Spotting the Spoilers

A Guide to Analyzing Organized Crime in Fragile States

Mark Shaw and Walter Kemp

INTERNATIONAL PEACE INSTITUTE

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Foreword

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The international system is geared towards dealing with problems within or between states. Yet many contemporary crises involve powerful nonstate actors and transnational threats, like criminal groups. In 2000, the Brahimi report on UN peacekeeping argued that "the United Nations must be prepared to deal effectively with spoilers if it expects to achieve a consistent record of success in peacekeeping or peacebuilding in situations of intrastate/transnational conflict." But how do you spot the spoilers? Who are they? How do they make their money? And what is their impact on peace processes, particularly in fragile states?

There are a growing number of tools that look at the political economy of conflict, but very few deal specifically with transnational organized crime. This is a serious shortcoming since organized crime is a threat to peace and security in almost every theater where the UN has peace operations.

This guide is designed to fill that gap. It is written with the practitioner in mind, particularly for those involved in mission planning or postconflict needs-assessment missions. We hope that it can be useful and interesting to a wider public as well, not least policymakers and decision makers who may have to act on the basis of information gathered in such assessments.

I am very pleased to present this publication as one of the outputs of an IPI project called "Peace without Crime." This project is designed to strengthen the capacity of multilateral organizations, particularly the United Nations, to more effectively prevent and respond to the threat posed by organized crime. It builds on past IPI work in this field, including the 2009 IPI Blue Paper on Transnational Organized Crime. It is worth noting that one of that paper's recommendations was to provide improved crime threat analysis to UN peace efforts.

It is our hope that this guide will help to fulfill that objective. *Spotting the Spoilers* can contribute to making peace operations more aware of criminal groups and illicit activities, and reduce the threat posed by those who try to spoil peace because they profit from instability. In this endeavor, IPI owes a debt of gratitude to its generous donors. In particular, I would like to thank the governments of Norway and Switzerland for making this publication possible.

Using This Guide

Organized crime and related serious crime have become a critical issue in many fragile states. Until recently, organized crime was rarely considered to be a serious challenge when dealing with fragile states—and when it was, it was usually thought of as something that could be fixed later. However, experience shows that organized crime must be addressed during the course of any peace operation or political mission. It is seldom a peripheral issue; in many cases it is the biggest impediment to peace. This is particularly true in fragile states that can only offer weak resistance to the infiltration of criminal groups. Such states may have much lower levels of organized criminal activity than developed countries. Yet given weak institutions, few economic opportunities, and serious security threats, the activities of organized crime can have a disproportionate and devastating impact, particularly when a political transition to peace or democracy is underway.

The problem is organized crime is hard to find: people who carry out illicit activities want to avoid detection. In fragile states, they are often better armed, better paid, and better organized than the police, so they are seldom caught and there is little information on their activities. Furthermore, because multilateral field operations lack the tools to assess criminal activity and believe that the issue is outside their mandate, they seldom go looking for it. As a result, despite the serious impact posed by crime in theaters where there are peace operations, those operations are often badly prepared or equipped to deal with the threat. This guide is designed to help rectify that shortcoming.

Designed for people in multilateral organizations who want to analyze the nature of organized crime in a fragile state, this guide should be particularly useful for field staff of peacekeeping, peacebuilding, or political missions. Assessments of organized crime are vital for planning interventions, particularly technical assistance and criminal-justice support, and for understanding the political

economy in which the mission is operating. Hopefully it can also be useful to a wider public, including policymakers, police and judicial officials, staff of development agencies, members of civil society, journalists, and students.

No specific countries or criminal groups are mentioned in this guide. This is done on purpose, to make it broadly applicable to a wide range of situations. Nevertheless, the types of situations that it addresses reflect real threats in several countries with different political systems and differing degrees of development and institutionality, from Afghanistan to Zimbabwe and from Haiti to Somalia—some places where there are peace operations and others where there are none but organized crime is a clear and present danger.

In order to address the threat posed by organized crime, one must understand it as a phenomenon. How is it defined? What causes it? How does it manifest itself? How big is the problem? Who is involved, and who is affected? What impact does it have, and how can that be gauged? Is it getting better or worse, and what can be done about it? The key, therefore, is to analyze the situation on the ground, and use the information gathered to form an effective response.

As a first step, the objective of this guide is to get you thinking—and hopefully producing what is generally called an Organized Crime Threat Assessment, or OCTA. The OCTA is a tool for generating a strategic picture of organized crime that can lead to an evidence-based response, both in terms of policy and operations.

The guide seeks to provide an overview of what steps can be taken to analyze and understand organized and serious crime in a particular country. It is not a guide for conducting a criminal investigation; rather, it is a way to gather together information on things that have not been focused on before and that impact the peace or political process.

The guide is written and presented in a user-friendly style in order to engage the reader and to be a companion to those who are seeking guidance in dealing with this serious problem.

A word on safety: your aim is not to arrest anyone; your aim is to understand what is going on. Even so, if you go around asking a lot of

questions, you could put yourself in danger. Dangerous people make a profit from the activities of organized crime, and they do not like nosy people who stand in the way. Take sensible precautions. But most of the information you can collect, as outlined in the pages that follow, should be readily available, and researchers work on this issue in many countries. Based on this, you should be able to make a good start in piecing together an overall strategic picture of the nature of organized crime in the country where you are working.

The guide is divided into three sections, each beginning with a question:

1

WHAT ARE WE TALKING ABOUT?

This short introduction provides the basis for the rest of the discussion by clarifying some terms and definitions.

2

WHAT'S GOING ON?

This section is about gathering information to understand the phenomenon of organized and serious crime. This is the longest section and contains a six-step process to guide your thinking.

3

WHAT IS THE IMPACT?

This section looks at the impact of organized crime and the types of harm it may cause.

Chapter One

What Are We Talking About?

At the outset you may be asking why organized crime is such a challenge now. There are many reasons. One of the most important is that the world has changed dramatically in the last decade—it has become smaller in that people and goods have greater freedom and ability to move. This has both positive and negative consequences. While globalization has created many opportunities, it has also enabled a boom in transnational organized crime. Vulnerable states and people are the most affected.

Countries where governments are weak or there has been sustained conflict or political instability—namely, fragile states—are connected in multiple ways to the global economy. Yet their governments and institutions are less able to regulate what happens on their sovereign territory. One of the results is that criminal groups can make use of these opportunities to make money. There may not be many other openings for legitimate commercial activities in such places, so it is an attractive prospect for some—usually those who already have money and power and who are in a good position to spot the opportunities.

WHEN IS A STATE FRAGILE?

As defined by the OECD a fragile state is a low-income country characterized by a "weak capacity to carry out basic functions of governing a population and its territory" and the inability "to develop mutually constructive and reinforcing relations with society." In such states, the central government lacks a monopoly on the use of force and cannot provide public security or deliver public goods and services to many of its citizens. As a result, citizens lose faith in, and motivation to engage with, the state. Some parts of the country may even be beyond the control of the central government—so-called

"ungoverned spaces," or regions where there are alternative forms of government. This leaves citizens vulnerable to the impact of dramatic changes in political, economic, or social conditions.

The term fragile state can encapsulate countries with one or more of the following:

- conflict or a prolonged political impasse;
- deteriorating governance;
- postconflict instability;
- political transition, including peace negotiations or a movement towards democracy;
- a central government unable to fully exercise sovereignty over its territory.

A fragile state is highly vulnerable to external shocks, and internal rot. Institutional weakness is one of the defining features of fragile states—the weakness or lack of institutions can often embody or preserve the conditions of the crisis.

This guide uses the term "fragile" to imply a range of circumstances characterized by countries with weak, illegitimate, or badly broken institutions, which may have experienced some form of conflict and may be attempting to move towards peaceful democratic societies. Organized crime can severely disrupt this process.

POSTCONFLICT PEACEBUILDING AND ORGANIZED CRIME

As indicated in the list above, many fragile states have recently emerged from conflict. Such states are vulnerable to the activities of organized crime. They may have an international presence in the form of a peacekeeping, peacebuilding, or political mission. Many such missions now have mandates to combat organized and serious crime, although the resources and expertise to deal with the threat are still limited. In other cases, there are no mandates but missions are trying to respond as best they can.

It is often the case that organized crime tends to become more prominent in the period immediately after the end of conflict and

during the transition to peace. Such a period is characterized by political uncertainty and the state's justice institutions may lack the capacity and skills to respond. And yet, very often during this period, international peacekeepers or police may be drawing down. This creates a security vacuum exploited by criminal groups. Too often the latter are overlooked by the peacebuilders who are so focused on the bricks and mortar challenges of postconflict rehabilitation. This may turn out to be a costly mistake once criminal networks have accumulated considerable influence and resources—enough to subvert the political process itself.

Indeed, as discussed in the third section below, organized crime can affect many aspects of society. Most significantly, it poses a threat to peace. The resources that criminal groups generate may distort the political process by, for instance, funding the activities of some political parties and not others. Such criminals may team up with other spoilers who, like them, profit from instability. Their work may undermine the economy by introducing violence and excluding some people from opening badly-needed new businesses, causing brain drain, and scaring away foreign investors and donors. Criminal money inflates prices, most prominently in the property sector, and drives up the cost of living for everybody. Drug use destroys communities and spreads disease. Counterfeit goods such as medicines cause harm to those who can least afford it.

Organized crime means a poorer quality of life for people who have already suffered a lot and who are hopeful for a new chapter in their lives. Crime undermines their confidence in the new order, makes good people retreat from their communities, reduces opportunities for their children, and adds a further burden for many who are struggling to survive. Surveys show again and again that what people fear the most in such situations is for their own personal security and that of their loved ones. In short, organized crime is a threat to security, justice, and development. Therefore it should be tackled as part of the mainstream of any peace operation or development plan.

WHAT IS CONSIDERED ORGANIZED CRIME?

There has been a long debate about what in fact constitutes organized crime. Member states of the United Nations could not agree on a

definition of the concept when negotiating the *UN Convention against Transnational Organized Crime* in the late 1990s. For our purposes, it is enough to say that organized crime can be regarded as a series of illegal activities perpetrated for profit by a relatively well-organized group, which can be very small. Their activities may involve violence and corrupt practices, although there are cases where this does not occur.

Serious crime is defined by the UN as any crime for which those convicted would face four or more years of imprisonment. Given national differences and the possibility of different court outcomes depending on the case at hand, this threshold represents an adequate indication that the crime in question is "serious" since it is viewed as such by individuals and communities.

Organized crime is usually perpetrated by groups. Studies of criminal groups have shown that they come in all shapes and sizes. Some resemble gangsters in Hollywood films, but many look like the normal people you would see in the street. So don't have any preconceived notions! The definition provided by the *UN Convention against Transnational Organized Crime* is suitably broad. It contains several elements:

- a structured group of three or more persons;
- existing for a period of time;
- acting in concert;
- with the aim of committing one or more serious crimes or offences;
- in order to obtain, directly or indirectly, a financial or other material benefit.

Most of these pointers are self-explanatory. The reference to a structured group does not suggest any particular structure, only that the group has some form of organization—a pretty loose definition by any means. It is now accepted that many if not most criminal groups, by the nature of their operations, their ethnic and community ties, and the reality that they make use of modern communication technologies, have become flatter and more networked, just like the

best companies.

"Acting in concert" is simply the requirement that there be evidence that the group actually works together to conduct the crime rather than just being casual acquaintances.

WHEN IS CRIME TRANSNATIONAL?

In cases when criminal activity transcends borders, the term transnational is added to the front—"transnational organized crime." So, while assessing what form organized crime takes in the society where you are based, you will have to consider the extent to which the different forms that you find can be labeled as transnational. The chances are that the commodities that are being smuggled through the country that you are looking at originated somewhere else or will be shipped abroad, or both. And it is very likely that the criminal group involved has foreign connections. If this is the case, and it usually is, your understanding of the crime in question will need to have a wider focus, and you will have to be in contact with people outside the country to understand the full picture. According to the *UN Convention against Transnational Organized Crime*, an offence is transnational if:

- It is committed in more than one state.
- It is committed in one state, but a large part of its planning and control takes place in another state.
- It is committed in one state but involves a criminal group that is active in two or more states.
- It is committed in one state but has substantial effects in another.

CRIMINAL MARKETS

One more term is worth exploring: criminal markets. Organized crime groups seek to control criminal markets, just like ordinary commercial markets—ones that trade in goods and services and generally act according to the laws of supply and demand. Understanding criminal markets is essential to understanding organized crime, just as understanding commercial markets is essential to understanding the companies that operate and compete within them. A few points are worth highlighting by way of introduction:

- Criminal markets evolve like other markets—they are shaped by market forces, new technologies, and new ways of doing things that may impact upon cost.
- Criminal markets often rely on the sinews that promote the operation of ordinary markets—that is, systems of trade, transport, and communication. Even in fragile states, organized crime groups will need access to these forms of support if they are to be successful.
- The good or service being traded in a criminal market does not necessarily have to be illegal. What will be illegal, however, is the transaction associated with that good or service. Illegal activities can therefore supply legal goods (the smuggling of cigarettes to avoid customs duties, for example) but still result in money that has been made illegally.
- One way in which organized crime may seek to control criminal markets is through violence—pushing out competitors or scaring people into buying goods they may not want or need. Forcing businesses to pay for protection is one of the oldest ways organized crime groups do this.
- Like any entrepreneur, criminals need to keep their money somewhere safe. Since they are often earning large amounts of money in a society where such amounts would be suspicious, criminals may seek to shift their assets offshore, hang on to large amounts of cash, or invest (launder) their money in real estate or liquid assets (cars, boats, art, jewelry, etc.). Since criminals are motivated by profit, the money trail is often their weakest link.

INTELLIGENCE, INFORMATION, AND ANALYSIS

In some quarters the debate about the extent and nature of organized crime has been complicated by the use of the word "intelligence." Understandably the use of the term has uncomfortable associations with security agencies and the possible infringement of human rights. Yet, with the right checks and balances in place and within the framework of democratic governance, intelligence can be a vital tool in fighting organized crime.

We should be clear from the outset where this guide fits in,

however. What is being proposed is not to collect intelligence. Our function here is to collect information that is essential to understand the extent of the phenomenon.

Information or data on its own is of limited value. Your job is to interpret the information you have at hand—the issues and questions that follow in this guide will be critical to your ability to do that. When you present your information, follow three simple rules:

- Tell your audience what you know.
- Tell your audience what you don't know (and why not).
- Most importantly, tell them what you think—give them an insight into what is happening and what the impact and implications may be. The problem that people have today is seldom lack of information, it is too much information. What is therefore valuable is your ability to distill the main points from disparate sources of information into a cogent analysis of what is going on, the impacts, and what can be done about it. This guide will help you with this process.

Let's now turn to the issue of gathering information on organized crime.

Chapter Two

What's Going On?

How do you begin to understand an issue as complex as organized crime? It may seem to touch all sorts of different activities, and it will be hard to discern how exactly it operates. Here are some basic steps to follow, but remember this is only a guide, and your information-gathering activities may well overlap across steps, or you may decide to take them in a different direction depending on the circumstances. Nevertheless these six steps and the questions that are suggested are a good place to start. It is also helpful to know that there may be no definitive answers. But the more you can collect, present, and debate things within the framework of what is suggested here, the easier it may be to write up an assessment.

Most of the information that you can gather is from open sources. A media review can be helpful, for example, not least of local media sources. But it is even better if you can get on the ground, and form a first-hand view of what is going on.

STEP 1: WHAT ISSUES TO FOCUS ON?

Not all criminal activity is serious or organized. And not all serious and organized crime is immediately visible. A threat assessment needs to identify a series of key thematic areas for study and information collection. If you identify too many, you may not have the resources to target and understand them thoroughly.

The best way to identify what the key thematic focus areas should be is to ask the opinions of different people. Among others, it is useful to include the following groups:

- journalists
- politicians

- prosecutors
- attorneys-general
- police officers
- community or traditional leaders
- religious leaders
- military staff
- customs and border control officials
- academics
- forestry and park rangers
- diplomats
- civil society
- members of the business community

To start with, put things in context. What is the political situation in the country? What is the economic situation? What is the geostrategic location? What is the regional security situation? These are all factors that will help to explain why crime is flourishing, and what its impact is.

Once you have the big picture, start zooming in on organized crime.

When you start asking questions, you are likely to get a wide and diverse range of answers. A local community leader may view things very differently from a police chief. It is wrong to assume that she or he does not know what they are talking about; after all, they live in that community. And it is equally wrong to assume that organized crime only involves foreigners who meet secretly in the best hotels. Organized and related serious crime may encompass diverse activities, including acts that may not seem serious from your perspective (say, cattle or bicycle theft). Remember, you are an outsider—particularly if you are not in your own country, don't immediately reject anything.

After asking around, you will have a series of notes that may seem sketchy and disjointed. Some of the views expressed may be contradic-

tory. Data may be scarce. For example, some points may read like this:

- People seem to be trafficking drugs in and out of the country. The police and politicians say foreigners are involved, journalists say politicians make money from it, community leaders say that local youths have formed gangs as a result.
- Everybody says that some former soldiers and young men are "moving around" and raping women. Some women even seem to have disappeared. The police think they have gone back to their rural villages. The women have also been reported to be acting as prostitutes in a brothel in the capital.
- A community leader says there are more guns available now and some local people have bought them. It seems former soldiers are selling them. The police say they have no evidence of this. But there have been some pretty violent robberies of late, and automatic, military-type weapons were used.
- A journalist says he is investigating a story about money that is paid to "powerful people" who sell land that is not theirs. When people complain, a group of toughs appear and beat up the owners of the land. Most of the owners are now too scared to speak out. The police say this story is greatly exaggerated and should be ignored.
- A prosecutor says that he has heard of a new foreign gang in town asking about whether there are any dik-dik antelope left in what used to be the main wildlife reserve. Their horn, you are told, used to be traded illegally before the war and is a well-known aphrodisiac. The prosecutor says it is all nonsense as he has tried it, and it "did nothing" for him.
- When pushed, most people regard one of the biggest issues to be who controls the local taxi business. They say that a decrease in competition has pushed up the prices of local transport—something local people can ill afford. There are two main groups and they threaten commuters and each other. Things seem to have gotten a bit better with each taxi association now controlling one half of the city. The self-appointed "mayor" of the capital city seems to take payments from both associations, although he

appears to be more friendly with one.

- Community leaders emphasize that a lot of medical drugs in the country are counterfeit. People either get sick when they take them or the drugs have no impact. An example everyone points to is the anti-malarial drugs on sale at the local market that don't come in any official packaging.
- A lot of new housing projects are starting up, yet locals are not sure who the owners are.

You get the idea. You are in the process of sketching out a series of key themes which you may (or may not) use to organize your assessment of organized and related serious crime. Take all the information seriously. Don't reject it because the police say it is not valid, or it does not seem important from your perspective (like the dik-dik horn story).

If step 1 is more of an impressionistic review of what areas organized crime may be involved in, step 2 is more quantitative—finding hard data to determine, if possible, the extent of the phenomenon.

STEP 2: CAN THE EXTENT OF ORGANIZED CRIME BE MEASURED?

The various categories that you have now identified can be subjected to some form of measurement. Indeed, by attempting to measure their extent you may go some way towards determining how serious such crimes can be for the society as a whole.

Nevertheless, identifying and measuring hidden criminal activities is a significant challenge. Those involved generally don't register what they are doing, and in countries that have just experienced conflict and where state institutions have been destroyed there would be few people with the means to record it, even if they were interested. Here lies the real challenge of the assessment. It will not be enough to label each problem as "serious" or of no consequence unless some hard data can be produced to back up the point. To be credible you need evidence, but because you are dealing with illicit activity in a fragile state, that evidence will be hard (and potentially dangerous) to find. But again, you are not trying to collect evidence to put someone

on trial. You are trying to form a general assessment of organized crime and its impact on the society where you are trying to keep or build peace. So the challenge is to find enough dots, and then connect them.

In each of the thematic areas that you have identified for possible investigation you will need to think up and preferably write down a plan as to how you are going to find relevant data over a specific period (for example, volumes of seizures or number of convictions). This is not a question of finding one or two golden sources of numbers that can be used to judge the extent of the problem; rather, it will mean finding lots of different measures that can be compared and contrasted to enable you to understand what is going on.

Since drug trafficking is a widespread problem in many countries, here is a list of possible questions that you should consider when focusing on this specific problem:

- What are the types of drugs available in the country? If drugs are transiting the country, is there a cheaper version that seems to be available only on the local market? What is it called locally? How long has it been around? Is it concentrated in any cities or particular communities?
- What are the trafficking routes used? Where are the drugs from, and where are they going? Where exactly do they enter or exit the country? What form of transport seems most common (ships, planes, cars, mules)? Can you say who is doing the trafficking?
- Has anybody been arrested? If there has been a court case, can you take a look at the records, if they exist? If not, see if you can speak with some of the court officials. Have arrested people ever been released? If they have, were reasons given? You can be relatively sure that if a trafficker was arrested in possession of a quantity of drugs and then released on the basis of, say, "insufficient evidence," then something is not quite right.
- How many drugs have been seized in the country and where? Do the figures provided by the government match those that are provided by international sources?
- When drugs are seized, who tests that they are in fact drugs? It is

not a bad exercise to determine whether the relevant law-enforcement authorities would recognize drugs if they saw them. What, for example, is their forensic capacity? Seizure figures will never match what is trafficked, of course, but this will give you some idea as to how seriously you should take the government's data.

- What is the level of purity of the drugs that have been tested? What happens to the drugs that are seized? Is the seizure registered formally? If drugs are destroyed, are these the same volumes that were seized?
- Has there been a spike in seizures at any particular point? Does anyone know why? Where have most of the seizures occurred? Where have there been no seizures? Are seizures made both of drugs coming into and leaving the country? What is the volume of drugs seized in neighboring countries?
- Has anybody counted how many drug users there are in the country? Have any been arrested? Are these users confined to any specific communities? How many drug users have died? How many are being treated? You could go and meet with some users as they may have a good idea about the local drug economy and how it works. You could also ask them how much drugs cost, an issue we will consider later.
- What does the international data on the particular drug say? For example, is there a surge in use, production, or trafficking? Are these figures consistent with what you are seeing in your own inquiries?

There are a lot of questions to ask in each case. Don't limit yourself to only these; by asking questions you will raise more issues to explore.

Let's use a more specific example to illustrate the process for a criminal market. Take the case of the dik-dik. Buck horn may seem a strange thing to look at, but you leave it on your list. You draw up a plan and test it against the knowledge of local wildlife officials. It could be along the following lines:

- the estimated number of dik-dik before the war;
- the number of dik-dik carcasses local wildlife officials may be

finding;

- any seizures of dik-dik horn along the country's borders;
- the seizures of dik-dik horn elsewhere in the world—have these increased?
- the demand for dik-dik horn in other countries where they may reside and any figures on legal and illegal export that you can find;
- any small-scale surveys of dik-dik in the post-war period (these could have been conducted by an NGO interested in the long-term survival of the animal);
- the number of arrests for poaching dik-dik. Who was arrested? Are they from local communities in or near the designated parks, or from elsewhere?

Globalization means that few illegal commodities are unique to any one place. Therefore, important conclusions can be drawn from figures that do not originate in the country where you are doing the assessment. This is particularly the case for commodities that can be exported legally in specific volumes. If the legal export quotas of dik-dik horn are increasing in neighboring countries that only have a small number of well-protected antelope, you need to be asking yourself why this is the case and where that extra horn is coming from.

Community perceptions of what is going on may also add critical qualitative information to what you are looking for. If communities report that the dik-dik were once plentiful but sightings of them have all but vanished, then this is important evidence.

The overarching question that you need to be asking yourself is, can this sort of activity be measured? If so, where are the most likely places to find even fragmentary statistics? The second important question is, how can you use whatever resources you have (personnel within the wider UN mission, for example) to set up your own rudimentary system of measurement? Until you can calculate the extent of the problem you are facing, it is hard to make the case that it is getting better or worse, or indeed establish whether it is a problem at all.

Your assessment needs to look at what part of the crime is

committed in the country you are in. Take the dik-dik example again. If the horn is both harvested and sold in the same country then you are not dealing with transnational crime. But in the case of the dik-dik antelope, the market for the horn is outside the country—and whoever is doing the harvesting is in contact with outsiders doing the selling. So there is clearly a transnational component. In fact, it can be argued that most of the organized criminal activity that will concern you will have some cross-border element. Understanding exactly what this transborder activity is and how significant it is (by drawing on data such as border seizures, volume of recorded trade, or the presence of foreign nationals) will be crucial to analyzing the nature of the criminal market. It is to the issue of understanding criminal markets that we now turn.

STEP 3: CAN YOU DEFINE THE CRIMINAL MARKETS?

As was argued earlier, organized crime lends itself to controlling criminal markets. That is to say, it seeks to control the supply of and in some cases the demand for specific illicit commodities. The control of both the supply and the demand may rely on some assistance—most notably in the form of coercion or violence (or threats of violence), or paying people off (corruption).

Criminals, like any entrepreneurs, seek low risk and high returns. However, their methods are different than the average business person. They are not afraid to break the law in order to lower risk and raise profit, even to the point of eliminating the competition.

Using violence or corruption, organized crime groups need not confine themselves to markets with illicit goods (drugs being the best example); they may also seek to control legal commercial activities, by controlling transport routes, for example, or carrying out "legitimate" activities using corruption or fraud. The best example is illegally paying for licenses to engage in some "legal" act, like mining, logging trees, or falsifying documentation, such as end-user certificates.

Illegal markets, just like those that operate legitimately, can be analyzed by looking at the price at which the particular commodity is sold. If prices fall, this means there is a ready supply of the commodity. If prices rise, this may mean that the supply has contracted, or is being deliberately restricted by someone.

Since they are trying to manipulate markets, organized crime groups seek to control prices for goods or services. That may mean driving up prices and forcing people to use that service even if it is above the market price. Or, it may mean driving down prices by dumping some product on the market to make sure it is used by as many people as possible—the best example of this is drugs. In the case of this particular product, once people are addicted the price can be raised again. So determining actual prices in your analysis, as well as any fluctuations in price, can be very important to understanding how any particular market may work. Therefore, be on the lookout for illicit activities, or suspicious patterns in the trade in legal goods.

Criminal markets are like other markets. They can be developing or established. Two tests are generally useful to see how established any criminal market is:

- The first, rather obviously, is whether anyone else could enter it. Who would they have to pay if they did? If anyone can easily enter a criminal market it usually means that it is still not too well established, and you have a better chance of stopping things. In well-established criminal markets those who attempt to enter are ejected with violence.
- The second indicator concerns the level of violence. Strange as it may seem, well-established markets require less violence to maintain (unless, as noted above, those controlling it are challenged). Markets that are getting established may need the tough guys out front with their fists and guns handy. Violence is a way of scaring off rivals and cornering the market. But a well-established market may operate quietly because a criminal group has consolidated its position, and most likely has plenty of collaborators in the private sector, law enforcement, and political and financial institutions that profit from the status quo. Violence is undesirable in such cases since it attracts unwanted attention. And it is usually unnecessary because the collaborators will find other ways to deter competitors from activities that they are now complicit in. Such markets are often the hardest to penetrate because they are controlled by powerful legal and illegal actors with vested interests in the status quo. Furthermore, collusion is so widespread that it is difficult to find honest partners. A "quiet"

market therefore suggests that the cancer of crime has infected the entire body of the state.

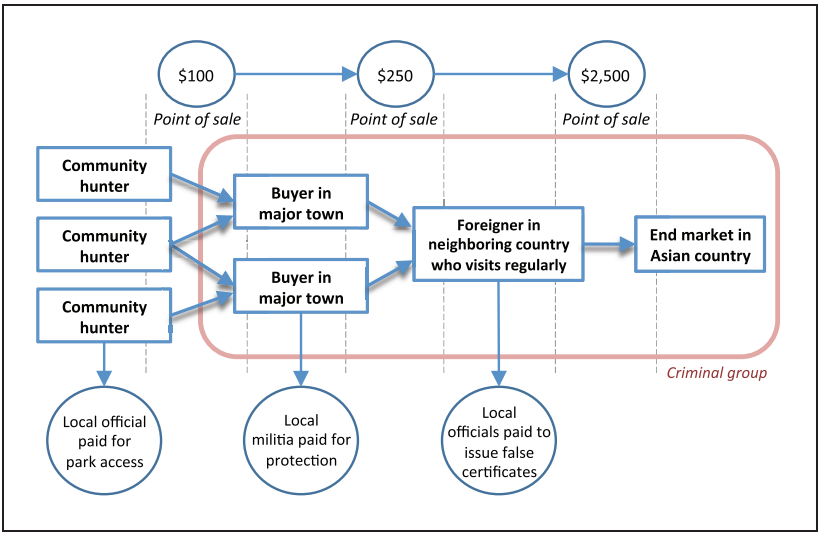
The best way to analyze a criminal market is to draw it out on a piece of paper. Some of these questions may be helpful in doing so:

- Who is the supplier? In other words, where does the commodity or service that is sold come from? Can you determine how much the supplier sells the product for? How many suppliers can you identify? How are they organized, and do they sell at different prices?
- Who are the enablers? For example, who provides transportation and storage facilities?
- Who benefits? A big question here is whether the supplier has to pay some form of protection money to someone. Has the price of protection become more or less expensive? Why do people say this is the case?
- As in all markets, the price will inevitably change down the supply chain to make sure that profit is made. There will usually be various nodes in the supply chain, each having a markup. Can you identify these nodes and what the price at each point is?
- What is the interface between illicit and legal markets? Who may be (witting or unwitting) accomplices?
- Who buys the stuff or the service? It may be ordinary people or distinct groups (local soldiers, for example, may represent the most prominent market for sexual services). Either way, understanding who the buyer is and why they buy may be crucial to putting some kind of prevention strategy in place. Of course the buyer may seem out of your reach (if the end user for dik-dik horn is an Asian country), but by understanding something about the end market you may be able to give some thought to prevention strategies, such as better enforcement in that country or prevention campaigns.

There are a lot of other questions that you can ask, depending on the circumstances. For example, is the market operating in a cash-based economy? How does money move into and out of the country?

Are there strange patterns of foreign direct investment, or other leading economic indicators that seem odd? The more you study the market the more you will have an idea as to what it is about—and who actually controls it. If you have enough people, assign one of them to each major market and get them to look at things closely. You may be surprised by what you find, and you may find similarities and even links between the different markets. A sketch of the criminal market for the mythical dik-dik horn in figure 1 gives an idea of how your analysis may work. The red ring signifies the organized crime group.

Figure 1. A sketch of the supply chain for dik-dik horn.



It has already been noted that criminal groups use violence to control markets. Violence—or the threat of it, or payment to prevent it—is a commodity in itself. It is usually something that the state has a monopoly on, but in the absence of state control, organized crime may step in. The result is a distortion of the market and the targeting of legitimate businesses for protection money (extortion)—a specialty of organized crime. In postconflict countries, there is no shortage of violence or young men skilled at practicing it. They create a threat (namely themselves) that only they can protect the client from. Here are some pointers on protection rackets that may be useful:

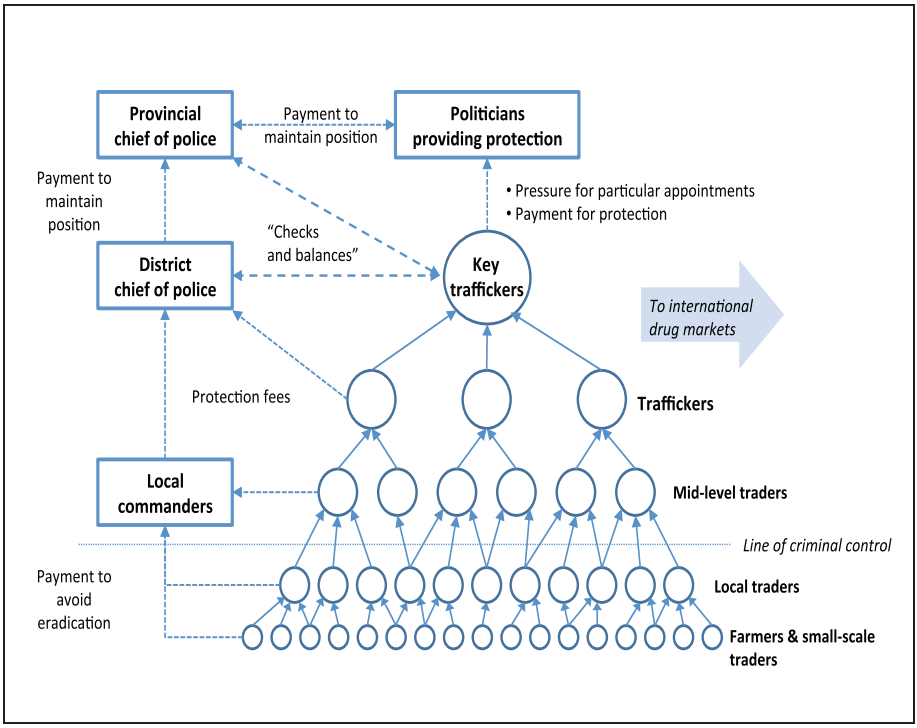
- Protection rackets are often hard to spot and collect information on. The payment of protection fees is guaranteed by showing that threats of violence will be acted upon if fees are not paid. The burning down of businesses, damage to property, slander campaigns, or the targeting of business owners could all be signs that someone has not paid.
- In any society, businesses that operate on the fringes of the law are vulnerable to demands for protection fees as they are unlikely to make a fuss with the authorities. Included on this list would be unregistered businesses, local restaurants, hotels that offer an array of "services," night clubs, strip joints, and brothels.
- There is a tendency for the price of protection to increase over time as criminal groups become greedy for more profits. Within less well-organized criminal groups, there is always the chance that some freelancing is going on, with some businesses needing to pay extra when paid a visit by their unruly "protectors."
- At least until the market for protection stabilizes, businesses may well be compelled to pay more than once to different groups each extorting funds.
- Protection fees need not only be charged for the protection of property but also for route protection in the case of transport or taxi operations.
- The people who are supposed to be part of the solution may be part of the problem. Elements of the police or private security companies may also run protection rackets. In some circumstances there may be a connection between military or militia units and

demands for protection money. Is this organized crime? Arguably, if it is sustained over a long enough period and the group practicing it takes on many of the features of a criminal organization, it is. We will discuss these features in greater detail below.

- Also bear in mind that racketeers may be able to operate due to protection that they buy from police, judges, or politicians. Be aware of people who seem to act with impunity.

The important point about protection rackets is that they are a criminal economy of their own. Prices may fluctuate, and many groups may be involved at different levels. Most notable here is the protection of illicit trafficking routes. Figure 2 is from a study in Afghanistan conducted by the World Bank and the United Nations Office on Drugs and Crime (UNODC), which illustrates the "pyramid of protection" associated with illicit drug production and trafficking

Figure 2. Drug trafficking in Afghanistan: protection and patronage.



routes in Afghanistan. The close proximity between three aspects already mentioned is clear: the involvement of state officials; the linkage between the payment of protection fees and the conduct of criminal business (in this case drug trafficking); and the vulnerability of transportation routes in ungoverned spaces to demands for protection payments.

As in the examples above, you may wish to experiment with different ways of illustrating the key criminal markets and associated protection schemes where you are. Sketching things out and breaking each part down further helps to identify areas where it may be useful to better understand how any intervention might make an impact.

This explanation of criminal economies and the commodity of protection begs the question: what is the nature of those controlling criminal markets? We now turn to the organized crime groups themselves.

STEP 4: CAN YOU SPOT THE ORGANIZED CRIME GROUPS?

The first section of this guide discussed the defining features of organized crime groups. It is worth noting here that organized crime groups may go under a variety of different names in different countries: syndicates, crime networks, criminal groups, gangs, and a host of other, more context-specific terms. It all adds up to the same thing though—illegal profits, violence, and corruption.

For the purposes of your analysis, it is useful to look for a number of different elements. The most important thing to remember is that this is a strategic threat assessment, so you do not have to find the names of those involved. Your aim is to get a picture of what you are dealing with. Trying to answer the following questions may be helpful:

- Can you discern a specific structure to the group, or is it just a loose affiliation of individuals?
- Is anyone in charge? People may whisper a name, and pretty soon you will hear it whispered several times.
- How many people are said to make up the group?
- Do they congregate in particular places?

- Is the group associated with a specific local, ethnic, or tribal identity? Do they have any distinguishing features?
- Is the group made up of former combatants? How do they recruit?
- Are different roles allocated to different people? For example, do only some people seem to manage the money or act violently?
- Does the group have a specific name? Those who are named (by themselves or others) are more likely to have a clear structure and control over a specific territory. Groups with names are also likely to have a higher profile (some even having a public persona) and engage in violence. Looser, more networked groups seldom have names.
- Are there any connections to legitimate business activities? In some cases this will be immediately obvious, such as in our example of the taxi industry above. In others it will be far less clear. But it may be well known that some lawyers and accountants about town are in the pay of criminal groups.
- Is the group said to be associated with foreign criminal groups? Local police and journalists may be best placed to give hints on this. If so, can it be said who these people are, and whether they have any local representatives?
- Is the group believed to have any political protection or connections to powerful politicians at local, provincial, or national levels? Who provides the protection, and with whom are the connections? How is this protection manifested?
- Does the group have any contacts with insurgent or terrorist groups?
- You will be focusing on the group in terms of one of the criminal markets that you have identified, but these guys are likely to be involved in other activities as well. Good criminal businesses, like good businesses generally, look for opportunities to diversify. Can you identify what else they may be involved in?
- Have trials or commissions of enquiry concerning the group taken place? This is a long shot, but it would be really useful to take a look at any court transcripts that can be found. You never know

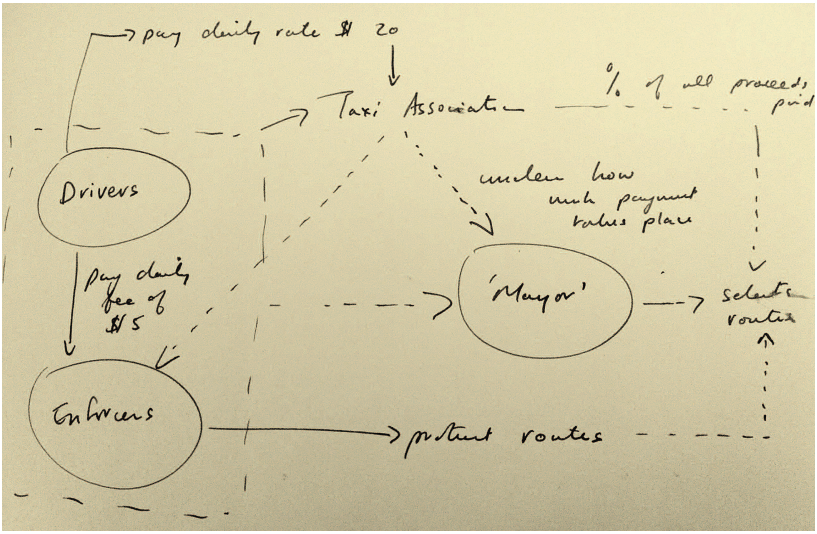
what is lying around at the local court building, or what the former prosecutor may be prepared to hand over. Searches in old newspapers may also give you a good idea of what happened in the past.

- What is the perceived relationship between the group and the law-enforcement authorities? This may be one of the hardest questions to answer and nobody may know or be willing to tell you. Police officers may not be paid off or corrupt, but they may well be scared to investigate. It will be pretty clear though, drawing on basic information, whether this is the case: if the criminal group is running around unchecked, it is likely that it has reached an accommodation with the police, corrupted key officers, gained political protection, or made some serious threats and demonstrated that it can and will carry them out.
- Does the group have any relationship with the military? Is this relationship with a specific unit (for example, a special forces unit) or with the military leadership as a whole? Are military resources (planes, boats, or trucks, for instance) used in criminal activities? Are there sealed-off military zones, where ordinary people and outsiders like yourself are not allowed to enter, but which are suspected of being places where criminal activities such as illicit trafficking or mining are conducted?
- Does the group have viable alternatives to illicit activity?

It may be helpful to draw a diagram of the group concerned, without putting any names in it. Remember, you may not have sophisticated telephone mapping software or other tools, but you have the great advantage of drawing from a range of information that gives you a strategic picture of what's going on. In your diagram, the different nodes could relate to different geographic groups or to individuals who seem to be of particular importance to its functioning.

The example in figure 3 is an illustration of how one driver explained the workings of the taxi groups referred to earlier, which you listed as a criminal market that you wanted to pay attention to. It may be particularly helpful to ask key interlocutors (such as investigative journalists) to draw you a diagram of how they think things work. Don't expect it to be immediately clear, and be sure to construct your

Figure 3. Who controls the local taxi industry—a driver's perspective.



own schematic once you understand how things work.

As is indicated above, organized crime groups, particularly if they have visibility and are making lots of money, are likely to have people in powerful positions who protect them or facilitate their activities. These facilitators may operate relatively openly, and the public may be aware of their links, or they may operate behind the scenes. Either way facilitators are critical to the running of the criminal operations. One interesting role that powerful facilitators (or enablers) can play is to target organized crime—crime from competing groups. If the authorities arrest only people from one criminal organization, you need to be asking yourself why this is the case. Who benefits? And what is the relationship between these facilitators and the political or peace process? What incentives do they have to either support or spoil the peace process?

An additional, perhaps unexpected, issue is worth highlighting: organized crime groups can be dispensers of charity. You may find that in some communities, far from being vilified, the activities of organized crime groups will be praised. Where the state is unable to

provide public security or deliver public goods and services, criminal groups may be engaged in a number of useful community activities, such as:

- distributing food;
- providing payouts to those injured in gang wars;
- giving support to families or members of the community at large who have suffered in some way;
- providing basic education;
- providing security in the absence of the police;
- supporting sports teams, festivals, and social events;
- providing community programs.

Such activities may ensure that there is considerable community support for the organized crime group in question, even though many people may also recognize that this is not a normal state of affairs. You may hear things like: "Well the government is doing nothing; it is not even present here. At least they care about the community." This is the mafia equivalent of a corporate social responsibility program. The result is a kind of perverted loyalty among ordinarily law-abiding people. It may be useful to see how much money is fed into the community this way, as a proportion of profits. This can give you a sense of the extent and financial clout of patronage networks. But beware: the distribution of patronage and the provision of protection to the community is often a step to what may be your worst nightmare—people with criminal backgrounds going into politics. You should also be aware that by going after these criminals, you may be regarded as a threat to a well-established, albeit criminalized, social contract, which is a result of state fragility.

In short, it is not only important to spot the criminal groups, it is essential to place them in a political context. If you are working for a multilateral organization, this is what your supervisors and the governments that they report to will be most interested in and concerned about. Bearing this in mind, here are some questions you should consider:

- Is there a link between criminal markets or organized crime and the funding of political parties, militias, or insurgency groups? Leaders of such groups are often openly acknowledged as being involved in some form of criminal activity. In such cases, it is important to ask whether the insurgency group itself has become criminalized, for example, or whether it draws on the work of other criminal groups.
- Are criminal activities used by some components of the state to fund their activities? In particular, this may be the case in countries where sanctions have been imposed and state institutions like the military have turned to other means to procure equipment and supplies. Somebody may be making a lot of money and wish to keep it that way.
- Do organized crime groups or organizations, institutions, or individuals that have criminal connections act as spoilers in the political process, peace settlement, or transition to democracy? And if so, how? What can they do that could disrupt the process, and what is their motivation? Is their reluctance to move forward or compromise based on the fact that they would stand to lose funds currently being generated by criminal activities?

These are critical issues for your overall analysis and will require careful consideration. We will examine how such factors impact upon the political process in the penultimate section of this guide.

STEP 5: HAVE THINGS CHANGED OVER TIME?

One very important question to be asking yourself and others is how things have changed over time. Criminal markets and organized crime groups are never static; they change and adapt. The way they do this says a lot both about the environment in which they operate and the nature of their group and its activities. The growth trajectory of any criminal group may help you identify key issues and enabling factors around which to plan a response. Here are some questions that you may want to consider:

- When was the group established, and how did this relate to any prominent social, political, or economic events?
- Have the overall number of criminal groups in the society

decreased? Does this indicate fewer but stronger players?

- Did the organized crime group start out as something else, such as a community group or militia? How does this influence the functioning of the group?
- Has the leadership of the organized crime group(s) changed?
- Has the number of active members of any criminal group increased or decreased over time?
- Did the arrests or deaths of key players disrupt the activities of the group?
- Has the location of the group's activities shifted over time?
- Has the group suffered any notable political or economic shocks?
- Did the group establish itself or consolidate market control through violence? Has the use of violence been sustained in later operations? If not, why not?
- Is the criminal group a result of the combination of several smaller groups or networks?
- At what point were connections with criminal groups from other countries made? Did this change the nature of the group?
- Has the reward system (payment or promotion) of the group changed over time?
- Have the communities in which the criminal groups are present changed in any significant way?
- Has the group evolved with political and economic changes in the country?

As the questions suggest, there is a story line for every criminal group as for every company: how it started, who was involved at the beginning, who was kicked out, who died, and who has shaped the organization's philosophy. In a nutshell, how the market was won. In the case of a successful criminal group, the story will show how control over the market was consolidated. Remember, just as in the case of regular companies, stories of success may get embellished in

the telling. The reality, particularly in the case of organized crime, is likely to be murkier.

STEP 6: WRITE IT UP (AND START THINKING ABOUT IMPACT)

Once you have collected information to cover the first five points in this guide, you will be ready to gather your notes together and start writing up. Throughout this process you have been thinking a lot about the impact of criminal markets and the organized crime groups involved—we will discuss this in more detail in the next section, but it is also important to keep this in mind when putting your observations down on paper in a more structured way.

You should write up the results in as much detail as possible, preferably criminal market by criminal market. In fact, the sooner you put it down on paper, the easier it will be for you to see what information you are still missing. The whole assessment does not have to be long; just a few pages per criminal market should suffice, detailing the key data and facts you have obtained.

One point to be clear about is that conducting such a threat assessment is an ongoing process, and your information will never be perfect. But you should be in a position to provide advice to your superiors as to what developments you think are important for them to know. For example, one option may be to create short briefs on the main criminal markets, which you update monthly, for people in your peacekeeping or political mission to consider. Don't forget that you are not looking at the criminal market and actors per se; rather, you are putting them in the context of the overall political, economic, and security situation.

In preparation for the discussion on impact, it may also be worth drawing together a summary table of the key criminal markets and how you intend to measure their development. A sample is presented in table 1 below, using some of our earlier examples and including a quick look at possible data indicators. To help introduce the discussion in the next section, some indications of the impact and harm caused by each market have been identified.

Table 1. Identifying criminal markets and monitoring their operation and impact.

Criminal Market Identified	Selected Indicators for Collection/Monitoring	Impact and Harm Caused
Drug trafficking involving foreigners. Local gangs have formed. People say politicians involved.	• volume of drugs seized (including in neighboring countries) • change in number of drug users	• violence associated with drug gangs • impact of drug use on young people
Women raped and allegations of women being **trafficked for sexual purposes or forced labor**.	• number of reported rapes (including local violence against women reported to NGOs) • number of brothels and women working in them	• violence, injury, and emotional harm • fear of crime among women
Sale of firearms and linkages to gangs engaged in armed robbery.	• number of firearm-related deaths • number of armed robberies • number of seized firearms • price of firearms	• death and injury • closure of local businesses
False land-sale scheme with associated criminal violence—possibility of protection payments.	• reports of violence associated with land sales • number of reported land sales and to whom sold	• distortion of local property market • less space for open business practices • loss of community trust in politicians

Table 1. (cont.)

Criminal Market Identified	Selected Indicators for Collection/Monitoring	Impact and Harm Caused
Harvesting and **illicit trade in the environmental sector**.	• seizures of dik-dik horn • number of buck in parks • number of carcasses found with horns removed	• long term viability of tourism sector undercut • species destruction • disruption of pastoral societies
Violent control of transportation routes—payment of protection fees and provision of political protection.	• violent incidents associated with taxis • fluctuations in price drivers pay for protection • fluctuations in basic transport fares	• death and injury • fear and insecurity • higher cost of transport for community
Trade in counterfeit goods, such as medicines.	• volume of seized counterfeit goods • number of people reporting adverse health or other effects from the use of counterfeit goods	• physical harm caused by badly-made or fraudulent goods • disruption to legitimate industries

Chapter Three

What Is the Impact?

Now that you have written up as much as you can about the nature of the various criminal markets, it is time to think through the nature of the impact that organized crime has in the society where you work. That is what will probably interest your supervisors the most: not just how crime manifests itself, but what impact crime has on peace, stability, and development. The impact of organized crime, as was suggested earlier, may well seem positive to some communities in the short term—if it involves the distribution of food or the provision of protection in the absence of an able or willing state. In the longer term, these initiatives undercut society's ability to build state institutions or return to normalcy.

In studying the impact of organized crime on any society the key question is: can you determine what harm is being caused by organized crime, both in the short and long term? Understanding the level of harm is critical. It allows you to understand what the costs are of doing nothing, of preventing the harm from occurring, and of decreasing the vulnerability and increasing the resilience of the people being harmed.

Before going any further, it is worth considering what is meant by harm, and why it is important. Harm can occur at a number of levels, from the individual to the society in which that person lives. In some cases the security of major cities, regions, or even an entire state may be jeopardized.

Harm may take different forms: some harm may be intentional or directly related to the activity considered; other forms of harm may be entirely unintentional. Some forms of harm (a physical injury to a person for example) may be immediately apparent; other forms of harm may take years to manifest themselves (such as harm to the environment).

It is worth emphasizing that the impact of—and therefore the harm caused by—criminal markets and organized crime is still not well understood. To facilitate an understanding of this in the United Kingdom, that country's Serious and Organised Crime Agency has developed a Harm Framework for Organised Crime. It forms a useful basis for identifying possible harm; in this section, we adapt it to the particular circumstances of organized crime in fragile states. The framework addresses the harm caused across a number of broad categories at the individual or local level, at the level of the community or region, and at the level of the state or international system. Each of the categories is now considered in turn. These include political and structural harm; economic harm; physical harm; social harm; and environmental harm. A matrix has been included at the end to provide a summary of the argument.

POLITICAL AND STRUCTURAL HARM

Whether criminal markets and organized crime cause political and structural harm is one of the most important questions you will have to answer. "Harm" in this sense is damage to the prevailing political structures and systems, undermining their ability to act transparently and fairly.

A political system in which organized crime has caused great harm will be characterized by high levels of corruption, by state institutions that either act for criminal gain or allow criminal groups to do so without intervening, and by the presence of a political class that is the same as, or closely aligned with, criminal groups. It is important to isolate the parts of the political system that have been most affected—local government, law enforcement, the military, legislators, the financial-management sector, the health system, the judiciary, or social security. In some states, the whole structure may be compromised. The influence of organized crime on state structures is often compared with cancer, with the treatment being the same: to identify, isolate, and remove its growth before it kills the body.

But beware: there are winners in this system who profit from instability. They would not consider their role to be harmful. On the contrary, they would see anyone interfering in their way of life as a threat—and deal with it accordingly. Thanks to their power and

patronage, they may have many sympathizers and dependents. Indeed, many of your interlocutors may be in some way complicit.

It is essential to understand the links between political and economic actors, because what may appear at first glance to be illicit activity may enjoy a high degree of local legitimacy (even if it is technically illegal), while the people whom one would consider legitimate figures may be highly unpopular, and corrupt. In short, the situation in fragile states is unusually complex. In order to change incentive structures, the benefits and not only the harms of organized crime must be understood.

To help make sense of the situation, and to measure the impact of organized crime on the political situation, a number of issues should be considered:

- What is causing organized crime? What are the enabling factors?
- Have criminal groups penetrated the state by corrupting state officials, or do state officials themselves operate criminal groups? Which parts of the government are most affected? What do they gain from their relationship?
- To what extent and at what level(s) has this occurred? If it is at lower levels only, the degree of harm may be serious but containable. If senior officials and legislators in particular are corrupted or control organized crime (or are controlled by it), then the level of political and structural harm will be severe.
- Has organized crime penetrated regional/provincial or local government? To what degree, and is it confined only to a few localities? How does this penetration manifest itself?
- Has the presence of organized crime in any level of government undercut public confidence in the state or in specific state institutions? In some countries, customs services are considered to have been corrupted by organized crime and regarded as untrustworthy. In others, the judiciary is regarded as compromised. Sometimes the main culprits are the military and the police.
- Have the presence and activities of organized crime undercut important social services (for example, the provision of medical

care, the payment of pensions, or access to public transport)?

- Are criminal groups abetting anti-government forces, such as terrorists and insurgents?
- Are there any checks and balances in the system that still have integrity (like an anti-corruption unit, a public prosecutor, a human rights ombudsman, an honest police or military unit, or clean judges and prosecutors)?

Earlier on in the guide we examined the linkage between organized crime and political parties, militias and insurgency groups, and the military. Such connections can cause immense harm to a society in the long term, and political circumstances may make it difficult to break the connections. Such groups, or the individuals that lead them, may play the role of spoiler in the peace process. They may threaten disorder if their groups are touched—and by implication the money that they may be making on the side. Some important signposts to determine the harm that such groups could cause, and the influence they exert, include:

- Strong opposition to the adoption of specific pieces of legislation, for example regarding campaign financing, financial disclosure by political parties, freedom of the press, money laundering, banking, anti-corruption measures, anti-crime measures, etc.
- Strong opposition to reviewing or opening up certain markets to transparent oversight—mining or forestry, for example.
- The protection of certain areas where illicit activities are being facilitated—for example, the military protecting islands off the coast where illicit drugs are being landed, or mines where precious stones are mined, or natural parks and reserves where valuable trees and wildlife can be found (and exploited).
- Strong opposition to security-sector reform or disarmament, demobilization, and reintegration (DDR) initiatives, as well as efforts to improve border control.
- Resistance to anti-corruption and criminal-justice reforms.
- The presence of armed groups or armed attacks on journalists or members of civil society who report on illicit economic activities.

- Indicators of ostentatious wealth by the leaders of these groups—fancy cars, new weaponry, jewelry, and expensive new clothes. These are status symbols of wealth and power and may have a potent impact in communities and among young people in particular.
- A focus on providing community largesse as the political process begins to unfold.
- The privileging of certain groups within the settlement process.
- The provision of funds to journalists to report positively on the activities of the leader or group.

All of these, and others that you may spot, are signs of groups that have been criminalized seeking either to maintain their position or to gain a more prominent political role. The group in question may well have legitimate political aspirations. The challenge is to ensure that such undertakings are not fuelled by resources gained from criminal activities. You can play a key role by understanding the extent of such resources and how this linkage can be weakened over time.

Another aspect worth considering in this analysis is community mobilization against organized crime, including the formation of vigilante groups. Here are some issues to consider:

- This can be very disruptive to any political process, and vigilante groups can accumulate support and fighting capacity rapidly.
- Vigilante groups in many societies have turned criminal themselves—carrying out violent acts without concern for the victims and eventually controlling some areas of the criminal market.
- Vigilante groups can be a proxy for or an ally to political or ethnic violence.
- The formation of vigilante groups must be prevented early on, including by understanding what the ultimate motivations of vigilante groups are and by making a concerted attempt to undermine the source of their grievance and the support that they receive from the community.
- Vigilante groups without popular support are considerably

weaker. Community outrage against organized crime that vigilante groups rely on may be an opportunity for you to fight back in more productive ways, by building community resilience and by supporting those who seek peaceful solutions.

A final point on political and structural harm is that it may not be confined to the society where you are working. The criminalization of a single state may have critical regional implications, particularly if the nature of the criminal market is transnational. Among other things, watch for the following:

- The financing of political parties in neighboring states from criminal funds generated in your state.
- The spread of criminal activity to neighboring countries when the international community (in the form of a political or peacebuilding mission, for example) assumes a higher visibility. This is sometimes referred to as displacement or the balloon effect.
- The investment of criminal funds (in banks, hotels, property) in neighboring states, and thereby the disruption of the economies in those countries or regions.
- Transborder movement of criminal groups, including due to kinship ties or historic trading routes.
- Border areas where criminal groups may operate with impunity and have linkages with communities on both sides.

The overall point here is that the harm being caused by organized crime in one society must be contained in order to prevent it from spilling over into other countries. Transnational crime has, by definition, an impact on more than one country. It is therefore a Pyrrhic victory if you tackle the problem in one country, yet destabilize a neighboring state as a result. To use the analogy of a cancer again—its spread must be prevented so that the whole body (in this case the wider region) is protected.

ECONOMIC HARM

As in the case of political and structural harm, the extent of economic harm may be difficult to judge. It has already been explained that, in

the short term, organized crime may produce some positive impacts—support to communities and the investment of money, albeit criminal money, in some sectors. After all, criminal groups usually fill a void where the state is unable or unwilling to deliver public services. They may enjoy a high degree of popularity because they deliver the goods. In fragile states, illicit market structures may be essential for survival. Therefore, anyone who threatens to disturb those markets—including actors from the international community—would be considered by the local community, and certainly the patrons of the system, to be a threat.

While illicit activity may be a short-term coping mechanism, no peaceful society over the long term can be based on crime. Even as it is vital to understand the incentives to crime, the ultimate aim should therefore be to reduce vulnerability to criminal activity.

Some symptoms of the harm caused by illicit activity will be clear from the outset (such as the losses to businesses paying protection fees), while others may be harder to determine in the short term (such as foreign investors and donors staying away from the country because of its reputation for crime and corruption). It is possible, in most cases, to isolate three forms of overlapping economic harm from organized crime.

The first is the direct damage caused to the economy as a whole. Some questions to follow up could include:

- What factors have made the economy vulnerable to criminal infiltration, for example weak regulation, lack of competition, dependence on only one or two resources?
- Have foreign investors publicly stated that they will not invest because of the activities of organized crime and corruption?
- How much do the largest companies or enterprises in the society spend on security-related costs?
- What is their perception of corruption in the country?
- Are there examples of organized crime directly targeting businesses?
- How does crime distort licit markets? How would particular

markets have functioned had organized crime not been active?

The second type of economic harm relates to the impact of the investment of criminal money in society, and the distortions this may create. You may want to ask:

- Have local property prices increased as criminal groups launder profits? How much is the increase, and can it be traced over a particular time period?
- Is there a construction boom in the postconflict period? Is that being fuelled by money from criminal activities? How much construction is taking place, and can it be valued?
- Are there unusual increases in foreign direct investment?
- Has criminal money been invested in any particular sector of the economy (for example, in hotels and casinos)? Why would this be attractive for criminal groups?
- Is there evidence that some of the investments or businesses that organized crime has put its money in are simply fronts for the laundering of criminal proceeds (for example, empty, or often closed, but still profitable restaurants)?
- Is there evidence of links to the diaspora or money being moved offshore?

The third type is the economic harm caused to ordinary people. This can be hard to determine and may be the indirect result of other forms of harm. An important test is how the economic harm impacts on poor people who have few resources to absorb the costs of such harm—in other words, how that harm impacts on communities that are very vulnerable. Some questions to ask could include:

- Is there an economic sector on which poor people rely, which has been adversely affected by organized crime? For example, if the fishing industry used to allow smaller operators but has become dominated by a single group that violently excludes others. Or, has the cost of transport for ordinary people increased?
- Are there checkpoints and other controls (either run by the police or bandits) that increase the cost of movement?

- Has a lack of security or the threat of violence resulted in economic harm for ordinary people? If people can't get to work, principal breadwinners are killed or injured, or local community economic activity cannot take place, this is likely to cause significant economic harm.
- Is there evidence of brain drain; namely, people moving abroad to escape violence and seek better opportunities?

If you observe that crime is actually beneficial to a significant proportion of the population, this is important too (as discussed earlier). Put it in your report so that decision makers will better understand the political economy of the society that they are engaged in, as well as the motivations of the stakeholders and the incentives for violence and criminality.

PHYSICAL HARM

This category is obvious enough, representing the direct physical harm that individuals and communities experience. That harm has costs, some of which will be directly quantifiable.

Physical harm includes the direct impact of organized crime on individuals and communities, such as increases in personal violence. One important consideration in quantifying increases in levels of violence caused by injuries to individuals is to track whether there have been increases in firearm-related injuries, and whether this can be linked to activities of organized crime groups.

The impact of organized crime can also be more indirect, but still severe. For example, the rapid spread of HIV in some countries is due to the fact that drug trafficking has increased intravenous drug use, which has fuelled the spread of HIV through the use of infected needles. Or, drug use may increase when lower level criminal operatives are paid in kind (drugs) rather than in cash.

Organized crime can also lead to human rights violations, affecting freedom of movement, freedom of expression, freedom from fear, and the right to liberty and security of person. In some cases, criminals may violate these rights. In other cases, the heavy-handed response to crime by the state may violate people's rights.

In addition, individual harm may not be purely physical, but psychological too. Fear of crime and insecurity has been shown to have a key impact on how or whether people can live fulfilling lives. Some crimes, such as kidnapping, car hijacking, and armed robberies, apart from the very real damage to victims, have particularly damaging consequences for communities' perceptions of safety. The rich flee or retreat to gated communities while the poor stay home after dark and seek protection from whomever can provide it (including criminal groups). This aspect is discussed more fully below under social harm.

Here are a few questions to follow up on and consider:

- How many people have been killed as a result of the activities of organized crime? Have there been increases in gunshot wounds and homicides related to criminal violence? A visit to the local hospital or morgue may provide you with data that the police will not have.
- Have the activities of organized crime (either directly or indirectly) resulted in harm that can be quantified? For example, look at the number of drug users, the number of people who are active in prostitution controlled by criminal groups, or whether there has been an increase in victims of human trafficking.
- Are specific violent crimes present that cause great harm to individuals and their families and also increase the fear of crime and organized crime in particular?
- Is the crime an urban phenomenon or a rural phenomenon, or both? Are there certain neighborhoods that are being particularly affected, or from which criminal groups originate?

SOCIAL HARM

Social harm is harder to quantify than physical harm, but it is no less important. It could include, for example, the costs associated with young people being unable to go to school or older people feeling scared to venture outside due to the actions of organized crime groups. Loss of property, particularly if you are poor with few resources to absorb the cost, can also have serious economic consequences. A stolen bicycle may mean someone is unable to get to

work or look for work further afield. Stolen cattle can mean a loss of livelihood.

Measuring social harm generally requires looking at how people have changed the way they live in response to the activities of organized crime. This can be either the result of threats or feelings of insecurity, or because people are drawn into the activities of organized crime itself. The most obvious example of the latter is the social harm caused by young men joining gangs: this has a harmful impact on the young men themselves but also on the wider community.

It follows that some questions that need to be asked would be:

- Are there obvious social consequences of the actions of organized crime? This is most likely shown by some form of behavioral change. It is worth emphasizing that these may not be immediately obvious or quantifiable. People not leaving their houses after dusk may face no immediate costs—although the costs for the community could be high given that people may not visit local shops or social establishments. Are people increasingly fearful of crime and personal harm?
- Is there simply a greater acceptance of violence and corruption over time?
- Is the harm suffered by some groups—the young, the poor, the elderly, women or girls—more clearly visible or quantifiable than other groups?
- Has the loss of forms of property (cattle or means of transport, for example) led to other economic losses (such as income)?
- Are specific products that are trafficked by organized crime (like drugs or counterfeit medicine) causing harm within the community?
- Are traditional social and family structures under threat from new role models?
- Are criminal groups and their leaders glamorized, while the state is vilified for failing to live up to its side of the social contract?

ENVIRONMENTAL HARM

Many of the actions of organized crime have a direct impact on the environment. Again, some of these may not be immediately obvious, but have long-term consequences. The most obvious examples of environmental harm are the activities of criminal groups within the forestry sector—the illegal granting of licenses for logging and the clearing of forests in many parts of the world. (Our example of the dik-dik is indicative of a wider challenge of reducing the destruction of endangered species.) Others include the effects of illegal mining, the illegal extraction of oil, pollution caused by the by-products of drug production, and the dumping of hazardous or electronic waste.

Some kinds of environmental harm are so serious that they simply cannot be quantified (species destruction is irreversible, for example) while other aspects can, such as loss of potential tourist revenues from the destruction of national parks. Organized illegal dumping from the developed to the developing world remains a challenge in many places—here there are environmental, physical, and social consequences.

Some questions to ask in relation to identifying environmental harm might include the following:

- Can you identify both direct and indirect environmental costs of the criminal market in question? Direct costs may generally be more short term in nature; indirect costs may relate to longer-term consequences.
- Are there environmental costs from criminal markets that seem unconnected to the exploitation of the environment itself? The dumping of illegal waste, for example, may destroy fishing grounds. The disposal of chemicals used in illegal drug laboratories may have serious environmental consequences, including for the supply of water to communities.
- How is it possible that these crimes are going on? Who is profiting and who is facilitating these crimes, especially if they are being carried out on a grand scale?

Table 2. The matrix of harm caused by organized crime.

	Individual/Local	Community/Regional	Country/International
Political and Structural Harm	• lack of trust in state structures • withdrawal from community life • key local institutions undermined, e.g., schools, local courts	• dysfunctional and corrupt city and regional government • inability to provide even basic services	• damage to overarching political system • damage to country's reputation
Economic Harm	• increased prices • less choice • security fears when engaging in local business activities • brain drain	• economic decline of local communities and increased costs for local businesses • distorted development and increased property prices • lack of investment	• obstacles to economic development • foreign investment withdrawn as future prospects seem less viable
Physical Harm	• direct physical and emotional harm to individuals • injuries and death	• overall impact of violence and the spread of abuse and disease within communities	• increased economic and healthcare costs for families and central government
Environmental Harm	• degeneration of a locality • local resources plundered by external groups	• loss of community resources for future development	• long-term environmental damage • reduced earning capacity from natural resources in the long term

ASSESSING THE HARM CAUSED AND CALCULATING ITS COSTS

From the explanation above it should be obvious that different forms of harm overlap and reinforce each other. You needn't present the harms caused by any criminal market under the headings above, but they may help you to think through the overall impact of organized crime. It is also helpful when you have enough data to try and draw together an explanation that analyzes all the harms caused by any one criminal market.

Calculating the costs is a way to quantify for policymakers just how big an impact there is. This cannot always be done exactly; and, as pointed out above, the costs of some things, like lost lives and species destruction, are incalculable. Nevertheless, it gives you a way to monitor the harm over time and to impress on people the importance of taking some action. A summary of the different types of harm and their impact at different levels of society is presented in table 2 above.

Conclusion

Armed with the information compiled by using this guide, you should have a much clearer picture of the threat posed by organized crime in the theater in which you are operating.

Keep the following points in mind:

- The analysis of the phenomenon of criminal markets and organized crime should not be a one-off assessment—it needs to be built into the system itself, becoming part of business as usual. If there is a relevant committee or structure that considers ongoing political or military trends, and organized crime poses enough of a challenge, then the information needs to be presented and discussed there.
- It makes sense to develop some overall or leading indicators over time, to judge whether you think the situation is getting better or worse and whether the action that is being taken is having an effect—or resulting in unintended consequences. There is no right way to do this, but simply identifying a cluster of measures will enable you to track trends over time that will be helpful to policymakers.
- Because the issues involved are transnational, no country can successfully address them alone. Talk to colleagues in neighboring countries or in headquarters who may have a wider regional or international perspective in order to exchange information and look at the issue in a broader context.
- Responses to criminal markets and organized crime must have high-level political support; otherwise their impact will be limited—whether in the government or in an external or UN mission. Some tough political decisions may be required—particularly if it is clear that the involvement of senior politicians or policymakers is central to the growth or survival of criminal activities. In societies in the throes of a political transition, acting against political leaders who may be in a position to disrupt

progress towards peace is a political judgment call, which must be weighed against the harm that their involvement in criminal activities may be doing to the society as a whole. But you can only make that call if you have information, which is why threat assessments are essential.

Of course, the ultimate question is, what do you do with the threat assessment that you have compiled? We tackle this complex question and its far-reaching consequences in a separate IPI report, "Peace Without Crime."

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