess.com (accessed 11 August 2014).

120 Interviews SL-30_30-1-14; SC, SL-20_27-1-14.

121 Cited in UNSC, *Midterm Report of the Panel of Experts on Liberia* (see note 78), 18.

122 Interviews LIB-33_28-11-13; LIB-3_13-11-2013; SL-24_28-1-14; for Liberia, see also UNSC, *Final Report of the Panel of Experts on Liberia Submitted Pursuant to Paragraph 5 (f) of Security Council Resolution 2079 (2012)*, S/2013/683 (25 November 2013), 33.

123 Interview SL-30_30-1-14; Nina Engwicht, *Illegal Markets in Post-conflict Societies: The Sierra Leonean Diamond Market* (forthcoming), 17.

124 Interview SL-27_29-1-14.

125 Interview LIB-3_13-11-2013.

126 Interviews LIB-20_22-11-13; SL-4_17-1-14; SL-6_17-1-14; SL-13_23-1-14; LIB-10_19-11-13.

127 Interview LIB-38_2-12-13.

128 Interviews LIB-11_19-11-13; LIB-51_5-12-13; LIB-6_15-11-2013. For details of another similar case, see UNSC, *Midterm Report of the Panel of Experts on Liberia* (see note 78), 21.

Nigerian waters. In most cases, the theft of the cargo – primarily oil – is the aim, but kidnapping for ransom also seems to have increased.¹²⁹ So far, these activities have not developed into a regional stress factor, meaning they have not shifted into the three focus countries' coastal waters.

Criminal networks and violent actors

Since the political transitions, there has been little systematic violence in the illicit economies in the three focus countries. Cocaine trafficking through West Africa has not given rise, as yet, to a noticeable increase in violence,¹³⁰ and the illicit trade in natural resources is not connected to non-state armed groups to any significant extent, unlike the situation at the time of the war economies.¹³¹ When the rise in cocaine trafficking through West Africa came to light, there was a concern within the international community that the region was at risk of becoming an epicentre for instability,¹³² largely because other transit areas, notably in Central America, have experienced high levels of criminal violence. In Guatemala and El Salvador, for example, murder rates have even exceeded those that occurred during the civil wars.¹³³

This level of instability has not (yet) materialized in the three countries that are the focus of this study. Currently, there do not seem to be any strong links between organized crime and armed groups that control territories and challenge state authority. This differs significantly from the scenario in the past, at the time of the war economies. Such links existed in Liberia and Sierra Leone mostly by racketeers offering “protection” to various (licit and illicit) businesses. Guinea was not only directly affected by the civil wars in its immediate neighbourhood, but became itself part of the war economies. Unlike its two neighbours, however, it did not break apart into separate spheres

¹²⁹ Interpol, *Study on Fisheries Crime* (see note 106), 30.

¹³⁰ WACD, *Not Just in Transit* (see note 8), 23.

¹³¹ Even in Mali, the links between traffickers and extremists, which are a frequent focus of attention, tend to be opportunistic in nature, cf. WACD, *Not Just in Transit* (see note 8), 9.

¹³² Statement by Antonio Maria Costa, UNODC Executive Director (to 2010), in UNODC, *Drug Trafficking as a Security Threat in West Africa* (Vienna, November 2008), 1.

¹³³ Liza Ten Velde, *The Northern Triangle's Drugs-Violence Nexus: The Role of the Drugs Trade in Criminal Violence and Policy Responses in Guatemala, El Salvador and Honduras*, TNI Briefing Series No. 2012/1, *Drugs & Conflict Debate Papers* (Amsterdam: Transnational Institute [TNI], November 2012), 2.

of influence whose continued existence depended on access to natural resources such as diamonds, gold and timber.¹³⁴ In Guinea, authority remained, to a large extent, in the hands of the state or, rather, the military; the latter was itself involved in the war economies in two ways: firstly, through its support for armed groups, mainly the United Liberation Movement of Liberia – Kromah Faction (ULIMO-K), which in turn engaged in trafficking with Guinean soldiers, and secondly as part of the ECOWAS Cease-Fire Monitoring Group (ECOMOG), whose troops also joined in the looting in Monrovia.¹³⁵ Overall, however, the profits generated in this way by the Guinean military cannot be compared with the flourishing war economy maintained by Charles Taylor and his National Patriotic Front of Liberia (NPFL) in the area under their control. The revenue generated there mainly consisted of taxes or levies, on diamond and gold exports, among other things, amounting to an estimated USD 75 million a year.¹³⁶ Furthermore, timber companies based in Côte d'Ivoire were able to export from the region, mainly to Europe.¹³⁷ It was mainly to gain access to the diamond fields in Sierra Leone that led to Taylor's support for the Revolutionary United Front (RUF), which invaded the area from Liberian territory in 1991.¹³⁸ Control of the diamond mining areas changed hands several times, and remained a pillar of the war economy in both countries until 2002, with the RUF organizing exports via Liberia.¹³⁹ Furthermore, marijuana grown in northern Liberia was exported by the NPFL to various criminal syndicates in Côte d'Ivoire.¹⁴⁰ Overall, the civil war, at least in Liberia, changed the arrangements between West African entrepreneurs and Western partners engaged in the timber, diamond and

¹³⁴ William Reno, *Warlord Politics and African States* (Boulder and London: Lynne Rienner, 1998), 79.

¹³⁵ Stephen Ellis, *The Mask of Anarchy: The Destruction of Liberia and the Religious Dimension of an African Civil War* (London, 1999), 104 and 174.

¹³⁶ William H. Twaddell, “Testimony to Africa Sub-committee of the U.S. House of Representatives” (1996), in *The Inquirer* (Monrovia) 5, no. 55 (13 August 1996), quoted in Ellis, *Mask of Anarchy* (see note 135), 90f.

¹³⁷ Colin M. Waugh, *Charles Taylor and Liberia: Ambition and Atrocity in Africa's Lone Star State* (London and New York: Zed Books, 2011), 187; Ellis, *Mask of Anarchy* (see note 135), 165.

¹³⁸ Daniel Byman et al., *Trends in Outside Support for Insurgent Movements* (Santa Monica: RAND Corporation, National Security Research Division, 2001), 76; Ellis, *Mask of Anarchy* (see note 135), 71.

¹³⁹ Waugh, *Charles Taylor and Liberia* (see note 137), 188.

¹⁴⁰ Ellis, *Mask of Anarchy* (see note 135), 90f.

drug trade.¹⁴¹ Armed groups utilized illicit activities as a source of income, while entrepreneurs entered into largely opportunistic alliances in order to exploit the resources and bring them to the international markets. The line between licit and illicit activities thus became increasingly blurred. The international community finally imposed sanctions, banning, among other things, the import of rough diamonds from Sierra Leone (Security Council Resolution 1306/2000) and logs and timber products from Liberia (Security Council Resolution 1521/2003). These measures at least contributed to ending the civil wars in 2002 and 2003 after numerous peace agreements proved fruitless.

The remnants of the war economies did not simply go away, however; instead, they underwent a transformation as state authority was restored. Furthermore, parts of the armed group structures from the civil wars in Liberia and Sierra Leone have remained intact.¹⁴² Vigilante groups operate at least to some extent along former chains of command.¹⁴³ The UN Panel of Experts noted as recently as 2014 that thousands of ex-combatants in Liberia are engaged in illicit mining under their former commanders.¹⁴⁴ In the Gola Forest region on the Sierra Leonean side of the border, too, Liberian ex-combatants and others are involved in illicit gold mining and poaching. Small arms are in circulation here and violent attacks occur, especially against rangers.¹⁴⁵ Sporadic cross-border attacks by militias also occur in Liberia along the border with Côte d'Ivoire. However, it seems more likely that artisanal shotguns and hard drugs such as cocaine are reaching Liberia via Guinea.¹⁴⁶ In remote

areas, particularly in Liberia, there is generally scope for organized criminal networks to make use of local groups with a high potential for violence. In all three countries, youth gangs in the capital cities, which are regularly mobilized by politicians for their own purposes, are partly involved in smaller-scale drug dealing.¹⁴⁷ In Guinea's capital Conakry in particular, the hierarchical and established structure of these groups make them a useful political tool in public protests, which are also accompanied by violence.¹⁴⁸ Occasional violent clashes have also occurred in Sierra Leone when marijuana plantations being guarded and defended by groups of young men have been raided by law enforcement agencies.¹⁴⁹ In Guinea, as in the other two countries, violence occasionally erupts among artisanal diggers or between these miners and industrial mining companies, sometimes escalating into riots, mainly over land use.¹⁵⁰ Drug-related violence tends to be triggered by or break out among consumers, but not between or within the various trafficking networks.¹⁵¹ Certain criminal activities such as robbery and human trafficking are, by their very nature, associated with the use or threat of violence, but in the three focus countries, organized criminal activity is not currently reflected in high rates of violence. This suggests that criminal networks' operations can simply bypass, or are shielded by, the state. In the latter case, the ruling elites skim off the rents from criminal business activities, and the clandestine alliances prevent open conflicts between TOC and the state.¹⁵² In such circumstances, violence tends to be sporadic and mainly occurs at the extreme ends of the value chains.

141 Ibid., 27.

142 According to UNODC, weapons are also still in circulation in the region – especially firearms, which come either from official stocks or are part of the legacy of the civil wars, UNODC, *Transnational Organized Crime in West Africa* (see note 74), 33. Handguns manufactured in Guinea also find their way to neighbouring countries such as Sierra Leone and Liberia (Interviews SL-11_21-1-14; LIB-3_13-11-2013; LIB-20_22-11-13).

143 Mariam Persson, "Demobilized or Remobilized? Linger-ing Rebel Structures in Post-war Liberia", in *African Conflicts and Informal Power: Big Men and Networks*, ed. Mats Utas (New York: Zed Books, 2012), 101–18 (106ff).

144 UNSC, *Midterm Report of the Panel of Experts on Liberia* (see note 78), 19.

145 Ibid., 17f.; UNSC, *Final Report of the Panel of Experts on Liberia* (see note 122), 12.

146 UNSC, *Final Report of the Panel of Experts on Liberia Submitted Pursuant to Paragraph 5 (b) of Security Council Resolution 2188 (2014)* (July 2015), 7.

The state and its criminalization

The integration of *illicit economies* into *political arrangements* in West Africa has a long history. Official govern-

147 Interviews SL-9_20-1-14; GUI-12_25-7-14; GUI-23_2-8-14.

148 Joschka Philipps, *Ambivalent Rage: Youth Gangs and Urban Protest in Conakry, Guinea* (Paris, 2013), 113.

149 Interview SL-17_24-1-14.

150 Interviews GUI-2_21-7-14; GUI-1_21-7-14; GUI-26_6-8-14; GUI-24_4-8-14.

151 Interviews GUI-19_31-7-14; GUI-22_1-8-14; LIB-48_4-12-13; LIB-40_2-12-13; LIB-37_2-12-13.

152 Vanda Felbab-Brown, "Designing Pan-Atlantic and International Anti-Crime Cooperation", in *Dark Networks in the Atlantic Basin: Emerging Trends and Implications for Human Security*, ed. Daniel S. Hamilton (Washington, D.C.: Brookings Institution, Center for Transatlantic Relations, 2015), 121–49 (124).

ment positions tend to be closely intermeshed with private interests and are frequently used to grant allies impunity.¹⁵³ In the three focus countries considered here, this was already the case before the emergence of war economies. Even before the 1990s, large parts of their economies were barely formalized and many activities took place in a grey area. This area extended even further with the criminal activities involving armed groups during the civil wars, since the already indistinct line between legality and illegality became even more blurred.¹⁵⁴ This also affected Guinea, although unlike Liberia and Sierra Leone, it did not break apart into different spheres of influence. Nonetheless, its involvement in the neighbours' wars, particularly Liberia's, had clear implications for Guinea's own political order centering around the military. There was growing indiscipline and insubordination in the army, giving officers free rein to engage in criminal activities. Senior military and police personnel were involved in international drug trafficking at the time.¹⁵⁵ After the death of the President in 2008, these links were broken by the new leader, not least with the arrest of ex-President Conté's son, who was implicated in drug trafficking.¹⁵⁶ However, this did not end the general lawlessness. Only after the signing of the Ouagadougou Accord in January 2010 was a civilian transitional government installed. So the post-conflict phase in Liberia and Sierra Leone and the settlement in Guinea envisaged a political transition which was intended to lead not only to multi-party elections but also sweeping institutional reforms, including in the security sector.

This statebuilding (or restructuring) had two core components. Firstly, key players from the old system were integrated into the new one in order to guarantee some measure of stability. Secondly, state authority, at least in a formal sense, and a framework of legality were (re)established. So while the old patronage networks continued to be important, the political reforms created new opportunities to buy influence

¹⁵³ Felbab-Brown refers to this as "technology of illegality", *ibid.*, 135.

¹⁵⁴ Phil Williams and John T. Picarelli, "Combating Organized Crime in Armed Conflict", in *Profiting from Peace*, ed. Ballentine and Nitzschke (see note 2), 123–52 (125).

¹⁵⁵ International Crisis Group, *Guinea: Reforming the Army*, Africa Report no. 164 (Dakar, Nairobi and Brussels, 23 September 2010), 7ff.

¹⁵⁶ Ismaël Kabiné Camara, "Guinée: le fils de Lansana Conté impliqué dans un trafic de drogue", *Afrik.com*, 26 February 2009, www.afrik.com/article16336.html (accessed 22 August 2014).

or protection. In Guinea, for example, one of the key sponsors of President Alpha Condé's election campaign was given the post of Fisheries Minister in the new government. He not only was engaged in the fisheries sector himself but was also accused of corruption and complicity in IUU fishing. Due to his unwillingness to take steps against illegal fishing, in March 2014 the EU listed Guinea as a non-cooperating country, banning imports of its fishery products into the EU.¹⁵⁷ Only then was the Minister removed from office, but he was simply given another ministerial post.¹⁵⁸

In Liberia and Sierra Leone, too, links between criminal organizations and public figures have frequently come to light. Generally, there are three basic schemes of implication. In the first, officials award licences, concessions and the like, bypassing official channels or exploiting existing loopholes.¹⁵⁹ In the second, criminals buy protection from prosecution by law enforcement agencies and/or the courts, either on an ad hoc basis, e.g. if arrest is imminent, or in advance by establishing arrangements with, in most cases, senior officials; this type of connection came to light when the deputy director of the Liberian Drug Enforcement Agency (DEA), Albert Chelley, was dismissed in August 2013 because he had conspired with Nigerian drug traffickers and on two occasions prevented the arrest of heroin smugglers.¹⁶⁰ In Sierra Leone, it has frequently been reported that paramount chiefs – the most important traditional authority – and politicians protect cannabis plantations and that government officials are behind "cartels", i.e. places where more expensive drugs are sold and distributed, in the capital Freetown.¹⁶¹ In the third scheme, officials are actually illicit entrepreneurs themselves. For

¹⁵⁷ Council of the European Union, *Illegal Fishing Activities: Trade Measures Decided by the Council* (Brussels, 24 March 2014).

¹⁵⁸ See, for example, "Remaniement technique: Moussa Condé dessaisi du Ministère de la pêche!", *MediaGuinee.com*, 1 April 2014, www.mediaguinee.net/fichiers/article.php?langue=fr&type=rub17&code=calb10824 (accessed 12 June 2015).

¹⁵⁹ If a commodity has been legalized in this way prior to export, it is debatable whether it is still appropriate to apply the term "organized crime", especially if neither the exporter nor the buyer is aware that the papers had been acquired through irregular channels.

¹⁶⁰ Lansana Gberie, *State Officials and Their Involvement in Drug Trafficking in West Africa: Preliminary Findings*, WACD Background Paper no. 5 (Geneva: WACD/Kofi Annan Foundation, 2013), 22.

¹⁶¹ Interviews SL-1_15-1-14; SL-43_6-2-14.

example, it is frequently alleged that government officials in the focus countries are engaged in illicit gold or diamond mining operations.¹⁶² This variant of state involvement seems most likely to occur in localized criminal activities with regional links. In all other cases, arrangements for protection of criminal activities appear to predominate.

Despite reforms of the legal and institutional frameworks in these three West African countries, many transactions still depend on personal relations. These relations are utilized by illicit entrepreneurs in a variety of ways. The irregular granting of certificates or licences naturally only works for legal goods. For example, many industrial fishing vessels operate under a Liberian flag of convenience; this means that the vessels are registered in Liberia because it is lax in carrying out its regulatory responsibilities. There are also reports that fisheries and other agencies' inspectors leak information to vessels engaged in illegal fishing.¹⁶³ In this sector, however, the need for onshore protection is still very limited as none of the three focus countries is remotely capable of carrying out effective surveillance in its exclusive economic zone. It is also easier to evade controls at sea than is the case with, say, illegal logging onshore. Criminal activities in this latter sector normally require the assent of local dignitaries, as in Sierra Leone, where some paramount chiefs who are custodians of the land, are generally assumed to extend a protective hand to illegal logging operations.¹⁶⁴ A logistics infrastructure is also required for timber to be exported including official ports. Illegal fishing, by contrast, can rely on transshipment at sea and largely avoid contact with authorities in the region.

Illicit mining and trading of gold and diamonds, as already mentioned, generally rely on established relationships of trust, not least with public officials, especially at the subnational level.¹⁶⁵ There seems to be a similar scenario with the protection of cannabis growing.¹⁶⁶ However, security officials are also directly involved in regional trafficking of cannabis.¹⁶⁷ Cocaine, on the other hand, is a far more expensive commodity

which generally has to be smuggled via ports and/or airports and across borders by external actors, who seem to rely more on higher-level protection. Although the flagrant entanglement of the military with drug kingpins is now a thing of the past in Guinea, there are signs of complicity at the highest political level.¹⁶⁸ Government officials also appear to have been implicated in the case involving the Cessna seized in Freetown in 2008. Among those arrested was the cousin of the Minister of Transport and Aviation, who not only knew about the aircraft but even granted it permission to land.¹⁶⁹ Liberia and Sierra Leone are not rated as major cocaine trafficking hubs but there are still cases of state actors' involvement in facilitating or protecting drug trafficking.¹⁷⁰ What's more, even if higher-ranking criminals are apprehended, trials – let alone convictions – are rare, for it is very easy to be released after an arrest by paying a “fine” or a bribe. It is not surprising, then, that Liberians, for example, perceive the police and the courts to be the most corrupt institutions in their country.¹⁷¹ Public confidence in government is correspondingly low. At the same time, the exposure of cases of government officials who are involved shows that control mechanisms are also being strengthened, albeit patchily.

TOC and livelihoods

The weak formalized economy in the three focus countries has been further eroded by civil wars and political instability. The precarious situation of much of the population is reflected, inter alia, in these countries' Human Development Index rankings (Liberia: 175th, Guinea: 179th, Sierra Leone: 183th out of 187 countries).¹⁷² Neither public safety nor the rule of law or provision of basic public services such as health and education is assured. In such contexts, TOC can offer

¹⁶² Interviews SL-45_7-2-14; GUI-2_21-7-14.

¹⁶³ Interviews LIB-24_25-11-13; GUI-25_5-8-14.

¹⁶⁴ Interviews SL-26_29-1-14; SL-33_3-2-14.

¹⁶⁵ Interviews SL-38_4-2-14; SL-45_7-2-14; GUI-5_22-7-14; Engwicht, *Illegal Markets in Post-conflict Societies* (see note 123), 13.

¹⁶⁶ Interviews LIB-24_25-11-13; SL-47_8-2-14; SL-6_17-1-14; SL-17_24-1-14.

¹⁶⁷ Interview LIB-38_2-12-13.

¹⁶⁸ Interviews GUI-15_30-7-14, GUI-27_6-8-14, see also David Lewis, “A Surge In Cocaine Trafficking Has Turned Guinea Into West Africa's Latest Drug Hot Spot”, *Business Insider* (online), 31 January 2014, www.businessinsider.com.au/guinea-is-africas-first-narco-state-2014-1 (accessed 30 September 2015).

¹⁶⁹ Gberie, *State Officials* (see note 160), 14f.

¹⁷⁰ UNSC, *Midterm Report of the Panel of Experts on Liberia* (May 2014) (see note 78), 21.

¹⁷¹ Human Rights Watch, “No Money, No Justice”: *Police Corruption and Abuse in Liberia* (New York, August 2013), 21.

¹⁷² United Nations Development Programme (UNDP), *Human Development Report 2014, Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience* (New York, 2014), 159.

an important source of income, with criminal networks taking on the role of providers of services, in some cases even including security.¹⁷³ In Guinea, Liberia and Sierra Leone, however, this only seems to apply to a very limited extent. The economic sectors that are firmly embedded in illicit global trade flows mainly have harmful effects; this applies especially to illegal fishing. Overfishing and the destruction of marine habitats are putting local fishermen's livelihoods, as well as food security, at risk in all three countries. In Guinea, for example, as much as 60 per cent of the population in coastal areas depends on fishing, so lower catches have devastating impacts.¹⁷⁴ Some artisanal fishermen now supply the large industrial vessels as this is the only way to make anything approaching an adequate living. However, these arrangements are often highly disadvantageous to fishermen, just as the working conditions on board the fishing vessels themselves are often inhumane. This may explain why fishermen's associations are now involved in monitoring coastal waters, quite successfully, for example, with the support of an international NGO in Sierra Leone.¹⁷⁵ Despite some minor employment effects of illegal logging, the subsequent environmental degradation destroys livelihoods. This applies particularly in cases where private use permits for local landowners are used as a legal loophole for the benefit of large companies, as in Liberia.¹⁷⁶

The drug trade is seen as an attractive income-generating opportunity, mainly for young people facing unemployment and a lack of prospects.¹⁷⁷ This, however, only applies to a very limited extent to the local trade in hard drugs, such as cocaine, in the three focus countries as the market is small and largely confined to a few cities and the mining areas. It therefore offers limited income-generating opportunities for young people, as was the case in Conakry in the 2000s, when the state began to be deeply implicated in drug trafficking and many youths were recruited for relatively well-paid illicit activities.¹⁷⁸ Furthermore, drug

smuggling – unlike the cultivation of illicit crops – is not a labour-intensive activity¹⁷⁹ and therefore employs relatively few people. Cannabis growing in Guinea, Liberia and Sierra Leone not only yields higher returns compared with conventional crops such as rice, but is also likely to be more lucrative for local communities than cocaine smuggling.¹⁸⁰ In many communities, however, potential income effects conflict with concerns about rising drug consumption, which is generally associated with violence, petty crime, prostitution and social problems.¹⁸¹ In this instance, “drugs” mainly means alcohol and cannabis, although hard drugs – usually “cut”, i.e. adulterated – are also used. Although more precise figures are not available for any of the three countries, there are clear indications that in all of them, cocaine and heroin are used beyond the small wealthy elite in small quantities, for example as “magic sticks” or crack. In the cities, there are well-known places where drugs are sold and consumed, such as the “ghettos” in Liberia. There is also reported to be a high level of drug use among workers (“boys”) in mining areas.¹⁸² From a livelihood perspective, the drug trade has mainly harmful impacts, although the income from cannabis growing and trading is by no means insignificant for poorer social groups. The West Africa Commission on Drugs (WACD), for example, regards the eradication of cultivation areas as problematical as the drug has been grown and consumed in the region for decades and few alternatives exist for small farmers.¹⁸³

Illicit mining of gold and diamonds also provides large numbers of young men with employment, albeit associated with a high level of insecurity, hard physical labour and environmental degradation. Usually, the diggers work in groups under a “miner” who supports them with equipment, food and in some cases money. Indeed, due to the lack of alternatives, the argument for tolerating such illicit activities is often made, not least in Liberia, where many former combatants who fought in the civil war have found

173 William Reno, “Understanding Criminality in West African Conflicts”, *International Peacekeeping* 16, no. 1 (2009), 47–61 (48).

174 Interview GUI-25_5-8-14.

175 Africa Progress Panel, *Grain, Fish, Money* (see note 96), 95.

176 Global Witness, *Logging in the Shadows: How Vested Interests Abuse Shadow Permits to Evade Forest Sector Reforms – An Analysis of Recent Trends in Cameroon, Ghana, the Democratic Republic of Congo and Liberia* (April 2013).

177 WACD, *Not Just in Transit* (see note 8), 13.

178 Philipps, *Ambivalent Rage* (see note 148), 81.

179 Felbab-Brown, “Designing Pan-Atlantic and International Anti-Crime Cooperation” (see note 152), 128.

180 Walker and Burchert, “A Desk Study of Sierra Leone” (see note 114), 176; Interview LIB-38_2-12-13.

181 Drug use is assumed to be increasing in West Africa as a whole, WACD, *Not Just in Transit* (see note 8), 9.

182 Interviews LIB-3_13-11-2013; LIB-37_2-12-13; LIB-24_25-11-13.

183 WACD, *Not Just in Transit* (see note 8), 28.

work in this sector.¹⁸⁴ For that reason, the local authorities and public administration in Sierra Leone also do not attempt to systematically stamp out illicit mining. However, workers are also systematically exploited and often duped over the true value of the diamonds or gold that they find.¹⁸⁵ Unlike artisanal mining, local communities often view industrial mining with extreme mistrust, especially if mining companies' arrangements with central government have come about in an intransparent manner. In all three countries, violent protests against mining companies have frequently occurred, generally accompanied by complaints that local communities are not profiting from the extractive activities to an adequate extent.¹⁸⁶ This shows how activities that are legal in a formal sense may come to be regarded as illegitimate if the state's action lacks transparency for broad sections of the population.

Overall, little is known about how local communities, especially in more remote areas, view illicit economies. A community consultation in border regions of Sierra Leone showed that people there view illicit activities such as arms and human trafficking in combination with prostitution and the cannabis trade as a threat.¹⁸⁷ Globally relevant areas of TOC, such as cocaine trafficking and illegal fishing, are by their very nature a more significant issue in the capital cities or along the coasts, whereas illegal logging, gold and diamond mining and cannabis cultivation are of more concern in the hinterland. It is difficult to determine how the profits from TOC or protection rackets are used or laundered. In Liberia, for example, it is generally assumed that the key actors in the war economy invested their income in hotels, real estate, radio stations and other similar types of enterprise. The UN Panel of Experts on Liberia has looked very closely at a number of individuals, including the Commissioner of Maritime Affairs under Charles Taylor.¹⁸⁸ However, the exact sources of the money he invested remain unclear just as it is unknown whether any quasi-public services were being provided.

What is clear is that TOC that is strongly driven by demand in other world regions and by external networks has negative effects on local communities' livelihoods overall. By contrast, localized, labour-intensive illicit activities can, at least some of the time, be viewed as an important source of income, although their negative effects on local communities' living conditions must also be considered.

184 UNSC, *Midterm Report of the Panel of Experts on Liberia* (May 2014) (see note 78), 19; UNSC, *Final Report of the Panel of Experts on Liberia, November 2013* (see note 122), 19.

185 Engwicht, *Illegal Markets in Post-conflict Societies* (see note 123), 9f.

186 Interviews SL-47_8-2-14; LIB-37_2-12-13; GUI-4_22-7-14.

187 Interview SL-47_8-2-14.

188 See, *inter alia*, UNSC, *Final Report of the Panel of Experts on Liberia* (see note 122), 24f.

New wine in old bottles again? Options for development cooperation

The analysis of illicit economies in Guinea, Liberia and Sierra Leone, based on the four threat categories, reveals a complex picture. Broadly speaking, the findings are not transferable to other fragile states, for there are not only varying degrees but also various types of fragility in which one and the same form of TOC can manifest in different ways and pose other challenges. Histories and regional characteristics naturally vary as well. Nonetheless, it is possible to identify the potential threats and possible responses for other contexts with reference to the four *modi operandi* of TOC.

Identifying threats and trade-offs

Cocaine trafficking and illegal fishing are powerful external stressors in the three focus counties. Although they have, so far, rarely been associated with violence, they clearly have negative repercussions on society. However, drug transit is now becoming more firmly established in the region, mainly through protection arrangements with higher-ranking officials, particularly in Guinea. Deterrence measures are mostly supported or monitored by external actors. There are few entry points for meaningful capacity building, especially in Guinea, where not a single key drug trafficker has ever served a term of imprisonment. Even the revelations in 2008 about the involvement of influential individuals, including Ousmane Conté, the son of the former President, had few repercussions. Indeed, many of the officials suspected ended up in new government positions after the 2010 elections.¹⁸⁹ Due to the political situation in Guinea, it is currently hard to imagine the establishment of effective control mechanisms in the country. A strengthening of transparency is therefore most likely to be achieved through the introduction of general rules for the political process, e.g. on political party funding, through checks and balances in government institutions, and via the

media and civil society initiatives which, however, might be confronted with threats and assaults.

In Liberia and Sierra Leone, by contrast, there are better conditions for building law enforcement capacities. Nonetheless, it is essential to consider the potential for violence here, especially involving urban gangs – which are already being manipulated for political purposes – and militias that are partly the legacy of civil war. None of these is currently classed as a threat to the two countries' stability, but any geographical expansion of more effective law enforcement could well trigger a reaction – especially if it targets cannabis cultivation and small drug users or dealers to a greater extent. More targeted capacity building measures therefore focus on serious and transnational crime. In particular, the West Africa Coast Initiative (WACI) launched in 2009 by the United Nations Office for West Africa (UNOWA) in collaboration with UNODC, the UN Department of Peacekeeping Operations (DPKO) and Interpol has established Transnational Crime Units in various countries in the region. Such units have also been set up in Liberia and Sierra Leone in recent years and are now conducting operations against transnational crime. To ensure that any action taken against higher-ranking cocaine traffickers is successful in the medium term, it is necessary not only to maintain the level of international engagement over the longer term, but also to press ahead with judicial reform. Otherwise, there is a risk that kingpins – even if they are arrested – will not be sentenced appropriately or will walk free.

Compared with the drug trade, there is less potential for violence in illegal fishing. The protection economy for this type of business also appears to be less developed. If more robust law enforcement action is taken, however, there is a risk that fishing companies engaged in illegal activities will increasingly buy political protection. Quasi-legal front companies already exist, especially in Guinea, along with official complicity. A number of discretely negotiated agreements existed in the past as well. For example, an agreement was signed in December 2009 for a two-year period between the Guinean Ministry for Fisheries and Aqua-

¹⁸⁹ Gberie, *Crime, Violence, and Politics* (see note 76), 11 and 13.

culture and the relevant Chinese Ministry, guaranteeing exemptions from the legislation in force for China's largest fishing company.¹⁹⁰ Alongside the dislocation of illegal fishing operations, such arrangements are more likely than a violent reaction to intensified surveillance. Although violence at sea does occur in the West African region, mainly in the context of piracy and robbery, these forms of criminal activity are still fairly uncommon in the coastal waters of the three focus countries. Efforts should therefore be focused on protecting the fisheries sector from greater linkage between criminal actors and government institutions with at least the same level of engagement as in building deterrence capacity. As this latter area entails considerable costs and efforts for training and equipment, it may be appropriate to involve local fishermen in the monitoring of some stretches of coastline to a greater extent. This strategy can only succeed, in turn, with well-functioning and independent institutions capable of taking effective action in response to surveillance reports.

Unlike illegal fishing and cocaine trafficking, illicit activities in the logging industry and the gold/diamond trade have a stronger territorial base and are linked more closely to actors within the three countries. These criminal activities were an important element of the war economies in the 1990s, so the initial priority was to break the links between business and violence. This was broadly successful, but with more or less effective regulation and surveillance regimes evolving as part of the statebuilding process after the civil wars and, in the case of Guinea, during the transition. Curbing illegal practices in the forestry sector still poses particular problems, firstly due to strong demand and weak controls in Asia, and secondly due to the entanglement of subnational authorities in particular in this line of business in the three countries. Furthermore, effective surveillance is even more difficult to implement in this sector than in fishing, not least because forest guards in remote areas are exposed to pressure from powerful local elites and even armed attacks, as is evident from incidents in the Gola Forest on the border between Liberia and Sierra Leone. Admittedly, these acts of violence have little to do with organized illegal logging, but forest conservation sometimes disrupts other activities such as poaching, illicit mining and cannabis growing.

A more important step in combating transnational logging operations is surely to tighten the controls at

ports and at border transit points used by trucks. This more intensive surveillance would have an important deterrent effect, especially during periods when export bans are in place. However, sustainable governance of the timber sector requires not only transparent procedures for the granting of concessions but also, and above all, more intensive cooperation with local communities and subnational authorities, for without a nationwide system of surveillance – which is not within reach – it is these communities and authorities which can help to curb large-scale illegal logging. However, such intensified cooperation can only be achieved with appropriate incentives and better regulation of land use.

The networks which control gold and diamond mining and trading have been well-established for many years and operate on a transnational basis. Many brokers or dealers come from other countries within the region or are of Lebanese origin and have been in the business for generations. As many of the deals using these trade networks are informal, the line between legal and illegal economic activities in this sector is especially blurred. Achieving effective controls of the transnational illicit trade is hardly a realistic option, for smaller stones and gold can be smuggled with ease. Further harmonization of legislation and certification schemes between the three countries would be helpful, however, and a move in this direction is already under way with the Regional Approach in the Mano River Union. In Sierra Leone, for example, the Finance Act 2015 – the new legislation on royalties and taxes on minerals – imposes a 3 per cent export duty on Special Stones, as in neighbouring countries.¹⁹¹ This adjustment reduces the incentives for smuggling to Liberia and Guinea. Other ways of improving the sharing of information and the cooperation on reinforcing the certification system and strengthening controls between the four countries are the subject of ongoing discussion within the Regional Approach framework.¹⁹² Repressive meas-

¹⁹¹ Kimberley Process, *Sierra Leone Annual Report 2014 to the Working Group of Monitors (WGM) of the Kimberley Process Certification Scheme (KPCS)*, 7, www.kimberleyprocess.com/en/system/files/documents/2014_kpcs_annual_report_sierra_leone.pdf (accessed 1 October 2015).

¹⁹² See, *inter alia*, this report on the Regional Approach to the KP Implementation Meeting: John Momo, "Abidjan Hosts Regional Approach to Kimberly Process (KP) Implementation Meeting", *Goxi* (online), 19 March 2015, <http://goxi.org/profiles/blogs/abidjan-hosts-regional-approach-to-kimberly-process-kp> (accessed 2 October 2015).

¹⁹⁰ Greenpeace, *Africa's Fisheries' Paradise* (see note 101), 37.

ures to stamp out illicit artisanal mining and illicit/informal trade structures would be counterproductive, however, as both forms of employment – particularly artisanal mining – play an important livelihood role for large numbers of people. As trust and personal contacts are extremely important in this line of business, it is unlikely that powerful external networks will be able to move into these illicit activities very easily, unless by force. Firmer action should be taken against the well-organized scams in the gold and diamond trade, which means improving the relevant authorities' capacities first. Another problem is the potential for violence in the mining areas – where high levels of drug use and prostitution are already causing social tensions. As the most accessible mineral deposits are dwindling, measures to prevent violence and encourage alternative forms of development would be useful here.

In view of these risks associated with TOC in fragile states, the development community should focus more intensively on the various forms and impacts of organized crime. At the same time, development actors face narrow constraints, as they must consider the safety and security of their staff, the available resources, and relations with the partner country concerned. Simply for practical reasons, it is impossible to deal with all the aspects outlined above. Nonetheless, by weighing up the various trade-offs and side effects in addressing the threat categories, it is possible to determine where and how development cooperation can make a contribution. The first step, however, is to assess the impacts of one's own actions.

From “do no harm” to “do no crime”?

Development programmes should be not only conflict- but also crime-sensitive. However, simply transferring or modifying the “do no harm” principle into “do no crime”¹⁹³ is problematical. Indeed, the consistent implementation of “do no harm” can itself create difficulties. But conducting a micro conflict analysis and planning appropriate programmes which do not fuel conflicts but, ideally, strengthen the potential for peace is feasible in principle. Due to the cross-cutting nature of TOC, its presence in almost every area of

¹⁹³ James Cockayne, “Breaking the Crime Trap: Factoring Crime into Development Policy”, *Global Observatory* (online), 13 February 2014, <http://theglobalobservatory.org/2014/02/breaking-the-crime-trap-factoring-crime-into-development-policy/> (accessed 16 March 2015).

(economic) life and its intermeshing with power structures, this approach is only transferable to a limited extent. One option is to focus on criminal violence, and in fact, some donor countries have already expanded their conflict analyses to include crime analyses as well.¹⁹⁴ However, in order to better understand when to engage on organized crime-related issues and when not, the development community must invest more heavily in analytical tools that can capture TOC as part of the political economy.¹⁹⁵ To that end, existing instruments must be enhanced, or new ones developed.¹⁹⁶

The first objective should be to analyze the status quo with regard to TOC as fully as possible, although information on this issue is, by its very nature, difficult to access. This assessment should form the basis for the second step, namely setting priorities. Due to the trade-offs identified and possible unintended side effects of any measures adopted, the focus should not be limited from the start to specific threats such as violence. In reality, given the many different types and impacts of TOC, development cooperation will be unable to avoid its programmes having any impact in this area. Nonetheless, it is important to carefully weigh up decisions on how to proceed. Furthermore, such an analysis is useful in exploring entry points for TOC-related cooperation with other policy fields and in making use of synergies within one's own measures. The fact is that trade-offs exist not only between security and development, but also between the various approaches pursued in the context of development cooperation.

A whole-of-government approach

Development policy generally recognizes that global factors, such as TOC, which worsen state fragility, can only be addressed as an inter-agency responsibility and on the basis of multilateral cooperation.¹⁹⁷ In Germany, for example, the Interministerial Guidelines for Coherent Federal Government Policy towards Fragile States make explicit reference to the global structures and factors which can trigger and perpetuate localized fragility, including arms, drug and

¹⁹⁴ USAID, for example, conducted this type of analysis in Niger in December 2013.

¹⁹⁵ *Getting Smart*, ed. Kavanagh (see note 16), 30.

¹⁹⁶ The existing brief political economy analyses (PÖK) are a possible starting point for German development cooperation.

¹⁹⁷ BMZ, *Entwicklung für Frieden und Sicherheit* (see note 19), 13.

human trafficking and the natural resource trade.¹⁹⁸ At the same time, it is noticeable that not only foreign, security and development policy actors but also law enforcement entities around the world are showing greater interest in closer involvement in whole-of-government approaches.¹⁹⁹ Such an approach makes most sense in relation to forms of TOC which are both particularly lucrative and well-organized but also highly damaging to the affected countries and their populations. In fragile states, this is likely to be those forms of TOC which are driven by strong demand in other world regions and by externally dominated networks. Here, an approach which does not involve strengthening deterrence is going to face difficulties. But even then, linking development approaches with building law enforcement capacities is far from automatic. Rather, the pros and cons of such measures should be carefully weighed up in light of the potential for violence linked to TOC, the state's involvement in TOC, and TOC's importance for the livelihoods of certain demographic groups.

As illegal fishing off the coast of the three focus countries is rarely linked to violence and the state's involvement is sporadic, but at the same time there are clearly negative effects for local communities' livelihoods, this sector appears to be suitable for a whole-of-government approach. Due to the specific nature of TOC as an external stressor, one option may be not only to link individual bilateral programmes but to focus on the illicit value chain as a whole. Indeed, this is already happening with the German fund for cross-cutting political cooperation, which implements the programme on Combating Poaching and Illegal Wildlife Trade (Ivory and Rhino Horn) in Africa and Asia. The initiative is coordinated by GIZ and involves not only five German ministries (BMZ, BMUB, AA, BMF and BMI) and the partner countries' governments but also NGOs, the private sector and international institutions such as the World Customs

Organization.²⁰⁰ A similar format, which combines law enforcement, management of protected areas and alternative development for local communities with anti-corruption measures, transregional dialogue forums and demand-oriented awareness-raising campaigns, may be feasible as a response to illegal fishing off the West African coast. However, implementing this type of approach at sea faces considerable obstacles, not least because of the massive technical efforts required and the difficult conditions in the maritime sector. What is clear, however, is that more stringent surveillance of the three countries' coastal waters is unlikely to be sustainable without more effective and transparent governance and onshore management of the fisheries sector. Development cooperation can make an important contribution, not only in this field but also in involving artisanal fishermen, who are particularly impacted by the organized forms of illegal fishing. What's more, if artisanal fishermen are to be engaged in monitoring, appropriate information and organizational arrangements are essential, along with trustful relationships with the relevant authorities.

With regard to cocaine trafficking in the region, the preconditions for this type of whole-of-government approach do not exist. Due to the sometimes strong links between criminal networks and officials, effective deterrence in this sector is highly dependent on an international presence. Capacity building specifically aimed at combating cocaine trafficking in Liberia and Sierra Leone only makes sense in the medium term if it is combined with progress on security sector and judicial reform. In Guinea – given the present political conditions – it is debatable whether this form of capacity-building is appropriate at all; here, the priority should be to strengthen transparency in the political process as a whole. Development cooperation can certainly make a contribution here, as with security sector and judicial reform. Implementing specific recommendations made by the West Africa Commission on Drugs (WACD) is another useful starting point, especially with regard to prevention and harm reduction in relation to drug use. In none of the three focus countries are there any significant programmes, e.g. for young drug addicts in the health sector, nor are

198 Deutscher Bundestag, 17. Wahlperiode, *Ressortübergreifende Leitlinien für eine kohärente Politik der Bundesregierung gegenüber fragilen Staaten*, Unterrichtung durch die Bundesregierung, Drucksache 17/10732 (19 September 2012), 1.

199 Finn Stepputat and Lauren Greenwood, *Whole-of-Government Approaches to Fragile States and Situations*, DIIS Report 25/2013 (Copenhagen: Danish Institute for International Studies [DIIS], 2013), 24.

200 BMZ and GIZ, *Combating Poaching and the Illegal Wildlife Trade (Ivory, Rhino Horn) in Africa and Asia. Measure within the Fund for Cross-cutting Political Cooperation (Polifund)*, OECD DAC Anti-Corruption Task Team Meeting, Paris, 3 November 2014. The Polifund format will also be used to address illicit financial flows.

there any social programmes supporting communities that are struggling with the effects of drug abuse. One option may be to launch violence prevention projects with a focus on urban youth gangs and the local drug trade in order to mitigate the worst impacts. Both of these approaches can be implemented without a whole-of-government approach. The same applies to measures in the forestry sector and to alternative development and conflict prevention programmes in artisanal mining areas.

Evaluation, linking compartments and the multilateral level

As shown at the start of this study, development cooperation has a variety of entry points and instruments for engaging with TOC. A first step in making better use of these tools is to systematically evaluate experience gained in fields such as conflict prevention, security sector reform, the rule of law and alternative development, with a focus on their TOC relevance. At present, development actors working in the affected countries have few reference points to guide them if they encounter TOC in their field of work. Consequently, these challenges are circumvented or ignored, not least due to concerns about possible negative effects on the ongoing projects. A crime-sensitive approach and the systematic identification of options for responding to organized crime challenges would provide a remedy here, at least initially. In projects with TOC relevance, it would also be useful to review the effects on the various threat categories across the lifetime of the projects and to adapt the measures accordingly if necessary. It is also of fundamental importance to tie development activities to debates and positions in the fragile states themselves and to international processes such as the New Deal for Engagement in Fragile States, for views on TOC and its impacts vary considerably from country to country, a factor which must be considered when involving local civil society actors in awareness-raising, for example.

In tackling organized crime in the (illicit) natural resource trade, the regional and global levels are of prime importance. Linking projects with TOC relevance in (sub)regions is useful if the projects are expected to have transnational impacts. This is likely, for example, with a comprehensive approach to illegal fishing and also with governance programmes and activities in border regions. Some formats, such as

harmonization of legislation, are per se regional in focus. In view of the diverse political conditions in the individual countries, promoting regional cooperation, especially via regional or subregional organizations – in this instance the Mano River Union²⁰¹ can play an important role.

The multilateral level of regulation is not the domain of development cooperation. However, development policy has substantial influence, for example in the implementation of the SDGs (Agenda 2030). The issue of TOC is dealt with in one of the targets, and it is essential to ensure that this and other targets with TOC relevance genuinely have an impact. Following the adoption of the SDGs at the United Nations Sustainable Development Summit in September 2015, the priority now is to find meaningful and realistic global and national indicators to monitor progress towards the targets for SDG 16.²⁰² But TOC, as a cross-cutting issue, is relevant to many other SDGs as well. Naturally, this will not be fully reflected in the global indicators, but it should be considered in the further process, as well as in other forums, such as the OECD DAC and in initiatives which aim to combat illicit financial flows, for example.²⁰³ For although fragile states may be particularly at risk, TOC is often driven and orchestrated from other world regions and TOC operations are, increasingly, global in scope.

201 An intergovernmental organization whose members are Côte d'Ivoire, Guinea, Sierra Leone and Liberia.

202 On this issue, see Judith Vorrath and Marianne Beisheim, *Organised Crime in the "2030 Agenda for Sustainable Development". Indicators and Measurements for International and National Implementation*, SWP Comments 45/2015 (Berlin: Stiftung Wissenschaft und Politik, October 2015).

203 See, for example, OECD, *Measuring OECD Responses to Illicit Financial Flows*, Development Assistance Committee (DAC), Senior Level Meeting (Paris: OECD Conference Centre, 3–4 April 2013).

Abbreviations

AA	Federal Foreign Office
BMF	Federal Ministry of Finance
BMI	Federal Ministry of the Interior
BMUB	Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety
BMZ	Federal Ministry for Economic Cooperation and Development
CCVRI	Conflict, Crime, and Violence Results Initiative
DAC	Development Assistance Committee (OECD)
DIIS	Danish Institute for International Studies (Copenhagen)
ECOWAS	Economic Community of West African States
EJF	Environmental Justice Foundation
GI	Global Initiative against Transnational Organized Crime
GIABA	Inter-Governmental Action Group against Money Laundering in West Africa
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
IPI	International Peace Institute (New York)
ISS	Institute for Security Studies (Pretoria)
IUU	Illegal, Unreported and Unregulated (Fishing)
NGO	Non-governmental Organization
NPFL	National Patriotic Front of Liberia
OAS	Organization of American States
OC	Organized crime
OECD	Organisation for Economic Co-operation and Development
RUF	Revolutionary United Front (Sierra Leone)
SDG	Sustainable Development Goal
TNI	Transnational Institute (Amsterdam)
TOC	Transnational organized crime
ULIMO-K	United Liberation Movement of Liberia – Kromah Faction
UN	United Nations
UNDP	United Nations Development Programme
UNIPSIL	United Nations Integrated Peacebuilding Office in Sierra Leone
UNODC	United Nations Office on Drugs and Crime
UNSC	United Nations Security Council
USAID	United States Agency for International Development
WACD	West Africa Commission on Drugs