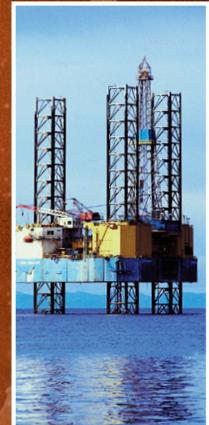




CENTER FOR TRANSATLANTIC RELATIONS

Dark Networks in the Atlantic Basin

Emerging Trends and Implications for Human Security



Daniel S. Hamilton, Editor

Dark Networks in the Atlantic Basin

*Emerging Trends and Implications
for Human Security*

Daniel S. Hamilton
Editor

Center for Transatlantic Relations
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The Atlantic Basin Initiative

The primary goal of the Atlantic Basin Initiative is to support sustainable growth, human development and security in the Atlantic Hemisphere, encompassing the four Atlantic continents—North and South America, Africa and Europe. The Atlantic Basin Initiative is coordinated by the Center for Transatlantic Relations at John Hopkins University's School of Advanced International Studies. It is spearheaded by CTR Distinguished Fellow and former President of the Government of Spain Jose Maria Aznar and CTR Executive Director Dan Hamilton. It is supported by a variety of corporations, foundations, multilateral institutions, governments and private donors, and consists of the following elements:

Eminent Persons Network. Former heads of government, ministers, parliamentarians, state and local leaders, and CEOs meet to tackle issues common to Atlantic peoples and facilitate greater connections among leaders on the four Atlantic continents.

Atlantic Energy Forum. Senior public and private leaders engage to discuss the changing energy dynamics of the Atlantic basin, and seek to advance cooperative efforts.

Atlas of the Atlantic. We are creating new mental maps of the Atlantic that track the growing connections among the four Atlantic continents. Our goal is to produce an interactive “Atlas of the Atlantic” focused on the flows of goods, services, energy, people, resources, drugs, arms and ideas connecting the peoples of the Atlantic—a useful tool for business and political leaders, scholars, students, media, and policy professionals.

Atlantic Basin Policy Research Network. Think tanks and research institutes from across the full Atlantic space are working together to explore the changing dynamics of the Atlantic Basin in terms of shared values, economic interactions, the emerging Atlantic energy system, connections between Atlantic cities and regions, prospects for human development, and new challenges of human security. The network is generating new knowledge

and offering substantive support and orientation to the other elements of the Initiative.

New Atlanticists. Young Leaders drawn from the four continents meet to explore together key issues facing Atlantic nations, forming a new “successor generation” network of promising leaders who become accustomed to working together within a new pan-Atlantic framework—a redefined Atlantic Community for the 21st century.

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Preface and Acknowledgements

Growing flows of energy, commerce and people across the Atlantic basin are creating new opportunities for human endeavor. Yet they are also creating vulnerabilities that can lead to disruption of such critical functions as transportation, energy flows, medical services, food supply chains and business systems, communications, and financial networks. Drug trafficking, arms flows, cyber threats, manipulation of social media, money laundering, corruption, piracy, political instability, terrorist infiltration and pandemics are all becoming concerns of pan-Atlantic scope. Left unchecked, expanding insecurity could undermine global trade, regional development and political stability across the Atlantic Hemisphere. Given the transnational nature of these growing threats, singular efforts are unlikely to prove effective.

When it comes to pan-Atlantic cooperation, human security—protecting people from violence or disruption—is likely to be more of a driver than state security. As Atlantic interconnections widen and deepen, our mutual vulnerability to breaks in these flows will increase, requiring mutual efforts to promote human security by enhancing the resilience of the critical functions of societies across the Atlantic space. Together the countries of the Atlantic basin are called to protect their connectedness, not just their territorial security. Since these security challenges tend to be common, they present an opportunity to unite efforts and test new modes of security governance. The network-related nature of these challenges call for private-public partnerships and close interactions among governments, the private sector, the scientific community, and non-governmental organizations.

Our authors were asked to explain the emergence of these dark networks across the Atlantic basin and to recommend ways to address them. On behalf of the authors I would like to want to thank the many colleagues who participated in the deliberations and meetings that produced this book, including the Eminent Persons of the Atlantic Basin Initiative, who have discussed these issues on each of the

Atlantic continents. We are grateful as well to Telefonica and to the European Commission, which helped support these and related efforts.

Authors express their own views, and do not necessarily reflect the views of any institution or government.

Daniel S. Hamilton

Summary Chapter

Promoting Human Security and Effective Security Governance in the Atlantic Hemisphere

Daniel S. Hamilton

The international strategic community, focused largely on traditional inter-state disputes, particularly those with potentially global impact, has turned its gaze from the Atlantic because it lacks the defining conflicts, cleavages and existential flashpoints evident in the Asia-Pacific region and the Indian Ocean.¹ As Ian Lesser has pointed out, there is no wider Atlantic equivalent to the risk of nuclear war on the Korean peninsula, the India-Pakistan conflict or the looming U.S.-Chinese strategic competition.²

This distinction is important, but perhaps in a different way than traditionally interpreted. While challenges of state-to-state security are greatest in the Pacific, challenges to human security are most relevant for the Atlantic. Some “traditional” conflicts certainly continue, but they tend to be small in comparison to Pacific challenges. The reopening of territorial claims in the South Atlantic, spurred in part by the discovery of new commercially profitable resources, could fuel additional tensions among Atlantic states. But larger—and common—Atlantic challenges are largely intra-state in nature. Trafficking in people, arms, drugs and money, piracy, political instability, and terrorist infiltration are all becoming concerns of pan-Atlantic scope. Human security—protecting people from violence or disruption—is likely to be more of a driver than state security when it comes to Atlantic cooperation. Furthermore, these security challenges tend to be common, and thus present an opportunity to unite efforts and test new modes of governance.

¹This chapter is adapted from the White Paper of the Eminent Persons Group of the Atlantic Basin Initiative, *A New Atlantic Community: Generating Growth, Human Development and Security in the Atlantic Hemisphere. A Declaration and Call to Action*. Washington, DC: Center for Transatlantic Relations, 2014, available at http://transatlantic.sais-jhu.edu/events/2012/Atlantic%20Basin%20Initiative/ABI%20chapters/EPG_White_Paper_Report.pdf.

²Ian Lesser, et al. *Morocco's New Geopolitics*. Washington, DC: German Marshall Fund of the United States/OCP Foundation, 2012.

The drug trade is the most lucrative branch of organized crime, cocaine is the most profitable drug within the drug trade, and cocaine is very much an Atlantic scourge. Almost all the world's cocaine is produced in Colombia, Peru and Bolivia. The United States is the biggest consumer and Europe is the most lucrative market. The routes to these markets crisscross Central America as a corridor and operational base for North America and a launching pad for shipments via the Azores to Europe. They also flow from Venezuela, which accounts for half of the cocaine being supplied to Europe, via Cape Verde, Madeira and the Canary Islands; and they traverse Brazil and other parts of South America to West Africa as a logistics base and transshipment point to Europe and beyond. These drugs operations are now spreading to East, Central and South Africa as well. In addition, the conventional wisdom that the North consumes drugs and the South produces them has dissolved; consumption is growing throughout the South Atlantic—Brazil is now the world's second largest cocaine consumer—and trafficking is growing across the North Atlantic.³

Associated health challenges require holistic approaches to human security; rising addiction rates in many Latin America and Africa countries are taxing already burdened, underfunded health care systems. Across the Basin, high levels of violence and corruption associated with drug trafficking are leading authorities to go beyond criminal justice approaches and to focus more on social and health issues related to drug use, preventive measures and even legal regulation of specific drugs.⁴

³<http://www.thisisafrika.me/opinion/detail/19586/the-growing-problem-of-illegal-drugs-in-africa>; <http://www.unodc.org/westandcentralafrica/en/cape-verde.html>; Department of State '2012 International Narcotics Control Strategy Report (INSCR)', <http://www.state.gov/j/inl/rls/nrcrpt/2012/vol1/184100.htm#Kenya>; <http://www.irinnews.org/report/81910/liberia-drug-abuse-on-the-rise>; Department of State '2012 International Narcotics Control Strategy Report (INSCR)', <http://www.state.gov/j/inl/rls/nrcrpt/2012/vol1/184102.htm#Tanzania>; <http://allafrica.com/stories/201301151322.html>; Department of State '2012 International Narcotics Control Strategy Report (INSCR)', http://www.state.gov/j/inl/rls/nrcrpt/2012/vol1/184102.htm#South_Africa; <http://www.npr.org/2013/01/01/168072712/brazils-drug-epidemic-welcome-to-crackland>; <http://www.economist.com/news/americas/21575810-worlds-biggest-crack-market-seeks-better-way-deal-addicts-cracking-up>; General Secretariat of the Organization of American States (OAS), *The Drug Problem in the Americas*, OEA/Ser.D/XXV.4, 2013.

⁴Ibid.

The intersection of crime and conflict is not a new phenomenon, but globalization and communications technology have provided insurgent and terror networks with the capacity to expand their operations and connections far beyond the boundaries of their original conflict zones. For years small arms and light weapons flowed illicitly across the Atlantic from Africa to South America and up to the FARC or other insurgent groups. Now flows of drugs, arms and cash flow across the full Atlantic space.

Moreover, not only have crime cartels intruded on states; governments such as Guinea-Bissau have themselves become organized criminal enterprises bent on facilitating illicit pan-Atlantic flows. As a consequence, west Africa is in danger of becoming a black hole of intermingled trafficking, terrorism and corruption.

Atlantic Basin countries are also bound by the consequences of other human security challenges, including illegal exploitation and illicit trade of natural resources; corporate bribery; illicit diversion of assistance expenditures; the channelling of illicit flows to secrecy jurisdictions; tax evasion; cybercrime; oil bunkering (illegal tapping of pipelines); exploitation of labor; and manipulation of export (or import) prices in order to reduce the in-country tax burden and maximize externalized income, usually through a secrecy jurisdiction and a process often known as “mispricing.” Between 2001-2010 illicit flows from Latin America were estimated at \$877 billion, from Africa \$357 billion.⁵

These networks of crime, corruption and terror have become the modern HIV virus of the Atlantic world.⁶ Their potency is enhanced by rippling traffic in goods, services, people, drugs, money and arms that is lashing the four Atlantic continents tighter together.

The evolving situation in Mali is emblematic. The French-led intervention was characterized as an effort to roust al-Qaeda in the Islamic Maghreb from territory twice the size of France that it had wrested from Malian authorities. But what gave the movement real potency was not the attraction of its radical ideology but its close and

⁵Global Financial Integrity, *Illicit Financial Flows from Developing Countries 2001-10*. Figures are derived from IMF figures on Direction of Trade and Balance of Payments. True numbers are difficult to ascertain, but there is no doubt that flows are substantial.

⁶See the chapter by Phil Williams in this volume.

lucrative links to crime cartels trafficking in drugs and guns, primarily from the Americas and Europe. Latin American gun runners and narco-cartels have leapfrogged the Atlantic, using weakly governed spaces in west Africa as logistics hubs and transshipment points for destinations in Europe and beyond.⁷

This nexus of crime, drugs, guns and terror has become a pan-Atlantic challenge and requires pan-Atlantic answers.

Additional security issues arise from the growing flows of energy, commerce and people across the Atlantic. As the new Atlantic economy grows ever more connected, complex flows of capital, goods, information and people are creating new interlinked networks. Yet this dynamism also creates vulnerabilities that can lead to disruption of such critical functions as transportation, energy flows, medical services, food supply chains and business systems, communications, cyber links and financial networks. Governments are accustomed to protect their territories; now they must protect their society's critical functions, the networks that sustain them, and the connections those networks bring with other societies. These developments call for private-public partnerships and close interactions among governments, the private sector, the scientific community, and non-governmental organizations.

A further development makes discussion of pan-Atlantic security cooperation more relevant. U.S. primacy on the high seas has guaranteed commercial maritime stability for decades, and has, therefore, been taken for granted, even as globalization has depended on it. Yet given a reduction in U.S. military spending and a renewed U.S. naval focus on the Pacific, we may be entering a phase of history in which several nations might share dominance of the high seas, rather than one as in the recent past. This situation is likely to emerge in the Atlantic before it would in the Pacific, and thus the Atlantic may

⁷Kwesi Aning, *Security Links between Trafficking and Terrorism in the Sabel in Africa South of the Sabana*. London: Routledge, 2011; Terje Østebø, "Islamic Militancy in Africa," *African Security Brief*, No. 23, November 2012, Africa Center for Strategic Studies. http://africacenter.org/wp-content/uploads/2012/11/AfricaBriefFinal_23.pdf; Wolfram Lacher, "Organized Crime and Conflict in the Sahel-Sahara Region." Washington, DC: Carnegie Endowment for International Peace, September 2012.

become a test bed for a maritime concert of democracies dedicated to ensuring Atlantic Ocean security.⁸

Taken together, these challenges present opportunity to Atlantic stakeholders to form pan-Atlantic networks oriented to ensure security of pan-Atlantic flows.

Given Southern sensitivities and discrepancies between northern and southern Atlantic governance mechanisms, these networks might usefully begin in the South. Northern Atlantic countries can provide experience and funding without a heavy footprint, and southern Atlantic countries can take on greater responsibilities for the common good of the neighborhood. Over time, new forms of cooperation on common human security challenges could increase opportunities for discussion, partnership and confidence-building among developing and developed countries in the Atlantic Hemisphere.

Such efforts would not be starting from scratch. The Praia Action Plan Against Drugs and Organized Crime, adopted by ECOWAS, is comprehensive, yet implementation has lagged. Spain, Portugal and ten South Atlantic states convened an effort in Lanzarote in 2009 to jumpstart a soft security framework focused on organized crime, illegal migration, weather monitoring, and the safeguarding of biodiversity, yet little has been done. Both initiatives could be refined and expanded to include other Atlantic partners. West and Central African countries are working on a framework for regional law enforcement operations; the Commission on the Impact of Drug-Trafficking on Governance, Security and Development in West Africa, chaired by former Nigerian President Olusegun Obasanjo, shows promise. The Kimberley Process, which involves supply-chain policing of conflict diamonds to target weak links in ways that can enhance international effectiveness, could be a model for policing other criminal supply chains. The Extractive Industries Transparency Initiative is one of the most advanced exam-

⁸Charles and Clifford Kupchan, "Concerts, Collective Security, and the Future of Europe," *International Security*, 16,1, pp. 118; Both Robert Kaplan and Jonathan Holslag suggest that new maritime concerts may be applicable to the Pacific and Indian Oceans. See Robert Kaplan, *Monsoon: The Indian Ocean and the Future of American Power*. New York: Random House, 2010; Robert D. Kaplan, *The Revenge of Geography*. New York: Random House, 2012; and Jonathan Holslag, "Crowded, Connected and Contested." http://www.eu-asiacentre.eu/pub_details.php?pub_id=71. Yet on balance the Atlantic seems a more propitious place to start.

ples of the current trend to increased transparency in government and corporate relations. Gaining greater African adherence to the Financial Action Task Force would also be useful.

Other initiatives, such as the Mexican-led Chapultepec Consensus against transnational organized crime; the 2003 Caribbean Regional Maritime Agreement and the 2008 Caribbean Community (CARICOM) Maritime and Airspace Security Cooperation Agreement; INTERPOL's OASIS program in Africa and its cooperation with Mercosur; or cooperation programs sponsored by UNODC (the West Africa Coast Initiative or the Container Control Program), the EU (SEACOP; AIRCOP; Cocaine Route Program; COPOLAD) or the U.S. (West Africa Cooperative Security Initiative; International Law Enforcement Academies) might serve as useful orientation points for broader pan-Atlantic cooperation, as would lessons learned from the Mali intervention.

Nonetheless, on the whole such efforts remain limited or uneven, often without clear prioritization and minimal national ownership. They have yet to inspire a broader pan-Atlantic architecture. In addition, patchwork cooperation belies a diversity of views and priorities with regard to organized crime and illicit activities that has not yet been addressed adequately. Related questions of governance and development must be included. A common debate and assessment of vulnerabilities across the Atlantic Basin, including specific "flow security" challenges among Atlantic Basin states, could add value. Cooperation should also be extended where similar challenges offer opportunities to learn from each other's experience. For example, lessons learned from Central America with regard to particular difficulties of fragile states serving as transit zones for drugs could be very beneficial to some West African countries.⁹ And as Atlantic commercial connections intensify, so should cooperation in countering organized crime.

With these considerations in mind, the Eminent Persons of the Atlantic Basin Initiative have recommended the creation of an Atlantic Human Security Forum to consider concerted pan-Atlantic efforts to promote human security across the entire region. Such efforts can

⁹For concrete examples where such transfer of lessons could be useful see David O'Reagan, *Cocaine and Instability in Africa: Lessons from Latin America and the Caribbean*, Africa Security Brief No. 5, July 2010.

build on a variety of sub-regional mechanisms already in place. Further steps might include, inter alia, improvement in mutual intelligence, assistance, surveillance, and interdiction capacities to combat illicit maritime activities and trafficking in drugs, arms or human beings, and strengthened networks of mutual assistance agreements among Atlantic states. Such networks could be informed by a few basic principles: agreement on military restraint; commitment to keeping sea lanes and sea lines of communication open; regular consultations on security challenges; and appropriate action against common threats such as trafficking, transnational organized crime, piracy, terrorism and natural disasters.

The Eminent Persons have also recommended the creation of a public-private Atlantic Movement Management Initiative, the task of which would be to align security and resilience with commercial imperatives in Atlantic movement systems, including shipping, air transport, and cyberspace. Such an effort could improve cooperation among public and private stakeholders and serve potentially as a precursor for a more ambitious global governance framework.¹⁰

Cultivating Cultures of Lawfulness and Effective Security Governance

There is yet another reason why the Atlantic offers potential as a test bed for how established and emerging powers can probe new governance approaches. The Asian Hemisphere is the hemisphere of contested norms and principles among and between open and closed societies. The Atlantic Hemisphere, in contrast, is—admittedly with fits and starts—coalescing around basic aspirations regarding domestic governance. Across the Atlantic space there is growing commitment to promote liberty, improve the efficiency of markets, and to respect

¹⁰IBM Global Business Services, “Global Movement Management: Commerce, Security, and Resilience in Today’s Networked World,” and “Global Movement Management: Securing the Global Economy,” available through www.ibm.com/gbs/government. For more on the international aspects of resilient networks, see Bengt Sundelius, “Beyond Anti-Terrorism: Ensuring Free and Resilient Societies,” in Daniel S. Hamilton, ed., *Shoulder to Shoulder: Forging a Strategic U.S.-EU Partnership* (Washington, DC: Center for Transatlantic Relations, 2010); Esther Brimmer and Daniel S. Hamilton, “Introduction: Five Dimensions of Homeland and International Security,” in Esther Brimmer, ed., *Five Dimensions of Homeland and International Security* (Washington, DC: Center for Transatlantic Relations, 2008);

human dignity. All countries in North America, the European Union and Latin America—with the exception of Cuba—are now rated partly free or better by Freedom House.¹¹ Africa, too, has experienced greater democracy. In 1990 Freedom House recorded just 3 African countries with multiparty political systems, universal suffrage, regular fraud-free elections and secret ballots. Today slightly more than half of African countries are now rated partly free or better by Freedom House.

Of course, across the full Atlantic space achievement does not always match aspiration. Setbacks abound and challenges remain. Democratic disenchantment, repudiation of politics and politicians, populist fashions, and extreme societal violence affect countries across the Atlantic space.

A growing commitment to democratic norms and practices, however, offers a foundation upon which established and emerging powers alike can bolster weak democracies susceptible to organized crime cartels or terror networks; halt democratic backsliding; cultivate cultures of lawfulness; attract investment; and tackle violence, corruption or “strongman” regimes that use the veneer of democracy to reinforce their grip on power.¹² The Atlantic Hemisphere also offers diverse models of democratic practice that can be relevant to broader global debates about effective and responsive governance.

In many countries in the Atlantic Basin, people seeking to satisfy their basic needs are caught between corrupt elites, criminal gangs and violent extremists who offer material or other benefits. In areas with inadequate or problematic state authority, widespread poverty, and social and political marginalization, illicit economies offer livelihoods, public goods and social advancement, cultivating cultures of illegality that undermine social cohesion, economic growth and human development. Traditional rule-of-law programs that treat such activities as aberrant social activity to be suppressed or that focus solely on government institutional reform are unlikely to be sufficient. Comple-

¹¹Latin America has moved from authoritarianism to democracy; closed markets to open markets; and from import substitution to export-orientation. Juan Gabriel Tokatlian, “A View from Latin America,” in Riordan Roett and Guadalupe Paz, eds., *China’s Expansion into the Western Hemisphere. Implications for Latin America and the United States*. Washington DC: Brookings 2008. p. 64.

¹²See Charles Kupchan, *No One’s World*. Oxford University Press, 2012.

mentary strategies are needed that seek to inculcate cultures of lawfulness in which the overwhelming majority of the population believes that the rule of law offers the best long-term path to achieving social justice, alleviate poverty and spur human development. Efforts to cultivate a culture of lawfulness in diverse regions such as Palermo, Italy Pereira, Colombia and Monterrey, Mexico demonstrate that it is possible to initiate such a cultural change even in societies where organized crime, corruption and violence have been prevalent for decades. Atlantic countries share common interests in working to advance such efforts across the region.¹³

A shared and growing commitment to democracy, good governance and a culture of lawfulness also positions the Atlantic Hemisphere as the test bed for how established and emerging powers can formulate shared approaches to ensure the legitimacy and effectiveness of the international rules-based order. Whether emerging powers choose to challenge the current international order and its rules or promote themselves within it depends significantly on how established democracies engage with rising democracies. The stronger the bonds among core democratic market economies, the better their chances of being able to include rising partners as responsible stakeholders in the international system. The more united, integrated, interconnected and dynamic the Atlantic Hemisphere, the greater the likelihood that emerging powers will rise within this order and adhere to its rules. The looser or weaker those bonds, the greater the likelihood that rising powers will challenge this order. In this sense more effective 21st

¹³See Vanda Felbab-Brown's chapter in this volume. As Kwesi Aning and John Pokoo note: "Recent seizures and arrests in several West African countries have shed light on how the work of trafficking networks is facilitated by a range of actors, including businessmen, politicians, members of the security forces and the judiciary, clergymen, traditional leaders and youth." Kwesi Aning and John Pokoo, *Drug Trafficking And Threats to National and Regional Security in West Africa*, West Africa Commission on Drugs Background Paper No. 1, 2013, p. 5. For more on building a culture of lawfulness, see National Strategy Information Center, "Building a Culture of Lawfulness: A Guide to Getting Started" (Washington, DC, 2011), http://www.strategycenter.org/wp-content/uploads/2012/03/World_Bank_Report.pdf; National Strategy Information Center, *Fostering A Culture of Lawfulness: Multi-Sector Success in Pereira, Colombia* (Washington, DC, 2010), <http://www.strategycenter.org/wp-content/uploads/2011/03/Fostering-a-Culture-of-Lawfulness.pdf>; Roy Godson, "Guide to Developing a Culture of Lawfulness." Paper presented at the Symposium on the Role of Civil Society in Countering Organized Crime: Global Implications of the Palermo, Sicily Renaissance. Palermo, Italy. December 14, 2000.

century global governance is likely to depend on a more effective—and thus redefined—Atlantic Community.

The Atlantic may also be a test bed of governance innovation in another sense. As this brief review has shown, traditional balance of power approaches geared to state-to-state interactions fit the Atlantic space less well than more differentiated “governance networks” that can bring together international institutions, national governments, civil society and private sector organizations in pursuit of common goals. In the Atlantic, such networks can be useful for agenda-setting and consensus-building, policy coordination, knowledge exchange, and norm-setting. The latter does not exclude or neglect competition or hard geopolitical considerations, but sets them in the broader framework of interdependence. This is all the more relevant in a context, such as the Atlantic, where relations between the main state actors are not defined predominantly in antagonistic terms and where transnational threats are largely common.¹⁴

If such networks are successful, then the strength of Atlantic governance innovation may be to demonstrate the relevance of international *non*-organizations—networks that can facilitate robust functional linkages among the Atlantic continents organized around the principle of open regionalism.¹⁵ Open regionalism in this context means that regional efforts can help not only to address regional issues of common concern, but also to help frame broader global debates on contemporary challenges as well as appropriate norms and standards. Atlantic initiatives can have important demonstration effects, accustom officials, governments and other stakeholders to working with each other and to pioneering new ideas that can subsequently be taken up in other global fora.

In this regard, the Eminent Persons Group of the Atlantic Basin Initiative has recommended the creation of an Atlantic Peer Review mechanism, a voluntary arrangement by which reform leaders consult

¹⁴de Vasconcelos, *op. cit.*, pp. 240, 263; Joseph S. Nye, *The Future of Power*. New York: Public Affairs, 2011, p. 216; Daniel Hamilton and Kurt Volker, eds. *Transatlantic 2020: A Tale of Four Futures*. Washington, DC: Center for Transatlantic Relations, 2011; G. John Ikenberry, “The Future of the Liberal World Order,” *Foreign Affairs*, May/June 2011.

¹⁵C. Fred Bergsten, “Open Regionalism,” *Working Paper 97-3*, Institute for International Economics. Washington, DC, 1997.

with peers who have had personal experience with reform, drawing on experience gained from the African Peer Review Mechanism.

Conclusion

Of the world's three grand oceans, the Atlantic is the most pacific. The Pacific and Indian Oceans are tempestuous, full of rivalry and tension; the Atlantic lake, in contrast, could be a uniting force around which countries can come together.

The new dynamics of the Atlantic are not cause for neglect and indifference; they offer opportunity to test new modes of networked cooperation attuned to modern challenges. The Atlantic may offer more innovative and effective governance solutions than can be adopted within either the Asian-Pacific or Indian Ocean contexts, since traditional state-to-state mechanisms fit the Atlantic space less well than do networks of public and private actors organized around the principle of open regionalism.

The Atlantic Basin can emerge as a global laboratory and test bed for interregional, networked governance between developed and emerging countries. Despite these trends, there are still no pan-Atlantic mechanisms comparable to Pacific Basin cooperation as embodied by APEC and other groupings. Yet as the tectonic plates of the global system continue to shift, the Atlantic Basin can emerge as a global laboratory and test bed for interregional, networked governance between developed and emerging countries—particularly if it is made clear at the outset that such efforts are not intended to contain China, compete with Pacific arrangements, or to extend Northern institutions southward. It is time to set aside zero-sum formulas of the past and to erase the invisible line dividing the South and North Atlantic by redefining a new Atlantic Community positioned to face the new world rising before us.

Chapter 1

Security in the Atlantic Basin

Nancy E. Brune

Trade and investment within the Atlantic Basin has increased in recent years. Bilateral trade between the United States (U.S.) and European Union (EU) accounts for nearly one-third of world trade flows.¹ If passed, the proposed U.S.-EU Transatlantic Trade and Investment Partnership (TTIP) could facilitate even greater trade and investment across the Atlantic Ocean. In addition, the EU and United States have significant trade relationships with Africa and Latin America and the Caribbean. Recent global investment in Africa has resulted in six of the world's ten fastest growing economies in the last decade hailing from Africa.²

However, many countries located along the Atlantic Basin—particularly Mexico, Brazil, Venezuela, and others in sub-Saharan Africa—are struggling with an increasingly precarious security environment. Trafficking of illicit goods (drugs and small arms and light weapons) and increased piracy attacks are overwhelming law enforcement officials, already weak political and legal institutions, and communities. Drug trafficking organizations (DTOs) have taken over political units in many parts of Mexico, Central America, sub-Saharan Africa, and some of the favelas in Brazil's biggest urban megacities. The deteriorating security environment, if not addressed by governments, could hinder the ability of these countries to attract future investment needed to build infrastructure and grow their economies. This chapter presents an overview of the security environment in the Atlantic Basin and offers some recommendations on how to strengthen national and regional security cooperation in the Atlantic Basin.

¹European Commission website. Accessed on September 5, 2013. <http://ec.europa.eu/trade/policy/countries-and-regions/countries/united-states/>

²"Africa's Impressive Growth," *The Economist*, January 6, 2011. http://www.economist.com/blogs/dailychart/2011/01/daily_chart

Table 1. Violence, Investment, and Growth

Country	Violent deaths per 100,000 citizens / Global Rank (2007-2010) ^a	Portfolio investment, % of GDP (2008-2011) ^b	FDI inflows, % change (2008-2011) ^c	GDP Growth % (2008-2011) ^d
Honduras	66.9 (1)	-0.07	-13.2	2.1
El Salvador	61.1 (2)	-1.02	-72.6	0.37
Jamaica	57.9 (3)	1.88	-87.4	-1.13
Cote d'Ivoire	56.9 (4)	-0.70	-26.2	0.94
Venezuela	48.5 (5)	-1.45	209.1	1.2
Guatemala	44.2 (6)	0.23	43.9	2.7
Zambia	38.1 (7)	-0.02	111.0	6.6
South Africa	35.1 (13)	-0.23	-38.9	2.2
Chile	3.52 (121)	2.45	51.4	3.6
Mauritius	3.19 (127)	5.30	-27.6	5.0

Source: Authors's calculations, using data from the World Bank World Development Indicators database.

^aWorld Bank World Development Indicators database. Variable: Intentional Homicides per 100,000 citizens.

^bWorld Bank World Development Indicators database. Variable: Portfolio investment (net) as share of GDP.

^cWorld Bank World Development Indicators database. Variable: Foreign direct investment, net inflows, as a share of GDP.

^dWorld Bank World Development Indicators database. Variable: Annual GDP growth.

The Security—Investment Nexus

The security environment in the region may significant impact assessments of the overall investment environment. Several institutions, including the World Bank, have analyzed the relationship between violence and crime on growth. In a 2011 report, the World Bank concluded that “crime and violence carry staggering economic costs at the national level.” For example, in Central America, “some experts estimate these costs at close to eight percent of regional GDP [...]”³ Three of the most violent regions of the world (measured by murder rates per capita) are located in the Atlantic Basin. Recent studies also find a link between an extreme form of violence—terrorism—and foreign direct investment. Abadie and Gardeazabal conclude that higher levels of terrorist risk are associated with lower levels of net foreign direct investment.⁴ Table 1 presents data for the most violent countries in the world and various economic indicators. While this

³World Bank, *Crime and Violence in Central America: A Development Challenge* (Washington, DC, 2011).

⁴Alberto Abadie and Javier Gardeazabal, “Terrorism and the World Economy,” *European Economic Review*. Volume 52 (2008), pp. 1-27, <http://www.hks.harvard.edu/fs/aabadie/twep.pdf>.

approach is far from rigorous or definitive, the simple over-time averages for a number of indicators reveal that countries where violence is more prevalent have lower rates of growth, and lower (even negative) portfolio and foreign direct investment flows.

Illicit Trafficking

The increased trafficking of illicit goods is largely responsible for undermining the security environment in the Atlantic Basin—specifically Africa and Latin America. The trafficking of small arms and light weapons (SALW) and illegal drugs is overwhelming many of the countries in the Atlantic Basin, particularly those that are poor and lack strong and stable political and legal institutions. The pathways across the Atlantic Basin are extensive and support both sanctioned and illicit trade. Some countries, particularly those in South America, are involved as primary producers of illicit drugs like cocaine and marijuana. The regions of Europe and North America are centers of gravity for the demand of drugs. Other countries, particularly in Africa, have become significant transit countries for cocaine arriving from Latin America and then moving to Europe, and for heroin and hashish coming Southeast Asia and moving north to Europe and North America. Guns from North America are trafficked to both Latin America and Africa, and then onto other parts of the world.

Drugs

Each year, the U.S. Department of State identifies the major illicit drug producing countries around the world. As of March 2013, 17 of the 22 “Major Illicit Drug Producing and Major Drug-Transit Countries” hailed from Latin America.⁵ There are well-established trafficking routes between South America and the United States (Figure 1). Drug-trafficking organizations use pathways throughout the South America-Central America-Mexico corridor as the primary trafficking route to transport drugs to the United States. The primary methods

⁵These include: The Bahamas, Belize, Bolivia, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Peru, and Venezuela. <http://www.state.gov/documents/organization/204265.pdf>

Figure 1. Trafficking Routes between South America and the United States



Source: Clare Ribando Seelke, Liana Sun Wyler, and June S. Beittel. 2010. *Latin America and the Caribbean: Illicit Drug Trafficking and U.S. Counterdrug Programs*. Congressional Research Service. http://assets.opencrs.com/rpts/R41215_20100430.pdf.

used to transport cocaine include over land smuggling using vehicles, maritime trafficking using go-fast boats or hidden shipments on cargo vessels, and short-distance aerial transportations between the Andean region and Mexico; 95 percent of drugs in the U.S. market enter through Mexico via one of these methods. The deteriorating relationship between the United States and Venezuela in recent years has

exacerbated the trafficking problem and Venezuela has become the major transit point for drug flights heading to the U.S. via the Caribbean.

Brazil is not a major producer of illegal drugs. But its vast coastline and 17,000 km of shared borders with ten other countries, including the three largest cocaine-producing countries (Bolivia, Colombia and Peru) and one of the largest marijuana producers (Paraguay), have elevated its status in recent years as a major transshipment corridor for drugs en route to Europe via Africa. According to the United Nations Office of Drugs and Crime (UNODC), the number of seizures involving Brazil as a transit country increased tenfold in the past four years, from 25 tons in 2005 to 260 tons in 2009. Many of the other countries in South America, including the countries of the Guyana Shield—Guyana, Suriname and French Guiana—are becoming critical transit countries for drug and small arms trafficking.

The movement of illicit drugs from South America and across the Atlantic to Europe is driven by demand pressures. In 1998, cocaine demand in the U.S. was four times higher than demand in western and central Europe. According to the National Survey on Drug Use and Health, in 2011, an estimated 22.5 million Americans aged 12 or older had used drugs. The figure represents 8.7 percent of the population, the largest proportion in the past decade.⁶ Demand is also on the rise in Europe. In the last decade, the number of cocaine users in Europe has doubled, from 2 million in 1998 to 4.1 million in 2008. Currently, North America's cocaine market, valued at roughly \$37 billion, is on parity with Europe's market valued at \$33 billion, making it the second largest cocaine market in the world.^{7,8}

New centers of demand have shifted trafficking routes, with an increasing amount of cocaine flowing to Europe from the Andean countries via West Africa. Interdiction pressures by U.S. law enforcement officials and the U.S. Coast Guard in Mexico and the

⁶U.S. Department of Health and Human Services. 2012. Results from the 2011 National Survey on Drug Use and Health: Summary of National Findings. <http://www.samhsa.gov/data/NSDUH/2k11Results/NSDUHresults2011.pdf>.

⁷Elizabeth Pearl, "UN Report: Drug Use Increasing in Europe," *New Europe*, February 29, 2012, <http://www.neurope.eu/article/un-report-drug-use-increasing-europe>.

⁸International Narcotics Control Board. 2012. Annual Report. http://www.incb.org/documents/Publications/AnnualReports/AR2012/AR_2012_E_Chapter_III_Europe.pdf.

Caribbean have also shifted pathways to the world's second biggest center of consumption.

The narcotrafficking nexus between Latin America (particularly Brazil) and Africa has grown over the last decade, and is expected to continue growing.⁹ Not surprisingly, the growing legitimate trade relationship between Latin America and Africa has forged a pathway that now supports illicit trade. In the last decade, trade between Africa and South America has increased significantly—from \$7.2 billion in 2002 to \$39.4 billion in 2011,¹⁰ the same year in which Brazil also became the main point of origin for cocaine shipped to Africa. Angola, Cape Verde, Guinea, Guinea-Bissau, Nigeria, and South Africa are now top transshipment points for Latin American drugs bound for Europe and beyond.¹¹ In addition, the region of West Africa accounts for 40 percent of all trade between the EU and the combined African, Caribbean and Pacific region. The EU is also the Southern African Development Community's largest trading partner.

While none of the countries in Africa are major producers of narcotics, many of the countries in Africa are critical transshipment points for major narcotics. Figure 2 graphically presents the drug trafficking pathways between the Americas, Africa and Europe, illustrating that the drug trade is a growing form of illicit trafficking throughout all regions of Africa.¹² The growth of drug trafficking in Africa has been facilitated by the limited ability of law enforcement to detect and interdict smugglers, high levels of corruption, weak governance, porous and unmanned borders, and lack of employment opportunities in the formal sector.

Drug trafficking is a well-known phenomenon in West Africa in particular. The UN Office of Drugs and Crime (UNODC) estimates that at least 50 tons of cocaine transit West Africa annually, heading

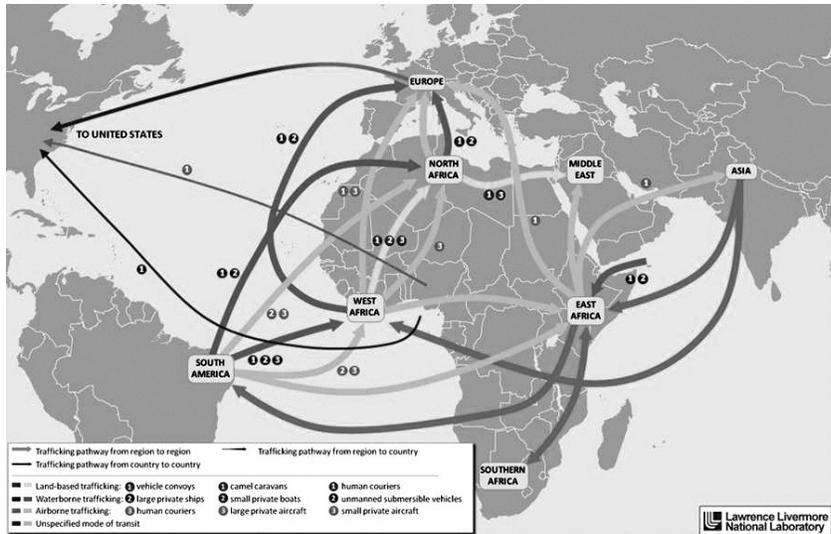
⁹Kwesi Aning and John Pokoo, *Drug Trafficking And Threats to National and Regional Security in West Africa*. West Africa Commission on Drugs. Background Paper No. 1, 2013. <http://www.wa-commissionondrugs.org/wp-content/uploads/2013/04/Drug-Trafficking-and-Threats-to-National-and-Regional-Security-in-West-Africa-2013-04-03.pdf>.

¹⁰Abayomi Azikiwe, "Africa and Latin America: Building Unity and Solidarity against Western Intervention," *Global Research*, March 4, 2013, <http://www.globalresearch.ca/africa-and-latin-america-building-unity-and-solidarity-against-western-intervention/5325210>

¹¹U.S. Department of State, *International Narcotics Control Strategy Report: Volume I, Drug and Chemical Control*, March 2013, p. 17, <http://www.state.gov/documents/organization/204265.pdf>.

¹²Nuclear Threat Initiative, Sub Saharan Africa 1540 reporting, <http://www.nti.org/analysis/reports/sub-saharan-africa-1540-reporting/>

Figure 2. Drug Trafficking Pathways between the Americas, Africa, and Europe



north to European cities, where they are worth almost \$2 billion on the streets.¹³ Approximately 50 percent of “non-U.S. bound cocaine goes through West Africa which comes to about 13 percent of global flows.”¹⁴ Between 2004 and 2007, “at least two distinct transshipment hubs emerged in West Africa: one centered on Guinea-Bissau and Guinea, and one centered on the Bight of Benin, spanning the coastline from Ghana to Nigeria.”¹⁵

Heroin, cocaine, cannabis, amphetamine-type stimulants, and precursors are also flowing through East and Central Africa.¹⁶ According to INTERPOL, the South American cartels and local contacts are exploiting institutional and structural weaknesses to turn Central Africa

¹³Giannoulis, Karafillis, “EU Against Drug Trafficking in West Africa,” *New Europe Online*, March 18, 2013. <http://www.neurope.eu/article/eu-against-drug-trafficking-west-africa>.

¹⁴Vanda Felbab-Brown, “The West African Drug Trade in the Context of the Region’s Illicit Economies and Poor Governance,” remarks presented at the Conference on Drug Trafficking in West Africa, Arlington, Virginia, 2010.

¹⁵Nuclear Threat Initiative, *op. cit.*

¹⁶UNODC, “Illicit Drugs and Eastern Africa,” Eastern Africa website, <http://www.unodc.org/easternfrica/en/illicit-drugs/index.html>.

into a transit hub on their “cocaine route” to Europe.¹⁷ Drug traffickers take advantage of poor policing at ports and outdated traveler and cargo inspection equipment, porous land and sea borders, as well as corruption within security and customs institutions.¹⁸ Finally, drug trafficking has manifested itself in Southern Africa. South Africa has become both a source and transshipment point for synthetic drugs, like methamphetamine and other amphetamine-type drugs, for domestic consumption, as well as foreign destinations in Europe and South Asia.

Social Impact and Human Costs

The last few years has also borne witness to another disturbing trend. Previously, many of the drug producing and transit countries appeared to have avoided the drug use problems associated with the wealthier regions of the world. Now, many countries in Latin America and Africa are struggling with rising addiction rates, which are taxing their already burdened, underfunded health care systems. According to the UNODC, there has been a substantial increase in the use of all illicit drugs since 2005.¹⁹ Country reports suggest that Cape Verde, Kenya, Liberia, Tanzania, South Africa, Uganda are struggling with rising drug abuse.²⁰ In the past six years, crack use in Brazil has reached epidemic proportions, resulting in higher rates of urban crime and violence.²¹ Between 2002 and 2009, about 27 per cent of cocaine abusers in the Western Hemisphere were found in South America.²²

¹⁷Divine Ntaryike, “Drug Trafficking Rising in Central Africa, Warns Interpol,” Voice of America News, September 8, 2012. <http://www.voanews.com/content/drug-trafficking-rising-in-central-africa-warns-interpol/1504026.html>.

¹⁸*Ibid.*

¹⁹<http://www.thisisafrica.me/opinion/detail/19586/the-growing-problem-of-illegal-drugs-in-africa>.

²⁰<http://www.unodc.org/westandcentralafrica/en/cape-verde.html>; Department of State ‘2012 International Narcotics Control Strategy Report (INSCR)’, <http://www.state.gov/j/inl/rls/nrcrpt/2012/vol1/184100.htm#Kenya>; <http://www.irinnews.org/report/81910/liberia-drug-abuse-on-the-rise>; Department of State ‘2012 International Narcotics Control Strategy Report (INSCR)’, <http://www.state.gov/j/inl/rls/nrcrpt/2012/vol1/184102.htm#Tanzania>; <http://allafrica.com/stories/201301151322.html>; Department of State ‘2012 International Narcotics Control Strategy Report (INSCR)’, http://www.state.gov/j/inl/rls/nrcrpt/2012/vol1/184102.htm#South_Africa.

²¹<http://www.npr.org/2013/01/01/168072712/brazils-drug-epidemic-welcome-to-crackland>; <http://www.economist.com/news/americas/21575810-worlds-biggest-crack-market-seeks-better-way-deal-addicts-cracking-up>.

²²http://www.incb.org/documents/Publications/AnnualReports/AR2012/AR_2012_E_Chapter_III_Americas.pdf, p. 71.

Arms

The movement of drugs is increasingly tied to the movement of arms smuggling. Authorities in Brazil argue that huge revenues from illicit drug trafficking are triggering an underground arms smuggling trade. The illicit trade in small arms and light weapons tends to coexist with and reinforce the pathways of illicit trafficking in other goods, including drugs and wildlife. Several of the top exporters of small arms and light weapons in 2009 were located in the Atlantic Basin region: the U.S., Italy, Germany, Brazil, Austria, Switzerland, France, Belgium, and Spain. In the United States, more than 250,000 weapons purchased in the country head south of the border (to Mexico and elsewhere in the region).²³ The value of the annual smuggling trade is \$127.2 million.²⁴

Guns traced to U.S. manufacturers and importers accounted for over 70 percent of the 99,000 weapons recovered by Mexican law enforcement since 2007. 90 percent of the weapons recovered and traced in the Bahamas and over 80 percent of those in Jamaica came from the United States.²⁵

In contrast, very few countries in Latin America and the Caribbean are either major SALW producers or exporters. Between 2004 and 2006, countries in Latin America and the Caribbean exported \$6.7 billion worth of arms and imported \$6.5 billion worth of arms, which accounted for only nine percent of global arms transfers.²⁶

Many SALW end up in countries located in the southern part of the transatlantic region where SALW trafficking “fuels civil wars and

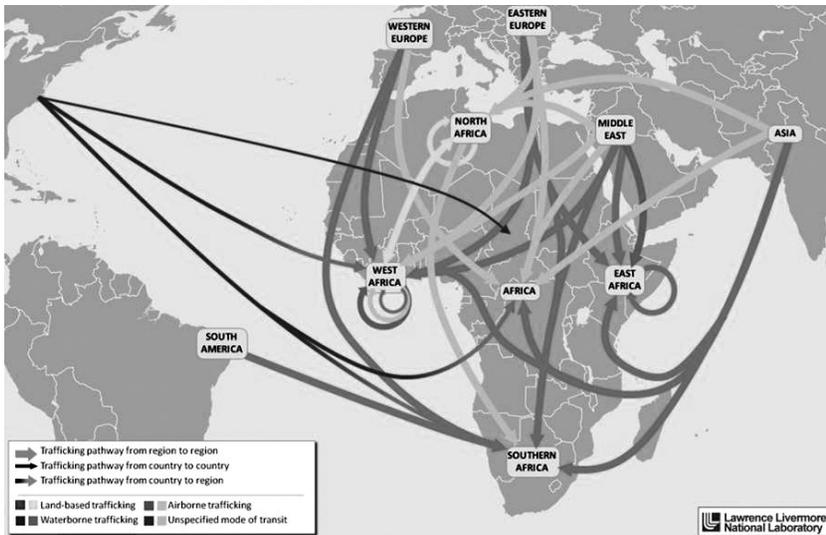
²³Topher McDougal, David A. Shirk, Robert Muggah and John H. Patterson, *The Way of the Gun: Estimating Firearms Traffic Across the U.S.-Mexico Border*. University of California at San Diego Trans-border Institute and Igarapé Institute, 2013, http://catcher.sandiego.edu/items/peacestudies/way_of_the_gun.pdf.

²⁴*Ibid.*

²⁵Julia E. Sweig, *A Strategy to Reduce Gun Trafficking and Violence in the Americas*. Policy Innovation Memorandum No. 36. Council on Foreign Relations, July 2013, <http://www.cfr.org/arms-industries-and-trade/strategy-reduce-gun-trafficking-violence-americas/p31155>.

²⁶Daniel Luz i Alvarez, “New Wars and Small Arms Violence in Latin America and the Caribbean,” NGO Committee on Disarmament, Peace & Security, August 14, 2009, http://disarm.igc.org/index.php?option=com_content&view=article&id=297%3Anew-wars-and-small-arms-violence-in-latin-america-and-the-caribbean&catid=139%3Adisarmament-times-summer-2009&Itemid=2

Figure 3. SALW Trafficking between the United States, Africa, and Europe



regional conflicts; stocks the arsenals of terrorists, drug cartels, and other armed groups; and contributes to violent crime [...]”²⁷ (See Figure 3). For example, although Africa and Latin America and the Caribbean do not produce or export guns, these regions are now the most violent in the world. Africa has the highest murder rate in the world (estimated at 17.4 homicides per 100,000 inhabitants, 2011), followed by Latin America (15.6 per homicides 100,000, 2011). By comparison, the U.S. murder rate is 5.0 per 100,000 and Canada’s rate is 1.8 per 100,000.²⁸ Estimates by the World Bank and the Inter-American Development Bank put the cost of crime and violence in the region at more than 14 percent of regional gross domestic product.²⁹

SALW trafficking presents an even greater threat to Africa.³⁰ By some accounts, 100 million out of the estimated 640 million SALW in

²⁷The Small Arms Survey project, “Illicit Trafficking Brief,” <http://www.smallarmssurvey.org/weapons-and-markets/transfers/illicit-trafficking.html>

²⁸United Nations Office of Drug Control, 2011 *Global Study on Homicide*.

²⁹Luz i Alvarez, *op. cit.*

³⁰Nuclear Threat Initiative, *op.cit.*

circulation worldwide are believed to be located in Africa, the majority of which are in the hands of non-state actors.³¹ A number of factors contribute to SALW trafficking, “including corrupt government and law-enforcement officials, illicit brokers, banks, military, and transportation companies.”³² SALW are sourced through various means and suppliers, including both domestic and international.³³ However, a lack of transparency in the international small arms trade makes it impossible to accurately quantify the value and sources of small arms sold to Africa.³⁴ Also, grey market arms transfers—where arms brokers skirt international guidelines and national legislation to supply weapons to governments and armed groups—contribute significantly to conflict and crime in Africa.³⁵ Unregulated arms brokers have been blamed for providing weapons for some of Africa’s bloodiest conflicts in Sierra Leone, Uganda, the Republic of the Congo, and Sudan.³⁶ As a result, the murder rate in sub-Saharan Africa is one of the highest in the world (17.4 homicides per 100,000).³⁷

Money Laundering

Given the rising trade in illicit goods and small arms and light weapons, it is not surprising that many of the countries in the Atlantic Basin are sites of money laundering. A major money laundering country, as defined by the U.S. Department of State, is one “whose financial institutions engage in currency transactions involving significant amounts of proceeds from international narcotics trafficking.” However, the complex nature of money laundering transactions today makes it difficult in many cases to distinguish the proceeds of narcotics trafficking from the proceeds of other serious crime. Countries of Primary Concern, defined as countries whose financial institutions

³¹*Ibid.*

³²*Ibid.*

³³Stohl, Rachel and Doug Tuttle. “The Challenges of Small Arms and Light Weapons in Africa,” *Conflict Trends*, 2009. <http://www.isn.ethz.ch/isn/Digital-Library/Publications/Detail/?ots591=0c54e3b3-1e9c-be1e-2c24-a6a8c7060233&lng=en&id=101178>.

³⁴*Ibid.*

³⁵*Ibid.*

³⁶*Ibid.*

³⁷United Nations Office of Drug Control, *2011 Global Study on Homicide*.

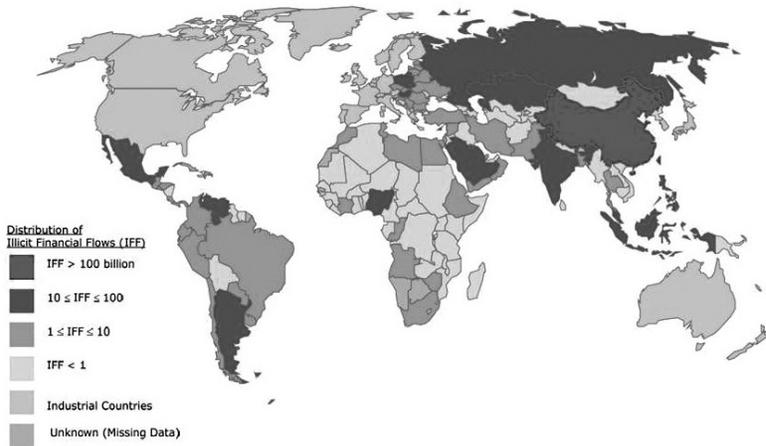
engage in transactions involving significant amounts of proceeds from all serious crimes or are particularly vulnerable to such activity because of weak or nonexistent supervisory or enforcement regimes, include a number located in the Atlantic Basin. Among these are: Antigua and Barbuda, Austria, Bahamas, Belize, Bolivia, Brazil, British Virgin Islands, Canada, Cayman Islands, Colombia, Costa Rica, Cyprus, Dominican Republic, France, Germany, Greece, Guatemala, Guinea-Bissau, Haiti, Isle of Man, Italy, Kenya, Latvia, Liechtenstein, Luxembourg, Mexico, Netherlands, Nigeria, Panama, Paraguay, Somalia, Spain, Switzerland, Turkey, Ukraine, United Kingdom, United States, Uruguay, Venezuela, and Zimbabwe.

Former South African President Thabo Mbeki, who is chairman of the High Level Panel on Illicit Flows of the United Nations Commission for Africa, has stated that Africa loses billions of dollars each year to illicit capital outflows associated with rampant money laundering, which then undermines stability and economic growth.³⁸ Individuals, nongovernmental organizations, and corporations have engaged in money laundering activities, some of which have been used to finance terrorism in the region.³⁹ Africa needs stronger anti-money laundering laws to curb the crime and thwart terrorism networks operating in the region. The European Union has recently launched an initiative to help a number of countries in Western Africa combat money laundering by helping local law enforcement agencies strengthen their investigative capabilities while improving regional cooperation among those West African countries which are located along the route used by South American drug cartels to ship drugs to Europe.

Latin America is no less affected by rampant money laundering. In fact in 2013 the U.S. accused two Lebanese foreign exchange companies of laundering millions of dollars for drug traffickers and Hezbollah militants. Officials stated that the money laundering scheme involved cocaine from South America that was transported through West Africa and sold in Europe. They said funds were then laundered through the Lebanese exchange companies and wired to banks in the

³⁸Nathaniel Daygbor, "Africa Loses Billions in Illicit Money Laundering," *All Africa* website, May 1, 2013. <http://allafrica.com/stories/201305010274.html>.

³⁹"Money Laundering on the Rise in East Africa, Security Experts Warn," *The East African* website, September 8, 2013. <http://www.theeastafrican.co.ke/Rwanda/News/Money-laundering-on-the-rise-in-East-Africa/-/1433218/1520096/-/view/printVersion/-/392xmd/-/index.html>

Figure 4. Distribution of Illicit Flows around the World

⁴³ Serious data issues prevented separate estimation of illicit financial flows out of Hong Kong and Macau.

Source: Global Financial Integrity

United States and other countries.⁴⁰ According Global Financial Integrity, four of the world's top 15 exporters of illicit financial flows are located in the Atlantic Basin: Brazil, Mexico, Nigeria, and South Africa⁴¹ (Figure 4 presents a map of the distribution of illicit flows around the world).

Significant flows of capital resulting from illicit activities have made their way into multi-national financial institutions, many of which are based in the United States and Europe. In December 2012, HSBC admitted in court pleadings that it had allowed big Mexican and Colombian drug cartels to launder at least \$881 million.⁴²

As reported, U.S. court filings show that, since 2006, more than a dozen banks have reached settlements with the U.S. Department of

⁴⁰Meredith Buel, "US Accuses Lebanese Firms of Laundering Money for Hezbollah," *Voice of America*. April 23, 2013. <http://www.voanews.com/content/us-accuses-lebanese-firms-of-laundering-money-for-hezbollah/1647598.html>

⁴¹Global Financial Integrity.

⁴²Robert Mazur, "How to Halt the Terrorist Money Train," *New York Times*. January 2, 2013. http://www.nytimes.com/2013/01/03/opinion/how-bankers-help-drug-traffickers-and-terrorists.html?_r=0

Justice regarding violations related to money laundering. American Express Bank International acknowledged that more than \$55 million in drug proceeds may have been laundered through offshore shell accounts it maintained. The Justice Department has signed agreements, withholding prosecution in exchange for bank promises to tighten oversight, with Wachovia, Union Bank of California, Lloyds, Credit Suisse, ABN Amro Holding (now owned by Royal Bank of Scotland), Barclays and Standard Chartered, all of whom “admitted to criminal offenses.”⁴³

Security Challenges

The illicit trafficking of drugs, guns and money is rapidly undermining the security environment in many countries within the Atlantic Basin, particularly those countries in Latin America and West and Southern Africa. To underscore the dangers, the United Nations Security Council hosted a session in December 2013 to discuss the security challenges posed by illicit drug trafficking and related crime. Yury Fedotov, Executive Director of the UN Office on Drugs and Crime (UNODC), discussed West Africa and the Sahel’s vulnerability to illicit drugs and crime due to weak governance, porous borders and the vast geographic realm. “The vast profits generated from these illicit flows undermine good governance and legitimate economies, and fuel corruption. The funds enable criminal organizations to maintain their operations and possibly support terrorist activities across West Africa and the Sahel.”⁴⁴ Participants noted that the revenues provided to crime syndicates from illegal drug trafficking far exceed the national security budgets of many countries in the region.

Internal Security Challenges

Not surprisingly, the growth in illicit trafficking has undermined the internal security environment in a number of countries in the

⁴³Robert Mazur, “How to Halt the Terrorist Money Train,” *New York Times*, January 2, 2013. http://www.nytimes.com/2013/01/03/opinion/how-bankers-help-drug-traffickers-and-terrorists.html?_r=0.

⁴⁴United Nations Information Service. UNODC statement to Security Council charts drug and crime vulnerability in West Africa, Sahel, December 18, 2013, <http://www.unis.unvienna.org/unis/en/pressrels/2013/uniscp744.html>.

Atlantic Basin, even those countries that are not drug producers. Many of the security threats are drug-related. Latin America continues to be the world's largest producer of cocaine. The violence and insecurity in the region has increased as turf wars between the cartels continue and as cartels retaliate against government officials and police forces. In Mexico, for example, since 2006 roughly 60,000 people have been killed from drug related violence, including members of the drug cartels, law enforcement officers, politicians, and innocent bystanders.⁴⁵ Brazilian drug gangs are behind much of the increasing crime and violence that has overwhelmed many of the country's biggest cities, including Rio de Janeiro, Sao Paulo and Salvador.⁴⁶

The increasing violence reveals the connection between hard security and economic security. The violent cartels and other criminal networks engaged in the illicit trafficking of goods (including arms) have been able to recruit young people, particularly in Central America, because of the lack of alternative economic opportunity. Economic insecurity has created a precarious hard security environment where cartels and criminal networks terrorize villages and towns.

Transnational Security Challenges

What is particularly troubling about the growing Atlantic Basin narcotrafficking nexus is that there is increasing evidence linking drug traffickers and terrorist organizations.⁴⁷ Experts believe terrorists are increasingly using drugs as a source of material support.

⁴⁵Q&A: Mexico's Drug-Related Violence. BBC News. November 25, 2013. <http://www.bbc.co.uk/news/world-latin-america-10681249>

⁴⁶Damien Gayle, "Children who carry guns through Salvador's slums: Shocking images that show drug gangs' brutal grip on Brazil streets where hundreds of thousands will travel for next year's World Cup," *Daily Mail* website, May 2, 2013. <http://www.dailymail.co.uk/news/article-2318403/The-drug-gangs-violence-Brazilian-city-expecting-hundreds-thousands-football-fans-years-World-Cup.html>; John Lyons, "Death Toll Mounts In Brazil as Police Face Down Gangs," *Wall Street Journal*, November 11, 2012, <http://online.wsj.com/article/SB10001424127887324894104578112912555396072.html>.

⁴⁷UNODC, *Drug Trafficking and the Financing of Terrorism*. November 21, 2013. <http://www.unodc.org/unodc/en/frontpage/drug-trafficking-and-the-financing-of-terrorism.html>; UNODC, *Crime and its Deadly Link with Terrorism*, March 17, 2011. <http://www.unodc.org/unodc/en/frontpage/2011/March/crime-and-its-deadly-connection-to-terrorism.html>; Liana Sun Wylér and Nicolas Cook, "Illegal Drug Trade in Africa: Trends and U.S. Policy Analyst in International Crime and Narcotics," *Congressional Research Service*, 2009, <http://www.fas.org/sgp/crs/row/R40838.pdf>.

In November 2012, the U.S. House Subcommittee on Oversight, Investigations, and Management, released a report entitled “A Line in the Sand: Countering Crime, Violence and Terror at the Southwest Border,” which details the Subcommittee’s findings regarding the increased presence of Middle East terrorist networks in Latin America and their growing relationship with drug cartels.⁴⁸ The report discusses the increased presence and influence of Iran and Hezbollah in Latin America and their relationship with drug cartels, as well as Hezbollah’s known money laundering and major fundraising activities in Latin America and Hezbollah’s relationship with drug cartels.⁴⁹

Intelligence analysts have confirmed ties between Latin American drug traffickers and terrorist networks in West Africa. The U.S. Drug Enforcement Administration has identified West Africa as a developing hub of narcoterrorism.⁵⁰ In December 2009, the UNODC reported to the UN Security Council that drugs were being traded by “terrorists and anti-government forces” to fund their operations.⁵¹ That same month, authorities arrested three individuals in Ghana for cocaine trafficking who reported that they were supporting al-Qaeda.⁵² Others have also written about the ties between terrorist organizations or state sponsors of terrorism to the African drug trade, including Colombia’s Revolutionary Armed Forces of Colombia (FARC), al-Qaeda in the Islamic Maghreb (AQIM), Hezbollah (allied with elements in the Lebanese diaspora), Venezuela, and Iran.⁵³ The millions earned from

⁴⁸Subcommittee on Oversight, Investigations, and Management Chairman McCaul Releases Report on Drug Cartels and Hezbollah Terrorist Threat, November 15, 2012, <http://home-land.house.gov/press-release/subcommittee-oversight-investigations-and-management-chairman-mccaul-releases-report>

⁴⁹Mazur, *op. cit.*

⁵⁰U.S Department of Justice. Statement of the Honorable Thomas Harrigan, Deputy Administrator, Drug Enforcement Administration Before the Senate Caucus on International Narcotics Control United States Senate Regarding Countering Narcotics Threats in West Africa. May 16, 2012, http://www.justice.gov/dea/pr/speeches-testimony/2012-2009/051612_testimony.pdf.

⁵¹UNODC. Security Council debates “devastating impact” of drug trafficking, December 9, 2009, <http://www.unodc.org/unodc/en/frontpage/2009/December/security-council-debates-devastating-impact-of-drug-trafficking.html>

⁵²U.S. Drug Enforcement Administration. Three Al Qaeda Associates Arrested on Drug and Terrorism Charges. December 18, 2009. <http://www.justice.gov/dea/pubs/pressrel/pr121809.html>

⁵³U.S Department of Justice. Statement of the Honorable Thomas Harrigan, Deputy Administrator, Drug Enforcement Administration Before the Senate Caucus on International Nar-

the illicit drug trade have funded the illegal arms trade, including the purchase of sophisticated weaponry by these groups.⁵⁴

In West Africa, the rise of the drug trade has increased fears that weak states could become criminalized “narco-states.” In Guinea-Bissau the assassination of the military chief of staff and the murder of the country’s president in 2009 were both linked to a drug trafficking dispute. Members of Parliament, police officials and government ministers have been implicated in drug smuggling in recent years.⁵⁵ The growing drug trade has also been blamed for increasing political instability and violence in the region, including, riots in Cote d’Ivoire, an attempted coup in Guinea-Bissau and an actual coup in Guinea. The number of West African organized crime groups involved in drug smuggling is growing; some even have their own armies.⁵⁶

In Africa’s drug trafficking hubs such as Ghana, Kenya, Mozambique, Nigeria, and South Africa, there is growing evidence that narco-traffickers have started to infiltrate the country’s institutions, including political parties, electoral system, and the judicial system, including the courts.⁵⁷ In Ghana and Nigeria, members of parliament, police officials, and government ministers were implicated in drug smuggling in 2013.

Piracy

The growing transnational threats also include piracy, which is a growing problem in Africa, particularly in West Africa. Between 2008 and 2009, global incidents of piracy grew, occurring principally off the

cotics Control United States Senate Regarding Countering Narcotics Threats in West Africa. May 16, 2012. http://www.justice.gov/dea/pr/speeches-testimony/2012-2009/051612_testimony.pdf; Davin O’Regan. “Narco-States: Africa’s Next Menace,” *New York Times*, March 12, 2012,

<http://www.nytimes.com/2012/03/13/opinion/narco-states-africas-next-menace.html>; David E. Brown. *The Challenge of Drug Trafficking to Democratic Governance and Human Security in West Africa*. The Letort Papers. Carlisle, Pennsylvania: Strategic Studies Institute, U.S. Army War College 2013. <http://www.strategicstudiesinstitute.army.mil/pdf/files/PUB1151.pdf>.

⁵⁴O’Regan, *op. cit.*

⁵⁵Ibid.

⁵⁶Interfax, “Russia: Drug Transit In North Africa Follows Iraqi, Kosovo, Afghan Models,” August 29, 2011, <http://www.interfax.com/newsinf.asp?page=3&id=269023>, <http://rickrozoff.wordpress.com/2011/08/29/updates-on-libyan-warstop-nato-news-august-29-2011/>

⁵⁷O’Regan, *op. cit.*; Brown, *op. cit.*

Figure 5. Pirate Attacks Against Vessels in East and West Africa

Coast of Somalia.⁵⁸ In 2011, pirate attacks against vessels in East and West Africa accounted for the majority of world attacks. Of the 439 attacks reported to the International Maritime Bureau in 2011, 275 attacks took place off Somalia on the east coast and in the Gulf of Guinea on the west coast of Africa.⁵⁹ On the west coast, Benin and Nigeria appear to be growing piracy hotspots. In 2011, there were 20 reported incidents against tankers in Benin, eight of which were hijacked. In neighboring Nigeria, there were 10 attacks reported, including two hijackings, although analysts suggest there were more than 30 unreported incidents in Nigerian waters⁶⁰ (See Figure 5). A

⁵⁸Nuclear Threat Initiative, *op. cit.*

⁵⁹ICC Commercial Crime Services. "Piracy Attacks in East and West Africa Dominate World Report," January 19, 2012. <http://www.icc-ccs.org/news/711-piracy-attacks-in-east-and-west-africa-dominate-world-report>.

⁶⁰Ibid.

recent 2013 report noted that piracy affected more ships and sailors off West Africa than off Somalia's coast in 2012, and cost West Africa up to \$950 million that same year.⁶¹ In June 2013, government leaders from more than twenty West and Central African countries along the Gulf of Guinea gathered to address escalating piracy, trafficking and other illicit activities in the region.⁶²

Piracy is also a growing threat in South America, although the incidence is much lower. The International Maritime Bureau reports that "the territorial and offshore waters in the Atlantic Ocean remain at significant risk for piracy and armed robbery against ships; 2010 saw an 80 percent increase in attacks over 2009; numerous commercial vessels were attacked and hijacked, both at anchor and while underway; crews were robbed and stores or cargoes stolen."⁶³ The majority of piracy attacks occur in Brazil, Peru, and Venezuela. The incidence of piracy attacks underscores the often precarious security environment in many of the countries, as well as the vulnerability of the maritime areas, particularly given the vast (often unpatrolled) coastlines of South America.

Improving the Security Architecture in the Atlantic Basin

Left unchecked, expanding insecurity in the Atlantic Basin could undermine global trade, regional development and political stability as the region. Governments and international institutions and organizations have undertaken a number of efforts to address the increasingly precarious security environment. Given its immense resources, relatively speaking, the U.S. Department of Defense has sponsored a number of programs, particularly involving drug interdiction and counter terrorism efforts in both South America and Africa. A brief summary of some of the efforts are presented below.

⁶¹"Leaders from West, Central Africa to Address Piracy, Drugs, Trafficking in Region," Fox News website. June 24, 2013. <http://www.foxnews.com/world/2013/06/24/leaders-from-west-central-africa-to-address-piracy-drugs-trafficking-in-region/>

⁶²Moki Edwin Kindzeka, "West African Leaders Pledge to Fight Sea Piracy," Voice of America, June 25, 2013. <http://www.voanews.com/content/west-african-leaders-pledge-to-fight-sea-piracy/1688965.html>.

⁶³Central Intelligence Agency. *The World Factbook. South America: Brazil*, <https://www.cia.gov/library/publications/the-world-factbook/geos/br.html>.

Bilateral Assistance

Much of the bilateral assistance in the Atlantic Basin to address the growing security concerns has been sponsored by the U.S. Department of Homeland Security, the U.S. Department of Defense, and the U.S. Department of State. The European Union and individual countries also provide funding and technical assistance through bilateral and regional agreements.

U.S. Coast Guard, U.S. Department of Homeland Security

The U.S. Coast Guard (USCG) maintains various bilateral arrangements and partnerships with countries around the world. These partnerships may focus on joint search and rescue operations, maritime enforcement training and capacity building, and improved coordination with partner nations to more effectively operate forward deployed boats, cutters, aircraft, and personnel to deter and counter threats. In South America, for example, the U.S. Coast Guard is “engaged in a substantive dialogue” with the Brazilian Navy on ways to develop Brazil’s maritime law enforcement capability. In 2011, the USCG conducted 12 trainings in incident command systems, emergency operations center procedures, and maritime law enforcement.⁶⁴

Africa Maritime Law Enforcement Partnership

The Africa Maritime Law Enforcement Partnership (AMLEP) is a cooperative maritime law enforcement program, coordinated by the U.S. Department of Homeland Security (DHS) and the U.S. Department of Defense African Command (AFRICOM). U.S. Coast Guard boarding teams partner with host nation law enforcement boarding teams to allow these officials to embark on U.S. Coast Guard/U.S. Navy and host nation ships and law enforcement vessels to provide the vessel with the necessary authorities and capabilities to conduct boardings, searches, seizures, and arrests within the participating African country’s exclusive economic zone.⁶⁵ The AMLEP program

⁶⁴U.S. Department of State, *2012 International Narcotics Control Strategy Country Reports*, <http://www.state.gov/j/inl/rls/nrcrpt/2012/vol1/184098.htm>.

⁶⁵U.S. Africa Command, Public Affairs. AFRICOM Posture Statement: Ward Reports Annual Testimony to Congress. March 9, 2010. <http://www.africom.mil/NEWSROOM/> Arti-

enables African partner nations to build maritime security capacity and improve management of their maritime environment through combined law enforcement operations. While not an exhaustive list, some of the countries in sub-Saharan Africa that have participated include: Cape Verde, Gambia, Senegal, and Sierra Leone.

U.S. Department of Defense

U.S. Southern Command (SOUTHCOM)

The U.S. Southern Command (USSOUTHCOM) is involved in a number of collaborative efforts with partner nations in the region, including a Joint Task Force (JIATF South), and one Forward Operating Location (in Curaçao), which allows the U.S. and partner nations' aircrafts to use existing airfields in support of the region's multinational counter-drug effort. USSOUTHCOM also has security assistance offices in Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname, Uruguay, and Venezuela. USSOUTHCOM currently operates military bases in Colombia, Paraguay, and Peru. USSOUTHCOM has organized and hosted a number of collaborative training exercises including Tradewinds, UNITAS, PANAMEX, Fuerzas Commando, PKO Americas, and Fuerzas Aliadas Humanitarian.

U.S. Africa Command

AFRICOM, the newest of the U.S. Defense Department's six geographic combatant commands, is responsible for military relations with African nations, the African Union, and African regional security organizations. AFRICOM is responsible for all U.S. Department of Defense operations, exercises, and security cooperation on the African continent, its island nations, and surrounding waters.⁶⁶ AFRICOM and the U.S. Department of Defense have cooperative security locations in Botswana, Gabon, Ghana, Kenya, Namibia, São Tomé and

cle/7245/africom-posture-statement-ward-reports-annual-test; U.S. Africa Command. Africa Maritime Law Enforcement Partnership (AMLEP) website. <http://www.africom.mil/what-we-do/security-cooperation-programs/amlep>.

⁶⁶U.S. Africa Command website, <http://www.africom.mil/about-the-command>.

Príncipe, Senegal, Sierra Leone, Uganda, and Zambia.⁶⁷ AFRICOM has organized and hosted various events and workshops to raise awareness about illicit trafficking activities.

*African Partnership Station*⁶⁸

The African Partnership Station (APS) is AFRICOM's primary maritime security engagement initiative. In cooperation with partner states and non-governmental organizations, APS builds maritime security capabilities in African partner nations using sea-based training platforms to provide predictable regional presence with a minimal footprint ashore. Training and assistance focuses on strengthening four pillars of maritime sector development: a competent and professional maritime security force; secure infrastructure to sustain maritime operations; maritime domain awareness; and maritime response capability.

National Guard State Partnership Program

Funded by the U.S. Department of Defense and managed by the National Guard, the State Partnership Program (SPP) provides unique partnership capacity-building capabilities to combatant commanders and U.S. ambassadors through partnerships between U.S. states and foreign countries. The Department of Defense combatant commands, AFRICOM and USSOUTHCOM, rely on the SPP to support its 'theater engagement strategy' (or soft power approach) in the region of Africa and Latin America, respectively. The SPP supports U.S. national interests and security cooperation goals by engaging partner nations via military, socio-political, and economic conduits at the local, state, and national levels. Many of the collaborations address issues of disaster preparedness and response planning, maritime security, civil-military relations, law enforcement training, and humanitarian assistance.^{69,70}

⁶⁷Tom R. Ulmer, *Using an Adaptive Logistics Network in Africa. Department of the Air Force. Air Force Institute of Technology*, May 2009, <http://www.dtic.mil/cgi-bin/GetTRDoc?AD=ADA505080>.

⁶⁸U.S. Africa Command website, <http://www.africom.mil/NEWSROOM/Article/7245/africom-posture-statement-ward-reports-annual-test>.

⁶⁹Tyrone Marshall, "State partnership program emphasizes building relationships," January 17, 2012, http://www.army.mil/article/72048/State_partnership_program_emphasizes_building_relationships/.

⁷⁰Brian Smith, *A 2013 World Map of National Guard State Partnerships*, posted on Wikimedia Commons, https://commons.wikimedia.org/wiki/File:A_2013_World_Map_of_National_

International Cooperation

Many of the countries in the Atlantic Basin are receiving help from international bodies and regional bodies, including the European Union. For example, both the European Union and Germany have offered technical support to Nigeria's National Drug Law Enforcement Agency, while the Portuguese Judiciary Police has collaborated with Angola to combat drug trafficking and violent crime. The current instrument for regional coordination between the EU and Latin America is the Cooperation Programme on Drug Policies between Latin America and the European Union (COPOLAD), which was launched in 2009 to address the limitations of the earlier mechanism, the Coordination and Cooperation Mechanism on Drugs between the EU and Latin America and the Caribbean, established in 1998. The COPOLAD serves to facilitate information sharing and inter-regional coordination around issues of money laundering and "judicial, police, customs and maritime areas." Officially launched in December 2012, COPOLAD is slated to operate for 42 months with a budget of Å6 million (\$8.2 million), all of which is being provided by the EU. COPOLAD partners include Spain, Argentina, Brazil, Chile, Colombia, Peru, Uruguay, Germany, Portugal and France. Associated partners include Costa Rica, Ecuador, Mexico, Poland, Romania, the Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States, the Pan American Health Organization, and RIOD (an association of Ibero-American non-governmental organizations addressing drug dependency issues).⁷¹

Guard_State_Partnerships.png. Countries in Africa that participate in SPP (with their state partners) include: Botswana (North Carolina), Ghana (North Dakota), Liberia (Michigan), Morocco (Utah), Nigeria (California), Senegal (Vermont), and South Africa (New York), and Tunisia (Wyoming). Countries in South America that participate in SPP (with their state partners) include: Bolivia (Mississippi), Chile (Texas), Ecuador (Kentucky), Guyana (Florida), Paraguay (Massachusetts), Peru (West Virginia), Suriname (South Dakota), Uruguay (Connecticut), and Venezuela (Florida). http://upload.wikimedia.org/wikipedia/commons/e/e0/A_2013_World_Map_of_National_Guard_State_Partnerships.png

⁷¹Mikael Wigell and Mauricio Romero, *Transatlantic Drug Trade: Europe, Latin America, and the Need to Strengthen Anti-Narcotics Cooperation*. Helsinki: The Finnish Institute of International Affairs, June 2013, http://www.fia.fi/en/publication/343/transatlantic_drug_trade/#.UcVfWz5dV8E; European Commission website. COPOLAD - Cooperation Programme between Latin America and the European Union on Drugs Policies, March 19, 2012, http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/copolad/index_en.htm.

In 2009, the United Nations Office for West Africa, in partnership with UN Office on Drugs and Crime, Interpol and the UN Department of Peacekeeping Operations, set up the West Africa Coast Initiative to address growing problems of illicit drug trafficking and organized crime. This initiative led to the establishment of a Transnational Crime Unit in each country that is charged with gathering information and developing operational intelligence. In March 2013, the European Union launched the Inter-Governmental Action Group against Money Laundering in West Africa to help law enforcement agencies better investigate money laundering and improve regional cooperation.

There is also multilateral cooperation that spans the Atlantic Ocean. In 2011, the UNODC stood up an Airport Communications Project (AIRCOP), funded by Canada and the European Commission, in cooperation with Interpol and the World Customs Organization (WCO). This initiative, which involves Brazil and seven West African nations, seeks to strengthen communication and encourage intelligence-sharing at the airport and police level between Brazil and seven West African states.

Recommendations for Improving the Regional Architecture

Addressing growing insecurity in the Atlantic Basin is going to require greater focus and attention from decision makers and new policies that address both the demand and supply factors. Governments will need to improve collaboration and cooperation to effectively address the growing transnational crime.

Improve Prevention and Treatment Programs

First, North America and the European Union must address the growing demand for illicit drugs that is stressing the economies and societies of many countries located in the southern part of the Atlantic Basin. Federal, state and local governments in the United States spend insufficient resources on prevention and treatment programs, and related mental health services. In May 2010, President Obama released the Administration's National Drug Control Strategy, which had a stated goal of reducing the rate of drug use by 15 percent over

the next five years.⁷² While the FY2012 National Drug Control Budget was \$25.2 billion, only one-third of those funds was directed to prevention and treatment.⁷³ Recently, leaders of state and local governments have drawn attention to the issue of growing drug abuse and its impact on public safety and security. In his 2013 State of the State Address, Vermont Governor Peter Shumlin of Vermont discussed the increasing rates of drug addiction, drug overdose, and related crime in his state, and advocated for increased spending on treatment centers and rapid intervention programs.⁷⁴

In 2007, the European Parliament and the Council stood up the Drug Prevention and Information (DPIP) Program (2007-2013), which provided financial support to projects that aim to exchange and transfer best practice across the EU to improve the quality of prevention and treatment services, to reduce drug-related health damage, and to prevent drug use. The DPIP builds on the existing EU Drugs Strategy and Action plans, the aim of which are to reduce the social costs and health damage caused by the use of, and trade in, illicit drugs.⁷⁵

Prioritize Security Issues

The EU, its member countries, and the United States have existing bilateral agreements with a number of countries located in Latin America and Africa. Frequently, these bilateral agreements include summits and meetings with decision makers to discuss issues of importance between the two parties. However, the agenda is often void of discussions of security issues and illicit trafficking. For example, the bilateral EU-Brazil Strategic Partnership, established in 2007, has “put little emphasis on combating drug trafficking.”⁷⁶ In the 2012-2014 Joint Action Plan, the parties “committed themselves to estab-

⁷²U.S. White House Office of National Drug Control Policy website, <http://www.whitehouse.gov/ondcp/the-national-drug-control-budget-fy-2013-funding-highlights>.

⁷³PBS Online viewpoints website, <http://www.thirteen.org/closetohome/viewpoints/html/budg.html>.

⁷⁴Katherine Q. Seelyejan, “In Annual Speech, Vermont Governor Shifts Focus to Drug Abuse,” *New York Times*, January 8, 2014. http://www.nytimes.com/2014/01/09/us/in-annual-speech-vermont-governor-shifts-focus-to-drug-abuse.html?_r=0

⁷⁵European Commission Drug Prevention and Information (DPIP) Program website, http://ec.europa.eu/justice/grants/programmes/drug/index_en.htm.

⁷⁶Wigell and Romero, *op. cit.*

lishing a dialogue on drug-related matters,⁷⁷ but there is no evidence that concrete steps have been taken to combat drug trafficking. Decision-makers should prioritize discussions of security issues in bilateral agreements and partnerships, recognizing that security concerns may significantly impact trade and development goals and concerns.

Support and Collaborate with Regional Economic Communities

Many of the programs described above work in and with countries directly through bilateral agreements and memorandums of understanding. However, given the transnational nature of many of these security challenges, decision makers should explore ways to build and strengthen *regional* architectures. The transnational nature of these threats and the fact that almost every country has been affected—either as a producer or transit state—has given rise to more focused, aggressive regional cooperation around the issue of security. Many of the countries in the Atlantic Basin have undertaken both unilateral and regional action to improve security.

For example, a number of countries are directing more resources at border security. For example, Brazil, which shares a border with 10 countries and is the primary shipping point for drugs to sub-Saharan Africa, has been quite aggressive in recent years about building a domestic and regional security architecture. In June 2011 President Rousseff announced a new Strategic Border Plan aimed at strengthening cooperation on border control with neighboring countries to fight organized crime. Brazil has signed bilateral border security agreements to improve information sharing, coordinate anti-trafficking efforts and combat organized crime with Paraguay and Colombia and intends to sign agreements with the other eight countries with which it shares borders. These agreements are already producing results.

Similarly, many countries in Africa are beginning to recognize the value of regional cooperation. In 2010, Gambia hosted a regional forum on illegal drug trafficking and organized crime during which the participants discussed possible adoption of a framework for West African Drug Law Enforcement Operations. In July 2011, police chiefs from several West African countries met in Guinea to discuss

⁷⁷*Ibid.*

combating transnational crime and harmonizing national legislation on transnational crimes. And again, earlier this summer, leaders of West and Central Africa gathered to discuss ways to address piracy, illicit trafficking, and terrorism. Recommendations for strengthening the regional security architectures are described below.

There are a number of regional economic communities throughout Africa and Latin America, all intended to promote economic integration and development, as well as other regional issues. In recent years, many of these communities have begun addressing security concerns, recognizing that the overall security environment can affect trade and investment. For example, in South America, Mercosur's Security Commission has played a critical role in interdiction efforts. The program has worked to coordinate and establish procedures for preventing the movement of illicit goods throughout the region. In 2000, Mercosur members set up a regional police Center for the Coordination of Police Training that would train police officers from member countries. Since 2006, this Center has offered 21 courses on subjects relating to police intelligence, drug trafficking and money laundering, among others. In 2010 MERCOSUR countries confirmed their commitment to increase efforts to combat terrorism and transnational organized crime and they expressed support for the creation of Joint Investigation Teams.

In Africa, the Economic Community of West African States (ECOWAS) and the Economic Community of Central African States (ECCAS) jointly hosted a joint Maritime Safety and Security Conference in March 2012, which was organized and facilitated by the U.S. Africa Command and Africa Center for Strategic Studies.⁷⁸ The conference was held to outline a plan for cooperation between both African regional economic communities to provide regional maritime security in the central and western African regions and among member states and to combat piracy, robbery at sea, and other illicit activities in the Gulf of Guinea.⁷⁹ And certainly, while these efforts are incremental, it is quite promising that they are homegrown and not

⁷⁸U.S. Africa Command Public Affairs, "ECCAS, ECOWAS Take Steps to Counter Piracy, Robbery at Sea, and Illegal Maritime Activities," April 2, 2012. <http://www.africom.mil/NEWSROOM/Article/8884/eccas-ecowas-take-steps-to-counter-piracy-robbery->

⁷⁹*Ibid.*

being directed by the United States or the EU or the UN. In short, there is a good deal of resiliency and capacity in the region.

Support Dual Purpose Projects that Facilitate Trade and Security

Many countries located in the Atlantic Basin suffer from poor infrastructure. In addition to trying to address growing transnational threats to the security environment, government leaders are trying to improve their economies, facilitate trade, and attract investment. There are currently a number of new and ongoing projects that seek to improve infrastructure in order to facilitate trade, but also support measures to improve the security environment. For example, countries in Africa are collaborating to establish policies and structures to improve cross-border transportation corridors and border security. These efforts could strengthen the national and regional security architectures. Currently, many African countries are undertaking ‘hard’ infrastructure improvements, including the construction and rehabilitation of transportation networks, port facilities, and information communication technology (ICT) systems and services. In addition, a number of governments are pursuing ‘soft’ infrastructure measures, which include simplifying and harmonizing customs and border procedures, encouraging the use of new technology, and reducing corruption.

One of these initiatives, the West Africa Transport and Transit Facilitation Project, aims to facilitate trade within the region. There are two relevant components to the project. The first component is the corridor road infrastructure improvement effort which seeks to facilitate trade by (a) rehabilitating and strengthening key road sections; (b) constructing rest stop areas; and (c) designing and implementing a corridor-specific physical road safety action plan. The second component is the corridor transport and transit facilitation effort, which aims to strengthen the capacity of customs and transport authorities to better manage the movement of traffic by: supporting the upgrading of customs-related ICT and extension of cargo tracking system; and providing logistical, capacity building and technical assistance support.⁸⁰

⁸⁰World Bank, “West Africa Regional Transport and Transit Facilitation Project for Africa,” project description from Projects & Operations website, <http://www.worldbank.org/projects/P079749/west-africa-regional-transport-transit-facilitation-project?lang=en>.

Provide Training and Technical Assistance

One of the most effective institutions for providing security related technical assistance to countries in Latin America and Africa is through the International Law Enforcement Academies, administered by the U.S. Department of State Bureau of Diplomatic Security and the Bureau of International Narcotics and Law Enforcement.⁸¹ The mission of the regional ILEAs (there are five worldwide) is “to support emerging democracies, help protect U.S. interests through international cooperation, and promote social, political, and economic stability by combating crime.” ILEA San Salvador and ILEA Gaborone provide training and technical assistance, supports law enforcement capability development, and fosters relationships between American law enforcement agencies and their counterparts in Latin America and Africa. The regional ILEAs also encourage strong partnerships among regional countries to address common problems associated with criminal activity.

Comparing the scope and curriculum of ILEA Gaborone, which serves more than 50 countries in Africa, to other ILEA sites raises some concern. When compared to the ILEA San Salvador, which serves the less than two dozen countries of Central and South America, ILEA Gaborone offers fewer classes per year than ILEA San Salvador and with reduced frequency. Given the geographic size of Africa and the growing transnational threats, decision makers should explore opportunities to increase the frequency and number of course offerings at ILEA Gaborone. A feasibility analysis assessing the possibility of opening a second ILEA office in Africa should be conducted.

In addition, even more than military training, many countries in Latin America and Africa are in desperate need of training and technical assistance to strengthen law enforcement capabilities, coast guard fleets, and the judicial system (particularly the detainment and prosecution of traffickers). The United States and the European Union should continue building and strengthening law enforcement capabilities through joint training exercises, capacity building workshops, and extended training programs.

⁸¹U.S. Department of State Bureau of International Narcotics and Law Enforcement Affairs. *2012 International Narcotics Control Strategy Report (INCSR)*, <http://www.state.gov/j/inl/rls/nrcrpt/2012/vol1/184095.htm>.

Support Joint Intelligence/Operations Centers

Governments in Africa and Latin America acknowledge the critical need to address their numerous security challenges on a regional level. However, regional experts also recognize that the present levels of collaboration and coordination are not sufficient to formulate effective regional solutions. To identify and develop regional solutions and coordinate responses, the U.S. and European Union, working with INTERPOL, should support the establishment of joint intelligence/operations centers in Africa and Latin America. This could be explored by establishing partnerships with the various regional economic communities, like ECOWAS and Mercosur, which are increasingly focused on security issues. One example is the recent agreement signed in July 2013 between INTERPOL and Mercosur, the aim of which is to “further streamline global and regional law enforcement cooperation, through enhanced police information exchange.”⁸² The formal arrangement links INTERPOL’s global databases with Mercosur’s Security Information System, which connects the national databases of its 10 member states.

In addition, INTERPOL is providing training and capacity building workshops. On December 23, 2013 INTERPOL sponsored a workshop in Latin America that brought together representatives from more than 20 countries in the region with the goal of building regional capacity and cross-institutional operational police cooperation on organized crime, including drug and arms trafficking, money laundering, and gang crime. This workshop is part of a three year capacity building program that was jointly funded by INTERPOL and the Government of Canada.⁸³

INTERPOL launched a similar program, OASIS, in Africa, with the aim of helping “countries in Africa develop a global and integrated approach to fighting 21st century crime by developing operational capacities for policing in the region and by enhancing the ability of INTERPOL member countries to tackle crime threats nationally,

⁸²INTERPOL website. INTERPOL agreement with MERCOSUR to boost regional and global police information sharing. June 7, 2013. <http://www.interpol.int/News-and-media/News/2013/PR069>.

⁸³INTERPOL website. Security across Americas boosted through INTERPOL training programmes. December 17, 2013. <http://www.interpol.int/News-and-media/News/2013/N20131217>.

regionally and globally.”⁸⁴ However, research suggests that INTERPOL’s training and capacity building activities have been much more limited in Africa. Policymakers should explore ways to support and expand INTERPOL’s technical assistance, training and capacity building programs in Africa.

Support Rapid Border Intervention Teams

Africa and Latin America are characterized by porous borders, vast ungoverned spaces, and insufficient resources and limited law enforcement capabilities. No single country is well positioned to combat the growing transnational crime. One recommendation is to explore the feasibility of establishing Rapid Border Intervention Teams (RABIT) modeled after the EU experience in Africa and Latin America. In 2007, the EU established the RABITS, with the goal of setting up a system that would provide “enhanced technical and operational assistance for a limited period, in the form of rapid-reaction intervention teams including guards from other Member States.”⁸⁵ Countries in a region could pool their limited resources to establish a team with law enforcement capabilities that could be deployed to address an issue (including trafficking) faced by the member states.

Reform Judiciary Systems

Throughout the Atlantic Basin, the criminal justice system and law enforcement capabilities remain weak and under resourced, which significantly undermines efforts to deter, detain, and prosecute those who are involved in the illicit trafficking activities. Judicial reform is a critical component of efforts to improve the security environment in this region. Decision-makers in the government and at financial institutions must prioritize and fund programs that seek to strengthen law enforcement investigative capabilities, the judicial system, and procedures related to the arrest, detention, and prosecution of individuals involved in the trafficking of illicit goods.

⁸⁴INTERPOL website. INTERPOL OASIS programme supports criminal intelligence training for Kenyan Police. December 22, 2009. <http://www.interpol.int/News-and-media/News/2009/N20091222>.

⁸⁵European Union website. Rapid Border Intervention Teams. http://europa.eu/legislation_summaries/justice_freedom_security/free_movement_of_persons_asylum_immigration/114124_en.htm.

Fund Programs that Address Physical and Economic Security Issues

With the support of the United States and the EU, international financial institutions should fund programs that address the nexus of physical security and economic security. Many of these burgeoning “narco-states” in West Africa are crippled by poor governance and weak institutions which undermines the ability and political will to support the development of a more robust domestic security infrastructure. Development institutions, like the World Bank and the European development organizations should support programs and initiatives that recognize that long term economic security and growth are related to a country’s ability to improve the overall security environment.

Fund Economic Development Programs and Opportunities that Target Youth

Not surprisingly, in the absence of gainful employment, Atlantic Basin youth may turn to crime or the illicit trafficking of guns and drugs. For example, according to the World Bank, perpetrators of violent crimes in Latin America are mostly young men between the ages of 16 and 25.⁸⁶ In Latin America, the estimated youth population (15 to 24 years) is 106 million, which represents 18 percent of the region’s total population, and is steadily increasing. In Africa, nearly one in three people living in the region, or about 297 million, is between the ages of 10 and 24. By 2050, that age group is projected to nearly double to about 561 million.⁸⁷ Sadly, there are insufficient opportunities for full employment. In Latin America, the unemployment rate among youth hovers at 15 percent.⁸⁸ These numbers are even more dismal in sub-Saharan Africa where 51 percent of young women and 43 percent of young men are unemployed.⁸⁹

⁸⁶Wendy Cunningham, Linda McGinnis, Rodrigo García Verdú, Cornelia Tesliuc, and Dorte Verner. *Youth at Risk in Latin America and the Caribbean Understanding the Causes, Realizing the Potential*, World Bank, 2008, <http://siteresources.worldbank.org/INTLACREGTOPLAB-SOCPRO/Resources/YouthatriskinLAC.pdf>.

⁸⁷Population Reference Bureau website. 2013. Reducing Youth Unemployment in Sub-Saharan Africa. <http://www.prb.org/Publications/Articles/2013/youth-unemployment-africa.aspx>.

⁸⁸World Bank. Inequality in Latin America falls, but challenges to achieve shared prosperity remain. June 14, 2013. <http://www.worldbank.org/en/news/feature/2013/06/14/latin-america-inequality-shared-prosperity>.

⁸⁹Population Reference Bureau, *op. cit.*

Given the need, the EU, the United States and international institutions (including the World Bank and the International Labor Organization) should continue to fund programs that identify and expand economic development and employment opportunities for young people in the Atlantic Basin. In November 2013, the International Labor Organization announced the launch of “Young People at Work,” a four year project that seeks to help “youths get into paid employment, entrepreneurship and business creation, while also explaining financial services.”⁹⁰ These sorts of programs are needed throughout the Atlantic Basin.

Conclusion

Trade and commerce among the countries located in the Atlantic Basin is expected to continue growing in the coming years. The ability of many of these countries to leverage investment and support expanded trade relationships will depend on how well their government leaders are able to effectively address the growing security challenges, including terrorism, the illicit trafficking of drugs, guns, money, and people, and piracy. However, given the transnational nature of these growing threats, one country’s efforts alone may not have a significant impact improving the national security environment. The challenge facing countries in the Atlantic Basin, then, is how to build and strengthen regional security architectures to address these security challenges which do not recognize physical borders or political boundaries of nation-states. Countries must move beyond historic hostilities and start collaborating with their regional neighbors. The United States and the European Union must move away from bilateral agreements and pursue multilateral engagements that help strengthen regional security architectures. International financial institutions, as well as the United States and the EU, should revise grant and loan programs with new incentive structures that promote and encourage regional collaboration. Together, these new efforts will help build the required regional architecture that will enable countries of the Atlantic Basin effectively address growing transnational security threats.

⁹⁰Hassan Benmehdi, “Morocco Takes New Approach to Youth Jobs,” *All Africa* website, November 29, 2013. <http://allafrica.com/stories/201312021212.html>.

Chapter 2

Transnational Crime and Terror in the Pan-Atlantic: Understanding and Addressing the Growing Threat

Jennifer Hesterman

Transnational crime will be a defining issue of the 21st century for policymakers—as defining as the Cold War was for the 20th century and colonialism was for the 19th. Terrorists and transnational crime groups will proliferate because these crime groups are major beneficiaries of globalization. They take advantage of increased travel, trade, rapid money movements, telecommunications and computer links, and are well positioned for growth.

—Louise I. Shelley¹

The concept of transnational organized crime (TOC) is not new. Drugs, money, and in-demand commodities have always been smuggled across borders, as criminals circumvent laws to enhance their illicit activity. For example, during the prohibition period in the United States, alcohol was illegally brought into the country from Mexico, Canada, and the Caribbean. Criminals and mafia syndicates soon discovered “bootlegging” was a far more profitable activity than extortion, prostitution and gambling.

However, early transnational crime was confined to regions, was not overly violent in nature and consisted of small groups with a very organized leadership structure. Modern TOC is more expansive, far deadlier, and extremely difficult to eradicate due to a sophisticated, layered organizational structure and “franchising” similar to activities found in major corporations. The vast threat posed by modern transnational organized crime to the political, economic, and social fabric of societies appeared in the mid-1990s. Contributing factors to its rise included globalization of business networks, lowered trade barriers, communication and technological advances, and turmoil caused by the collapse of Communism. A new class of actors emerged during

¹Louise I. Shelley, “Methods and Motives: Exploring Links between Transnational Organized Crime & International Terrorism” (U.S. Department of Justice, 2005).

this period, operating outside the traditional nation-state system, subsequently hindering the international community's ability to apply diplomatic and economic pressure to compel nations to address their organized crime issues.

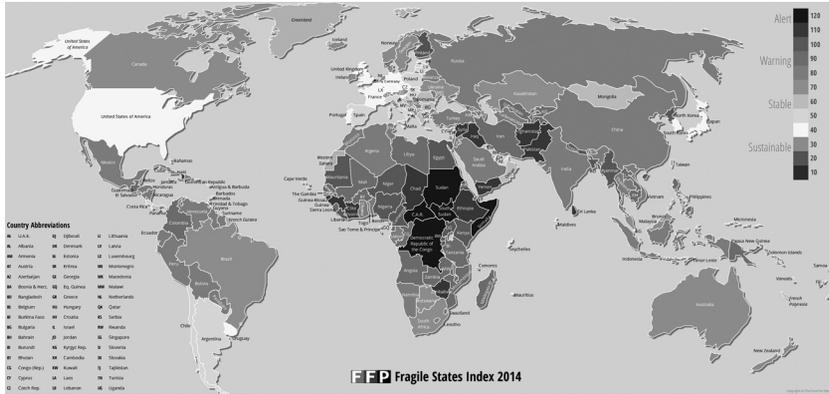
Although every country is vulnerable to transnational crime, several factors contribute to its proliferation. One major consideration is available resources, including a desperate populace upon which to prey and a weak economy that will welcome profit from illegal activity. Geographical and geological features often play a significant role, for instance the availability of fresh water and crops, or the presence of precious minerals. Border security and strength of the rule of law are critical, and will either repel or attract transnational criminal activity. A weak government invites penetration by organized crime, and the resulting corruption further delegitimizes the country's regime. Finally, ungoverned space provides opportunity to take complete control of territory and citizens: the perfect scenario for criminals and terrorists.

Challenges in Latin America and Africa

The Atlantic Basin is an emergent national security sphere that presents unique challenges as a variety of state and nonstate actors traverse the large, ungoverned space of the Atlantic, and operate in unpatrolled littorals along continental coastlines. Unfortunately, failing states in Africa and Latin America exhibit many destabilizing characteristics and thus are heavily exploited by transnational criminal organizations and terror groups. Of particular concern to the security of the Atlantic Basin is the west coast of Africa, the closest landing zone for nefarious groups from Latin America.

Since 2005, the independent, nonprofit Fund for Peace has worked in conjunction with *Foreign Policy* magazine to compile an annual Failed State Index (FSI) measuring the stability of 177 countries. The FSI is perhaps the most comprehensive and apolitical tool of its kind, taking into account twelve indicators of state vulnerability to complete failure: four social, two economic and six political. Weighted factors include human flight and refugee crises; severe economic decline; criminalization and/or delegitimization of the state; deterioration of public services; suspension or arbitrary application of law; and inter-

Figure 1. FSI Heat Map



vention of external political agents. The FSI is not a predictive tool, but measures a state’s vulnerability to collapse or conflict. According to this Index, both Latin America and Africa are showing progressive decline.

As Figure 1 illustrates, most African countries are now either in the critical or danger warning stages, with the situation on the west coast of Africa quickly degrading. For example, Mali is in a state of severe decline, moving from its international ranking of 79th in 2012 to 38th on the list and “critical” for 2013. The western part of the Atlantic Basin remains unstable as well, with Colombia holding its place at 57th on the list, and Bolivia moving into the “in danger” category at 67th. Although Venezuela is 89th in on the list, the unexpected death of Hugo Chavez in March 2013 has contributed to an uncertain future to that country. His protégé, Nicolas Maduro, assumed the presidency and moved to cut off ties with the United States, expelling the Chargé d’Affaires and other U.S. diplomats in September 2013.² Opposition forces in the country are using the change of administration as an opportunity to engage and are becoming increasingly violent; the

²Brian Ellsworth and Eyanir Chinae, “Venezuela Expels Top U.S. Diplomat for Fomenting ‘Sabotage,’ *Reuters*. <http://www.reuters.com/article/2013/09/30/venezuela-usa-idUSL1N0HQ24V20130930>

country's murder rate is skyrocketing with more than 20,000 civilian deaths in 2012 and a surge of kidnappings.³

To understand the phenomena of the pan-Atlantic in terms of a crime and terror nexus, we must reframe our thinking. Postmodern groups will work with others to leverage skills and resources. A relationship is not needed; the liaising is purely a business dealing and organizational goals may be radically different or even divergent. For instance, my recent work on the nexus topic uncovered cases of the Italian Mafia working with al-Qaeda, and an outlaw motorcycle gang in Rhode Island working with the Mafia.⁴ Nefarious groups will copy successful recruiting, morale boosting and fundraising methodologies and duplicate tactics working for other organizations; they study both successful and failed operations to learn how to perfect their own. Groups will work together to share techniques, especially those with "niche" capabilities, who gladly sell or trade expertise. An established, successful trafficking route is deemed to be worth paying (and killing) for, whether to move illicit products, weapons or humans. Finally, today's organized crime and terror groups have the assets to get the right people on the payroll: be it doctors, lawyers, accountants or pilots. Ideology is no concern when the shared enemy is "the state," which seeks to limit influence, power, and money.

Therefore, it should be no surprise that criminal and terrorist activities which originated in Central and South America are now found in western Africa. The drug trade, human and gun trafficking, and money-laundering tactics have cross-pollinated and are found in both regions, with connections crossing the vast Atlantic Ocean as if it were a mere stream.

³Nick Allen, "Venezuela Murder Rate Soars," *Telegraph online*. <http://www.telegraph.co.uk/news/worldnews/southamerica/venezuela/9769897/Venezuela-murder-rate-soars.html>

⁴Jennifer L. Hesterman. *The Terrorist-Criminal Nexus: An Alliance of International Drug Cartels, Organized Crime, and Terror Groups*. Boca Raton, Florida: CRC Press, 2013.

The Latin America Drug War Expands to Western Africa

In the 19th century, Europe's hunger for slaves devastated West Africa. Two hundred years later, its growing appetite for cocaine could do the same. The former Gold Coast is becoming the "coke coast."

—Executive Director of UNODC, Antonio Maria Costa⁵

Despite global efforts to combat the demand for illicit drugs and drug trafficking activities, there has been no significant change in the global status quo regarding drug use or production, or resulting health consequences. This stagnant state has persisted for 5 years, and in many countries the demand is rising. The sophistication and flexibility of the actors involved in trafficking hinders international counter-efforts: as traditional drug routes are closed, new ones emerge in ungoverned, unstable regions.

A December 2007 report published by the United Nations Office on Drugs and Crime (UNODC) sounded the first alarm and exposed West Africa's role as an intermediary in the cocaine trade between Latin America and Europe. Worrisome facts came to light, for instance that since 2003, ninety-nine percent of all drugs seized in Africa were recovered in the western part of the continent. The volume seized has increased fivefold in the last few years. Validating the concern, in 2009 the U.S. Department of Defense (DoD) quietly assumed a new role countering the expanding drug trade in Western Africa. The fiscal year 2009 defense authorization bill, House Resolution 5658, Section 1024 provided funding for counter-drug equipment in the Ghana, Guinea-Bissau, and Senegal through U.S. Africa Command (AFRICOM). AFRICOM's new role includes a robust training effort involving military and law enforcement personnel on topics such as airport security, conducting undercover operations, and detecting money laundering and terror financing. The U.S. Senate Armed Services Committee also voiced concern about the rapid growth of illegal drug trade in the region and directed the State Department and DoD to jointly prepare a region-wide, counter-drug plan for Africa, with a special emphasis on West Africa and the Maghreb. The West Africa Cooperative Security Initiative leverages

⁵David Smith, "Coke Fashionistas Are Ruining Africa—UN boss," *The Guardian*. <http://www.theguardian.com/world/2008/mar/09/unitednations.drugstrade>

an interagency partnership to meet goals of lowering TOC activity in the region.⁶

West Africa is exceptionally fragile, with fifteen of its seventeen countries experiencing coups, corruption and poverty—the perfect breeding ground for crime and terror groups. Agencies involved in counterdrug operations acknowledge the situation in several western African countries is rapidly deteriorating. For instance, Ghana has become a significant transshipment point for illegal drugs, particularly cocaine from South America, and the U.S. Department of Defense has identified it as the “anchor country” for emerging counternarcotics efforts through AFRICOM. Perhaps the greatest threat lies in Guinea-Bissau, which the UN has dubbed Africa’s first “narcostate.” With a land mass equal to the U.S. state of Maryland, Guinea-Bissau is one of the poorest countries in the world, with two-thirds of its one and a half million population living below the poverty line. The country is attractive to traffickers due to its unpatrolled coastline, numerous hidden bays, and close proximity to several other declining countries and their weak rule of law. In a country lacking a main source of electricity, the police force has no cars, radios and few weapons. The military is thought to be complicit in the drug trade; in 2008, two military personnel were detained along with a civilian in a vehicle carrying 635 kilos of cocaine. The army secured the soldiers’ release from prison and they were not charged.

Trafficking and unrest is not new to Guinea-Bissau; it was first known as the “Slave Coast” when African rulers prospered from human trade. After centuries of Portuguese rule, a para-military group emerged and, aided by arms and supplies from Cuba, Russia, and China, fought a protracted war to win eventually the country’s independence in 1974. Years of unrest ensued; thousands of citizens who had fought alongside the Portuguese against the rebels were slaughtered and buried in unmarked graves. The country has subsequently faced bloody uprisings, conflicts and even a complete economic collapse. The U.S. and Britain’s official diplomatic presence pulled out of the country in 1998 during a civil war, moving to nearby Senegal, never to return.

⁶*West Africa Cooperative Security Initiative*. <http://www.state.gov/documents/organization/166329.pdf>

The cocaine trade arrived to the country in 2005, when island fishermen found packages of white powder washed up on a beach. According to local journalist Alberto Dabo, they had no idea what the mysterious substance was: "At first, they took the drug and they put it on their bodies during traditional ceremonies. Then they put it on their crops. All their crops died because of that drug. They even used it to mark out a football pitch." However, Dabo says the real turning point came when two Latin Americans arrived by chartered plane, armed with \$1 million in 'buyback' cash to give the locals. Dabo elaborates: "When people found that it was cocaine and they could sell it, some of those fishermen bought cars and built houses."⁷ In just a few years since the first cocaine was brought to its shores, Guinea-Bissau has become a major hub for drug trafficking, accompanied by new prosperity. In a country where the average income is \$1 a day, Colombians are regularly seen driving expensive SUVs and sports cars, and living in new Spanish style villas with swimming pools and armed guards in the countryside.⁸ UN investigators say up to 2,200 pounds of cocaine is now flown into Guinea-Bissau every night, along with an unknown amount arriving by sea.⁹

Unfortunately, the UNODC World Drug Report 2013 paints a grim picture. The appetite for cocaine in Europe has not declined, and it is steadily rising in Australia. The report reinforces that the main route for cocaine into Europe is now via the west coast of Africa, with product arriving daily from Latin America. There is also growing evidence to suggest that criminal organizations from Asia involved in smuggling Amphetamine type stimulants (ATS), particularly methamphetamine, are exploiting West Africa, as are heroine dealers from Afghanistan. Cannabis use is also on the rise in the region, indicating the presence of that drug either being cultivated in or transiting through the country. Finally, meth labs are emerging in Nigeria, indicating a shift from the region being merely a distribution hub to a production center for illicit drugs.¹⁰

⁷Ed Villamy, "How a Tiny West African Country Became the World's First Narco State," *The Guardian*. <http://www.theguardian.com/world/2008/mar/09/drugstrade>

⁸Ibid.

⁹UNODC, Assisting Guinea-Bissau. <http://www.unodc.org/unodc/en/frontpage/assisting-guinea-bissau.html>

¹⁰UNODC, World Drug Report, 2013. http://www.unodc.org/unodc/secured/wdr/wdr2013/World_Drug_Report_2013.pdf

Drugs are also coming from West Africa to the U.S.; the U.S. Drug Enforcement Agency (DEA) and UNODC report that Guinea-Bissau and other countries are being targeted by Asian and African cartels trafficking heroin into the United States.¹¹ For example, in 2007, the DEA and police in Chicago tracked nine West Africans who had moved heroin originating in Southeast Asia through various West African countries, notably Guinea-Bissau, to the central United States for further distribution.

Human Trafficking in the Pan-Atlantic

A \$32 billion industry, human trafficking is now the second most lucrative criminal activity, outpaced only by drugs. The U.S. State Department's 2013 report is very grim, estimating there are now twenty-seven million men, women and children being held against their will in forced labor, prostitution or for sale as sex slaves.¹² The figure is up dramatically from the 2005 report, which put the number around twelve million. Somewhere between one and two million humans are trafficked each year, up from 800,000 in 2005. The crime is escalating and heinous, violating basic human rights, introducing serious public health risks and fueling organized crime and terrorism.

The State Department regularly issues the Trafficking in Persons Report (TIPR) with vignettes of survivors, an assessment of the problem, and a tiered ranking of countries and their individual challenges. The tiered system is as follows:

- Tier 1: Countries whose governments fully comply with the Trafficking Victims Protection Act's (TVPA) minimum standards.
- Tier 2: Countries whose governments do not fully comply with the TVPA's minimum standards, but are making significant efforts to bring themselves into compliance with those standards.
- Tier 2 Watch List: Countries whose governments do not fully comply with the TVPA's minimum standards, but are making

¹¹UNODC, Assisting Guinea-Bissau, *op. cit.*

¹²U.S. Department of State, Trafficking in Persons Report, 2013. <http://www.state.gov/j/tip/rls/tiprpt/2013/index.htm>.

significant efforts to bring themselves into compliance with those standards and:

- a) The absolute number of victims of severe forms of trafficking is very significant or is significantly increasing;
 - b) There is a failure to provide evidence of increasing efforts to combat severe forms of trafficking in persons from the previous year; or
 - c) The determination that a country is making significant efforts to bring itself into compliance with minimum standards was based on commitments by the country to take additional future steps over the next year.
- Tier 3: Countries whose governments do not fully comply with the minimum standards and are not making significant efforts to do so.

The 2013 report has placed several West Africa countries in Tier 3. Guinea-Bissau and Mauritania, and several others are now on the Watch List.

The TIPR indicates that Guinea-Bissau is a country of origin and destination for children subjected to forced labor and sex trafficking. Adding further context, the UNODC 2013 report on human trafficking paints an extremely dire picture. Although Tier 3 countries are typically unwilling to share specific case studies and have limited prosecutorial information, there is some emergent thought that trafficked victims may be sent to West Africa from Latin America. Specific data shows that one percent of all humans trafficked to the Middle East from 2007-2010 came from Central America, indicating a thriving pipeline into the greater area.¹³ This number is significant, considering that the State Department estimates at least 2 million humans are engaged in forced labor in the region.

Money Laundering

After criminals and terrorists secure funds through licit or illicit activity, they typically seek to “launder” the proceeds. Money laundering is the practice of engaging in financial transactions to conceal the identities, sources and destinations of the money in question. Tradi-

¹³UNODC, *Trafficking in Persons Report*, 2012. http://www.unodc.org/documents/data-and-analysis/glotip/Trafficking_in_Persons_2012_web.pdf.

tional money laundering makes “dirty” money “clean” after the crime has been committed. Think of traditional criminal money laundering as simply putting a dirty one-dollar bill into a vending machine, hitting the “change return” button, and receiving four clean quarters. Now think on a larger scale; for example, casinos are extremely vulnerable to money laundering - the patron exchanges the dirty money for chips, and then cashes out. Or they hold the chips, and cash out when ready. Launderers are very creative and exploit new markets; a new methodology for Latin drug trafficking organizations (DTOs) in the United States is Money Laundering in Real Estate (MLRE).¹⁴ Alternatively, laundering can be as complex as washing money through an international corporation or a chain of businesses. The crime has been committed, and the resulting money must be addressed.

However, terrorist-related money laundering is a far different activity. The crime (terrorist operation) has not yet occurred. The money is clean, such as donations to charities or gathered through religious tithing, and will be put to use to fuel the terror operation in some manner. Therefore, the laundering operations are slightly different in scope and activity, although no less complex and hard to detect. Based on discussions with financial forensic experts, I developed the following table to compare traditional criminal and terrorist money laundering.

All of these money laundering activities occur in the pan-Atlantic. The Financial Action Task Force (FATF) is an intergovernmental body of 36 member countries and the international lead on such crimes. FATF’s purpose is to develop and promote policies at national and international levels and to combat money laundering and terrorist financing. FATF estimates that criminal proceeds amounted to 3.6% of global gross domestic product (GDP), with 2.7% (\$1.6 trillion) laundered through a variety of methods, including precious metals, phony offshores and fronts, and new e-gambling and nonbank typologies. The FATF’s June 2013 “blacklist” of *Non-Cooperative Countries or Territories* included Iran and the Democratic People’s Republic of Korea, as would be expected. However, several African countries now appear on the *Not Sufficiently Compliant Countries and Territories* list, including Nigeria, Kenya, Ethiopia, Yemen, and Tanzania. In South

¹⁴See Jennifer Hesterman, “Money Laundering in Real Estate,” *The Counter Terrorist*, December 2013.

Table 1. Comparison of Traditional Criminal and Terrorist Money Laundering

Motivation	Criminal Greed	Terrorist Ideology
How money is obtained	Illicit activities such as IPC, ORC, narco-trade	Licit activities such as charities, cash donations, hawala
Purpose	Money is already "dirty," crime has occurred, attempting to make clean	Money is clean, then used for terrorist ops
Cash amount	Large amounts, many transactions	Small, less frequent transactions
Business Scope	Fronts and shells Global; able to fund ops from afar	Mostly fronts, some shells Global; able to fund ops from afar
Complexity	Hard to tie to operations	Hard to tie to operations

Source: Jennifer Hesterman, *The Terrorist-Criminal Nexus*, CRC Press, 2013.

America, Argentina and Bolivia keep moving on and off the list of noncooperative countries, and as of this writing have moved to “improving and monitoring” status.¹⁵

With the arrival of tons of drugs from powerful Latin DTOs, and their governments rife with corruption, money laundering is surely proliferating in West Africa. Until now, little data was available on laundering in the region. However, a new study commissioned by the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) is shedding much needed light these activities.¹⁶ The GIABA study was conducted in 2011 on 10 West African states: Benin, Burkina Faso, Gambia, Ghana, Guinea Bissau, Mali, Nigeria, Senegal, Sierra Leone, and Togo. Although focused on money laundering through tax fraud, many important statistics emerged from the research. For instance, although West Africa’s population of 300 million is six times greater than that of South Africa, the latter’s GDP is greater than that of the former, illustrating the region’s dire financial situation. The cash-based economy of West Africa and its porous borders also make the region highly vulnerable to money laundering, especially bulk cash smuggling. Criminals are also corrupting bank managers and personnel, and engaged in forgery of official documents, allowing them to bypass the few financial oversight processes

¹⁵<http://www.fatf-gafi.org/topics/high-riskandnon-cooperativejurisdictions/>.

¹⁶GIABA homepage. <http://www.giaba.org/>

in place. As in all countries, money laundering damages the licit economy and further pushes countries to the brink of failure.

A 2013 GIABA report entitled *The Nexus between Small Arms and Light Weapons (SALWS) and Money Laundering and Terrorist Financing in West Africa* takes a unique look at the connection between the illegal weapons trade and ML/TF in the region.¹⁷ According to this report, there are an estimated 8 million small arms and light weapons, or SALWs, such as AK-47s, rifles and pistols, in the hands of state and non-state actors in West Africa. Illicit trafficking in SALW is a profitable business venture due to high demand and the ease of moving weapons across borders. Since weapons are manufactured external to the region, they all must be imported internationally. Although the report does not establish a connection directly with Central or South America, the region certainly could be a conduit to the trade and could add weapons to drug shipments along thriving trafficking routes. The GIABA indicates SALW procurement from Côte d'Ivoire, a major transshipment area for Latin American drugs into Europe, is directly connected to the United States, the United Kingdom, Europe and Russia. SALW-related money laundering is conducted through local and international banks, real estate investments, and small retail business.

Terrorist Groups

The presence of Foreign Terrorist Organizations (FTOs) in the pan-Atlantic exacerbates the drug, human trafficking, money laundering and weapon smuggling challenges, adding to existing instability. In addition to a powerful transnational criminal presence, failing countries such as Mali and Nigeria are now overrun with al-Qaeda splinter groups with near-daily bombings and kidnappings. All of the major terrorist groups are present: al-Qaeda, Hezbollah and Colombia's FARC, creating a confluence of bad actors in a small, instable region.

Al-Qaeda

Al-Qaeda is especially adept at taking advantage of declining states in Africa. Perhaps the most vexing and persistent threat to interna-

¹⁷http://www.giaba.org/media/f/613_519_GIABA%20SALW%20Nexus-final.pdf

tional security, post-9/11 al-Qaeda has morphed from a centralized operation to a high-performing, decentralized, leaderless organization. Although Osama bin Laden was killed in 2011, his death did not result in the dissolution of al-Qaeda: the radical ideology serves as the glue holding this organization and its myriad affiliates together. After the U.S. and allies destroyed much of al-Qaeda's home base in Afghanistan through military operations, the main group has splintered and franchised with global cells that train, equip and fundraise independently. These cells do not require the "permission" of a leader to carry out a mission; the battle cry has been issued, the original fatwas remain in force and the target is the Western world. Marc Sageman, an expert on modern terror networks, calls this a "bunch of guys" hypothesis; members reinforce their group identities through the adherence to an ideological orientation and a strong bond of mutual commitment.¹⁸ Radical Islamist ideology is the glue holding al-Qaeda together, as it aggressively seeks out, destabilizes and exploits failed states and other areas of lawlessness in West Africa and the world.

Mali is a particular focal point. Al-Qaeda in the Islamic Magreb (AQIM) quickly moved into Mali following a March 2012 military coup by government separatists in and resulting chaos and void in leadership and law. In July 2012, al-Qaeda's stunning destruction of ancient mosques in legendary Timbuktu was certainly meant to send a message to other countries in the region to comply and accommodate to their demands or face similar destruction. An AQIM splinter, the Movement for Unity and Jihad (MUJAO), now occupies northern Mali, splitting the country in half and threatening the southern region if it does not secede. Within a few short months of its formation, MUJAO kidnapped Algerian diplomats, used suicide bombers to attack Algerian military camps and publicly executed Shari law through stonings and limb severing.

The unrest in Mali has been exploited by DTOs. In November 2009, a Boeing 727 from South America landed in the northern desert of Mali. Once the cocaine was unloaded, the plane bogged down in the sand; forensic discovered significant traces of cocaine in the plane.

¹⁸Marc Sageman, *Understanding Terror Networks* (Philadelphia, PA: University of Pennsylvania Press, 2003).

In January 2010, another plane arriving from Latin America landed in northwest Mali near the Mauritanian border.¹⁹

As discussed earlier, Guinea Bissau has become a hub of narcotrafficking activity originating in Central and South America. AQIM smugglers are now also operating in the country, using Tuareg tribesmen to move cocaine into Morocco, and then forward into Europe.²⁰

Nigeria is another country of concern. The Boko Haram jihadist militia, with ties to AQIM, has attacked churches, schools and government buildings, in an attempt to establish Sharia law. In 2011, its inaugural year, the violent group carried out 130 attacks in Nigeria, killing thousands. Although the scope of Boko Haram-related violence has decreased, the scale has not; recent attacks include massacres in small villages, at an Army base and at universities. The execution of 40 university students at a Nigerian college in September 2013 was stunning and tragic, as students were rounded up and then shot by terrorists dressed in stolen Army uniforms. However, as with other African countries facing a criminal and terror threat, the populace is not completely adverse to their operation. Indeed, not all Nigerians are against the presence of Boko Haram, with one stating: “If I was attacked by Boko Haram, it’s like being attacked by God. It’s God’s wish and I have no problem with that.”²¹ Instability in Nigeria is also being exploited by Iran, which is creating a “Nigerian Hezbollah,” known as Islamic Movement of Nigeria (IMN). The group’s leader, Sheikh Ibrahim Zakzaky, draws inspiration from Hezbollah leader Nasrallah, whose picture is carried at IMN demonstrations. The convergence of al-Qaeda and Hezbollah in Nigeria is worrisome and bears watching.

Hezbollah

Hezbollah has been in operation for 30 years and was designated as a Foreign Terrorist Organization by the State Department in 1995. Hezbollah, also known as “The Party of God,” is an approximately

¹⁹Abdelkader Abderrahmane, West Africa: Drug Trafficking and the Crisis in Mali,” *All Africa*. <http://allafrica.com/stories/201208060367.html>.

²⁰“West Africa Fears of Drug Terrorism Links,” *UPI*. http://www.upi.com/Top_News/Special/2012/04/02/West-Africa-fears-of-drug-terrorism-links/UPI-48031333383482/.

²¹Sudarsan Raghavan “Niger Struggles Against Islamist Militants,” *The Washington Post*. http://articles.washingtonpost.com/2012-08-16/world/35490742_1_boko-haram-nigeria-islamists-in-northern-mali.

10,000 thousand person group of largely unconventional paramilitary forces that might be viewed as something of an Iranian “foreign-legion.” The group is complex in nature with several arms, including military, political and community support, making engagement extremely difficult. The U.S. State Department’s 2011 Country Reports on Terrorism gave an official glimpse into Hezbollah’s global reach, stating Hezbollah had established cells in Africa, South America, North America, Europe and Asia. In the pan-Atlantic, Hezbollah operates in the same “space” as other major terror groups such as FARC and al-Qaeda. The liaison of Hezbollah with these organizations in terms of sharing tactics, trafficking routes and other operations, is of great concern. They have been very active players around the world in this age of unrestricted warfare, willing to share expertise, logistics trails and more.

In January 2012 Iranian President Ahmadinejad, a key supporter and financier of Hezbollah, stopped in Venezuela while on a tour of Latin America, posing for photographs outside of former president Hugo Chavez’ presidential palace. Pointing to a nearby hill, Chávez said, “That hill will open up and a big atomic bomb will come out,” and Ahmadinejad added any bomb they would build together would be fueled by “love.” It could be argued that one of the “bombs” they are creating is Hezbollah. Chavez openly invited Hezbollah members to live in Venezuela, directed his embassies in the Middle East to launder Hezbollah money, and shipped arms to Lebanon.²²

Hezbollah’s presence in the Tri-Border area of South America is well known due to prolific charitable fundraising that is funneled to operations locally and abroad. Similar to its activities in South America, Hezbollah depends on the 100,000 Lebanese descendants living on the Ivory Coast (the West African country of Côte d’Ivoire) to support their operations in Africa. Lebanese settlers moved to the area in the early 1900s and established a robust trade business, which continues today. Hezbollah is active in the region, reaping profits from booming narco-trafficking routes, “blood” diamond trade, and solicitation of funds from Muslims, either voluntarily or through an imposed “tax.” In 2009, the U.S. designated two African supporters of Hezbollah as terrorist groups, and others continue to funnel millions to the group from the region, some through contact with Hezbollah’s commanders and others

²²Hesterman, CRC Press 2013, *op. cit.*

through front and shell companies.²³ Funds are illegally transferred from Côte d'Ivoire to Lebanon and bulk cash smuggling is rampant. The liaison between Hezbollah and West Africa is not new; in 2003 a charter flight en route to Beirut from Benin crashed on takeoff killing all onboard, including senior Hezbollah members who were carrying \$2 million.²⁴ In 2012, the U.S. uncovered a Hezbollah-related scheme in Canada to launder over \$480 million in proceeds from narcotic trafficking and other crimes through Lebanese financial institutions. The proceeds were moved through West Africa, and the buying and selling of used cars was employed as a method of moving the dirty money.

FARC

FARCLANDIA is a term widely used to define the area controlled by the Revolutionary Armed Forces of Colombia, or FARC. The group has successfully made the transition from a small communist guerilla organization to major international terrorist group and drug trafficking organization. FARC was established in 1966 as a communist insurgency group with the goal of overthrowing the Colombian government. As the revenue from the drug trade expanded, so did the power and influence of FARC, which now controls an estimated forty percent of Colombia through a negotiated agreement with the government. This area includes FARC's "safe haven," which is used for the cultivation of narcotics and as training and staging grounds for assaults on the Colombian military. Experts estimate FARC's illegal activities net \$500–600 million annually, one-half from drug cultivation and trafficking, with the remainder coming from kidnapping, extortion, and other criminal activities.

FARC is also known as "The People's Army," but not by the people of Colombia; this is the label put on FARC by their late friend and conspirator, Hugo Chavez. In May, 2010, ten U.S. Senators sent the U.S. Secretary of State a letter of concern regarding Chavez's increasing ties with FTOs and state sponsors of terrorism.²⁵ The letter

²³Ely Karmon, "The Iran-Hezbollah Strategic and Terrorist Threat to Africa," *The Journal of Counter Terrorism* 18, no. 3 (2012).

²⁴Douglas Farah, "Hezbollah's External Support Network in West Africa and Latin America," http://www.strategycenter.net/research/pubid.118/pub_detail.asp.

²⁵United States Senate, "Letter to Secretary of State Regarding Venezuela's Support of Terrorist Organizations and Regimes" (2010). <http://venezuelafactual.net/wp-content/uploads/2012/05/US-SENATORS-DENOUNCE-CHAVEZS-TERRORISTS-LINKS.pdf>.

detailed Chavez's ties to FARC, specifically asking about the type of surface-to-air missiles or man-portable air defense systems (MANPADs) Venezuela provided to the FARC or enabled the FARC to obtain, and what threat the systems posed to Colombia and U.S. counterdrug efforts in the region. The letter also discussed the Office of Foreign Assets Control (OFAC) designation of two senior Chavez officials for material support of FARC.

After the U.S. and partners cut off long-established drug routes out of Colombia, FARC began to use Venezuela as a jumping off point to push drugs to the West Coast of Africa, then into Europe. FARC is also looking for new trade partners. In April, 2013 an international operation dismantled a network in which the group sought to exchange cocaine for weapons from Guinea-Bissau. FARC's activities and co-location with al-Qaeda and Hezbollah in West Africa are extremely troublesome.

Homegrown West African Criminal Enterprises: Internet Savvy, Vast, Global, Feeding Terror

Domestic West African organized crime has been on the rise exponentially in the last ten years, fed by globalization and political and social unrest in the region. Surprising, its impact is felt worldwide; for example, the U.S. FBI reports Nigerian criminal enterprises are the most considerable transnational threat, operating in more than eighty other countries, including Central and South America. Nigerian groups are skilled at financial frauds and schemes, which costs the United States alone an estimated \$1-2 billion each year. Leveraging the internet, they are the masters of "419" schemes, e-mail correspondence that indicates winning from lottery winnings or estates. A new sector of 419 activities includes virtual kidnapping fraud, where the recipient is notified of the abduction of a family member and asked to send their bank wire information to help secure their release. African criminal enterprises are also heavily engaged in identity theft.²⁶ According to Utrascan, money raised in these worldwide 419 schemes has been directly connected to money laundering and terrorism financing activities.²⁷

²⁶FBI, "Organized Crime: African Criminal Enterprises," <http://www.fbi.gov/about-us/investigate/organizedcrime/african>.

²⁷http://www.ultrascan-agi.com/public_html/html/Ultrascan_Humint_419_Advance_fee_fraud_Terrorism_from_inside_-Alert.html.

The Way Forward: Pan-Atlantic Cooperation

If crime crosses all borders, so must law enforcement. If the rule of law is undermined not only in one country, but also in many, then those who defend it cannot limit themselves to purely national means. If the enemies of progress and human rights seek to exploit the openness and opportunities of globalization for their purposes, then we must exploit those very same factors to defend human rights, and defeat the forces of crime, corruption, and trafficking in human beings.²⁸

—Kofi Annan

This chapter has underscored that postmodern crime and terror activities are executed in an asymmetric manner with both state and nonstate actors. As actors cross oceans and borders, physically, virtually, or through proxies, traditional diplomatic, economic and military engagement will prove ineffective. Indeed, the pan-Atlantic's crime and terror challenges are escalating, threatening the stability of all countries in the domain. The unique problem requires a unique solution set, tailored to the actors and culture.

Existing treaties and formal groups are one way to compel nations to address their common challenges. For example, the United Nations Convention against Transnational Organized Crime, also known as the Palermo Convention, has signatories ranging from Central and South America to the West Coast of Africa. The convention was created in December 2000 to “promote cooperation to prevent and combat transnational organised crime more effectively.”²⁹

The Palermo Convention was significant for many reasons and provides a good basis for pan-Atlantic cooperation to address the crime and terror issues that span two distant continents. The convention validated the TOC issue as urgent, and encouraged international cooperation to address its complex challenges. Countries ratifying the Palermo Convention committed their resources and at the very least, agreed to be part of the solution, not the problem. Of the 148 nations present at the conference, including many from the pan-Atlantic, 120

²⁸Kofi Annan, Address at the Opening of the Signing Conference for the United Nations Convention Against Transnational Organized Crime, (speech given in Palermo, Italy, December 12, 2000).

²⁹United Nations, “United Nations Convention against Transnational Organized Crime,” <http://www.unodc.org/documents/treaties/UNTOC/Publications/TOC%20Convention/TOCbook-e.pdf>.

signed the primary UN Convention, later joined by another 27 who signed, but noted specific disagreements with the Convention. The Convention also covered three specific areas of interest, in which countries could add further support: The Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children; Protocol against the Smuggling of Migrants by Land, Sea; and the Protocol against the Illicit Manufacturing and Trafficking in Firearms, Their Parts and Components and Ammunition. Not all countries signed these protocols for a variety of reasons, possibly shedding light on their capacity or willingness to address problems within their own borders. The original signatories and documents can be found in the Treaty Collection repository on the UN website.³⁰

The Palermo Convention provided the first global, legally binding instrument to address TOC and produced agreed-upon definitions on contentious terms such as “trafficking,” “confiscation” and “organized crime.” With a nod toward the importance of protecting sovereignty, the convention certainly opened the door for countries to engage at the source of the crime when it affects their own national security and interests. In light of the agreement, law enforcement and other government agencies may directly coordinate with host countries to battle TOC, and provide technical assistance, manpower or funds as needed. Technological advances such as the ability to intercept satellite phone calls, interact on the internet and use drones to collect information and/or target bad actors has blurred the once precise parameters set by the convention, although the convention still provides the foundation for current activities to engage TOC at its source in both Central and South America as well as the West Coast of Africa.

In addition, the U.S. *Strategy to Combat Transnational Organized Crime: Addressing Converging Threats to National Security*³¹ provides strategic priorities that could easily be adapted to a pan-Atlantic strategy for member countries. For instance, nations should accept responsibility and be held accountable for addressing problems at home that fuel transnational crime and terror activity, such as demand for illicit

³⁰United Nations, “Treaty Collection,” <http://treaties.un.org/>.

³¹The White House, “Strategy to Combat Transnational Organized Crime: Addressing Converging Threats to National Security,” http://www.whitehouse.gov/sites/default/files/Strategy_to_Combat_Transnational_Organized_Crime_July_2011.pdf.

drugs and weapons trafficking. Relationship building between member countries' intelligence, law enforcement and military agencies would lead to integrated training, better communication and enhanced intelligence collection and sharing operations. A concerted effort to strengthen the rule of law would further enhance member country ability to identify, investigate, interdict, and prosecute top transnational criminal networks and members. Border security would be enhanced with joint patrol of air and maritime domains, as well as denying entry to all member countries to individuals associated with crime and terror networks who are on "watch" lists. Further, to protect fragile pan-Atlantic economies, all countries might work together to address criminal and terrorist exploitation of their emergent and strategic markets.

These capacity- and relationship-building activities will help shape the pan-Atlantic environment in the short term, however a strategic view is key to success. According to transnational crime expert Steven Schrage, "Targeted intelligence and operations may remove specific terrorist, drug trafficking, or organized crime groups, but unless we address the environments allowing them to thrive, we will have at best created a void that can be filled by others."³²

Addressing corruption is critical, since a corrupt government is highly susceptible to infiltration by organized crime and terrorist groups. In response to growing corruption in the North Atlantic region, the Council of Europe's Group of States against Corruption (GRECO) was established in 1999; members include 37 European countries and the United States. GRECO provides a forum to discuss and evaluate anticorruption efforts of member states. Recent hot topics include the lack of transparency in political funding (especially in Italy), city administration activities, and strengthening anti-bribery laws within participating countries. In light of expansive corruption in pan-Atlantic states, either GRECO could be expanded to the full Atlantic, or a related GRECO-type organization is needed. Along with helping countries establish and enforce the rule of law, the formation of regional groups such as GRECO is another type of capacity building that will fortify nations and help repel corruption.

³²Steven Schrage, *Combating Transnational Crime and Corruption in Europe*. <http://2001-2009.state.gov/p/inl/rls/rm/25755.htm>.

Finally, after more than twenty years of engaging in the transnational organized crime realm, the U.S. State Department has four major learning points that may serve to inform future policy makers and implementers in the pan-Atlantic:³³

1. Fighting transnational organized crime and terror takes regional and international cooperation. Promoting the rule of law and fostering international law-enforcement cooperation must be the preeminent objective of foreign policy and of the international community of nations. The rule of law and effective law enforcement form a foundation on which commerce and investment, economic development, and respect for human rights can be built. This nation-building activity will also prevent corruption, which fuels organized crime and terror.
2. Interagency coordination is important. The United States may provide a useful model by drawing from the strengths of various government agencies to fight crime at home. The State Department asserts the most progress is seen in countries where the various strengths of different agencies can be brought to bear as part of a unified strategy, particularly law enforcement officials.
3. A project-based approach to programs focused on integrated country strategies is critical. Participating governments sign letters of agreement detailing not only various projects and funding levels in assistance programs, but also the obligations of the host government. This activity reinforces that fighting transnational crime and terror is a shared fight, using shared resources and having shared responsibility.
4. Linking country strategies to crosscutting international strategies is essential. In confronting transnational threats, efforts in different bilateral programs are coordinated so they are focused on areas having the greatest impact in promoting objectives. For instance, methods of engagement may depend on the type of actor, such as a former enemy, a rogue state, or an unwilling participant. In this sense, country or regional strategies to battle transnational crime must be coordinated with overarching goals and objectives that all agree upon.

³³Ibid.

Despite the resources expended by the United States and countries around the world, transnational crime persists, is adaptable and appears to be growing in scope and scale. The same holds true for international terrorist groups, which have either entrenched and become part of the political process in the host nation, or franchised and scattered to keep their ideology alive.

With crime feeding terror and terror feeding crime in the pan-Atlantic, breaking the cycle will take continued international cooperation, including a collective eye on emergent trends and regions.

Chapter 3

The Growing Nexus between Terrorism and Organized Crime in the Atlantic Basin

Charlie Edwards and Calum Jeffray

In March 2013, United Kingdom Border Force officials seized cocaine valued at over £17 million at the Port of Tilbury in Essex. While the value of the drugs was not the largest on record, what makes this particular seizure of interest is the possibility that the drugs were smuggled to Europe via Senegal by an al-Qaeda affiliated group. If confirmed, it would constitute the first time an Islamist terrorist group has attempted to ship a considerable amount of Class A drugs directly to Europe from West Africa. According to some reports, officials believe the cocaine was part of a major deal between al-Qaeda in the Islamic Maghreb (AQIM) and *Fuerzas Armadas Revolucionarias de Colombia* (FARC), who provided cocaine in return for weapons the Islamist terrorist group had procured. The seizure demonstrates the intertwined links between organized crime and terrorist groups facing states today, and suggests an unprecedented scale of pan-Atlantic interaction between groups.

In the UK, as in many European states, terrorism and organized crime have traditionally been seen as operating in separate spheres. The ease of cross-border mobility of people, information and money, brought about by increased globalization and advances in technology, has produced a threat that is international in nature and derived from a mixture of groups, networks and individuals. Operating primarily from within Pakistan and along the Afghan border, al-Qaeda continues to possess the ability to launch terrorist attacks in the UK and other countries. Regional instability in Yemen, North Africa, Mali and Somalia is also a potential source of future international terrorism as al-Qaeda affiliates—in particular, al-Qaeda in the Arab Peninsula (AQAP) and al-Qaeda in the Lands of the Maghreb (AQM)—have become a greater threat in their own right, collaborating more closely and taking advantage of the breakdown of law and order in those

regions.¹ In addition to terrorism inspired by religious fundamentalism, the sustained threat to the UK from dissident republican groups in Northern Ireland is also noteworthy.

States in the Atlantic Basin have seen a significant increase in the level of organized crime as a key risk to their national security. In the case of the UK for example, organized crime involves around 38,000 individuals, operating as part of approximately 6,000 criminal gangs, and costs the nation between £24 billion a year.² Common activities identified include human trafficking, trafficking of counterfeit goods, fraud and money laundering. More recently, large scale computer-enabled crime has become an increasing concern.

However, drug trafficking represents the most lucrative source of revenue for organized criminals and terrorist groups. According to a 2011 report from the United Nations Office for Drugs and Crime, “the largest income for transnational organized crime comes from illicit drugs, which account for some 20% (17%-25%) of all crime proceeds, about half of transnational organized crime proceeds and 0.6% to 0.9% of global GDP.”³

The UK Home Office estimates that about half of all organized criminals are involved in the illegal drugs trade, which costs the nation approximately £17.6 billion and contributes to over 1,800 drug related deaths among addicts each year.⁴ Approximately 18-23 tons of heroin are imported annually into the UK, the vast majority derived from Afghan opium, which is trafficked either via Iran and Turkey, or via Pakistan and often by sea onto eastern or southern Africa, before it reaches UK shores.⁵ The vast majority of cocaine is supplied to the UK from the Andean Region of South America and is trafficked to the UK via the Caribbean and West Africa; around 25-30 tons is thought to arrive in the UK each year.⁶

¹CONTEST. The United Kingdom’s Strategy for Countering Terrorism, 2012 Annual Report, p. 8.

²“Local to Global: Reducing the Risk from Organised Crime,” Home Office, July 2011, p. 9.

³“Research Report: Estimating Illicit Financial Flows Resulting from Drug Trafficking and Other Transnational Organized Crimes,” UNODC, October 2011, p. 7.

⁴Local to Global, *op. cit.*, p. 9

⁵<http://www.soca.gov.uk/threats/drugs>.

⁶Ibid.

The Emergence of a “Crime-Terror Nexus”

Despite implementing strategies and notable efforts to combat both terrorism and organized crime, many governments have yet to recognize the existence of a crime-terror nexus, or fully appreciate the implications of commonalities between the two types of threats. According to the British Government’s organized crime strategy, “Much progress has been made in terms of our knowledge about the threats to this country from terrorism and organised crime. However, more analysis needs to be done as to whether these threats are converging and, if they are, what this means for the safety and security of the UK.”⁷

The failure of policymakers to take into account links between terrorism and organized crime is partly because of the fact that crime is often perceived as a domestic problem, while terrorism, in the wake of the 9/11 terrorist attacks, is increasingly considered a security issue requiring international efforts. This stove-piped approach, which produces separate and frequently uncoordinated law enforcement responses to terror and crime, has proved inadequate to combat these interconnected activities.⁸

Until the end of the Cold War, any nexus that existed between terrorism and organized crime was limited to links between insurgent groups and regional drug cartels in Latin America. In general, there was little evidence to contradict the long-held view that “different goals—personal profit for criminals and political upheaval for terrorists—would keep the two types distinct.”⁹ In the post-Cold War era, however, two major changes in criminal and terrorist behaviour suggested the emergence of a more universal crime-terror nexus.

First, as state-sponsored terrorism declined during the 1990s, terrorist groups were forced to seek alternative sources of funding for their activities. Building on the precedent set by Latin American

⁷Local to Global, *op. cit.*, p. 13.

⁸Russell Howard & Colleen Traughber, “The ‘New Silk Road’ of Terrorism and Organized Crime: The Key to Countering the Terror-Crime Nexus,” in Jeffrey Norwitz, ed., *Armed Groups: Studies in National Security, Counterterrorism, and Counterinsurgency* (Newport, RI: United States Naval War College, 2008), p. 372.

⁹*Ibid.* p. 5.

narco-terrorism in the 1980s, organized criminal activities have become a major revenue source for terrorist groups worldwide.¹⁰ Second, the emergence of transnational organized crime and terrorist groups—aided by the increased ease of air travel and advances in information and communication technologies—have transformed the structure of many of these groups from formal, regional, hierarchical organisations to informal, trans-border networks. Tamara Makarenko was one of the first to propose that the two traditionally separate phenomena of organized crime and terrorism increasingly began to “reveal many operational and organizational similarities.”¹¹ This has been developed by others in the field—some who have noted that “advancements in information technology and globalized business practices have allowed crime and terror groups to adopt flatter organizational structures with distributed decision-making powers.”¹² Examples of cooperation between criminal and terrorist groups could be explained by the fact that both types of groups consisted of “non-state actors that exploit failures in a state-centric global system, such as the limitations of sovereignty, legal jurisdictional boundaries and the safe havens that failed or weak states represent.”¹³ In light of these developments, the normally distinct dividing lines between the two threats have begun to blur, for example in the cases of Boko Haram; al-Qaeda in the Islamic Maghreb (AQIM), which is involved in trans-Saharan trafficking networks and kidnapping-for-ransom; the Kurdistan Workers’ Party (PKK) in Turkey; and the increasing use of terrorist tactics by drug trafficking organizations in Latin America.¹⁴

This is not to say that many of the traditional differences between terrorist and criminal groups have disappeared. Methods, not motives

¹⁰Tamara Makarenko, “The Crime-Terror Continuum: Tracing the Interplay between Transnational Organised Crime and Terrorism,” *Global Crime* 6:1 (2004), p. 130.

¹¹*Ibid.*, p. 130.

¹²John Picarelli, “Osama bin Corleone? Vito the Jackal? Framing Threat Convergence Through an Examination of Transnational Organized Crime and International Terrorism,” *Terrorism and Political Violence* 24 (2012), p. 186.

¹³Louise I. Shelley, John T. Picarelli, Allison Irby, Douglas M. Hart, Patricia A. Craig-Hart, Phil Williams, Steven Simon, Nabi Abdullaev, Bartosz Stanislawski, Laura Covill “Methods and Motives: Exploring Links between Transnational Organized Crime & International Terrorism,” (2005), available at www.ncjrs.gov/pdffiles1/nij/grants/211207.pdf [accessed 27th August 2013], p. 17.

¹⁴National Defense University, Washington DC (2012), “Final Report: Trans-Atlantic Dialogue on Combating Crime-Terror Pipelines,” p. 4.

has long been a maxim for analysts investigating links between organized crime and terrorism,¹⁵ and a distinction can still be made between the fundamental political versus financial objectives of the two types of groups. However, the increasing number of organizational similarities, shared tactics and common operating environments mean that analyzing the crime-terror nexus is essential when exploring dark networks in the Atlantic Basin.

In particular, it is important to take into account three aspects of the emerging nexus between terrorism and organized crime: cooperation, transformation and convergence.

Organized crime groups and terrorist groups do, on occasion, enter into cooperative partnerships. Common motivations for this type of alliance include financial viability, geographic growth, personnel protection, logistical support, support of mutually exclusive criminal activities, and the introduction of third parties to facilitate organizational goals.¹⁶ Specific examples include the Madellin cocaine cartel, which in 1993 sought the services of the ELN and hired the terrorist organization to plant car bombs,¹⁷ and the case of three IRA operatives who, in 2001, helped the FARC to design gas-cylinder bombs and other urban warfare devices.¹⁸

In addition to the recruitment of personnel (it is claimed, for example, that criminals in Spanish prisons were recruited to carry out the Madrid bombings¹⁹), other examples of these transaction-based “services-for-hire” include the exchange of arms, ammunition and other equipment, services such as travel document and ID forgery, the use of trafficking routes, and specialized expertise such as computer hacking. In place of direct cooperation between two groups, third party “facilitators” increasingly act as common nodes between criminal and terrorist organizations to carry out these services (especially true in relation to money laundering services).

¹⁵Shelley et al. (2005), p. 10.

¹⁶Frank Perri and Richard Brody, “The Dark Triad: Organized Crime, Terror and Fraud,” *Journal of Money Laundering Control* 14:1 (2011), p. 47.

¹⁷Makarenko, *op. cit.*, p. 131.

¹⁸Thomas Sanderson, “Transnational Terror and Organized Crime: Blurring the Lines,” *SAIS Review* 24:1 (2004), p. 54.

¹⁹Perri and Brody, *op. cit.*, p. 48.

Observers have demonstrated that the vast majority of alliances between terrorist and organized criminal groups tend to be temporary, conceived for a specific operation or requirement. Where terrorists encroach upon existing organized crime activities over longer time periods, they are more likely to appear as rivals, leading to competition rather than cooperation. In such cases, “it may be more relevant to look for instances in which organized crime and organized terrorism would be forced to compete, rather than instances in which they might go out of their way to cooperate.”²⁰ The evidence also suggests that, in most cases, the ties that develop between organized crime and terrorism are isolated in specific geographic areas—and unstable regions in particular—where it is in the interest of both types of groups to ensure that an environment conducive to both their needs is sustained.²¹ Newly formed transnational crime groups profiting from state chaos and ongoing conflict will flourish in post-conflict regions and in failing states where terrorist and revolutionary groups are often found.

The influx of organized crime into such countries, it is claimed, may pressure cooperation between transnational criminal groups and the terrorist groups that are already present.²² In the vast majority of cases, however, this is unlikely to be a sustainable situation. By and large, organized crime groups aim to preserve a status quo beneficial to their illegal, profit-making activities, while terrorists and guerrillas aim to overthrow the government or, at the least, gain an independent territory or seat at the political table.²³ Ultimately, the trend appears to be toward isolated, short-term and transaction-based cooperation between organizations, leading scholars such as Dishman to conclude that “alarming prognostications about a “grand shift” where terrorists and criminal operate hand in hand will likely prove unfounded.”²⁴

Although long-term interaction may be unlikely, the development of shared methods and tactics, and increased inter-group learning, has

²⁰Steve Hutchinson and Pat O’Malley, “A Crime-Terror Nexus? Thinking on Some of the Links between Terrorism and Criminality,” *Studies in Conflict & Terrorism* 30:12 (2007), p. 1103.

²¹Makarenko, *op. cit.*, p. 132.

²²Hutchinson & O’Malley, *op. cit.*, p. 1105.

²³Chris Dishman, “Terrorism, Crime, and Transformation,” *Studies in Conflict & Terrorism* 24 (2001), p. 44.

²⁴*Ibid.*, p. 56.

given weight to the crime-terror nexus concept, and even the idea that one type of group may eventually “transform” itself into the other. For example, Picarelli notes that “a small number of transnational criminal organizations such as the Medellin Cartel and the Sicilian Mafia [have] engaged in campaigns of violence for political ends that approached if not met the definition of terrorism.”²⁵ Makarenko, meanwhile, notes that some criminal groups have “increasingly engaged in political activity in an effort to manipulate operational conditions present in the rising numbers of weak states,” also citing the example of Brazilian criminal groups which, following the inauguration of a new administration in April 2002, used terror tactics in reaction to the new government crackdowns and tougher restrictions on group leaders in the prison system.²⁶

More commonly, terrorist groups such the Provisional IRA, Liberation Tigers of Tamil Eelam (LTTE), and Kurdistan Workers Party (PKK) have participated in criminal activities to replace lost financial support from state sponsors, providing opportunities to learn from organised criminal structures. Since existing organized crime groups do not generally enjoy state sponsorship or territorial protection, they may provide good models for the evolving loosely affiliated cell structures of terrorist organizations.²⁷

In some cases, a terrorist group’s participation in criminal activities—such as drug trafficking, robberies, extortion, credit card fraud, kidnapping, arms trading and smuggling—have overtaken the group’s original objectives, with commercial gains, rather than political aims, becoming its primary interest. Often, such as in the cases of Abu Sayyaf, the Islamic Movement of Uzbekistan and the FARC, the group’s political rhetoric is maintained as a facade, in order to allow it to perpetrate criminal activities on a wider scale and assert itself among rival criminal groups. The transformation of the FARC is a pattern likely to be followed in the future by political radicals; ones who lack key financial support begin to believe that they cannot win their war, or simply lose interest in their traditional goals. They will perhaps turn their formidable assets towards committing profit-driven

²⁵Picarelli, *op. cit.*, p. 188.

²⁶Makarenko, *op. cit.*, p. 134.

²⁷Hutchinson and O’Malley, *op. cit.*, p. 1096.

criminal acts, transforming into a criminal enterprise with a political facade.²⁸ In such cases it becomes difficult to classify these groups clearly as “terrorist” or “organized crime.”²⁹

As groups increasingly mimic activities or demonstrate operational and organisational similarities, a more controversial argument has been made for the concept of “convergence” and the emergence of so-called “hybrid” groups. Unlike the process of transformation, in which the primary aim and function of a group is replaced, hybrid organizations simultaneously demonstrate characteristics of terrorism and organized crime. Clearly, groups can pursue multiple agendas at the same time, and there are cases where groups do not neatly fit into either the “profit-driven” or “ideology-driven” categories. “Comfortably rooted in both ideology and profit, constantly shifting their strategies and tactics as they evolve [...] hybrid organizations can, and often do, circulate throughout the spectrum at different moments of their evolution, and [...] overlapping between different stages is possible at any given time.”³⁰ For example, Mexican drug trafficking organizations have engaged in campaigns of violence that far exceed the normal levels found in drug markets.³¹ In addition, Ballina’s assessment of *La Familia Michoacana* is that of a criminal organization whose use of propaganda and religion has led to it develop “a sense of political and social purpose.”³²

More generally, “convergence” has been used not only to account for a group displaying both criminal and terrorist characteristics, but also to describe the overlapping and simultaneous challenges presented by both transnational crime and terror groups, particularly by those who predict that the number and complexity of hybrid organisations will increase over time. Today’s global threat environment is characterized by convergence: the merging and blending of an ever-expanding array of illicit actors and networks. In an interconnected world, the pipelines linking these threat actors and networks cut

²⁸Dishman, *op. cit.*, p. 52.

²⁹Ibid. p. 181.

³⁰Ibid. p. 130.

³¹Picarelli, *op. cit.*, p. 183.

³²Santiago Ballina, “The Crime–Terror Continuum Revisited: A Model for the Study of Hybrid Criminal Organisations,” *Journal of Policing, Intelligence and Counter Terrorism* 6:2 (2011), pp. 121–136.

across borders, infiltrate and corrupt licit markets, penetrate fragile governments, and undercut the interests and security of our partners across the international community.”³³ Threat convergence is recognized by the United States. In years past, transnational organized crime was largely regional in scope, hierarchically structured, and had only occasional links to terrorism. Today’s criminal networks are fluid, striking new alliances with other networks around the world and engaging in a wide range of illicit activities, including cybercrime and providing support for terrorism.³⁴

As a result of increased globalization, both organized criminal and terrorist groups have an increasingly global “reach,” ignoring state boundaries and conceptualizing their organizational goals and operations in a global setting.³⁵ The three case studies below outline the impact of the increasing nexus between terrorism and organized crime in the Atlantic Basin.

Tobacco Smuggling in the North East Atlantic Basin

Tobacco smuggling has revealed itself to be a major concern for the UK and Ireland in recent years, where the taxes on cigarettes are amongst the highest in Europe. Ireland was also the first country to impose a workplace smoking ban in 2004, followed by a ban on retail displays and advertisements in 2009, and a decision to follow Australia as the second country in the world to legislate for the plain packaging of tobacco products. These anti-smoking efforts have had the adverse consequence of increasing black market tobacco trading, and it is feared that the latest decision to impose generic packaging for cigarette products will only ease the criminals’ job.³⁶ Customs officials currently estimate that one in seven cigarettes smoked in Ireland and one in 10 in the UK is illicit, costing the countries a combined €2.5 billion in lost taxes in 2011.³⁷

³³National Defense University, *op. cit.*, p. 2.

³⁴United States Government (2011), “Strategy to Combat Transnational Organized Crime: Addressing Converging Threats to National Security,” p. 3.

³⁵John Picarelli (2006), “The Turbulent Nexus of Transnational Organised Crime and Terrorism: A Theory of Malevolent International Relations,” *Global Crime* 7:1, p. 16.

³⁶<http://www.theguardian.com/world/2013/may/28/ireland-plain-cigarette-packets>.

³⁷<http://t.co/gADeIoZwox>.

It is also clear that dissident Republican groups are involved with this illicit activity, which generates millions of pounds in revenue each year to fund their activities. According to Roy McComb, detective chief superintendent in the organized crime division of the Police Service of Northern Ireland, “It takes quite modest sums of money to fund a terrorist campaign and the profits generated from cigarette crime are significant.”³⁸

The IRA and its splinter group, the Real IRA, are known to have illicitly trafficked cigarettes, thereby avoiding taxes and import duties and making significant profits on their sale. The known cases demonstrate the scale of their operations; in 2009, Irish customs and police made the largest seizure of illegal cigarettes in Europe, intercepting 120 million cigarettes worth €50 million en route to the UK market and linked to the Real IRA.³⁹ This was followed up by a seizure of €16 million worth of IRA cigarettes in April 2012.⁴⁰ Five months previously, in December 2011, the close connections between dissident Republicans and cigarette smuggling were also highlighted in a Lithuanian court, when convicted cigarette smuggler Michael Campbell was sentenced to 12 years in jail for attempting to buy rocket launchers, AK47 rifles and explosives for the Real IRA. The scale of these activities has led some Northern Irish police officers to claim that the Real IRA now resembles a criminal organization that sometimes carries out acts of terrorism, rather than a terrorist group that has to dabble in crime. In addition to the Real IRA, it is suggested that the PKK, Hezbollah, FARC, the Taliban, and al-Qaeda are involved in smuggling cigarettes.⁴¹ Terrorist financing through cigarette smuggling is therefore a significant issue.

³⁸William Billingslea, “Illicit Cigarette Trafficking and the Funding of Terrorism”, *Police Chief Magazine* 71:2 (2004), available at <http://www.thecre.com/ccsf/wp-content/uploads/2011/06/Illicit-Cigarette-Trafficking-and-the-Funding-of-Terrorism.pdf>

³⁹<http://www.theguardian.com/uk/2009/oct/27/smuggled-cigarettes-seized-ireland>.

⁴⁰<http://www.independent.ie/irish-news/16m-worth-of-ira-cigarettes-seized-by-customs-last-week-26843035.html>.

⁴¹<http://www.thecuttingedge news.com/index.php?article=11427>.

Heroin Trafficking along the East Atlantic Basin

While heroin trafficking in Afghanistan may sound far removed from the troubles affecting the Atlantic Basin, new trafficking routes along the West Coast of Africa by air and sea are cause for concern. Drug trafficking remains the most common and lucrative source of revenue for both international organized crime groups and terrorists, and the participation of both types of organisation inevitably creates links and associations between the two. This is not a new phenomenon and the list of terrorist involvement in the drugs trade is extensive; since the 1970s groups such as FARC, Basque Homeland and Freedom movement (ETA), the Kurdistan Workers Party (PKK) and Sendero Luminoso have all been linked to the drug trafficking; more recently, it has been claimed that the 2004 Madrid train bombings were partially bankrolled by hashish sales. According to the U. S. Drug Enforcement Administration (DEA), up to 60% of terrorist organizations are connected to the illegal narcotics industry,⁴² while the Department of Justice reports that 29 of the 63 organizations on its Consolidated Priority Organization Targets list—which includes the most significant international drug trafficking organizations threatening the United States—were associated with terrorist groups.⁴³

Afghanistan is the world's leader in opium production, producing 92 per cent of the world's supply.⁴⁴ Although the Taliban do not mastermind the drug trade per se, it is clear that they benefit from it financially.⁴⁵ While figures remain difficult to verify, it is estimated that the Taliban amasses a small fortune from heroin trade each year—with estimates of up to \$150 million per annum. This money fuels the insurgency, sustains corruption within national and local government and creates the necessary conditions across Afghanistan for terrorists and insurgents to operate. The situation is worsened by the known links that exist between Taliban insurgents (as well as members of other extremist groups such as al-Qaeda) and the drug traffickers who

⁴²Michael Jacobson and Matthew Levitt, "Tracking Narco-Terrorist Networks: The Money Trail," *The Fletcher Forum of World Affairs* 34: (2010), p. 118.

⁴³United States Government (2011), *op. cit.*, p. 6.

⁴⁴Farhana Schmidt, "From Islamic Warriors to Drug Lords: The Evolution of the Taliban Insurgency," *Mediterranean Quarterly*, Volume 21, Number 2, Spring 2010.

⁴⁵Ibid.

operate along the Pakistan-Afghanistan border; these closer links with organized crime have increased localized levels of violence.

Although the Taliban is not the only group to receive the financial backing of an unholy alliance of drug smugglers, traders, and trucking groups, the organization has been linked to the heroin trade in one way or another from its inception, and since 2001, this business partnership with trafficking cartels has become even deeper. This has led some commentators to identify some of the transformation or convergence processes outlined above. According to Anthony Maria Costa, the head of UNODC, the line between ideology and greed has been clearly obfuscated by the vast profits being reaped by the new narco-cartels of Afghanistan.⁴⁶ Poppy is the lifeblood of the Taliban's insurgency in Afghanistan,⁴⁷ and severing its ties to the opium trade has been identified as likely to deal a significant blow to the organization and thereby strengthen regional governance and security (there nevertheless remain concerns that this will have the adverse consequence of increasing revenues due to dramatically reduced supplies).

More widely, the opium trade in Afghanistan is recognized as having wide-ranging impacts across the Atlantic Basin. 95 per cent of the heroin in the UK comes from opium produced in Afghanistan. This adds up to approximately 20 tons of heroin being imported into the UK per annum. Much of the arrives on British shores via a circuitous route through Baluchistan and the Makran Coast to South Africa, where it is then sent by numerous means to destinations across Europe in particular, but also to North America. Although much of their revenue is acquired from "taxes" on poppy fields, the Taliban and other heroin traffickers therefore also rely on a much larger organized crime network to assist them in distributing the trafficked drugs and generating the market that drives opium production.

Efforts to combat illicit heroin trafficking must therefore focus not only on the links with the Taliban at the source, but also across the entire organized criminal supply chain. It is believed that a small number of heads of transnational organized crime groups control and profit most from the vast majority of the Afghan opium market, and

⁴⁶Ibid.

⁴⁷Ibid.

according to Peters, the level of violence will only be reduced through implementing effective development strategies within Afghanistan and thereby reducing the profits available to these individuals. The continued success of these businessmen depends on Afghanistan (as well as border areas of Pakistan, Iran, and various Central Asian states) remaining unstable, undeveloped, and governed. Breaking the union between terrorists and traffickers will require policies that make it both difficult for traffickers to profit and possible for villagers to earn a living growing and trading legal goods.⁴⁸

Money Laundering Across the Atlantic Basin

One of the key interlocking nodes identified between organized crime and terrorism is finance. Money has been the common denominator of both terrorism and crime since before the term “crime-terror nexus” entered the policy lexicon,⁴⁹ and both criminals and terrorists exploit the inherently interconnected nature of today’s financial system to circulate illicit funds. According to the IMF, around one billion dollars of crime proceeds are transferred through the world’s financial markets every day—between \$300 and \$500 billion each year.⁵⁰ In addition to laundering, the use of front or shell companies, offshore banking and fraud (including credit card fraud, identity fraud and insurance fraud among others) are techniques employed by both types of organizations and are aided more and more by third party “facilitators.” The methods used by organized criminals and terrorists are also increasingly sophisticated, with laundering via open system pre-paid cards, digital currencies, and virtual currencies in online gaming proving the most troublesome for law enforcement agencies to track.

Many nations have therefore prioritized targeting the money laundering and illicit financial networks on which both types of organizations depend. Following the foundation of the multinational Financial Action Task Force on Money Laundering (FATF) in 1989, there has

⁴⁸Gretchen Peters, “How Opium Profits the Taliban,” United States Institute of Peace, August 2009, http://www.usip.org/sites/default/files/resources/taliban_opium_1.pdf

⁴⁹Ibid. p. 6.

⁵⁰Alison Jamieson, “Transnational Organized Crime: A European Perspective,” *Studies in Conflict & Terrorism* 24 (2001), p. 379.

been a promulgation of international anti-money laundering standards targeting both organized criminal and terrorist groups, as well as the financial institutions whose services they use. One of the most notable recent cases of money laundering prosecutions involved HSBC, whose headquarters are in London. In December 2012, HSBC agreed to a record \$1.9 billion settlement with the United States Justice Department, after admitting that HSBC branches in Mexico facilitated the transfer of \$881 million for the Sinaloa Cartel in Mexico, the Norte del Valle Cartel in Colombia and other narcotics traffickers.⁵¹

According to *The New York Times*, the HSBC case is hardly unique. Since 2006, more than a dozen banks have reached settlements with the Justice Department regarding violations related to money laundering. These include ING Bank, which paid a \$619 million fine for altering records and secretly transferring more than \$2 billion for entities trading with Iran and other nations under sanctions, and American Express Bank International, which acknowledged that more than \$55 million in drug proceeds may have been laundered through offshore shell accounts it maintained.⁵²

While the transnational nature of the financial system makes the problem a global one, the HSBC case has highlighted the extent of the money laundering challenge presented by Mexican drug cartels, and their links with nations across the Atlantic Basin. In May 2013, it was discovered that the Los Zetas drugs cartel was at one point channeling \$1 million a month into a racehorse enterprise in the United States designed to launder millions of dollars in illicit profits. According to authorities in the case, the cartel's drug trafficking, kidnap and extortion "empire" reaches from Central America to the United States.⁵³

The problem is compounded by the low conviction rates related to money laundering in Mexico, leading to criticisms from International Monetary Fund in its assessment of Mexico's money laundering efforts. According to its 2009 report, there were only 25 convictions in Mexico for money laundering offenses between the start of 2004 and the end of 2007, equating to roughly six convictions a year. "Given the level and

⁵¹http://dealbook.nytimes.com/2012/12/10/hsbc-said-to-near-1-9-billion-settlement-over-money-laundering/?_r=0.

⁵²Ibid.

⁵³<http://www.reuters.com/article/2013/05/10/us-usa-mexico-drugs-idUSBRE94903O20130510>.

sophistication of organized criminal activity in Mexico, these results reflect a disappointing lack of effectiveness in Mexico's money laundering offense."⁵⁴ Since 2007 this number has improved, with 83 individuals convicted of money laundering offenses between January 2007 and July 2012, although some commentators are still critical, claiming that this is a "tiny number given the size and extent of the problem."⁵⁵ More widely, there is clearly room for improvement for countries in the Atlantic Basin to "follow the money trail," given that less than one per cent of global illicit financial flows are currently seized and frozen.⁵⁶

The three case studies outlined above depict both a transnational and complex threat landscape, with a Northern Irish terrorist organization increasingly involved in organized crime, a notorious Afghan terrorist group dependent on trafficking drugs to a European and North American market for revenue, and Mexican drugs cartels using global financial institutions to launder money. What they each demonstrate is that many of the primary threats that countries such as the UK currently face are (1) constituted of a unique blend of organized crime, drugs and terror, and (2) implicate extensive networks whose reach includes all four continents of the Atlantic Basin. When formulating effective responses to these challenges, both of these characteristics therefore need to be taken into account.

Policymakers across the Atlantic Basin need to appreciate the shared tactics and methods used by terrorism and organized crime actors, and the extent of learning that can occur between the two types of groups. Aided by the ease of internet-based information exchange, organized criminals have access to tactics and equipment more commonly employed by terrorist groups, while terrorists are able to gain insight into the revenue-generating activities of organised crime groups to fund their campaigns. In particular, drug trafficking remains the most common shared source of funding for both types of organization.

⁵⁴*Mexico: Detailed Assessment Report on Anti-Money Laundering and Combating the Financing of Terrorism*, International Monetary Fund, January 2009

⁵⁵Ernesto Carrasco, "Mexico's Anti-Money Laundering Challenges," *Kroll Global Fraud Report 2012/2013* (http://www.krolladvisory.com/library/Mexicos_anti-money_laundering_challenges.pdf).

⁵⁶UNODC, "Estimating Illicit Financial Flows Resulting From Drug Trafficking And Other Transnational Organized Crimes," available from http://www.unodc.org/documents/data-and-analysis/Studies/Illicit_financial_flows_2011_web.pdf.

As the similarities between the two types of group multiply, we should be wary of the processes of transformation and convergence. In the future, it is more likely that organizations will not fit neatly into the traditional categories of “terrorist organization” or “organized criminal group.” With an overlap in operational methods and the potential to carry out both types of activities, these definitions may be subject to change and adaptation, in particular with regard to terrorist organizations whose main focus becomes financial gain and who may no longer have a defined political agenda.

The UK, Brazil, Mexico and countries in West Africa lack the capacities to take on the challenge themselves. In responding to the nexus between terrorism and organized crime in the Atlantic Basin, multilateral institutions will play an increasingly important role. However, currently these institutions don’t fit the bill either because law enforcement authorities remain constrained by borders or national legislation prevents them from operating overseas. Those institutions themselves do not yet fully appreciate the threat facing them. So the question arises — do we need to create a new network or body that can act across the Atlantic Basin?

The Atlantic Basin Initiative

Organized criminal markets crisscross the Atlantic Basin. Hundreds of billions of dollars of dirty money flow through the world every year, distorting local economies, corrupting institutions and fuelling conflict. Transnational organized crime has become a central issue in international affairs, an important factor in the global economy, and an immediate reality for people around the world. Aside from the direct effects—drug addiction, sexual exploitation, environmental damage and a host of other scourges—organized crime has the capacity to undermine the rule of law and good governance, without which there can be no sustainable development.⁵⁷

Ninety-eight countries and territories border the Atlantic Ocean. In 2014 the United Nations should launch the Atlantic Basin Initiative. Led by Brazil, South Africa, the European Union, the United

⁵⁷UNODC Website: <http://www.unodc.org/unodc/data-and-analysis/TOC-threat-assessments.html>.

Kingdom and United States, the Initiative should aim to develop a coherent strategy to tackle terrorism and organized crime in the Atlantic Basin. The private sector should also play a key role in the Initiative.

Work should build on national, regional and international initiatives and seek to update the United Nations Convention against Transnational Organized Crime. Thirteen years after the convention was adopted the threat of terrorism and of organized crime has increased and the nexus between the two has become increasingly clear. A new initiative is needed that focuses governments' attention on the dual threat of terrorism and organized crime.

To tackle terrorism and organized crime, we must adopt a new approach and disrupt it by all available means—not just through law enforcement and prosecution, but by addressing the drivers of terrorism and the enablers of such crime. The Initiative should seek to tackle three specific issues in the Atlantic Basin.

- Terrorism and organized crime groups exploit **instability and weak governance**. Their activity further undermines fragile states and governments.
- **Widespread corruption** continues to hinder effective state action. And it attracts organized criminals, who exploit the distinctions between jurisdictions and the corruption within them.
- **Lack of capacity and funding in law enforcement agencies** and limited intelligence-gathering capability across the Atlantic Basin create opportunities that terrorists and organized criminals can exploit.

The Atlantic Basin Initiative should tackle these three challenges head-on, supporting national governments and regional organizations and renewing the fight against terrorism and organized crime. Building capacity and strengthening state institutions across the Atlantic Basin is crucial and should focus on four key areas:

- Increase efforts in building good governance across the Atlantic Basin to set the preconditions for a successful response;
- Focus funds on building criminal justice capacity, which remains poorly supported across the countries bordering the Atlantic.

- Strengthen the regional ability to share information and conduct investigations. There has been much good work in this area since September 11, 2001, much of it bilaterally between countries. This endeavour should be broadened to include more actors.
- Improve joint action on borders and cross-border traffic. This is especially difficult in the Atlantic Basin, but has the potential to pay great dividends.

Given the threat of terrorism and organized crime, this activity must be matched by deeper co-operation across the Atlantic Basin. Leadership of the Atlantic Basin Initiative should rotate between the five actors identified above. The Initiative should be funded by governments and the private sector. We estimate an effective effort will require \$500 million over ten years. The commitment by major donors is critical to ensure the Initiative is sustainable and deeply rooted.

In the past decade states in the Atlantic Basin have seen a significant increase in the level of terrorism and organized crime as key risks to their national security. Common threats include human trafficking, trafficking of counterfeit goods, fraud and money laundering. Atlantic Basin actors must tackle these threats head-on. An Atlantic Basin Initiative for human security could be an important starting point.

Chapter 4

Illicit Flows and Networks in the Atlantic Basin¹

Phil Williams

Among the key elements of globalization are global flows—of commodities, services, people, knowledge, information, and money.² Most of these flows are largely benign, creating complex interdependencies among states, providing new opportunities for economic and social advancement, and facilitating the exchange of knowledge and creativity. At the same time, there is a dark underside of globalization and of global flows in particular.³ Commodities that are prohibited, regulated, stolen, or counterfeit, are also moved across borders, often concealed in the vast bulk of licit trade.⁴

Analysts disagree about the novelty and the dangers of these illicit flows. Peter Andreas argues that they are neither novel nor unprecedented, and that the associated threats and dangers are typically exaggerated through a combination of moral panic, fuzzy logic, and threat inflation.⁵ As he writes, “the nature and difficulty of the challenge are not fundamentally new.”⁶ In contrast, Moises Naim sees “overwhelming evidence that the globalization of illicit markets has increased their size substantially and diversified the kinds of good traded in them.”⁷ Naim also argues that “new technologies...have transformed old crimes” such as money laundering.⁸

¹The author would like to thank Dr. Colin Clarke and Joshua T. Hoffman for their earlier collaborations on terrorist finance, Hezbollah, and the trafficking-terrorism issue, which helped to inform this chapter.

²See David Held (ed.) *A Globalizing World? Culture, Economics, Politics* (London: Routledge, 2004).

³Moises Naim, *Illicit: How Smugglers, Traffickers, and Copycats are Hijacking the Global Economy* (New York: Anchor, 2006).

⁴Phil Williams, “Transnational Organized Crime, Illicit Markets, and Money Laundering,” in P. J. Simmons and Chantel Ouderen, *Challenges in International Governance* (Washington: Carnegie Endowment, 2001) pp. 106-150.

⁵Peter Andreas, “Measuring the Mafia State Menace: Old Whine, New Bottles” *Foreign Affairs* Vol. 91 No.4 July/August 2012 p. 167-170.

⁶*Ibid.* p. 170

⁷Moises Naim, “Measuring the Mafia State Menace: Naim Replies” in *Ibid.* p.170.

⁸*Ibid.*

Although this debate has many subtleties and nuances, in the final analysis, it is difficult to refute the argument that globalization has empowered organized crime, much as it has done for licit business, and has increased the ease and speed of illicit flows just as it has done for licit flows of goods and services. Globalization has also increased the opportunities for concealment of illicit commodities and transactions in the vast flows of licit goods and services. At the same time, the warnings by Andreas about the need to avoid hyperbole need to be heeded. Sounding the tocsin is necessary, but threat inflation can be as undesirable and as harmful as a failure to heed the threat. There is also a danger that by focusing on the threat “du jour” insufficient attention will be paid to the next emergent threat. Governments and law enforcement agencies, like militaries, are always more prepared to fight the last war than the next one.

In this connection, the illicit flows that have aroused greatest concern in recent years have involved cocaine transported from Latin America to Europe via West Africa and the Sahel, both of which are regions characterized by widespread poverty, weak governance, deeply entrenched corruption, political instability, high levels of unemployment, youth bulges and large informal and illegal economies. Given these vulnerabilities, it is hardly surprising that transshipment of cocaine through Africa, rather than cocaine consumption in Europe, has become the issue of enormous and immediate concern to the international community.

As well as the anxiety about fragile institutions, red flags have also been raised about the growing connections between drug trafficking networks and terrorist groups, particularly in the Sahel. This is part of what is portrayed more generally as the emergence of a global terror-crime nexus in which synergistic cooperation, symbiotic relationships and multiplier effects are the new norm. As Makarenko notes, “expanded links could increase our vulnerability to terrorist attacks by groups with enhanced criminal capabilities and thus financial resources.”⁹ She also suggests that these linkages are “gradually overpowering the formal structures of the legal and security system.”¹⁰

⁹Tamara Makarenko, *Europe's Crime-Terror Nexus: Links between Terrorist and Organized Crime Groups in the European Union* (Brussels: Directorate General for Internal Policies, Policy Department C: Citizens' Rights and Constitutional Affairs, 2012) p. 40.

¹⁰Ibid.

Against this background this chapter seeks to do several things. First, it delineates the types, directions, and routes of various illicit flows in the Atlantic basin. Second, it focuses on cocaine flows through West Africa, suggesting that serious as this challenge might be, it seems to be diminishing rather than intensifying. Third, it looks at the issue of cooperation between terrorists and criminals in the Sahel, arguing that this has been blown out of all proportion: the crime-terror nexus is singled out when the more serious problem is what Roy Godson, some years ago and in a much broader context, termed “the political-criminal nexus.”¹¹ Finally the chapter offers brief conclusions that identify a middle ground in the debate between Andreas and Naim.

Flows, Directions, and Routes

Africa has become perhaps the major global dumping grounds for toxic and hazardous waste and has also provided a lucrative market, and at times a source, for weapons.¹² At the same time Africa itself is the source of several illicit commodities—such as endangered species, timber, blood diamonds, stolen oil, and minerals and metals such as coltan—that are moved from conflict zones and transported to Europe, the United States, and Asia. In some cases, such as endangered species, the trafficking typically involves concealment or deception and is often facilitated at crucial points by corruption. With oil, timber and coltan, however, the products themselves are simply integrated into licit flows and markets, as the problems revolve more around origin and theft rather than the inherent characteristics of the product.

The difficulty is determining what percentage of these flows move across the Atlantic basin. Indeed, there has been little serious effort to determine either the size or volume of these flows or the percentage that are moved to Europe, the United States and Asia respectively. One of the few partial exceptions has been a Chatham House analysis of stolen and diverted oil in Nigeria and the concomitant financial

¹¹Roy Godson (ed.). *Menace to Society: Political-Criminal Collaboration Around the World* (New Brunswick, NJ.: Transaction, 2003)

¹²For a useful introduction to the toxic waste problem. see Basel Action Network (BAN), *Turning Back the Toxic Tide: 2011 Annual Report*, www.ban.org/wp-content/uploads/.../BAN_2011AnnualReport_Final.pdf.

flows.¹³ It is partial because in spite of a sustained and thorough investigation many of the details remain murky. If this highlights the difficulties of following illicit flows, however, it also suggests that these flows go in multiple directions. While the exact volume of stolen oil is difficult to determine, it appears that “Nigerian crude oil is being stolen on an industrial scale. Some of this stolen oil... is exported. Proceeds are then laundered through world financial centers and used to buy assets in Nigeria and abroad. In Nigeria, politicians, government security forces, militants, oil industry personnel, oil traders and community members benefit to varying degrees, along with organized criminal networks.”¹⁴ The United States, Brazil, China, Thailand, Indonesia and the Balkans are identified as the most likely destinations for stolen oil.¹⁵ As for the subsequent laundering of the proceeds, the United States, Britain, Dubai, Indonesia, India, Singapore and Switzerland are regarded as the most likely jurisdictions for this, although it is not certain whether they are used simply to pass the funds through or as the final depository.¹⁶ The modalities of laundering include “cash smuggling, delayed deposits, use of middlemen, shell companies and tax havens, bribery of bank officials, cycling cash through legitimate businesses and cash purchases of luxury goods.”¹⁷ The process has also been facilitated by the failures of banks and non-bank financial institutions to do due diligence on their customers, even when these customers are “politically exposed persons” suspected of using public office for private gain on a large scale.

In some respects, the problem of stolen oil can be considered as simply one manifestation of a much larger problem—illicit financial flows, defined as flows of money that “is illegally earned, transferred, or utilized. If it breaks laws in its origin, movement, or use it merits the label.”¹⁸ Such flows violate “the national criminal and civil codes, tax laws, customs regulations, VAT assessments, exchange control

¹³Christina Katsouris and Aaron Sayne, *Nigeria’s Criminal Crude: International Options to Combat the Export of Stolen Oil* (London: Chatham House, September 2013).

¹⁴Ibid. p. 1.

¹⁵Ibid, p. x.

¹⁶Ibid. p. 38.

¹⁷Ibid. p. x.

¹⁸Dev Kar and Devon Cartwright-Smith, *Illicit Financial Flows from Africa: Hidden Resource for Development* (Washington D.C.: Global Financial Integrity, March 2010), p. 7.

requirements, or banking regulations of the countries out of which the unrecorded/illicit flows occur.”¹⁹ Moreover, in considering such flows in the Atlantic basin, it bears emphasis that “Sub-Saharan Africa has the world’s highest illicit capital flight measured as a percentage of GDP.”²⁰ Moreover, as Kar and Carthwright-Smith reveal, the money can leave a country through its external accounts or through mis-pricing and mis-invoicing of trade transactions.²¹ Their seminal study estimates that Africa lost about \$ 854 billion in illicit financial flows over the 39 years from 1970 to 2008.²² The adverse consequences for African nations have been enormous, not least because of lost opportunities. “Africa forfeits significant volumes of financial resources, which could have been used to finance critical development projects, due to illicit outflows. This disturbing phenomenon has damaging effects on African countries, including: (i) draining resources and tax revenues; (ii) stifling growth and socio-economic development and (iii) weakening governance.”²³

Unfortunately, as Raymond Baker has argued, flows of this kind that put money into the financial system of advanced states do not raise alarm bells.²⁴ If this issue has largely been neglected by recipient countries, however, the U.S. Senate *Permanent Subcommittee on Investigations* has explored at least part of it in some depth, highlighting several cases in which corrupt politicians and officials have moved corruption proceeds from African countries such as Equatorial Guinea, Gabon, Nigeria and Angola to the United States using offshore shell companies and wire transfers, as well as “lawyers, real estate and escrow agents, lobbyists, bankers, and even university officials, to circumvent U.S. anti-money laundering and anti-corruption safeguards.”²⁵

¹⁹Ibid. p.7.

²⁰Katsouris and Sayne, *op. cit.* p.64.

²¹Kar and Carthwright-Smith, *op. cit.* p.7.

²²For a fuller analysis of these trends see Ibid, pp.10-13.

²³UN Economic and Social Council, Economic Commission for Africa, Third Meeting of the Committee on Governance and Popular Participation, Addis Ababa, Ethiopia, 20 and 21 February 2013, *The State of Governance in Africa: The Dimension of Illicit Financial Flows as a Governance Challenge*, E/ECA/CGPP/3/2 18 February 2013.

²⁴See Raymond W. Baker, *Capitalism's Achilles Heel*, (New York: Wiley, 2005).

²⁵See Majority And Minority Staff Report, *Keeping Foreign Corruption Out Of The United States: Four Case Histories*, United States Senate Permanent Subcommittee on Investigations, February 4, 2010, p. 1.

Some “dirty money,” of course, also moves in the other direction. The proceeds of a variety of criminal activities ranging from advanced fee or “419” fraud to drug trafficking are repatriated from the Western Hemisphere to Nigeria, which, for over three decades, has seen traffickers and fraudsters stake out their own impressive claims in the world of organized crime. In addition, in recent years, as Lebanese trafficking organizations have become more deeply involved in the drug trade in Latin America, some of the financial flows have come across the Atlantic and back to Lebanon. This was the case with the Chekry Harb organization, which not only established what was described as a “worldwide financial enterprise” that linked “traffickers from South America and the United States to West Africa, Europe and Hong Kong”²⁶ but also paid about 12 percent of the profits to Hezbollah.²⁷ Another Lebanese drug trafficking organization, operating in Latin America and led by Ayman Joumaa, allegedly laundered about \$200 million in drug proceeds per month through the Lebanese Canadian Bank and other financial institutions.²⁸ Rather like Harb, “Joumaa reportedly paid undisclosed fees to Hezbollah to facilitate the transportation and laundering of narcotics proceeds.”²⁹

Moreover, both drug traffickers and Hezbollah have also used West Africa for money laundering that intersected and overlapped at the Lebanese Canadian Bank (LCB) in Beirut, a bank with lax controls and poor safeguards against illicit activity. US authorities suggest that “management complicity, failure of internal controls, and lack of application of prudent banking standards” all contributed to LCB’s attraction to those involved in money laundering.³⁰ LCB was the destination for cocaine proceeds from Ayman Joumaa, who used a trade based money laundering scheme involving the purchase of cars in the United States and their sale in West Africa, especially Benin. Couriers

²⁶Chris Kraul and Sebastian Rotella, “Colombian Cocaine Ring Linked to Hezbollah” *Los Angeles Times*, October 21, 2008.

²⁷Jo Becker, “Beirut Bank Seen as a Hub of Hezbollah’s Financing,” *The New York Times*, December 13, 2011.

²⁸John Rollins and Liana Sun Wyler, *Terrorism and Transnational Crime: Foreign Policy Issues for Congress*, Congressional Research Service, October 19, 2012 p. 13, www.fas.org/sgp/crs/terror/R41004.pdf.

²⁹Ibid.

³⁰See Department of The Treasury, *Finding that the Lebanese Canadian Bank SAL is a Financial Institution of Primary Money Laundering Concern*, p. 8.

then moved some of the proceeds from these car sales directly to Lebanon, while bulk cash was also moved across the border to Togo and on to Ghana and then from Accra by commercial airlines to Beirut.³¹ According to the United States Attorney for the Southern District of New York, “a significant portion of this money moves through courier and security networks controlled by Hezbollah or individuals affiliated with Hezbollah. The proceeds of the car sales help to conceal and disguise the true source, nature, ownership, and control of the narcotics proceeds.”³²

Flows of money, of course, also come back to the drug producing and transshipment countries of South America and the Caribbean from Europe, which since the late 1990s has become the second most lucrative market in the world for cocaine. Indeed, the UN’s 2011 World Drug Report estimated the European cocaine market was worth approximately \$33 billion,³³ a figure very close to the market in the United States that was estimated at \$37 billion.³⁴ According to the 2012 Annual Report of the European Monitoring Center for Drugs and Drugs Addiction, about 15.5 million Europeans have tried or used cocaine at least once and around 4 million Europeans had used cocaine during the previous year, with highest consumption in Ireland, Spain, Italy and the UK.³⁵ What makes this market even more attractive is that cocaine, like other illegal drugs, provides a huge markup between the source country and the market, a markup that many observers claim is simply a result of prohibition and the attendant risks that have to be run. Against this background it is readily understandable that many Latin American drug trafficking organizations made what Stephen Ellis describes as “a strategic shift towards the

³¹For fuller details see “United States of America v. Lebanese Canadian Bank, Ellissa Holding Company, Hassan Ayash Exchange Company, etc.” US District Court, New York, NY, http://www.investigativeproject.org/documents/case_docs/1861.pdf and “DEA News: Civil Suit Exposes Lebanese Money Laundering Scheme For Hizballah,” Drug Enforcement Administration, December 15, 2011, <http://www.justice.gov/dea/pubs/pressrel/pr121511.html>.

³²United States of America v Lebanese Canadian Bank, *op. cit.*

³³UNODC, *World Drug Report 2011*, p. 85. Available at: www.unodc.org/documents/data-and-analysis/WDR2011/World_Drug_Report_2011_ebook.pdf

³⁴UNODC, *World Drug Report 2011*, p. 85.

³⁵European Monitoring Center for Drugs and Drugs Addiction, (EMCDDA), *The State of the Drugs Problem in Europe: Annual Report 2012*, p.62.

European market.”³⁶ The various routes along which the traffickers moved the product to markets must now be analyzed.

Although drug trafficking is often seen largely in terms of crime and violence, most of it is about logistics—about how to get to market with a minimum of risk to the product and the networks that are moving it. Since the strategic shift to Europe, Colombian drug traffickers and their affiliates have developed several key routes involving some mix of land and sea or air transport.³⁷

The Southern Route

One route is to first go south and then go north. Traffickers move cocaine south through land routes or by air and are able to exploit the weakness of interdiction efforts in and through Latin America’s southern cone. Using the southern route also has several advantages further along the supply chain. Brazil, Paraguay, Argentina, Uruguay and Chile are not regarded as major source countries at the same level as Colombia, Peru, Bolivia, and even Venezuela and, therefore, shipments from these countries are generally treated with less suspicion. Moreover, in recent years both Brazil and Argentina have significantly increased exports of soy, meat and fruit to Europe as well as the Middle East and North Africa (MENA), thereby providing multiple opportunities for embedding drug shipments within licit cargos and containers.³⁸ Traffickers have included not only Colombians but also a Serbian criminal organization led by Darko Saric, who reportedly had close links to the Rastrojos organization in Colombia and moved cocaine from both Brazil and Uruguay.³⁹ While the southern route tends to focus on Spain and Portugal as the major destination countries, it seems likely that some of the drugs coming out of Brazil in particular also go through West Africa, and sometimes even South

³⁶Stephen Ellis, “West Africa’s Drug Trade” *African Affairs*, 108/431, (2009) pp. 171–196 at p. 172.

³⁷This discussion of routes draws heavily on a case study on cocaine trafficking to Europe, the author in conjunction with Culmen International prepared for the Marshall Center, January 2013.

³⁸Bernice Lee, Felix Preston, Jaakko Kooroshy, Rob Bailey and Glada Lahn, *Resources Futures* (London: Chatham House, December 2012) p.28.

³⁹Geoffrey Ramsey, “A Look at Serbian Kingpin’s Latin America Connections” *Insight Crime*, May 30, 2012. See also Associated Press, “Alleged Serb Drug Gang Swept up by Brazilian Cops” May 6, 2011.

Africa, while other drug shipments enter Europe through the south-eastern route discussed below.⁴⁰

The Caribbean Route

Another route is through the Caribbean and from there often via the Azores to Portugal or Spain but sometimes direct to other European countries. In some cases, the drug is first transported to Central America and from there through the Caribbean.⁴¹ As one study notes, “the large volume of cocaine trafficked through the Caribbean can be explained by the geographical position of this region, its historical roots with Europe and the fact that shares the same languages with the countries of destination. For example, the Netherlands Antilles are involved in the supply of cocaine to the Netherlands, Jamaica is used as a platform for the United Kingdom (UK), while Martinique and Guadeloupe play an important role in the transshipment of cocaine in France.”⁴² Sometimes the Azores is used as a stopping point and drugs are redistributed into smaller vessels and taken to Spain and Portugal.⁴³ As Ernesto Savona notes, Spain is a “natural gateway” or “bridgehead” for drug traffickers. It has strategic location, a long coastline and easy access to the rest of Europe.⁴⁴ In addition, there is a natural cultural affinity with Colombia and other parts of Latin America and the Caribbean that makes it easy for trafficking networks to operate in and through Spain. In terms of the conveyances that are used, a Europol official identified the use of containers, fishing vessels, supply vessels, tugboats, freighters, go-fast boats, and yachts.⁴⁵

⁴⁰Louis E.V. Nevaer, “As Brazil Booms, So Do New Drug Routes,” *New American Media*, January 9, 2012, <http://newamericamedia.org/2012/01/as-brazil-booms-so-do-new-drug-routes.php>.

⁴¹Julie Marie Bunck and Michael Ross Fowler, *Drug Trafficking and the Law in Central America: Bribes, Bullets, and Intimidation* (University Park PA: Pennsylvania State University Press, 2012).

⁴²Irina Caunic, Florin Bogdan Suci, and Ionel Muntele, “European Union: Destination and Transit Area For Cocaine Trafficking” *Revista Română de Geografie Politică? Year* Vol. 13, No. 2, (November 2011), pp. 149-156 at p. 152.

⁴³Daniel Brombacher and Günther Maihold, “The Transatlantic Cocaine Business: Europe’s Options As It Confronts New Drug Trafficking Routes” *Real Instituto Elcano*, December 14, 2009, http://www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/defense+security/dt45-2009#_jmp0_

⁴⁴Quoted in Jennifer Sands, “Organized Crime and Illicit Activities in Spain: Causes and Facilitating Factors” *Mediterranean Politics*, Vol. 12, No. 2, (July 2007) 211–232, at p.215.

⁴⁵Robert Hauschild, *Trans-Atlantic Symposium on Dismantling Illicit Networks*, Lisbon, May 17-19, 2011, PowerPoint Presentation, http://eeas.europa.eu/us/events/symposium2011/docs/robert_hauschild_europol_en.pdf.

The West African and Sabel Routes

A third route, and one that has become a major source of concern, goes through West Africa. This route seems to have been pioneered by Colombian drug traffickers using small planes and flying from Venezuela to Guinea-Bissau. Boats are also used across the Atlantic. Some shipments are even moved from Central America.⁴⁶

Whether it was recognition of the availability of talented allies or simply the facts of geography, Colombian drug traffickers began to use West Africa as a transshipment route to Europe in the 2000s, if not earlier. This was reflected in an increase of large seizures. As McGuire notes, drawing on statistics from UNODC, “between 2005 and 2008, 46 metric tons of cocaine destined for the Western European market were seized by law-enforcement officials in or around West Africa, where only years before annual seizures of over one ton for the entire African continent were rare.”⁴⁷ This reflected enormous opportunism on the part of Colombian drug traffickers, who were clearly aware that in West Africa they would be able to act with a high degree of freedom and impunity. At the same time, the use of West Africa for transshipment reflected the desire of Colombian traffickers to expand available trafficking routes and complicate the task of interdiction. This became increasingly urgent because of some large seizures by the Spanish Navy.

Indeed, not only does the West African option add an additional maritime route but also it offers opportunities for land and air transportation to North Africa and the subsequent smuggling of drugs across the Mediterranean.⁴⁸ It is not surprising, therefore, that in congressional testimony in 2009 it was noted that the U.S. Drug Enforcement Administration had “identified at least nine top-tier South American and Mexican DTOs [drug trafficking organizations] that have established operations in Africa.”⁴⁹ These organizations have

⁴⁶Julie Marie Bunck and Michael Ross Fowler, *Drug Trafficking and the Law in Central America: Bribes, Bullets, and Intimidation* (University Park PA.: Pennsylvania State University Press, 2012).

⁴⁷Peter L. McGuire, *Narcotics Trafficking in West Africa: A Governance Challenge* (Boston: Boston University Frederick S. Pardee Center for the Study of the Longer Range Future, 2010) p.3.

⁴⁸UNODC, *Cocaine Trafficking in West Africa: The Threat to Stability and Development (with Special Reference to Guinea-Bissau)*, December 2007, p.21.

⁴⁹Liana Sun Wyler and Nicolas Cook, *Illegal Drug Trade in Africa: Trends and U.S. Policy* (Washington: Congressional Research Service, September 30, 2009) p. 3, <http://www.fas.org/sgp/crs/row/R40838.pdf>.

considerable resources, which enable them to pay off law enforcement and coopt high-ranking politicians and military officers.

According to one study, at least two transshipment centers emerged in West Africa: one comprising Guinea-Bissau and Guinea, the other located in the Gulf of Benin, from Ghana to Nigeria.⁵⁰ Guinea-Bissau was particularly attractive because the offshore islands dotted with airfields made it very easy to fly small planes across the Atlantic. Indeed, this route, which lies roughly along latitude 10 degrees north, became so important that law enforcement agents began to refer to it as Highway 10.⁵¹ Even so, some reports suggest that the West African route declined in importance in 2008 and 2009.⁵² There are several possible reasons for this. *Oxford Analytica* is skeptical about the deterrent affect of increased attention and interdiction, and about the impact of new—and possibly less corrupt—governments in the region, suggesting instead that traffickers simply became more careful and successful in their operations—and, therefore, less visible.⁵³ In this connection, the International Narcotics Control Board, in its 2011 report, suggested that there was a shift from mother ships and small boats to container shipments.⁵⁴ Another possibility, however, is that officials and collaborators in the region were demanding excessive corruption payments—and were being shown that they were not indispensable.

Whatever the case, some large cocaine shipments continue to move through the region. In November 2009, for example, a Boeing 727 capable of carrying 10 tons of cocaine crashed in the desert in northern Mali; there was evidence that it had been carrying cocaine.⁵⁵ In June 2010, two tons of cocaine was confiscated in a single operation in Gambia, while in October 2011 Cape Verde authorities seized about 1.5 tons of pure cocaine.⁵⁶

⁵⁰Caunic et al. p. 4.

⁵¹UNODC, *Cocaine Trafficking in Western Africa: Situation Report* (Vienna: UNODC, October 2007).

⁵²For a good discussion see Oxford Analytica “West Africa: Reports Underestimate Trafficking Impact,” *OxResearch Daily Brief Service*. (Oxford: August 10, 2009) p. 1.

⁵³*Ibid.*

⁵⁴INCB 2011, p.48.

⁵⁵Chris Hawley, “‘Sky’s the Limit’: Drug Smugglers Buy Cargo Jets” *Associated Press*, November 15, 2010.

⁵⁶INCB 2011, p. 48.

From West Africa there are several routes to Europe. In 2008, UNODC identified “two parallel flows. One, mainly involving large maritime and private air shipments, is owned and managed by South Americans. In exchange for logistic assistance with these shipments, West Africans are paid in cocaine. This has created a second flow, as West Africans also traffic these drugs to Europe, usually via commercial air flights.”⁵⁷ Increasingly there are also overland routes, and some of these have caused particular consternation. Even prior to the Arab spring, there were concerns that al-Qaeda in the Islamic Maghreb (AQIM) was funding itself in part by providing protection for cocaine shipments being moved from West to North Africa.⁵⁸ Such concerns intensified with the instability in the Sahel and claims that Mauritania, Mali, Niger and Chad have become part of the preferred overland route to Europe.

Trafficking of cocaine through Morocco has also become a problem. In November 2007, the Antinarcotics Unit of Ecuador seized almost two metric tons of cocaine hidden in a container about to be shipped to Morocco.⁵⁹ Almost three years later, 34 people were arrested in Morocco in connection with a “cocaine smuggling ring, believed to have made eight trips from Mali to Tangier, transporting 600 kg of cocaine. From Tangier, the drugs were allegedly flown to Europe.”⁶⁰ According to the 2012 INCSR, “cocaine traffickers are increasingly attempting to smuggle cocaine to Europe through Morocco. Cocaine is shipped from South America to sub-Saharan Africa and the Sahel region and then on to Morocco. Morocco’s law enforcement agencies do not completely stem the flow of cocaine moving through the country, given Morocco’s porous borders and proximity to Europe.”⁶¹

⁵⁷UNODC, *Drug Trafficking as a Security Threat in West Africa* (Vienna, UNODC, 2008) p. 3.

⁵⁸Douglas Farah, “AQIM and the West African Drug Trade,” *Counterterrorism Blog* December 18, 2009, http://counterterrorismblog.org/2009/12/aqim_and_the_west_african_drug.php.

⁵⁹Robert Hauschild, Trans-Atlantic Symposium on Dismantling Illicit Networks Lisbon, May 17-19, 2011, PowerPoint Presentation, slide 8.

⁶⁰*Transatlantic Cocaine Market*, p. 37.

⁶¹INCSR 2012, p. 327.

The Southeastern Europe Route

Several studies of changing routes have also emphasized that although Spain and Portugal remain the most important arrival zones in the European Union (EU), “cocaine is increasingly reaching destination markets directly by container shipment and air freight, and via the Balkan Routes into South East Europe.”⁶² This is not entirely surprising given the widespread presence of organized crime in the Balkans and southeastern Europe, a presence that has almost certainly increased as a result of the global financial crisis and the plight of Greece. As one study notes, “an increasing amount of cocaine from Latin America enters the EU via the Western Balkans and South East Europe: large shipments have arrived at ports on the Adriatic and Black Sea. The liberalization of trade in the region and the presence of established transnational criminal networks have facilitated this expansion. Equally, criminals from the Western Balkans have established operational bases in Latin America, maximizing their profits by sourcing cocaine directly from producers.”⁶³ At the same, Bulgaria has emerged as an important “transit point for maritime shipments from Latin America, trafficking from West Africa via Turkey and the Balkan routes, and cocaine destined for Italian criminal groups.”⁶⁴

Such flows certainly pose particularly serious dangers to regions where states are already weak or fragile. The Caribbean, West Africa, and the Balkans all fall into this category, and it is no accident that they are all being used for transshipment. While not all illicit flows are equally pernicious, some have highly damaging consequences throughout the commodity chain, from the point of origin, through various transshipment countries, and at the destination. Part of the reason stems from measures taken to facilitate and protect these flows. The notion of global flows suggests a high degree of both autonomy and automaticity and plays down the role of human agency. When it comes to many illicit flows, however, the nature of the organizations and networks involved cannot be ignored; nor can the ways in which these organizations use coercion and corruption to protect their shipments. This tendency is not surprising: the risk calculus regarding illicit goods is unique since

⁶²Europol, *Organized Crime Threat Assessment*, 2011 p. 13.

⁶³Ibid p. 14.

⁶⁴Ibid. p. 14.

there is a constant threat of interdiction of the commodities and the arrest of those moving them. Additional risks stem from competition with rival organizations, a competition that is not subject to rules, laws, and regulations. The result is that at least some illicit flows are accompanied by violence or intimidation at one or more stages in the process of production, transportation, and marketing.

Perhaps even more widespread for shipment protection is the use of corruption, with targets ranging from customs and immigration officers to the highest levels of the political elites, from the military and law enforcement to bureaucrats and politicians. “Jurisdictional arbitrage” ensures that the impact of corruption is intensified. Those moving illicit commodities typically choose transshipment states that offer “ease of transit” and “access” to final target or market.⁶⁵ States with weak institutions, high levels of indigenous corruption, low levels of law enforcement, and no more than nominal adherence to the rule of law, generally meet the ease of transit criterion and, therefore, are particularly attractive to traffickers of all kinds of illicit commodities. Such states are already weak and fragile, and the trafficking process typically exacerbates weakness and intensifies fragility. Indeed, the problem with illicit flows is not simply the flows themselves but the attitudes and activities of those who manage, facilitate, and protect them. In effect, illicit flows are often accompanied by the export of instability. It is in this connection that it is necessary to explore the impact of cocaine flows on West Africa and the Sahel.

The Impact on West Africa

In the last decade or so, West Africa has increasingly been suffering from a location curse that in some respects is similar to that of Central America and Mexico: it lies on a major route between cocaine-producing countries of South America and cocaine-consumption countries in Europe. Part of the problem is that West African countries suffer from several interconnected problems, and when cocaine and cocaine traffickers are added to the mix the region becomes even more volatile. As James Cockayne and I have written, the challenges for West Africa

⁶⁵H. Richard Friman, “Just Passing Through: Transit States and the Dynamics Of Illicit Transshipment,” *Transnational Organized Crime*, vol. 1 No.1, (1995) pp. 65–83.

stem “mainly from the interaction between the region’s growing drug-consumption and drug-trafficking problems on the one side, and pre-existing social, economic, and political vulnerabilities on the other.”⁶⁶

Flows and the concomitant presence of traffickers create particularly adverse consequences when states are already weak and corrupt, when poverty levels and economic and social marginalization are widespread, and when governments are formed by political and military elites less concerned with enhancing the collective good of the people than with exploiting individual and group opportunities for rent-seeking. At the same time, it is important not to see the illicit flows of cocaine as the major problem in a region that has much more fundamental and long-term challenges ranging from widespread poverty to atrocious governance and corrupt political elites. It is indisputable that the flows of cocaine exacerbate the challenges of security, governance, and development; but it is equally important to point out that these flows and the accompanying presence of Latin American drug trafficking networks did not create those challenges.

There are several points to emphasize here. First, the notion that West Africa is simply a passive recipient and victim of the drug business ignores the critical role long played by Nigerian criminal networks in both cocaine and heroin trafficking. Although Nigerian involvement in the drug business can be traced back to the 1950s, Nigerian trafficking networks became particularly prominent after the global collapse of oil prices in the early 1980s. Many Nigerians, including students overseas, responded to the economic shock by becoming involved in drug trafficking, rapidly developing a global reputation for both their ubiquity and their prowess. These characteristics were all the more remarkable because of Nigeria’s location far beyond major drug routes and production centers and the absence in Nigeria (until recently) of a domestic consumer market for cocaine.

Second, most states in West Africa are part of the problem rather than a part—actual or even potential—of the solution. The typical state in West Africa is not something that is above politics, but is the prize of politics: whoever controls the state controls the distribution of

⁶⁶James Cockayne and Phil Williams, *The Invisible Tide: Towards an International Strategy to Deal with Drug Trafficking Through West Africa* (New York: International Peace Institute, October 2009) p. 1.

resources. Such a system has appropriately been characterized as the “predatory” or “vampire” or “mafia” state, which, according to one scholar, reduces the state “to a mafia-like bazaar, where anyone with an official designation can pillage at will. In effect, it is a ‘state’ that has been hijacked by gangsters, crooks, and scoundrels. They have seized and monopolized both political and economic power to advance their own selfish and criminal interests, not to develop their economies. Their over-arching obsession is to amass personal wealth...”⁶⁷

Such assessments, of course, fail to do justice to those who are seriously and systematically trying to provide good governance. Nevertheless, there have been enough leaders in West Africa who fit this description to make it very compelling. Moreover, even when these leaders have been removed or died, the system they established is not easily dismantled. Reform efforts and the restoration of democratic practices and procedures have not changed the dominant attitude towards political power, which still tends to be seen largely in terms of opportunities for rent-seeking rather than in promoting the public good.

In this connection, perhaps the best way of thinking about cocaine flows through the region is that they are in essence a new—and admittedly a more mobile and transient—dimension of the resource curse, in which natural resources are either treated as the property of political elites who use them for their personal enrichment rather than the benefits of the population, or become a source of contention and conflict as rival factions vie for control of both the resources and the associated rents. In other words the fundamental problem is not the successors of Pablo Escobar and the Orejuela brothers, but the successors of Sani Abacha, Gerry Rawlings, and Charles Taylor.

None of this is meant to downplay the additional challenges posed by the transshipment of cocaine through West Africa. One problem that has already emerged is growing consumption in the region. When drugs pass through there is almost invariably some leakage, which results in the development of local markets, local customers, and local addiction. As the UNODC’s World Drug Report 2013 notes, “The availability of cocaine in West Africa and along the land trafficking routes may also have fuelled an increase in cocaine use in

⁶⁷George B.N. Ayittey, *Africa in Chaos* (New York: St Martin’s Griffin, 1999), p. 151.

West and North Africa; over the period 2009-2011, Algeria, Burkina Faso, Côte d'Ivoire and Morocco each reported increases in cocaine use based on expert perceptions, and the latest changes reported by Ghana and Togo (relative to 2008) also indicated rising cocaine use.⁶⁸ Moreover the potential for a cocaine epidemic in the West African sub-region (in spite of widespread poverty) is very real not least because “over 70% of the sub-region’s estimated 300 million people are under the age of 35, have limited education and economic opportunities and might “be vulnerable to involvement in the drug trade and drug use itself. In desperate circumstances, drugs offer a means of escaping the harsh realities of everyday life.”⁶⁹ Indeed, the medical and health aspects of cocaine trafficking and use are probably the most important parts of the challenge.

Yet the health dimension receives far less attention than the trafficking process and the possibility that this will somehow transfer the kind of violence that has characterized the drug business in Colombia, Mexico, and Central America to West Africa. Yet it is important to differentiate the kinds of consequences that have been evident in Latin America from those that are likely to occur in West Africa. Colombia, for example, has a long history of political violence and, in many respects the violence surrounding the cocaine industry from the 1980s onwards was simply a continuation of “La Violencia” between left- and right-wing forces in somewhat different form. Moreover, historically the drug violence has been largely about control over production areas in Colombia and market share in the United States. As for the location curse described above, the more virulent effects are created by highly intense competition over routes and markets. In Mexico, in particular, the violence has largely (although not exclusively) been about the control of strategic cities—Tijuana, Nuevo Laredo, Ciudad Juarez, Reynosa and Matamoros—that act as the major portals to the United States. The cities house cocaine warehouses and offer easy access to the major routes and highways in the United States. In other words, the Mexican drug war has its own unique geography and strategic logic. The same could be argued about Central America,

⁶⁸UNODC, *World Drug Report 2013* (New York: United Nations, 2013) p. 46.

⁶⁹Afia Asare Kyei, “Finding a Fix: The Rise of Drug Trafficking and Usage in West Africa” *ThinkAfricaPress*, February 15, 2013 at <http://thinkafricapress.com/society/falling-fertile-grounds-rise-drug-trafficking-and-role-csos-west-africa>.

much of which suffers from a variety of indigenous problems ranging from social disintegration, poor governance, high levels of corruption, the presence of large youth gangs, close linkages between criminals and political elites, the legacy of civil wars, and the ready availability of firearms. In addition, Central America has become an extended battleground in which spillover violence between Mexican drug trafficking organizations, especially the Zetas Organization and the Sinaloa Federation, plays itself out. This is not really surprising. Central America in effect acts as restrictive funnel for the transshipment of cocaine into Mexico and, as such, has inevitably become another strategic battleground for rival organizations vying for dominance.

West Africa is very different. Although the region has its own experiences with civil war and large-scale violence, it does not follow that the cocaine business will also create high levels of violence. First of all, West Africa is a large and dispersed geographic and economic space and, as such, is unlikely to see a similar kind of funneling process as that which created the high levels of violence in the cities on Mexico's northern border or the countries of Central America. Dispersed and multiple transshipment routes are not the source of intensely violent competition in the same way as highly concentrated transshipment routes. In other words, historical, cultural, and geographic differences render parallels between the drugs and violence history of Latin America and the drugs and violence future of West Africa inappropriate and unwise, to say the least.

It can also be argued that the worst might already have occurred for West Africa in terms of its transshipment status. The cocaine market in Europe seems to have stabilized and even declined somewhat. According to the European Monitoring Center for Drugs and Drug Addiction Report in 2013, "Today's drug market appears to be more fluid and dynamic, and less structured around plant-based substances shipped over long distances to consumer markets in Europe."⁷⁰ And insofar as these long distance routes remain important, "the main trafficking route into Europe appears to be through the Iberian Peninsula (Spain and Portugal), although increased use of container shipments means that the large ports of Belgium, the Netherlands and other

⁷⁰European Monitoring Center for Drugs and Drug Addiction Report 2013 (Lisbon: May 2013) p. 11.

western European countries may have gained in importance. Recent signs of the ongoing diversification of cocaine trafficking routes into Europe include large individual seizures in ports in Bulgaria, Greece, Romania, and Baltic countries.⁷¹ Significantly, West Africa is not considered in the report even as a transshipment point

Nor is the issue only one of demand. There have been changes in trafficking patterns as a result of which the West African cocaine route to Europe also appears to be diminishing in importance. According to a UNODC report in early 2013, “the flow of cocaine through West Africa appears to have declined to about 18 tons, down from a peak of 47 tons in 2007.”⁷² The report also notes, however, that “these 18 tons would be worth \$1.25 billion at wholesale in Europe, providing West African traffickers with substantial income.”⁷³ Moreover, it appears that West African traffickers are also adapting new trafficking methods and modalities that ironically might well further reduce the significance of West Africa as a transshipment region. “Much of the cocaine headed to West Africa today comes from Brazil, where Nigerian crime groups are exporting the drug. Recently, these groups have been moving into containerized consignments and maritime shipping, adopting these methods in addition to their traditional methods of air couriering and postal shipments.”⁷⁴ In many cases, it is likely that these shipments will simply be moved onwards to Europe where prices are much higher and the market is far more lucrative. The corollary is that “Latin American involvement in the region appears to have declined” along with “the average seizure size.”⁷⁵ Some of the concerns about narco-colonization that only a few years ago appeared to be fully justified, therefore, now appear to be somewhat alarmist.

If the worst has passed, however, that does not necessarily mean the outlook is positive. Almost certainly some shipments of cocaine—albeit reduced amounts—will continue to move through the region. Moreover, it is arguable that if the payoffs are less the competition for

⁷¹Ibid.

⁷²UNODC, *Transnational Organized Crime in West Africa: A Threat Assessment* (Vienna: UNODC, February 2013) p. 1.

⁷³Ibid.

⁷⁴Ibid.

⁷⁵Ibid. p. 11.

those payoffs will become increasingly intense. Once political elites have a taste for a share of the cocaine proceeds, they will not want the source to dry up—and it is even conceivable that officials from the region will actively solicit both Latin American and indigenous traffickers offering protection and other inducements. It is also possible that local or micro-markets will be contested—and this is where some of the violence in Colombian cities such as Medellín or Mexico’s Ciudad Juárez might be emulated in the large, bustling cities of West Africa. Even taking all this into account, however, the situation does not appear to be as bad as projected only a few years ago.

None of this is meant to be sanguine; nor is it to depreciate the scale of the challenges faced by West Africa. But it does suggest that some of the hyperbole, moral panic, and finger pointing at the new narco-imperialists need to be toned down. Latin American drug trafficking organizations certainly exploit problems in West Africa, but they did not create these problems. What though of the linkages between terrorists and drug trafficking networks in the Sahel, linkages that are supposedly part of a growing nexus between organized crime and terrorism? Is this as exaggerated as the trafficking threat to West Africa? The next section seeks to answer these questions.

Terrorists and Traffickers

The cocaine trafficking route from West Africa and through the Sahel has raised legitimate and compelling concerns about connections and collusion between Latin American drug traffickers and Islamist militants. Yet the inferences that have been drawn from very limited evidence are overblown.

The movement of cocaine shipments through the Sahel, with AQIM providing protection, has been portrayed as a perfect example of the nexus of cooperative links that are forged between drug trafficking organizations on the one side and terrorist networks on the other. It is worth emphasizing, however, that the term protection is often little more than a polite euphemism for extortion.⁷⁶ Yet few if

⁷⁶This theme is developed more fully in Phil Williams, “Beyond the Nexus: Relationships, Methods, Hybrids, and Transformation,” in Russell Howard and Colleen Traugher (eds.) *The Nexus of Terrorism and Trafficking* (McGraw-Hill: forthcoming).

any observers have asked the key question—do the traffickers accept the protection voluntarily or is it a tax imposed on them by the major terrorist organization operating in the region?

Instead, analysts have rushed to judgment, emphasizing the linkages without exploring the scope or the nature of the relationship. One analyst, for example, claims: “for many years now, terrorists and drugs traffickers have been synergizing their respective illegal activities, transforming the Sahel into a narco-terrorist zone.”⁷⁷ In a similar vein, Christian Liang argues that “West Africa in general and the Sahel in particular have become a dangerous new trafficking hub uniting both terrorists and organized crime cartels across a wide and mostly ungoverned land mass.”⁷⁸

Such claims seem oblivious to the possibility that the relationship has been predatory and the benefits one-sided rather than truly cooperative and mutually beneficial. There is little doubt that AQIM imposes transit taxes on drug shipments as they move through the Sahel, in return for which the traffickers are offered “protection.” In some cases, protection seems to have included armed guards for drug convoys; on other occasions, however, the much-vaunted cooperation was probably no more than a guarantee that the shipments would not be attacked or subjected to interference by other AQIM members.

Even allowing for the predatory relationship, AQIM probably profited from allowing or facilitating cocaine transshipment through the region. And even if the relationship was unilaterally imposed on the traffickers by AQIM, both sets of actors might have realized the mutual benefit and determined it was worth maintaining. What started as a predatory or parasitic relationship could have turned into a symbiosis of mutual gain.

The point is not to deny such a possibility but to recognize the need for critical thinking, for an explicit and structured analysis of alternative competing hypotheses, and to be mindful that we are dealing with entities and relationships that are both highly dynamic and highly vari-

⁷⁷Abdelkader Abderrahmane, *The Sahel: A Crossroads between Criminality and Terrorism* (Paris: IFRI, October 10, 2012).

⁷⁸Christina Schori Liang, *Shadow Networks: The Growing Nexus of Terrorism and Organized Crime* GCSP Policy Paper no. 20 (Geneva: Geneva Center for Security Policy, September 2011).

able from one place to another. These qualities, at least implicitly, are evident in a powerful analysis by Wolfram Lacher, who suggests, “the widespread talk of a drug-terror nexus in the Sahel is misleading.”⁷⁹ Although Lacher acknowledges that some individuals close to or members of extremist jihadi groups have been involved in drug smuggling, he distinguishes this from group involvement as such, noting that “members are driven by multiple and, at times, conflicting motivations.”⁸⁰ He also observes that “numerous other actors are playing an equally or more important role in drug smuggling, including members of the political and business establishment in northern Mali, Niger and the region’s capitals, as well as leaders of supposedly ‘secular’ armed groups.”⁸¹ Moreover, he argues, “the emphasis on links between drug trafficking and terrorism in the Sahel serves to obscure the role of state actors and corruption in allowing organized crime to grow.”⁸² He also suggests that for AQIM and both its affiliates and splinter groups, “the profits derived from kidnap-for-ransom played a much more significant role” than the proceeds from the drug business.⁸³

Such caveats and cautions notwithstanding, there are three broad possibilities for the future. One is that AQIM involvement through predation will be maintained. An alternative is that this involvement will diminish. The third scenario is that AQIM will become more directly involved in the drug business. Suggestions that we are seeing “Afghanistan in the Sahara” fall into this third basket.⁸⁴ The implicit comparison with the Taliban suggests that AQIM will not restrict itself to its role of indirect beneficiary, but is likely to become more directly involved in trafficking—what I have long termed “do-it-yourself organized crime.” In a provocative, if ultimately unpersuasive, analysis, Abdel Hamid al-Ansari notes that “In the past, the relation between al-Qaeda’s Maghreb branch and drug trafficking gangs was restricted to narrow circles, mainly represented” by Mokhtar

⁷⁹Wolfram Lacher, *Challenging the Myth of the Drug-Terror Nexus in the Sabel* (West Africa Commission on Drugs, 2013) p.3.

⁸⁰Ibid.

⁸¹Ibid.

⁸²Ibid.

⁸³Ibid.

⁸⁴Yonah Alexander, *Terrorism in North Africa and the Sabel in 2012: Global Reach and Implications* (Arlington: Inter-University Center for Terrorism Studies, February 2013) p. 9.

Belmokhtar.⁸⁵ Al-Ansari also suggests that the group found it embarrassing “to talk about its relation with trafficking gangs, given that this contradicts with its jihadist project.”⁸⁶ He adds that although the group did not actually deal with the traffickers in a direct way, it was using them as clients and was considering them as partners in the desert and a source of financing.⁸⁷ Al-Ansari’s conclusion, as of May 2013, was that “al-Qaeda may resort to drugs in a professional way.”⁸⁸ In looking critically at this and the other possibilities, it is necessary to examine three dimensions of the situation: incentives, capacity, and opportunities.

In terms of incentives, there are certainly financial pressures for AQIM to become more directly involved in cocaine trafficking than it has so far. The split between AQIM and Mokhtar Belmokhtar in 2012 damaged AQIM, as Belmokhtar was responsible for much of the criminal fund-raising that helped to sustain the organization. Although there are some suggestions that the split occurred when the AQIM leadership became concerned about the reputational harm stemming from the over-zealousness with which Belmokhtar pursued criminal activities at the expense of the cause, the departure of one of the major fund-raisers seems likely to have added to the pressures on AQIM. Moreover, with Belmokhtar establishing his own organization, called Those Who Sign In Blood Brigade, (and subsequently merging with the Movement for Unity and Jihad in West Africa (MUJAO) to form the al-Murabitoon Brigade) he has not only diminished AQIM’s funding stream but also established himself as a direct competitor who might well divert future funding streams away from AQIM.

Ironically, Belmokhtar’s defection increased the incentives for AQIM to become more directly involved in drug trafficking while simultaneously reducing its capacity to do. While Belmokhtar was not the only person with knowledge, expertise, and experience in smuggling, he was certainly one of the most adept at raising money through crime. Indeed, it seems likely that Belmokhtar will continue to fund

⁸⁵Bakari Guèye and Jemal Oumar, “Maghreb Fights Narco-Terrorism” *Magharebia*, May 6, 2013) at http://magharebia.com/en_GB/keywords/topic/terrorism).

⁸⁶Ibid.

⁸⁷Ibid.

⁸⁸Ibid.

his new organization through criminal activities. Yet even he will not find this task easy. The problem confronting both al-Murabitoun Brigade and AQIM is that the other staple of criminal funding, kidnapping, has also become problematic. The stream of kidnapping ransoms seems to have diminished, not least because many of the foreign workers, who provided relatively easy and lucrative targets, have left Mali. Indeed, one of the problems with successful but high profile kidnappings-for-ransom is that they tend to activate the law of diminishing opportunities followed by the law of diminishing returns. Third, with the French intervention, AQIM faces a far more uncertain future than it has for some time. Ironically, a more precarious strategic environment makes the cushion of a strong resource base even more important. Yet the imperatives for increased funding come at the very time that opportunities for funding are significantly more constricted.

There are several reasons for this, including the reduced cocaine flows through West Africa discussed above. Protection of cocaine convoys through the Sahel becomes irrelevant when cocaine is being moved instead in inter-modal containers. Equally important, there is an optimal level of state weakness and corruption that encourages and facilitates transshipment. When the state tips into instability and chaos, however, other routes rapidly become more attractive. During the wars in the Balkans during the 1990s, for example, the Balkan route for heroin from Afghanistan coming through Iran and Turkey fell out of favor as traffickers found both southern and northern alternatives. Both the instability in Mali and the subsequent French presence suggest that traffickers will look for alternatives. None of this is intended to deny that the trafficking-terror nexus could become increasingly important; but it is to suggest that concerns about this nexus in the Sahel are both overblown and overwrought.

Conclusion

This chapter started with the debate between Andreas and Naim about the seriousness of the threats to human, national, and international security from trafficking, smuggling, transnational organized crime, and illicit flows. It concludes with the sense that these threats are real, constantly changing and adapting, but that they also depend a great deal on context. There is a tendency toward hype, particularly

when violence is—even if only potentially—a key part of the equation. Ironically this obscures some of the more covert and obscure challenges. The negative consequences of cocaine flows for West Africa and the Sahel are very real; yet the threat of African drug wars and the emergence of a terrorist-trafficking nexus remain chimeras of worst-case thinking. The real problem is growing consumption. And even this fades in significance when compared with the massive illicit financial flows out of Africa and across the Atlantic basin. These flows are covert and subtle rather than overt and dramatic, but are probably the most significantly damaging of all the illicit flows discussed in this analysis.

Chapter 5

Atlantic Basin Countries and Organized Crime: Paradigms, Policies, Priorities

Wibke Hansen and Judith Vorrath

Nowhere does the application of a pan-Atlantic approach seem to make more sense than when it comes to countering human security threats such as organized crime (OC). Illegal streams, markets and criminal actors connect the European, North and South American and African neighbors of the Atlantic Basin in various ways. And—as in other parts of the world—it is largely uncontested that collective action will be required to contain the problem and its most detrimental impacts on states and citizens.

Over the past two decades, the international debate on threats posed by organized crime has been shaped by two paradigms. The first posits that fragile states, due to weak institutional capacity and ungoverned spaces, are host to transnational security threats such as organized crime and terrorism. The second paradigm considers that the two phenomena increasingly converge to a dangerous crime-terror-nexus. Most recently, developments in West Africa and the Sahel have sparked renewed discussions over the linkages between crime and terror as well as crime and fragility.

When it comes to pan-Atlantic cooperation against organized crime, however, the paradigm of the crime-terror-nexus seems neither entirely suitable nor overly helpful. This is not to say that no such links exist. But the paradigm provides too narrow a lens to capture the diversity of the problem and to create common ground for cooperation. Its focus on one aspect of the threat-spectrum associated with organized crime can actually hamper cooperation where assessments and corresponding priorities are not shared among actors concerned. Most importantly, the focus on terrorist groups eclipses linkages that other actors have with organized crime. We argue that a broader concept focusing on “OC-plus” is needed to grasp the multitude of relations of organized crime with different influential actors and the diverse threats that emerge from such linkages.

Similarly, the relationship between organized crime and state fragility needs to be viewed in a differentiated manner. While weaknesses in state capacity, authority and legitimacy can offer advantages to criminal actors, the spectrum of factors that make countries vulnerable to organized crime, including enablers of cross-Atlantic illicit flows, is much broader. Therefore, it is important to assess vulnerability across the range of fragile and resilient states on both sides of the Atlantic and with regard to different types of crime.

There is no shortage of policy responses and action plans targeting organized crime around the Atlantic Basin. What is required, however, is a joint understanding of the varying threat perceptions, priorities and options for reducing specific vulnerabilities and harmful impact. Existing bilateral, regional or inter-regional initiatives offer useful starting points for broader cooperation and complementary action. But they also offer lessons on shortcomings that need to be addressed in order to enable each state or region to address its specific crime-related challenges and to strengthen overall resilience against organized crime around the Atlantic Basin.

Recently, West Africa has attracted much attention with regard to threats emanating from organized crime. We will use this region as a starting point for illustrating the diversity of OC-activities and cross-Atlantic linkages as well as the variety of relations organized crime has to state and non-state actors. While many organized crime activities around the Atlantic Basin are in fact intra-regional, we will focus largely on cross-Atlantic streams, or on those criminal activities where pan-Atlantic counter-measures are of immediate relevance.

Pan-Atlantic Organized Crime and Fragile States in West Africa

It is impossible to generate a complete picture of organized crime across the Atlantic. The little that we know resists neat categorizations such as a northern Atlantic demand side and a southern Atlantic supply side. The four main regions—North America, Europe, Central and South America and Africa—are all demand, supply and transit areas, each in their specific way and for different goods and services.¹ In this

¹See Nancy Brune's chapter in this volume for an account of the various streams across and along the Atlantic Basin.

complex web of illicit activities, West Africa is one important node that can serve as an example to illustrate the diversity of the problem.

West Africa is linked with other regions bordering the Atlantic Basin by many different streams of illegal or illegally traded goods and services. Not least due to its volume and profits, the smuggling of cocaine from South America to Europe via West Africa is probably the most significant stream. Since about 2005, increasing demand for cocaine in Europe and decreasing demand in the U.S. combined with stronger control of the Caribbean cocaine route to Europe have made West Africa an attractive transit area. In addition to the cocaine that is still directly routed from the Andean region across the Atlantic to Europe, larger amounts travel from Peru, Colombia and Bolivia—often via Venezuela and Brazil—to West Africa along the so called Highway Ten.² Though the number of large seizures has dropped since 2008, smuggling is still substantial with an estimated 18 tons of pure cocaine having transited the region in 2010.³ To a much lesser extent, West Africa also serves as a transit zone for heroin which is mostly routed from Asia to the United States. First transiting through East Africa, heroin is repackaged, for example in Ghana, before being smuggled to Europe or North America in containers, air cargo or by couriers. This stream received public attention when a Ghanaian Member of Parliament was arrested in the United States in 2005 for transport and distribution of heroin.⁴

Cocaine trafficking through West Africa was initially dominated by South American traffickers. Figures such as Jorge Solano Cortés, a former member of the Cali Cartel, played an important role. Using the West Africa route, he was planning to smuggle 500 kg of cocaine by air from South America to Europe via Togo, where he was arrested in

²This refers to the shortest distance from these countries to West Africa around 10 degrees of latitude north, see UNODC, *Cocaine trafficking in Western Africa. Situation Report*, Vienna, October 2007, p. 6.

³UNODC, *Transnational Organized Crime in West Africa: A Threat Assessment*, Vienna, February 2013, p. 17.

⁴See “Ghana MP in US Heroin Arrest,” *BBC News*, November 22, 2005: <http://news.bbc.co.uk/2/hi/africa/4460454.stm>; See also Kwesi Aning, Sampson B. Kwarkye and John Pokoo, “Getting Smart and Scaling Up: The Impact of Organized Crime on Governance in Developing Countries: A Case Study of Ghana,” in: Camino Kavanagh, ed., *Getting Smart and Scaling Up. Responding to the Impact of Organized Crime on Governance in Developing Countries*. New York: Center on International Cooperation, New York University, June 2013, pp. 97-134 (107-108).

2008 along with six other Colombians, one South African, one Ghanaian and two Togolese.⁵ But West African traffickers have become more important, particularly Nigerian groups which are not only active in West-Africa but also in Europe and Latin America. Nigerian groups forming part of the diaspora in Brazil, for example, are not only implicated in small-scale trade, but have moved into exports by ship or container from Santos, Brazil's largest port.⁶ Overall, the set of actors operating in the cocaine trade through West-Africa is a truly transatlantic mix, as U.S. and European nationals have frequently been arrested there as well. The transit is often facilitated by bribery or the active participation of officials, sometimes up to the highest levels. To a certain extent, the larger flows of cocaine from South America to West Africa are also an expression of a generally growing legal trade across the South Atlantic, particularly between Brazil and Africa.⁷

An additional flow of transatlantic relevance has its source in West Africa itself: the illegal exploitation and illicit trade of natural resources. These criminal activities—initially associated with war economies⁸ in countries like Liberia and Sierra Leone—have not stopped with the end of armed conflicts in the region. Whether it is gold, diamonds, timber or rubber, many West African countries are rich in natural resources with relevance for regional or international markets. While goods from poaching or illegal logging activities mostly are destined for Asia, the final destination of products from illegal mining is more difficult to assess. Recent policies in both, the United States and the EU indicate the relevance that is assigned to illegal resource exploitation in Africa. In 2010, the U.S. Congress adopted the Dodd-Frank Act, including section 1502 on conflict minerals. Companies or rather persons using minerals from conflict-affected areas need to account for steps taken to secure that the trade has not contributed to financing armed conflict.⁹ The European

⁵UNODC, *Transnational Organized Crime in West Africa: A Threat Assessment*, Vienna, February 2013, p. 13.

⁶Ibid, p. 12.

⁷Nancy Brune, "The Brazil-Africa Narco Nexus," *Americas Quarterly*, Fall 2011: <http://www.americasquarterly.org/brune>, accessed October 30, 2013.

⁸See amongst others: Karen Ballentine and Heiko Nitzschke, eds., *Profiting from Peace: Managing the Resource Dimensions of Civil War*. Boulder/London: Lynne Rienner Publishers, 2005.

⁹U.S. Securities and Exchange Commission, Dodd-Frank Spotlight Home: Specialized Corporate Disclosure: <http://www.sec.gov/spotlight/dodd-frank/speccorpdisclosure.shtml>, accessed August 11, 2013.

Union adopted new rules in 2013 requiring oil, gas, mining and logging companies to publish any payments exceeding €100,000 for access to natural resources for all countries in which they operate.¹⁰

Organized crime linked to the oil economy in Nigeria has aroused particular interest across the Atlantic—not least due to its implications for maritime security in the Gulf of Guinea. Illegal trade in oil is not a new development in West-Africa. In the Niger Delta area, large amounts of fuel are stolen through “oil bunkering”—the illegal tapping of pipelines. In the past, local groups fighting the central government have exchanged the crude gained by this practice for arms, drugs and cash.¹¹ Allegedly, bunkering has increased since the amnesty for Niger Delta militants in 2009 and seems to be linked to international syndicates including Venezuelans, Chinese and Russians owning ships that load crude oil and deliver it for refining in Ghana, Cameroon or Côte d’Ivoire.¹²

Piracy is yet another way through which oil from the region is illegally diverted. In fact UNODC argues that “much of the piracy that affects West Africa is a product of the disorder that surrounds the regional oil industry.”¹³ Statistics on piracy-attacks in the Gulf of Guinea show that vessels from around the world carrying petroleum cargo are increasingly targeted. In contrast to patterns in piracy-attacks off the Somali coast, cases of kidnapping for ransom are rare while hijacking—in addition to smaller scale robbery—dominated attacks occurring in 2011 and 2012 off the coast of Nigeria, Benin and Togo.¹⁴ Apart from the immediate damage, the rising international insurance rates for destinations affected by piracy and armed robbery hurt companies and the respective countries alike.

¹⁰Publish What You Pay, “European Union Reaches Deal on Historic Oil and Mining Transparency Law,” April 9, 2013: <http://www.publishwhatyoupay.org/resources/european-union-reaches-deal-historic-oil-and-mining-transparency-law>, accessed October 10, 2013.

¹¹Moses U. Ikoh, “Organised Crime in the Gulf of Guinea with a Focus on Nigeria,” in: Alemika, Etannibi E.O., ed., *The Impact of Organised Crime on Governance in West Africa*, Friedrich-Ebert-Stiftung, Abuja, August 2013, pp. 35-53 (44).

¹²Mark McNamee, “No End in Sight: Violence in the Niger Delta and Gulf of Guinea,” *Terrorism Monitor*, Vol. XI, Issue 5, 8 March 2013, pp. 8-11; Ikoh, op. cit., pp. 35-53.

¹³UNODC, *Transnational Organized Crime in West Africa: A Threat Assessment*, Vienna, February 2013, p. 45

¹⁴*Ibid.*, p. 50.

The two sides of the Atlantic are also connected through cyber-crime. Particularly Nigeria is often associated with internet-related advance fee fraud (also called “419 scams” with reference to the respective paragraph in the Nigerian Criminal Code), but Ghana has been another important source identified by the FBI and has even been blacklisted.¹⁵ The larger part of these cyberfraud schemes seems to be directed at North American and EU citizens.

West Africa also serves as a destination for specific illicit streams and goods, the arms trade being one example. But while quite a few arms in the region may originally come from other areas bordering the Atlantic basin, most are available from within the region today. Those imported are usually bought through legal commercial channels and only later acquired by criminal groups, for example from corrupt officials.¹⁶

Other forms of organized crime in West Africa primarily have transnational and trans-regional dimensions on one side of the Atlantic. The smuggling of migrants and human trafficking, for example, rarely takes place across the Atlantic, but mostly within the region or in the direction of Europe. There are many different routes for the overland journey, among which the passage by sea across the Mediterranean to Lampedusa/Italy gained particular notoriety in 2013. Though these streams do not cross the Atlantic, the issue as such is a common concern: the problem of migrant smuggling for example, is mirrored on the other side of the Atlantic, where human smuggling still flourishes at the U.S.-Mexican border.

In the transatlantic context, however, organized crime in West Africa has certainly received most attention due to its perceived links to Islamist terrorism.

Paradigms and Priorities: The Crime-Terror Nexus Revisited

Security policy documents on either side of the North Atlantic emphasize the threats posed by terrorism, organized crime and possible alliances between the two. The 2003 European Security Strategy,

¹⁵Aning, et. al, *op. cit.*, pp. 97-134 (115).

¹⁶UNODC, *Transnational Organized Crime in West Africa: A Threat Assessment*, Vienna, February 2013, p. 33.

its 2008 implementation report as well as the 2010 U.S. National Security Strategy assume clear links between terrorism and organized crime.¹⁷ According to the latter, the “crime-terror nexus is a serious concern as terrorists use criminal networks for logistical support and funding.”¹⁸ Developments in West Africa, in particular the rise of Islamist groups, which took center stage during the 2012 Malian crisis, seemed to be in line with such threat assessments. In particular the role of al-Qaeda in the Islamic Maghreb (AQIM) and of the “Movement for Oneness and Jihad in West Africa (MUJAO),” in combination with traces of drug trafficking through northern Mali, led many observers to assume a crime-terror nexus in West Africa.¹⁹

Conceptually, the crime-terror-nexus can be defined as a link between different entities (terrorist and criminal groups) or between different activities (terrorism and criminal profit-seeking).²⁰ Experts have questioned whether long-term strategic alliances between these entities are in fact likely, pointing to the distinctly different motives of terrorist and criminal groups.²¹ By no means is such collaboration a natural given, as examples where the two are in fact opponents, illustrate: al-Shabab in Somalia has at times opposed piracy which it saw as incompatible with religious values.²²

¹⁷The EUSS has not yet been revised, but a 2008 Implementation Report subsumes terrorism and organized crime in one section. See European Council, *Report on the Implementation of the European Security Strategy- Providing Security in a Changing World*, Brussels, December 11, 2008, S407/08, p. 4, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressdata/EN/reports/104630.pdf [3/11/2013].

¹⁸The White House, *National Security Strategy*, Washington D.C., May 2010, p. 49, http://www.whitehouse.gov/sites/default/files/rss_viewer/national_security_strategy.pdf [3/11/2013].

¹⁹See e.g.: Charlie Edwards, “The Crime Terror Nexus in West Africa,” *RUSI Analysis*, 15 May 2013: <http://www.rusi.org/analysis/commentary/ref:C5193598A7994E/#.UnaNLBA2RPM> [3/11/2013]

²⁰For a conceptual disaggregation of the crime-terror-nexus see for example Tamara Makarenko, “The Crime-Terror Continuum: Tracing the Interplay between Transnational Organised Crime and Terrorism,” in: *Global Crime* 6 (2004) 1, p.129-145; European Parliament, Directorate-General for Internal Policies, *Europe’s Crime-Terror Nexus: Links between Terrorist and Organized Crime Groups in the European Union*, Study, 2012.

²¹See for example Chris Dishman, “Terrorism, Crime and Transformation,” in *Studies in Conflict & Terrorism*, 24 (2001), p. 43-58; Louise I. Shelley and John T. Picarelli, “Methods not Motives: Implications of the Convergence of International Organized Crime and Terrorism,” in *Police Practice and Research*, 3 (2002) 4, p. 305-318.

²²See e.g. Currun Singh, “Al Shabab Fights the Pirates,” *The International New York Times*, October 23, 2013.

The financing of terrorist activities through ill-gotten proceeds is arguably the most common form the crime-terror nexus takes. However, this need not involve cooperation between two separate organizational entities. Engagement in the drug trade by the Columbian FARC, the Afghan Taliban or the Peruvian Shining Path are frequently cited examples for self-involvement of terrorist groups in organized crime. “Taxing” illegal streams is yet another way in which terrorist groups profit from organized crime when they are in control of territory along trafficking routes. This seems to have been a large part of the scenario in Mali where AQIM imposed transit fees for drug trafficking. However, for them the kidnapping of Westerners was probably the more important revenue source: ransom payments of Canadian and European governments might have totaled between \$40-\$65 million between 2008 and 2012.²³

The bolstering of terrorist groups through proceeds from criminal activities is certainly a rightful concern in some areas around the Atlantic Basin. However, a number of problems are associated with using the crime-terror-nexus paradigm as the primary lens for assessing organized crime threats in the Atlantic Basin area.

First, it provides a fairly narrow view on one aspect of the threat spectrum. Corresponding priorities or counter-measures might thus not be shared by allies in combating organized crime as several examples from the Atlantic Basin area illustrate. In a study for the West Africa Commission on Drugs, Aning and Pokoo for example note that: “[T]he deepening links between drug trafficking and extremism, especially in the Sahel region, have resulted in the placement of foreign national security interests at the center of many responses. The latter trends tend to leave limited room (and funds) for developing multi-dimensional citizen-centered approaches to drug trafficking and related challenges...”²⁴ Similar concerns have been echoed in the tri-border area of Brazil, Argentina and Paraguay, where the U.S. approach to combating the crime-terror nexus was seen as an unnecessary mixing of concepts that diverted attention from more tangible

²³Wolfram Lacher, *Challenging the Myth of the Drug-Terror Nexus in the Sahel*, West Africa Commission on Drugs Background Paper No. 4, Kofi Annan Foundation, 2013, p. 7.

²⁴Kwesi Aning, John Pokoo, *Drug Trafficking And Threats to National and Regional Security in West Africa*, West Africa Commission on Drugs Background Paper No. 1, 2013, p. 12.

problems such as money laundering, trafficking in drugs, weapons and human trafficking.²⁵ Cooperation with the United States also stumbled over differences on the labeling of specific actors—such as FARC or Hezbollah—as terrorist groups.²⁶

Second, and more critically so, the paradigm of the crime-terror-nexus has also provided too narrow of a focus to grasp the multitude of actors involved in organized crime. The financing of a political agenda through proceeds from organized crime, for example, has long been used by other politically motivated violent actors. Rebels and guerillas have funded their armed struggles by profits linked to organized crime, particularly after the end of the Cold War dried out much of the state-sponsored support. Moreover, linkages are not limited to non-state actors: organized crime has also frequently been used by the politically relevant elite, or even by governments, to realize political or economic aspirations. In fact in some cases the state and organized crime become practically synonymous.

West Africa's past provides ample examples for such constellations. During Sierra Leone's civil war, in the 1990s, the Revolutionary United Front (RUF) gained much of its capital from the illegal diamond trade. These dealings were enabled by Charles Taylor, then President of Liberia, formerly a rebel leader himself, who was involved in large-scale smuggling of weapons and natural resources. Patterns of a strong link between crime and politics can also be found in more recent developments, for example in the Sahel. Lacher argues that: "Talk of an alleged drug-terrorism nexus diverts attention from the much more profound problems that allowed drug trafficking to thrive in the region: the deep involvement of state agents and members of local elites in organized crime, including narcotics smuggling."²⁷

While important parts of organized crime in fragile and conflict-affected states might be transnational and driven by outside forces, a broad range of internal actors engages in organized crime for different purposes: to gain political capital, to maintain loyalties and patronage

²⁵Andrea Machain, Gavin Greenwood, Richard Reeve, "South America's Regional Centre for Illegal Activities," *Janes Intelligence Review*, November 2006, p. 9.

²⁶Ibid.

²⁷Wolfram Lacher, *Challenging the Myth of the Drug-Terror Nexus in the Sahel*, West Africa Commission on Drugs Background Paper No. 4, 2013, p. 9

networks, or simply for subsistence or social mobility due to lack of other economic options. The aforementioned study published by the West Africa Commission on Drugs notes: “Recent seizures and arrests in several West African countries have shed light on how the work of trafficking networks is facilitated by a range of actors, including businessmen, politicians, members of the security forces and the judiciary, clergymen, traditional leaders and youth.”²⁸ Examples from other regions around the Atlantic Basin further illustrate the range of linkages. Organized crime—largely the trade in cocaine—has been a central obstacle in efforts to stabilize Haiti. Linkages to non-state armed actors such as gangs but also to Haiti’s political elite both seem to be central enablers for this illicit trade.²⁹ In Venezuela, links between security forces and the drug trade have been uncovered and prompted sanctions by The Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury.³⁰

We suggest the term “OC-plus” for a conceptualization of linkages that recognizes the diversity of actors—state or non-state—engaged in organized crime. In assessing the threat posed by organized crime, critical questions emerge, such as which actors are engaged, what are their motives and what relation do they have to the state. For the various Atlantic Basin states there will be different answers to these questions. The relevance of different constellations will also say much about the vulnerabilities of the respective states to organized crime—and will be a critical determinant for adequate policy responses.

²⁸Kwesi Aning and John Pokoo, *Drug Trafficking And Threats to National and Regional Security in West Africa*, West Africa Commission on Drugs Background Paper No. 1, 2013, p. 5

²⁹Analysis of linkages between fragility, organized crime and local actors can be found in Michael Dzedzic and Robert M. Perito, *Haiti, Confronting the Gangs of Port-au-Prince*, Washington D.C.: United States Institute of Peace, September 2008, (USIP Special Report 208); Amélie Gauthier, Madalena Moita, *Vulnerability and Causes of Fragility in Haiti*, Madrid: FRIDE, March 2010 (FRIDE Project Report).

³⁰See Simon Romero, “Chavez Heir Faces Challenges in Ties with Armed Forces,” *The New York Times*, March 10, 2013, http://www.nytimes.com/2013/03/11/world/americas/chavez-heir-faces-challenge-in-relations-with-the-military.html?_r=0, accessed December 1, 2013; as well as William Neumann, “Appointments Unsettle State of Venezuelan Politics,” *The New York Times*, January 7, 2012: <http://www.nytimes.com/2012/01/08/world/americas/state-of-politics-in-venezuela-unsettled-by-chavez-appointments.html>, accessed December 1, 2013; on the case of Venezuela see also Mikael Wigell and Mauricio Romero, *Transatlantic Drug Trade. Europe, Latin America and the Need to Strengthen Anti-Narcotics Cooperation*, Finnish Institute for International Affairs: FIIA Briefing Paper 132, June 2013, p. 5.

Beyond Fragility: Vulnerabilities around the Atlantic Basin

Vulnerability has often been assessed in terms of state fragility or resilience.³¹ In the context of a pan-Atlantic view on organized crime threats, West Africa's fragile states would inevitably come into focus as "the weakest link." And indeed, certain aspects of low state capacity and legitimacy obviously increase the vulnerability to organized crime. However, this link is more complex than often assumed. First, fragility has many facets and occurs in different forms, and not all of them are equally conducive for organized crime. Second, many factors beyond state fragility have an influence on the vulnerability of a country or region.

Various typologies have been developed to explain the complexity and diversity of the phenomenon "state fragility." The Commission on Weak States and U.S. National Security, for example, differentiates between three capability gaps, depending on the functional area in which state weakness occurs: a security gap, a capacity gap and a legitimacy gap.³² Charles T. Call has noted not only that these gaps each require different types of stabilization strategies, but also that a state's territory can be affected to different degrees. Frequently, deficits in the provision of security or basic public services are more severely felt outside of capitals and the immediate surrounding areas.³³ The concept of "ungoverned spaces" also pays tribute to the fact that gaps in state presence and state capacity do not necessarily affect a state's whole territory. The countries of West Africa clearly display many different types of fragility that are not comparable as more or less fragile, but simply have other characteristics. While Mali and Togo, for example, have a similar total score in the 2013 Failed States Index³⁴ their

³¹The OECD defines resilience as "the ability to cope with changes in capacity, effectiveness or legitimacy. These changes can be driven by shocks—sudden changes—or through long-term erosions (or increases) in capacity, effectiveness or legitimacy"; see, Organization for Economic Co-operation and Development, *Concepts and Dilemmas of State Building in Fragile Situations: From Fragility to Resilience*, OECD/DAC Discussion Paper 2008, p. 17.

³²Commission on Weak States and U.S. National Security, *On the Brink: Weak States and US National Security*, Washington, D.C. 2004.

³³Charles T. Call, "Beyond the 'Failed State': Toward Conceptual Alternatives," *European Journal of International Relations* 17 (2010) 2, pp. 303-326 (311).

³⁴They are also ranked close together with Mali, ranked 38th, and Togo ranked 42nd, see *Failed States Index 2013*, <http://ffp.statesindex.org/rankings-2013-sortable>, accessed December 19, 2013.

scores on indicators such as group grievance, state legitimacy or the rise of factionalized elites differ significantly. As fragility differs from case to case, the relationship or causal linkages between fragility and certain transnational security threats are also bound to vary.

Moreover, even states with similar degrees or types of fragility—or resilience—may still face very different risks and challenges with regard to organized crime. In other words, many different factors beyond the scope of state structures and capacity define the vulnerability of any given state—some of them are a natural given, others relate to broader socio-demographic factors or economic trends.

In order to constitute a favorable environment for various types of smuggling, for example, a state must either provide a relevant commodity or good, provide a market or access to markets, must facilitate transport and provide opportunities for conducting illegal operations with impunity. In that sense, certain features of state fragility are conducive to organized crime. Criminal groups will not only benefit from the existence of ungoverned territories, porous borders, low enforcement capacity, high levels of corruption or a weak judiciary but also from situations where a population—due to a lack of state provision of basic services—has grown accustomed to seeking certain types of services from non-state actors and to tolerating or even participating in their illicit economic activities. However, other factors that provide such conducive environment or enable organized crime have little to do with fragility.³⁵ These include the geography of a country, its natural resource base, the availability of critical infrastructure such as ports and airports, consumption patterns or even trade patterns—as organized crime is frequently linked with the legal economy.

So while organized crime relies on a certain weakness of the state, this might be a subordinate factor in the overall picture at times. In fact organized crime (quite similar to terrorism) usually tends to be attracted not by the most fragile situations, but by weak yet functioning states. As the prime interest of criminals is making profits, they might “accept the higher risks of operating in states with greater

³⁵Examples for factors defining vulnerabilities can be found in Ivan Briscoe, *What Makes Countries Vulnerable to Transnational Organized Crime?* Oslo: Norwegian Peacebuilding Resource Centre, September 2011, (NOREF Report); UNODC, *Transnational Organized Crime in Eastern Africa. A Threat Assessment*, Vienna, 2013.

capacity in return for greater rewards.”³⁶ In West Africa, economically more solid countries with larger urban centers and a certain financial infrastructure, like Ghana or Nigeria, often serve as favored places for the investment of OC profits compared to more fragile states.³⁷ The drug trade in Mexico and the various mafia activities in Italy as well as their linkages with politics over time demonstrate not only that OECD countries can be hit hard by organized crime, but that such a context might lead to the emergence of stronger organizations as the environment requires a more sophisticated set-up.

Overall, vulnerability differs significantly not only between the two categories of fragile and resilient states but also within each category. This diversity of factors that make countries vulnerable to organized crime is also reflected around the Atlantic basin. The largest enabler of organized crime remains demand. Recent changes in the cocaine route, particularly the inclusion of West Africa as a transit region, show that the growing European demand is not only a vulnerability for Europe but also for West Africa as a new hub for drug smuggling.

Illegal streams frequently tie in with legitimate trade. The container revolution has provided new opportunities, and cocaine smuggling to Europe takes advantage of them. The small percentage of containers being checked allows for the smuggling of larger quantities.³⁸ Similarly, zones of economic integration or free trade zones can provide opportunities for illicit flows and in that sense enhance participating countries’ vulnerability to organized crime.³⁹ Policymakers in the European Union, ECOWAS and MERCOSUR, among others, are confronted with the challenge of “how to balance security issues with facilitating trade or, in other words, how to merge efficiency and transparency.”⁴⁰

³⁶Stewart Patrick, “‘Failed’ States and Global Security: Empirical Questions and Policy Dilemmas,” *International Studies Review*, Vol. 9, 2007, pp. 644-662 (655).

³⁷Mark Shaw and Tuesday Reitano, *The Evolution of Organised Crime in Africa: Towards a New Response*, ISS Paper 244, Institute for Security Studies, April 2013, p. 14.

³⁸Mikael Wigell, Mauricio Romero, *Transatlantic Drug Trade. Europe, Latin America and the Need to Strengthen Anti-Narcotics Cooperation*, Finnish Institute for International Affairs: FIIA Briefing Paper 132, June 2013.

³⁹See FATF, *Money Laundering Vulnerabilities of Free Trade Zones*, FATF Report, March 2010; BASCAP, *The role and responsibilities of FTZs*; World Economic Forum Global Agenda Council on Organized Crime, *Organised Crime Enablers*, July 2012.

⁴⁰World Economic Forum Global Agenda Council on Organized Crime, *Organised Crime Enablers*, July 2012. p. 21.

A comprehensive but differentiated view of enablers of organized crime around the Atlantic Basin needs to take these various factors into account. Assessments should start with defining the vulnerability of states to organized crime along different factors and different types of crime. Such an approach would not only provide the basis for adequate policy responses but could also enhance pan-Atlantic cooperation. It can provide a common basis for identifying priorities but also help differentiate the most appropriate programs and instruments for specific kinds of (OC) vulnerability.

Responding to Organized Crime: Impact & Initiatives

Just as vulnerabilities vary from case to case, so does the impact that organized crime has on states and their citizens. The focus on the crime-terror nexus has drawn attention to situations where profits from organized crime resource armed groups with a specific ideology or political goal. In places such as Peru, Nigeria and Mali, such actors have challenged security, although the problem is of course not limited to the South Atlantic.⁴¹ The impact of organized crime clearly reaches a different scale where OC-groups link up with armed actors and challenge the state's monopoly on the use of force and endanger citizens' security.

For parts of the Americas, however, other forms of crime-related violence are currently the larger concern. In Mexico as well as various countries in Central America, South America and the Caribbean, large scale urban violence and high homicide rates accompany organized criminal activities, most notably the drug trade.⁴² Though OC-actors usually prefer more subtle ways of securing their profits, violence is used to intimidate opponents or as part of crimes such as racketeering. It also occurs where criminal networks compete for turf. "Overwhelming criminal violence" argues the Organization of American States (OAS), is the aspect of the drug problem that causes the greatest harm

⁴¹European Parliament, Directorate-General for Internal Policies, *Europe's Crime-Terror Nexus: Links between Terrorist and Organized Crime Groups in the European Union*, Study, 2012.

⁴²For in-depth studies on the relationship between organized crime, the drug trade and violence see UNODC, *Transnational Organized Crime in Central America and the Caribbean. A Threat Assessment*, September 2012; General Secretariat of the Organization of American States (OAS), *The Drug Problem in the Americas*, OEA/Ser.D/XXV.4, 2013.

to citizens and state institutions in the hemisphere.⁴³ The OAS also notes that “Transit is the ‘Drug Problem’ that causes most crime and violence and poses the greatest public security problems and challenges for the countries in which it occurs.”⁴⁴ UNODC attributes up to 25% of homicides in the Americas to organized crime and criminal gangs.⁴⁵

In addition to the immediate impact on citizen’s safety and security, high levels of organized criminal violence have also held back economic development in a number of Latin American countries as the World Development Report 2011 has highlighted. To mention but two examples: in 2005 violence cost the state of Guatemala more than 7% of its GDP.⁴⁶ According to World Bank estimates, a 10% reduction in El Salvador’s homicide rate could generate 1% growth of its per capita annual income.⁴⁷

The concept of “OC plus”—looking at the range of actors involved with organized crime in different situations—highlights yet other forms of impact. Beyond the threats referred to in different national or multilateral security strategies, the corruption, infiltration or capture of state institutions—or in other words, the crime-politics nexus—is a serious concern on both sides of the Atlantic, although here, too, impact differs. While the EUROPOL Organized Crime Threat Assessment 2010 notes that “Politically, few OC groups pose a direct threat to the MS [Member States],” this would look different in other regions around the Atlantic Basin, notably West Africa, where erosion of state institutions through corruption or indeed state capture are among the primary threats associated with organized crime.

In some places, the OC-state link might be well established over longer periods of time and include a complex network of actors with multiple and quickly changing roles. In others, the link may be more limited and selective, for example by single officials taking bribes or

⁴³General Secretariat of the Organization of American States (OAS), *The Drug Problem in the Americas*, OEA/Ser.D/XXV.4, 2013, p. 75.

⁴⁴Ibid p. 75.

⁴⁵UNODC, *Global Study on Homicide 2011*, p. 49.

⁴⁶The World Bank, *World Development Report 2011*. Overview, p. 5.

⁴⁷World Bank, *Crime, Violence and Economic Development in Brazil: Elements for Effective Public Policy*. Report No. 36525, 2006, Washington D.C.; on the cost of violence see also World Bank, *Crime and Violence in Central America. A Development Challenge*, 2011, p. 4f.

politicians accepting donations to their parties provided by middlemen of criminal networks. In the former context, organized crime can basically sustain or fuel systems of governance that are dysfunctional from a normative point of view. While the result can be an increase in corruption and bad governance, it might not cause any serious frictions in the structures as they are. In fact, this might explain why organized crime in West Africa has so far led to relatively little violence. On the other hand, a strong link between organized crime and the state can become a “game changer” in how governance and politics more generally function. In both cases, the relationship of the state and its citizens will (further) erode. In fact, some experts go as far as to argue that: “[T]he threat posed by domestic and transnational organized crime is to be found first and foremost in its ability to capture and co-opt state, security and judicial institutions. It is on this basis that criminal networks are able to bring about a systemic deterioration in a country’s resilience to conflict, violence and assorted criminal activities.”⁴⁸

But citizens are also affected more directly by organized crime. They are linked to it as users of drugs or counterfeit pharmaceuticals that are harmful. Their health may also be affected by the illicit dumping of toxic or hazardous waste—such as in Cote d’Ivoire—and by environmental damage caused for example by the illicit exploitation of resources or the “bunkering” of oil.⁴⁹ Yet, organized crime may also provide jobs and services to individuals who otherwise have little access to them or who have difficulties in integrating into the formal system. While this is certainly not a sustainable set-up, this impact on people’s livelihood needs to be taken into account in developing policy responses and counter-measures.

Last but not least, organized crime can mean a loss of market share for legal economic processes, though the latter also frequently benefit from the investment of crime-related profits. In specific contexts, the differentiation of legal and illegal economic activities might be fundamentally blurred due to weak regulation or intransparent decision-making. Mostly, however, organized crime imposes costs on the state

⁴⁸Ivan Briscoe, *What Makes Countries Vulnerable to Transnational Organized Crime?*, NOREF, September 28, 2011, p. 9.

⁴⁹Of course, legal exploitation can result in environmental damage as well.

through the loss in taxes and other revenues, even though the monopoly in taxation might not be well established in certain places and large parts of the population work in the informal sector in the first place.

The specific vulnerability to organized crime as well its diverging impact naturally lead to different responses and priorities in combating organized crime. Declarations and policies mirror the different priorities and views of Atlantic Basin regions—depending among other things on their function as bases for production or source countries, transit zones or destination countries. With regard to the drug trade, for example, Europe and North America have an interest to impede the streams before they reach their own territory. Even though other approaches than the U.S. “war on drugs”, with its strong focus on repressive and enforcement measures, have come to the fore and the EU Drugs Strategy⁵⁰ has provided a more comprehensive framework, the view on drug trafficking through West Africa is still dominated by national security concerns. In the region itself, however, it is challenges to governance and development caused by the illicit trafficking of drugs that have become increasingly prominent in the debate. ECOWAS’ 2008 Praia Declaration already stressed the undermining of “the rule of law, democratic institutions and transparent governance,”⁵¹ while the West Africa Commission on Drugs, launched in January 2013, not only refers to governance and national security challenges, but also puts a particular emphasis on the consequences of increasing drug consumption in the region.⁵² In Latin America, the intense violence associated with drug trafficking but also high levels of corruption in the state apparatus have led to a rethinking of policies which assign the central role in combating organized crime to the criminal justice system. More recently, the debate has shifted—including in the United States—to focus more on social and health issues related to drug use, preventive measures and even legal regula-

⁵⁰European Council, EU Drugs Strategy (2013-20), Official Journal of the European Union C 402/01, 29.12.2012.

⁵¹Economic Community of West African States (ECOWAS), Political Declaration on the Prevention Of Drug Abuse, Illicit Drug Trafficking and Organized Crimes in West Africa, see: <http://www.unodc.org/westandcentralafrica/en/ecowaspoliticaldeclaration.html>, accessed November 8, 2013.

⁵²Commission on the Impact of Drug Trafficking on Governance, Security and Development in West Africa (WACD), Inaugural Meeting: Summary of Proceedings, Kofi Annan Foundation, Accra, Ghana, January 31, 2013.

tion of specific drugs, as outlined in the 2013 report by the Organization of American States.⁵³

Despite such different approaches, a whole set of bi- and multilateral cooperation programs has been undertaken around the Atlantic Basin. Most cooperation schemes are conducted by multilateral organizations like UNODC, other UN organizations or the World Bank, but there are also examples of EU- and U.S.-led initiatives across the Atlantic. The EU Cocaine Route Program under the Instrument for Stability that started in 2009 aims to build capacity for the cooperation of law enforcement and judicial services among the 36 partner countries in Africa and Latin America (including the Caribbean).⁵⁴ It includes several components like the Airport Control Project founded by the European Commission and Canada, which tries to improve border and customs controls at different airports along trafficking routes in West Africa as well as in Brazil and has been implemented by UNODC, INTERPOL and WCO since 2010.⁵⁵ The West Africa Cooperative Security Initiative (WACSI) is part of a whole-of-government effort by different U.S. agencies—mostly for building or strengthening institutions in partner countries addressing organized crime, particularly drug trafficking.⁵⁶ Overall, these bi- and multilateral programs tend to have a focus on different aspects of law enforcement, often related to drug trafficking, which—given the weakness of many West African countries in this sphere—clearly is an important contribution. However, this focus also leaves some important gaps that could be a starting point for broader pan-Atlantic cooperation.

First of all, the diversity of views and priorities with regard to organized crime has not yet been addressed sufficiently. Efforts in the field of information sharing and exchange may have led to a more bal-

⁵³General Secretariat of the Organization of American States (OAS), *The Drug Problem in the Americas*, OEA/Ser.D/XXV.4, 2013.

⁵⁴EU Commission, “The EU steps up its response to fight money laundering and drug trafficking in West Africa,” Press Release, Brussels, IP/13/230, 18 March 18, 2013; see also Cocaine Route Programme Website, http://corms.esteri.it/?id=6&log_user=0, accessed November 8, 2013.

⁵⁵Camino Kavanagh/Summer Walker, *International and Regional Responses to Drug Trafficking in West Africa: A Preliminary Overview*, West Africa Commission on Drugs Background Paper No. 6, September 2013, p. 48.

⁵⁶U.S. Department of State, The West Africa Cooperative Security Initiative (WACSI), Fact Sheet, 3 July 2012, <http://www.state.gov/j/inl/rls/fs/194687.htm>, accessed November 8, 2013.

anced knowledge base for some types of crimes and illicit streams. But below a relatively concerted rhetoric in official documents, the real priorities of countries and regions remain quite different. Thus, a common debate and assessment of vulnerabilities along the Atlantic basin might already be of added value.

When it comes to specific measures in countering organized crime, all-inclusive formats are not necessarily the most feasible or effective, though the need for transnational action is obvious. Such debates could, secondly, also help identify which specific linkages between Atlantic Basin states need strengthening—be they bilateral, regional or multilateral. Previous initiatives have shown the value of increased information flow and transnational cooperation along specific routes and streams. But the need for closer cooperation is not restricted to countries affected by the same streams. Cooperation should also be extended where similar challenges offer opportunities to learn from each other's experience. For example, lessons learned from Central America with regard to particular difficulties of fragile states serving as transit zones for drugs could be very beneficial to some West African countries.⁵⁷ Increasing cooperation in countering organized crime should also accompany processes where trade relations are intensified.

Finally, there is an emerging consensus at the international level that “more of the same” cannot be the answer to today's transnational organized crime. Surely, law enforcement is a core part of the response, but a wider focus of programs is essential. The 2013 evaluation of the EU Cocaine Route Program has confirmed the necessity to include questions of governance and development and needs to be broadened to include actors such as the African Union. For the WACSI, addressing “socio-economic causes and consequences of transnational organized crime” is one of its five pillars. As of 2013, activities, such as the support of drug dependence treatment programs in six countries have been introduced.⁵⁸

⁵⁷For concrete examples where such transfer of lessons could be useful see David O'Reagan, *Cocaine and Instability in Africa: Lessons from Latin America and the Caribbean*, Africa Security Brief No. 5, July 2010.

⁵⁸Camino Kavanagh and Summer Walker, *International and Regional Responses to Drug Trafficking in West Africa: A Preliminary Overview*, West Africa Commission on Drugs Background Paper No. 6, September 2013, p. 36.

Yet, a broader set of cooperation schemes is not just a matter of funding and implementation. It will require, as a basis, an understanding of the diversity of the challenge and of diverging priorities among Atlantic basin countries. Regional organizations such as ECOWAS, the AU the EU, the OSCE and the OAS all have developed policies and programs with regard to combating organized crime or specific activities and streams such as the drug trade. A dialogue on impact and priorities in combating organized crime between those organizations could offer a useful starting point for a deeper, pan-Atlantic understanding of the various challenges at hand and for identifying the need for joint action.

Chapter 6

Designing Pan-Atlantic and International Anti-Crime Cooperation

Vanda Felbab-Brown

Large-scale illicit economies and intense organized crime have received intense attention from governments and international organizations since the end of the Cold War. The end of the Cold War brought a permissive strategic environment that allowed many states to focus on a broader menu of interests in their foreign policy agendas, such as the fight against drug trafficking and production. The post-Cold War reduction of international aid to countries formerly in the midst of the Cold War competition between the United States and the Soviet Union exposed the great fragility and institutional underdevelopment of many of these states, a deficiency perhaps exacerbated by globalization. At the same time, the international community spotlighted criminal and belligerent actors of significant power, who were previously hidden in the shadows of Cold War politics, especially when their activities were associated with the emergence of new areas of intensely violent organized crime or trafficking-related corruption.

The focus on organized crime, illicit economies, and the multiple threats they pose to states and societies intensified after September 11, 2001, when it became obvious that belligerent groups, as the Taliban in Afghanistan and Pakistan, derive multiple benefits from participating in illicit economies, such as the drug trade, including extensive financial profits. In addition to expanding the resources of terrorist and belligerent groups, the persistence and growth of illegal economies also have been complicating post-conflict stabilization and reconstruction efforts in countries that have emerged from civil wars—be they Cambodia or Haiti.¹

¹For a comprehensive exploration of the role of illicit economies and organized crime in conflict mitigation and post-conflict reconstruction, see James Cockayne and Adam Lupel, eds., *Peace Operations and Organized Crime: Enemies or Allies* (New York: Routledge: 2011).

Increasingly, the United Nations Security Council has highlighted organized crime, such as drug trafficking, as an issue requiring the coordinated focus of various United Nations bodies and of the Secretary General.² The escalation of violence in Central America, where weak states have been overwhelmed by the intensity of organized crime; the emergence of drug smuggling in West Africa, which contributes to the region's cauldron of other illegal economies and poor governance; and the deep penetration of illegal economies into the political and economic life of Afghanistan and Pakistan have captured policy attention.

Yet many external policy interventions to combat organized crime and illicit economies often have not been very effective. Paradoxically, at times they have turned out to be counterproductive with respect to other objectives, such as mitigating violent conflict, fostering good governance, and promoting human rights. And even with respect to their principal direct objectives, such as weakening criminal groups and their linkages to terrorist organizations, the external interventions have at times been counterproductive.

This is because although illicit economies pose multiple threats to states, their effects on societies are often highly complex. Indeed, large populations around the world in areas with inadequate or problematic state presence, great poverty, and social and political marginalization continue to be dependent on illicit economies, including the drug trade, for economic survival and the satisfaction of other socio-economic needs. For many, participation in informal economies, if not outright illegal ones, is the only way to satisfy their basic human-security needs and provide any chance of their social advancement, even as they continue to exist in a trap of insecurity, criminality, and marginalization.

In terms of designing an effective policy response and appropriate external assistance, it is important to stop thinking about crime solely as aberrant social activity to be suppressed, but instead to think of crime as competition in state-making. In areas of state weakness and underprovision of public goods, the effective state strategy toward organized crime is thus not merely one of suppression of crime

²See, for example, United Nations Security Council, *Statement by the President of the Security Council*, S/PRST/2010/4, February 24, 2010 and S/PRST/2009/32, December 8, 2009.

through law enforcement. An appropriate response is a multifaceted state-building effort that seeks to strengthen the bonds between the state and marginalized communities dependent on or vulnerable to participation in the drug trade and other illicit economies for reasons of economic survival and physical insecurity. The goal of anti-organized crime efforts should not only be to suppress narrowly the symptoms of illegality and state-weakness, such as illicit crops or smuggling, but also, and more fundamentally, to reduce the threat that the drug trade poses to national security and make it a lesser public safety problem that does not threaten the state or the society at large.

Moreover, external policy assistance design must reflect the fact that it is unrealistic to expect that outside policy interventions can eradicate most organized crime and illicit economies in a particular place or, for that matter, most drug trade in that place. Prioritizing policies to mitigate the most dangerous forms of criminality is important, as is designing policies consistent with the absorptive capacity of the target state. Policy interventions to reduce organized crime and to suppress any emergent crime-terror nexus can only be effective if there is a genuine commitment and participation by recipient governments and sufficient buy-in from local communities.

The Threats Illicit Economies Pose

Large-scale illicit economies generate multiple threats to states. They can threaten the state *politically* by providing an avenue for criminal organizations and corrupt politicians to enter the political space, undermining the democratic process. These actors, who enjoy the financial resources and political capital generated by sponsoring the illicit economy, frequently experience great success in the political process. They are able to secure official positions of power as well as wield influence from behind the scenes. Consequently, the legitimacy of the political process is subverted. The problem perpetuates itself as successful politicians bankrolled with illicit money make it more difficult for other actors to resist participating in the illicit economy, leading to endemic corruption at both the local and national levels.

Large illicit economies with powerful traffickers also have a pernicious effect on the *judicial* system of the country. First, as the extent of

the illicit economy rises, the investigative capacity of the law enforcement and judicial systems diminishes. Impunity for criminal activity also increases, undermining the credibility and deterrence of the judicial system and the authority of the government. Second, powerful traffickers frequently turn to violent means to deter and avoid prosecution, killing off or bribing prosecutors, judges, and witnesses.³ Of course, efforts to suppress the production of illicit drugs sometimes also lead to an increase in government human rights abuses.⁴

While the detrimental effects of intense crime and large-scale illicit economies on political processes are apparent, it is a significant and often inappropriate leap of analysis to assume that the emergence of organized crime and extensive illicit economies will always necessarily challenge political stability and threaten existing governments and the power of ruling elites. To the extent that external drug traffickers make alliances with internal outsiders—former or existing rebels not linked to the official system or young challengers who seek social mobility in an exclusive system—the traffickers will develop a conflictual relationship with the state, and political instability may well follow. To the extent that the governing elite captures the new drug rents, a symbiosis between external (and internal) drug traffickers and the ruling elites may develop. Drug traffickers will enjoy a sponsored safe haven, and while democratic processes and institutional development of the country will be threatened, political stability and the existing political dispensation may well be strengthened.

Illicit economies also have large *economic* effects. Drug cultivation and processing, for example, on the one hand generate employment for the poor rural population, numbering frequently in the hundreds of thousands. Moreover, not only does the drug economy allow the impoverished poor to make ends meet, it also facilitates upward mobility for many participants. A burgeoning drug economy also contributes to inflation and can hence harm legitimate, export-oriented,

³Mónica Serrano and María Celia Toro, "From Drug Trafficking to Transnational Organized Crime in Latin America," in *Transnational Organized Crime and International Security: Business as Usual?* Mats Berdal and Monica Serrano, eds. (Boulder: Lynne Rienner, 2002): 141-154; and Mauricio Rubio, "Violence, Organized Crime, and the Criminal Justice System in Colombia," *Journal of Economic Issues*, 32 (2): 605-610.

⁴See, for example, Coletta A. Youngers and Eileen Rosin, eds., *Drugs and Democracy in Latin America* (Boulder: Lynne Rienner, 2005).

import-substituting industries. In Gambia, for example, the influx of external dollars from the illicit drug trade set off significant inflations. It encourages real estate speculation and a rapid rise in real estate prices, and undermines currency stability. It also displaces legitimate production. Since the drug economy is economically superior to legitimate production not only in price profitability, but also in requiring less developed infrastructure and not imposing large sunk and transaction costs, the local population is frequently uninterested in, or unable to, participate in a different form of economic activity. The existence of a large illicit economy thus complicates efforts at local development and crowds out legitimate economic activity. The illicit economy can thus lead to the so-called Dutch disease where a boom in an isolated sector of the economy causes or is accompanied by stagnation in other core sectors, since it gives rise to appreciation of land and labor costs. Finally, it appears that the small share of the final profits that is captured by the country producing the illicit commodity is used mainly for unproductive consumption by the traffickers, rather than productive economic investment.⁵

Certain illicit economies also create *environmental* threats to the state. Poaching and smuggling of wildlife throughout Africa as well as South East Asia, for example, depletes biodiversity and contributes to the demise of endangered species. Illegal logging in East and West Africa leads to further soil erosion and desertification, making land inhospitable for agriculture. In the Congo and Amazon, illegal logging and mining decimates some of the world's last rain forests, contributes to carbon release and global warming, and species loss. Coca cultivation in Latin America too results in deforestation, and the processing of coca leaves into cocaine leaks highly toxic materials, such as kerosene, into the waterways of some of the richest ecosystems in the world. Illicit smuggling of toxic waste into Africa generates critical

⁵For details on the economic effects of illicit economies, see, for example, Francisco E. Thoumi, *Illegal Drugs, Economy, and Society in the Andes* (Baltimore: John Hopkins University Press, 2004); Pranab Bardhan, "Corruption and Development: A Review of the Issues," *Journal of Economic Literature* 35 (3), 1997: 1320-65; Peter Reuter, "The Mismeasurement of Illegal Drug Markets: The Implications of Its Irrelevance," in Susan Pozo, ed. *Exploring the Underground Economy* (Kalamazoo: W.E. Upjohn Institute, 1996): 63-80; and Mauricio Reina, "Drug Trafficking and the National Economy," in Charles Berquist, Ricardo Peñaranda, and Gonzalo Sánchez G., eds., *Violence in Colombia 1990-2000: Waging War and Negotiating Peace* (Wilmington: A Scholarly Resources Inc. Imprint, 2001).

health problems and ecological catastrophes, such as happened in the Cote d'Ivoire port of Abidjan in August 2006.⁶

Finally, the presence of a large-scale illicit economy in the context of violent conflict greatly exacerbates *security* threats to the state.⁷ And under some circumstances, organized crime can become so violent and so overwhelm a state's weak law enforcement capacity that its actions can amount to a national security, not merely a public safety, threat to the state. Belligerent groups that embrace illicit economies, such as the Taliban in Afghanistan, the Sendero Luminoso in Peru, the FARC and the paramilitaries in Colombia, derive a multitude of benefits from such illicit economies. With the large profits they derive, belligerents improve the physical resources they have to fight the state: they can hire more combatants, pay them better salaries, and equip them with better weapons. In fact, the increase in the belligerents' physical resources is frequently immense; in the case of the FARC and the officially-demobilized paramilitaries in Colombia, for example, the financial profits from drugs are on average estimated at about \$100 million a year, or between fifty and seventy per cent of the groups' incomes.⁸

Better procurement and logistics also enhance what can be called "the freedom of action" of belligerents, that is, the scope of tactical options available to belligerents and the ability to optimize both tactics and their grand strategy. Prior to penetrating illicit economies, belligerents frequently have to deplete much time and energy on activities that do little to advance their cause, such as robbing banks and armories to obtain money and weapons, or extorting the local population for food supplies. Once their participation in an illicit economy, such as the drug trade, solves the belligerents' logistics and procurement needs, they become free to concentrate on high-value, high-impact targets.

Critically, participation in illicit economies greatly increases the belligerents' political capital—i.e., the extent to which the population welcomes and tolerates the presence of the belligerents. Large-scale illicit

⁶A tanker carrying 500 metric tons of European industrial waste illegally dumped its cargo in the port, killing or sickening thousands, and overwhelming the state's infrastructure. See "The Abidjan toxic waste dump," editorial, *L'Occidental*, 4 October 2006; <http://www.loccidental.net/english/spip.php?article138>.

⁷This section draws heavily on Vanda Felbab-Brown, *Shooting Up: Counterinsurgency and the War on Drugs* (Washington, DC: The Brookings Institution, 2009).

⁸Author's interviews in Colombia, fall 2005.

economies frequently provide basic livelihood for the population in a conflict zone, and by sponsoring the illicit economy, belligerents are able to distribute real-time economic benefits to the population. Moreover, as already indicated above, beyond the basic provision of livelihood, belligerents also provide protection and regulation services to the illicit economy and its producers against, for instance, brutal and unreliable traffickers. With large financial profits from the illicit economy, belligerents also often provide a variety of otherwise-absent social services, as did Peru's Shining Path during the 1980s, such as clinics, roads, and schools.⁹

Four factors have a decisive influence on the extent to which belligerent groups derive political capital from their sponsorship of illicit economies: the state of the overall economy in the country/region; the character of the illicit economy; the presence or absence of independent traffickers; and the government's response to the illicit economy.

The *state of the overall economy* determines the extent to which the local population is dependent on the illicit economy for basic livelihood and any chance of social advancement. The poorer the country and the smaller the size and accessibility of the licit economy, on the one hand, the greater is the dependence of the population on the illicit one, and the greater is the political capital that accrues to belligerents for sponsoring the illicit economy. On the other hand, in a rich developed country with a plentitude of legal economic opportunities, the larger population may well object to the illicit economy and the belligerents' participation in it can discredit them. Hence, in Afghanistan today, the Taliban derives substantial political capital from its protection of the poppy fields. This political capital is all the more vital for the movement since its brutality has antagonized the population. By contrast, the Catholics in Northern Ireland, where legal economic opportunities were far greater than in Afghanistan, objected to the participation of the Provisional Irish Republican Army (PIRA) in drug distribution. The resulting loss of legitimacy ultimately led PIRA to abandon its participation in the drug trade.¹⁰

⁹See, for example, Cynthia McClintock, *Revolutionary Movements in Latin America: El Salvador's FMLN & Peru's Shining Path* (Washington, D.C.: United States Institute of Peace Press, 1998); and Cynthia McClintock, "The War on Drugs: The Peruvian Case," *Journal of Interamerican Studies and World Affairs* 30, no. 2 and 3 (Summer/ Fall 1988): 127-142.

¹⁰Andrew Silke, "Drink, Drugs, and Rock 'n' Roll: Financing Loyalist Terrorism in Northern Ireland—Part Two," *Studies in Conflict and Terrorism* 23, no. 2 (April-June 2000): 107-127.

The *character of the illicit economy* determines the extent to which it provides employment for the population. Labor-intensive illicit activities, such as the cultivation of banned crops, easily employ hundreds of thousands to millions of people in a particular locale. The smuggling of drugs or other contraband, by contrast, are labor-non-intensive illicit activities that frequently employ only hundreds of people. Belligerents' sponsorship of labor-intensive illicit economies thus brings them much greater and more widespread political capital than their sponsorship of labor-non-intensive ones. The Taliban's regulation of the labor-non-intensive illicit smuggling of licit goods bought it the favor of Afghanistan's trafficking groups in the early 1990s, but it was only in late 1995 when it came to tolerate and regulate the labor-intensive opium economy that it obtained political capital from the larger population.

The *presence or absence of independent traffickers* determines the extent to which belligerents can provide protection and regulation for the population against the traffickers. To the extent that independent traffickers are present and abuse the population, the belligerents can insert themselves into the relationship and act as protection and regulation agents, thus increasing the well-being of the population and their own political capital. If traffickers are not present, perhaps because the belligerents eliminated them, belligerents cannot provide the same scope of protection and regulation services to the producers, and hence their political capital decreases. During the 1980s and early 1990s, for example, the FARC bargained on behalf of farmers for better prices from the traffickers, and limited the abuses by the traffickers against the population. Its actions were met with widespread approval from the *cocaleros*.¹¹ During the late 1990s, however, the FARC displaced independent traffickers from the territories it controlled, demanded a monopoly on the sale of coca leaf, and set a ceiling on the price paid to the *cocaleros*. Consequently, the FARC's political capital plummeted substantially, further contributing to the deterioration of its legitimacy, which already was in decline as a result of its brutality and its failure to protect the population from the paramilitaries' mas-

¹¹See, for example, Nazih Richani, *Systems of Violence: The Political Economy of War and Peace in Colombia* (Albany: State University of New York Press, 2002); and Francisco Gutiérrez Sanín, "Criminal Rebels? A Discussion of Civil War and Criminality from the Colombian Experience," *Politics and Society* 32:2 (June 2004): 257-285.

sacres. In fact, some *cocaleros*, such as those in the Nariño region, have complained that they would prefer that the FARC were absent, since it interferes with their drug cultivation and profits by demanding a monopoly on sales of coca leaf and paste.¹²

Finally, the *government response to the illicit economy* critically influences the extent of the political capital belligerents can derive from it. The government's response can range from suppression—eradication and interdiction—to *laissez faire*, to some form of official sanctioning of the illegal economy, including its full-blown legalization. Although suppression policies often dominate government responses, increasingly various less punitive policies are being explored as well. Legalization or licensing has been adopted in the case of gems, such as in the case of diamonds in Africa under the so-called Kimberly certification process. Similarly, although easily evaded and falsified, certification systems are to distinguish illegally-sourced, processed, and transhipped timber, and from legally-certified one.¹³ The Organization of American States has called for considering legalizing marijuana,¹⁴ in August 2013 Uruguay became the first country ever to fully legalize the cultivation and sale of marijuana, and Guatemala's President Otto Pérez Molina even suggested that drug trafficking in cocaine and heroin might be legalized as well.

The more the government attempts to suppress the illicit economy, the more it boosts demand for the belligerents' protection and regulation services, and the more dependent both the criminal business elites and the wider population are on the belligerents for the preservation of the illicit economy. Government suppression policies, such as the effort to eradicate illicit crops, thus frequently have the inadvertent effect of strengthening the belligerents politically by undermining the willingness of the population to provide intelligence on them to the government. Accurate and actionable human intelligence is of

¹²Author's interviews with Colombian and U.S. government officials, Bogotá, Colombia, November 2005, and Washington, D.C., Spring and Summer 2007.

¹³Vanda Felbab-Brown, "Indonesia Field Report III: The Orangutan's Road: Illegal Logging, and Mining in Indonesia," The Brookings Institution, February 2013.

¹⁴Organization of American States, *The Drug Problem in the Americas*, 2013, http://www.oas.org/documents/eng/press/Introduction_and_Analytical_Report.pdf; and Organization of American States, *Scenarios for the Drug Problem in the Americas, 2013-2015*, 2013, http://www.oas.org/documents/eng/press/Scenarios_Report.PDF.

course essential for successful counterterrorism and counterinsurgency operations.

Although they frequently alienate the population, government efforts to crack down against illicit economies rarely result in a substantial curtailing of the belligerents' financial income. Drug eradication policies so far, for example, have not bankrupted or seriously weakened any belligerent group.¹⁵ They tend to fail because belligerents and producers of the illicit products and services have a variety of adaptive methods at their disposal: relocating production to new areas, altering production methods to avoid detection or survive suppression, or even switching to other illegal activities. Going after the belligerents' finances, including those derived from illicit economies, is inherently difficult and rarely limits their physical resources. But in the case of labor-intensive illicit economies in poor countries, such suppression efforts, especially those that affect the larger population, can greatly increase the belligerents' political capital and hamper the government's intelligence acquisition, and hence the overall counterinsurgency and counterterrorism efforts.

Although illicit economies threaten states in a multitude of ways, and although they frequently thrive in ungoverned spaces, criminal actors with vested interests in the illicit economy frequently do not desire a complete collapse of the state. This is especially the case if there are no belligerents ready to provide the governing function and the crime entrepreneurs themselves are unable or unwilling to provide it. Nor do the criminal business elites necessarily desire a weak state, as long as the state is not antagonistic to the illicit economy. In fact, if the state is at minimum not attempting to suppress the illicit economy or is in fact favorably disposed to its existence, traffickers and producers may even support the state and oppose the belligerents. When

¹⁵A 2007 classified White House study estimated that the FARC's drug income fell between 2003 and 2005 by a third and it was now between \$60 and \$115 million a year. Author's interviews with U.S. government officials, Washington, D.C., Spring 2007. See Juan Forero, "Colombia's Low-Tech Coca Assault," *Washington Post*, 7 July 2007: A01. Even disregarding the notorious difficulties in estimating profits from illicit economies, the estimates betray the extraordinary difficulty of trying to bankrupt belligerent groups by eradication. If six years of the largest aerial spraying campaign ever—Plan Colombia—managed to reduce the FARC's income only to a still extraordinarily high \$60 million a year (the lower bound of the estimate), the prospects are not good that such efforts will be successful elsewhere. Indeed, bankrupting belligerents via the eradication of illicit crops from which they profit has yet to work anywhere.

eradication policies were suspended in Peru in 1989, for example, both the traffickers and the larger population were willing to provide critical information on the Shining Path to the military, so that the military was able to deliver fatal blows to the insurgents in the Upper Huallaga Valley.¹⁶ Rather than criminal elites always existing in a fully antagonistic relationship with the state, criminal organizations and the governing elites sometimes develop a mutually beneficial accommodation.¹⁷ Such an accommodation is not optimal from the perspective of the society and certainly undermines rule of law and democracy, but it may well result in a sustainable internal modus operandi, at least to the extent that external actors do not threaten such an accommodation by insisting on the destruction of the illicit economy.

Society and Crime

At the same time, large populations around the world in areas with inadequate or problematic state presence, great poverty, and social and political marginalization are dependent on illicit economies, including the drug trade, for economic survival and the satisfaction of other socio-economic needs. For many, participation in informal economies, if not outright illegal ones, is the only way to satisfy their human security and provides any chance of their social advancement, even as they continue to exist in a trap of insecurity, criminality, and marginalization. The more the state is absent or deficient in the provision of legal jobs and public goods—starting with public safety and suppression of street crime and including the provision of dispute resolution mechanisms and access to justice, enforcement of contracts, and also socio-economic public goods, such as infrastructure, access to health care, and education—the more communities become susceptible to becoming dependent on and supporters of criminal entities and belligerent actors who sponsor the drug trade and other illegal economies.

By sponsoring especially labor-intensive illicit economies criminal and belligerent actors provide public goods, suboptimal as they may be.

¹⁶José E. Gonzales, “Guerrillas and Coca in the Upper Huallaga Valley,” in David Scott Palmer, ed., *Shining Path of Peru* (New York: St. Martin’s Press, 1994), 123-144.

¹⁷Bertil Lintner, “Drugs and Economic Growth: Ethnicity and Exports,” in Robert I. Rotberg, ed., *Burma: Prospect for a Democratic Future* (Washington, DC: Brookings Institution Press, 1998), 165-184.

First, they provide employment in the illegal economy. In the case of illicit crop cultivation, these job opportunities are often extensive, generating employment for hundreds of thousands, if not millions of people in particular locale. Other aspects of the drug trade, such as processing, smuggling, or the production of synthetic drugs are considerably less labor-intensive, but nonetheless generate spillovers that often foster economic activity, such as retail. This ability to provide employment is all the more significant in places where political-economic arrangements, such as taxation systems, weak fiscal capacity, limited access to even deficient education, and monopolistic economic and political setups often fail to create jobs even at times of economic growth.

Second, both criminal entities and belligerent groups also often provide security. Of course, they are the sources of insecurity and crime in the first place, but they often regulate the level of violence, suppress street crime, such as robberies, thefts, kidnapping, and even homicides. Functioning as an order and rule provider brings criminal entities important support from the community, in addition to facilitating their illegal business since that too benefits from reduced transaction costs and increased predictability. Organized-crime groups and belligerent actors also provide dispute resolution mechanisms and even set up unofficial courts and enforce contracts—be they the *Primeiro Comando da Capital* (PCC) in Sao Paolo's shantytowns, the mafia in Sicily, or the Taliban in Afghanistan. They also provide socio-economic public goods, such as roads and health clinics. The extent to which they provide these public goods varies, of course, but their provision often takes place regardless of whether the non-state entities are politically-motivated actors or criminal enterprises. The more they do so, the more they become *de facto* proto-state governing entities.

In turn, such groups obtain not only large financial benefits from their participation in illegal economies, but also large political capital—support from the population and even identification of the population with these criminal and other nonstate entities. Their political capital and ability to act as protostates increase the more they transform themselves into polycrime franchise enterprises and also acquire control of informal economies, in addition illegal ones.

Thus, much of the debate about whether an actor is a political actor or a criminal actor is often misguided. Of course, it is critical to have a

good intelligence picture and strategic understanding of a group, including its motivations, objectives, and structures, to inform the design of policy responses. For example, the effectiveness and appropriateness of suppression and negotiation strategies will vary with the strategic objectives of a group.

However, even criminal organizations obtain political capital if they sponsor illicit economies and distribute patronage and public goods as a result of their sponsorship of the illicit economies in a way that outperforms the state. Moreover, most organized-crime actors have at least minimal political goals, such as to influence local economic, political, law enforcement, and judicial structures in a way that it conducive to the preservation of their business. And their control of violence, corruption, and extortion on the street has profound social effects on the life of society and its ability to independently organize. High persistent levels of violence—whether they are from street crime or organized crime—eviscerate such social capital and the organizational capacity of civil society and its ability to resist organized crime.

Despite the profound effects intense organized crime and large-scale illicit economies can have on state and society, it is a common misconception to assume that when the drug trade or other organized-crime rackets arrive to a new place they encounter innocent virgin land with no experience in illegality or rents. Sometimes that may be the case, such as when illegal loggers for the first time encounter indigenous groups in the Brazilian Amazon that have had no previous exposure to civilization. But in all other cases, both the state and the society have preexisting susceptibility, proclivity, and resilience to particular criminal rackets, crime-state political arrangements, and their local perturbations. The local institutional and cultural context matters a great deal in how organized crime will be able to penetrate and threaten state and society and what shape it will take.

West Africa has become very much the focus of international attention because of its recent drug trade epidemic¹⁸ and the connections

¹⁸See, for example, James Cockayne and Phil Williams, "The Invisible Tide: Towards an International Strategy to Deal with Drug Trafficking Through West Africa," International Peace Institute, October 2009; Davin O'Regan, "Narco-States: Africa's Next Menace," *New York Times*, March 12, 2012; Davin O'Regan and Peter Thompson, "Advancing Stability and Reconciliation in Guinea-Bissau: Lessons from Africa's First Narco-State," Africa Center for Strategic Studies Special Report, June 2013, <http://africacenter.org/wp-content/uploads/>

between various illicit economies and militancy and terrorism. Thus in the pundit discussion, it has become a favorite factoid to wave that Al Qaeda in the Islamic Maghreb leader Mokhtar Belmokhtar has long smuggled cigarettes and other addictive substances in West Africa and the Maghreb and is now the poster boy of “narco-jihadism.” And of course, the region is rife with many illicit economies: whether cars and bicycles stolen in Europe and smuggled into the region, cannabis from and cocaine via Morocco heading into Europe, Viagra pills smuggled into Egypt,¹⁹ weapons pouring out of Libya into Mali, Niger, Syria, and Nigeria, or something as seemingly harmless as eggs being smuggled in large quantities out of Tunisia. Many of these illicit enterprises, even potentially the smuggled eggs, do pose the very serious and multiple threats outlined above.

Yet to simply equate West Africa’s chronic instability and the Maghreb’s current turmoil with the recent drug trade epidemic in the area and its newly visible illicit economies fundamentally misses the deep structural roots of the problem and often leads to inadequate and even counterproductive policy recommendations. Europe’s new taste for cocaine, the decline of the cocaine market in the United States, and U.S. interdiction pressure in the Americas all helped reroute drug smuggling into West Africa. However, it was the preexisting institutional and governance deficiencies in the region that resulted in the newly-arrived drug trade being such a potent amplifier of political instability and militancy.

Political contestation in West Africa has long centered on taking over the state to capture rents, decades before Latin American drug traffickers started using West Africa to smuggle cocaine to Europe. Indeed, almost immediately after its independence (and often predating it), the region has been characterized by a variety of illicit

2013/06/SpecialReport-Guinea-Bissau-JUN2013-EN.pdf; and Neil Carrier and Gernot Klantschnig, *Africa and the War on Drugs* (Zed Books: 2012); Kwesi Aning, Sampson B. Kwarkye, and John Pokoo, “A Case Study of Ghana,” in Camino Kavanagh, ed., *Getting Smart and Scaling Up: The Impact of Organized Crime on Governance in Developing Countries*, New York University Center for International Cooperation, June 2013, http://cic.nyu.edu/sites/default/files/kavanagh_crime_developing_countries_ghana_study.pdf; Summer Walker, “A Desk Study of Sierra Leone,” in Camino Kavanagh, ed., *Getting Smart and Scaling Up: The Impact of Organized Crime on Governance in Developing Countries*, New York University Center for International Cooperation, June 2013, http://cic.nyu.edu/sites/default/files/kavanagh_crime_developing_countries_sierra_leone_study.pdf.

¹⁹“Trafficking in North Africa,” *Economist*, August 17, 2013.

economies and their deep integration into the political arrangements and frameworks of the countries in the region. Such rent-generating legal, semi-illegal, or outright illegal economies have included diamonds (Sierra Leone, Liberia), gold and other precious metals, stones, and timber (Liberia, and Sierra Leone), the extraction, monopolization, and smuggling of agricultural goods, such as cacao (Cote d'Ivoire), trafficking in humans for sexual exploitation and domestic slavery (Mali, Togo, Ghana), oil (Nigeria), and fishing (often conducted illegally and destructively by international fleets from outside West Africa).²⁰ Illicit diamond mining—frequently linked to politicians and tribal chiefs in Liberia—vexed the departing British colonial officers as early as the 1950s.²¹ Contestation over rents from these economies fueled much of the fighting in Sierra Leone in the 1990s and early 2000s, for example—giving rise to the concept of “greed” wars, supposedly not motivated by political grievances, but mainly by economic interests. In this conceptualization of violent conflict, the distinction between insurgents and criminal actors becomes highly blurred.²²

Politics in West Africa has for decades been about taking over the state in order to control the main sources of revenue—licit or illicit. In essence, the government has been seen as a means to personal wealth, not service to the people. The state would then define (or redefine) what constitutes illegal economic behavior and selectively issue exemptions from law enforcement and prosecution to families, friends, and its network of clients. Such political arrangements have been so pervasive in West Africa that some scholars have described the environment there as a “mafia-like bazaar, where anyone with an official designation can pillage at will...”²³ Moreover, fearing internal coups and yet facing little external aggression even in the context of very porous borders, many ruling elites in West Africa after independence

²⁰See, for example, Jean-Francois Bayart, Stephen Ellis, and Beatrice Hibou, *The Criminalization of the State in Africa* (Bloomington: Indiana University Press, 1999).

²¹See, for example, William Reno, “Understanding Criminality in West African Conflicts,” *International Peacekeeping*, 16(1), February 2009: 52.

²²See, for example, Collier Paul and Anke Hoeffler, “Greed and Grievance in Civil Wars,” October 21, 2001, http://econ.worldbank.org/files/12205_greedgrievance_23oct.pdf; Michael Ross, “What Do We Know about Natural Resources and Civil War?” *Journal of Peace Research*, 31 (3), 2004: 337-356; and Jeremy Weinstein, *Inside Rebellion The Politics of Insurgent Violence* (New York: Cambridge University Press, 2007).

²³George B.N. Ayittey, *Africa in Chaos* (New York: St. Martin's Griffin, 1999): 151.

systematically allowed their militaries and law enforcement institutions to deteriorate. Thus, they have found themselves with institutional arrangements highly susceptible to the drug trade.²⁴

In short, many societies have a deep and long history of participation in illegal enterprises and extensive criminal know-how. Over time, such illegal enterprise give rise to what I call *technology of illegality*—networks and knowledge to evade and subvert law enforcement and transform one form of illegal economic activity into another to take advantage of new opportunities or mitigate law enforcement pressure.

In the context of poverty, limited social mobility, and political marginalization, many may thus understand that participating in a criminal economy is illegal, but may still see such behavior as legitimate. Thus, in addition to giving rise to a technology of illegality, long-term dependence on illicit economies for economic livelihoods and social advancement also undermines or prevents the emergence of a *culture of lawfulness*. A culture of lawfulness means that the population broadly, not every single individual, follows established rules and laws and seeks to address its grievances and disputes and obtain justice by accessing the formal legal system.²⁵ Where illegal actors provide public goods and illicit economies are the source of livelihoods, public goods, and social advancement, the opposite culture—a *culture of illegality*—develops. Society extolls breaking laws, evading law enforcement, and taking advantage of the state.²⁶ Following rules and laws is seen undesirable, foolish, and carried out only by those who lack smarts. In Medellín, Colombia, for example, I was told of a lesson mothers supposedly share with their sons: “If you make money, I’ll be

²⁴For details on the role and evolution of law enforcement in West Africa to fight organized crime and belligerency, see, for example, Vanda Felbab-Brown and James J.F. Forest, “Political Violence and the Illicit Economies of West Africa,” *Terrorism and Political Violence*, 24(5), November 2012: 787–806.

²⁵For further details on the concept of *culture of lawfulness*, see Roy Godson, “A Guide to Developing a Culture of Lawfulness,” presentation at the Symposium on the Role of Civil Society in Countering Organized Crime: Global Implications of the Palermo, Sicily, 2000; United States Institute of Peace, *Guiding Principles for Stabilization and Reconstruction (The Web Version)*, Section 7.9: Culture of Lawfulness, <http://www.usip.org/guiding-principles-stabilization-and-reconstruction-the-web-version/7-rule-law/culture-lawfulness>.

²⁶See, for example, *Illegal Drugs, Economy, and Society in the Andes* (Baltimore: John Hopkins University Press, 2003).

proud of you,” a mother is reputed to say. “If you make money by tricking the law, I’ll be doubly proud of you.”²⁷ In Michoacán, Mexico, when inquiring about local population’s attitudes toward the police, I was told a more drastic version of that general attitude to legality: “If a boy is smart, he’ll cross the border to the United States. If he’s fairly smart, he’ll join the *narcos*. If he’s stupid and can’t do either, he’ll become a policeman.” Fostered by structural deficiencies, such *culture of illegality* thus both prevents the internalization of laws and formal rule as well as *a priori* sets up hostile relations between law enforcement officials and the population.

Conceptualizing Crime as Competition in State-Making and Designing an Effective Response

It is thus important to stop thinking about crime solely as aberrant social activity to be suppressed, but instead think of crime as a competition in state-making. In strong states that effectively address the needs of their societies, the non-state entities cannot outcompete the state on a large scale. But in areas of socio-political marginalization and poverty, nonstate entities do not.

While non-state entities can thus outcompete the state in governance in areas of marginalization, it is also important to note that states, especially weak and unaccountable states, also use crime and criminal entities for their purposes, including to strengthen their ruling power structures. Criminal entities, of course, also seek not only to dominate society, but also to influence the state and its ruling power arrangements.

In areas of state weakness and underprovision of public goods, the effective state strategy toward organized crime is thus not merely one of law enforcement suppression of crime. Approaches such as *mano dura* policies, saturation of areas with law enforcement officers, especially if they are corrupt and inadequately trained, or highly repressive measures rarely tend to be effective in suppressing organized crime and often only attack the symptoms of the social crisis, rather than its underlying conditions.

²⁷ Author’s interviews with NGO representatives and local residents in *comúnica* 13, Medellín, January 2011.

An appropriate response is a multifaceted state-building effort that seeks to strengthen the bonds between the state and marginalized communities dependent on or vulnerable to participation in the drug trade and other illicit economies for reasons of economic survival and physical insecurity. The goal of supply-side measures in counternarcotics efforts, for example, should not only be to narrowly suppress the symptoms of illegality and state-weakness, such as illicit crops or smuggling, but rather to reduce the threat that the drug trade poses from a national security concern to one of a public safety problem that does not threaten the state or the society at large.

Such a multifaceted approach requires that the state address all the complex reasons why populations turn to illegality, including law enforcement deficiencies and physical insecurity, economic poverty, and social marginalization. Efforts need to focus on ensuring that peoples and communities will obey laws—by increasing the likelihood that illegal behavior and corruption will be punished, but also by creating the social, economic, and political environment in which the laws are consistent with the needs of the people so that the laws can be seen as legitimate and hence be internalized.

In the case of narcotics suppression, one aspect of such a multifaceted approach that seeks to strengthen the bonds between the state and society and weaken the bonds between marginalized populations and criminal and armed actors is the *proper sequencing of eradication and the development of economic alternatives*. For many years, the United States has emphasized eradication of illicit crops, including forced eradication, above rural development, such as alternative livelihoods efforts. Moreover, the United States has also insisted on eradication first. Such an approach has been at odds with—in fact, the reverse of—the counternarcotics policy of the European Union and many individual Western European countries. Such sequencing and emphasis has also been at odds with the lessons learned from the most successful rural development effort in the context of illicit crop cultivation, Thailand. Indeed, Thailand offers the only example where rural development succeeded in eliminating illicit crop cultivation.²⁸

²⁸For details, see, for example, Ronald D. Renard, *Opium Reduction in Thailand, 1970-2000: A Thirty-Year Journey* (Bangkok: UNDCP Silkworm Books, 2001) and Pierre-Arnaud Chouvy, *Opium: Uncovering the Politics of Poppy* (London: I.B. Taurus, 2009): 63-93.

Effective economic development—be it for urban or rural spaces—does require not only proper sequencing with suppression policies and security, but also a *well-funded, long-lasting, and comprehensive development approach* that centers on the creation of legal jobs—always the single hardest developmental challenge whether in Nigeria’s Delta or Rio de Janeiro’s slums. In the context of a massive youth bulge, such as in West Africa, pervasive unemployment or underemployment, taxation systems that favor capital-intensive industries, and elite capture of political and economic rule-making, creating legal jobs will be very hard.

Moreover, development efforts need to address all the structural drivers of why communities participate in illegal economies—such as access to markets and their development, deficiencies in infrastructure and irrigation systems, access to microcredit, and the establishment of value-added chains, and not merely chase the replacement crop.

It is critical that such social interventions are designed as comprehensive rural development or comprehensive urban planning efforts, not simply limited handouts or buyoffs. The latter approaches fail—whether they were conducted in Medellín as a part of the demobilization process of the former paramilitaries many of whom have returned as *bandas criminales*, in Rio de Janeiro’s favelas, or in Ciudad Juarez under its flagship *Todos Somos Juarez* development program to build societal resilience against organized crime. The handout and buyoff shortcuts often also paradoxically strengthen criminal and belligerent entities and set up difficult-to-break perverse social equilibria where criminal entities continue to control marginalized segments of society while striking a let-live bargain with the state, under which criminal actors even control territories and limit state access.²⁹

An effective multifaceted response by the state also entails other components:

- addressing street crime to restore communities’ associational capacity. This dimension is often neglected in external assistance policies, which overwhelmingly tend to privilege broad-stroke economic assistance or the development of specialized interdiction units;

²⁹See, for example, Enrique Desmond Arias, “Trouble en Route: Drug Trafficking and Clientelism in Rio de Janeiro Shantytowns,” *Qualitative Sociology*, 29:4 (2006): 427–45.

- providing access to dispute resolution and justice mechanisms, including informal or less formal ones, such as Colombia's *casas de justicia*;
- building resilience against penetration and capture by organized crime within the local political system by engaging with political parties and reinforcing less corrupt politicians;³⁰
- encouraging protection of human rights, reconciliation, and nonviolent approaches;
- improving access to effective education as well as health care—a form of investment in human capital;
- * insulating informal economies from takeover by the state and limiting the capacity of criminal groups to become polycrime franchises;
- and creating public spaces free of violence and repression in which civil society can recreate its associational capacity and social capital and otherwise fostering civil society resistance to criminal groups and *a culture of illegality*.

An effort to boost the capacity of communities to resist coercion and cooptation by criminal enterprises, however, does not mean that the state can rely on communities themselves to tackle crime, esp. violent organized crime, on their own. In fact, there is a great deal of danger in the state attempting to mobilize civil society to take on crime prematurely while the state is not still capable of assuring the protection of the people. Without the state's ability to back up communities and protect them from retaliatory violence by organized-crime or militant groups, civil society's resistance will quickly collapse. The population will not provide intelligence to the state under such circumstance, and actionable and accurate human intelligence is often critical for success of not only counterinsurgency, but also anti-organized crime efforts. Equally significantly, the community can all the

³⁰For an excellent discussion of how to launch and expand such difficult and complicated efforts and identify partners for engagement in the context of pervasive corruption, see Camino Kavanagh, ed. *Getting Smart and Scaling Up: The Impact of Organized Crime on Governance in Developing Countries*, New York University Center for International Cooperation, June 2013, http://cic.nyu.edu/sites/default/files/kavanagh_crime_developing_countries_report.pdf, and Brooke Stearns Lawson and Phyllis Dininio, *The Development Response to Drug Trafficking in Africa: A Programming Guide*, USAID, April 2013, http://www.usaid.gov/sites/default/files/documents/1860/Development_Response_to_Drug_Trafficking_in_Africa_Programming_Guide.pdf.

more sour on the state. If a state's effort to mobilize civil society to resist organize crime ends with the civil society massacred by organized crime, with its leaders assassinated, it will then be very hard for the state to mobilize civil society the second time around and restore trust in state capacity and commitment. Such mistakes in anti-organize crime policies are very costly and difficult to correct. Society will always place the burden of responsibility for violence on the state for its inability to reduce it, rather than on the criminals. During periods of intense and persistent violence, civil society may even start calling for an accommodation between the state and organized crime. The evolution of social support for anti-organized crime policy of the government of Mexico during President Felipe Calderón's administration—with progressively weakening support for the government's policy and growing nostalgia for the corporatist accommodation policy toward organized crime under the rule of the Institutional Revolutionary Party (PRI)—provides a vivid example.

A concentration of resources, both non-corrupt law enforcement and socio-economic efforts to strengthen communities, often improves the chance that the state will succeed in such a complex undertaking. Yet it is very hard politically to concentrate resources and tackle organized crime neighborhood by neighborhood and illegal economies municipality by municipality. Under conditions of acute budgetary and law enforcement asset scarcity, justifying why a community is deserving of a comprehensive state assistance while others go resource hungry (sometimes literally) is extremely difficult for government authorities. In a democracy where votes matter, the pressure to give everyone a little bit instead of concentrating resources to particular intervention areas will be all the more tempting politically.

But spreading resources over extensive areas—as much as they may be acutely in need of intervention—without achieving a necessary law enforcement and socio-economic development momentum in any place greatly augments chances of policy failure. Limited political handouts may improve the life of a community to some extent—a marginalized community is likely to be better off with twenty-five hospital beds instead of twenty and with an electric generator than without—but such limited state interventions will not be sufficient alter the basic economic patterns and their political effects in a community.

Critically, the associational and organizational capacity and social action potential of communities becomes extremely quickly eviscerated during intense violence. It may well be that the *narcos* are killing each other, but when they do so on streets of cities or rural areas where the population lives, they also hollow out the communities. The bullets may only be flying overhead, but they are still deeply injuring the community underneath. Often, success hinges on the state's ability to bring violence down to start with: without a reduction in violence, socio-economic interventions do not have a chance to take off and even institutional reforms become difficult to sustain as political support weakens.

Inadequate *implementation* can kill the best strategy. Effective implementation among others depends on how operationalization corresponds to local cultural and institutional settings.

All such social interventions require careful and consistent monitoring and the ability to correct and restructure policy that is not effective. Both the monitoring and policy adaptation are often very difficult to institutionalize effectively. They require a certain density of government oversight assets, such as embassy officials tasked with development aid or law enforcement policies, who have sufficient capacity to monitor contractors and NGO implementors and who have sufficient distance from policy design to not to be threatened by highlighting ineffective and counterproductive policy elements.

Many of the above policies suggest a considerable expansion and reconceptualization of the policies the United States and the European Union have taken toward combatting organized crime and drug trafficking in West Africa. Both have recognized the need to expand assistance to West Africa to combat organized crime. These external assistance policies have specified several objectives: 1) to suppress the nexus of militancy-terrorism-and-organized-crime in the region and its spillovers and leakages into Europe, and reduce the chances of terrorist targeting of U.S. and European citizens in the region; 2) to suppress any potentially destabilizing effects of organized crime on often already unstable and problematic governments in the region; 3) to suppress drug flows, and 4) to foster economic development in the region which criminality and organized crime can undermine.³¹ The

³¹Author's interviews with U.S. officials of the Department of State, Washington, DC, August 2012, of the Drug Enforcement Administration, Nairobi, April 2013, and UK officials of the

European Union has launched several initiatives, the largest of which is the €22 million Cocaine Route Program that focuses mainly on airport and sea-based interdiction in the region.³² Since 2008, the European Union has sought to integrate anti-drug-trafficking programming into its economic assistance for the Economic Community of West African States (ECOWAS) under its *European Development Fund* to support implementation of the drug action plan adopted by ECOWAS States in Praia in December 2008. Nonetheless, many of the European Union's direct anti-organized crime and counternarcotics efforts have prioritized mainly interdiction efforts.

Between 2009 and 2012, U.S. counternarcotics assistance to West Africa amounted to \$142.5 million, with an additional \$50 million allocated for 2013 under the West Africa Cooperative Security Initiative.³³ The United States Agency for International Development (USAID) produced an excellent nuanced document for context-specific anti-organized-crime programming in Africa, *The Development Response to Drug Trafficking in Africa: A Programming Guide*.³⁴ Overall, however, the dominant U.S. response to drug trafficking in West Africa has been to build special interdiction units (SIUs) in the region. In the context of highly-corrupt and inadequate law enforcement capacities such as in West Africa, SIUs are often the only policy instrument easily available and it is a form of assistance that the U.S. Drug Enforcement Administration is used to delivering abroad. Nonetheless, despite SIUs

Department for International Development, London, May 2013. See also, Cecilia Malmström, "The External Dimension of EU-Police Cooperation in West African Countries –Towards Global and Integrated International Policing," Press Release, SPEECH/10/505, September 30, 2010, http://europa.eu/rapid/press-release_SPEECH-10-505_en.htm, and European Commission, *Long-term Responses to Global Security Threats: Contributing to Security Capacity Building in Third Countries through the Instrument for Stability*, March 2011, http://ec.europa.eu/europeaid/infopoint/publications/europeaid/documents/207a_en.pdf.

³²European Union, *Cocaine Route Programme*, <http://corms.esteri.it/>.

³³Charlie Savage and Thom Shanker, "U.S. Drug War Expands to Africa, a Newer Hub for Cartels," *New York Times*, July 21, 2012; and Office of the Press Secretary, The White House, "Memorandum for the Secretary of State: Presidential Determination on Major Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2014," Presidential Determination No. 2013-14, September 13, 2013, <http://iipdigital.usembassy.gov/st/english/texttrans/2013/09/20130913282879.html#ixzz2glhlmqC1>.

³⁴Stearns, Lawson, and Dininio.

important occasional successes,³⁵ SIUs are often of limited overall effectiveness, and they can end up going rogue.³⁶

Latin America countries, such as Brazil, Colombia, and Mexico, have a plethora of experience of fighting organized crime to share with West Africa. They also do not come with some of the same colonial or hegemonic baggage that European countries or the United States can suffer from in attempting to build anti-organized crime policies in the region. The government of Colombia has been particularly eager to export its policies and show off its progress around the world—advising Mexico and Central America on how to build SIUs and boost intelligence-gathering capacities and instructing the Philippines how to demobilize insurgents and paramilitaries and teaching Afghanistan how to do airport interdiction. Colombia can also showcase its socio-economic efforts to reduce criminal violence in Medellín, despite their great limitations. Similarly, Brazil's *favela* Pacification (UPP) program, despite its deficiencies and at times problematic implementation and continual police abuse, offers one model of a comprehensive effort to reduce criminal violence in urban slums and how to build community police forces.³⁷ Sao Paulo's police reform efforts similarly provide an interesting example of community-police boards helping to reduce police abuse and increase law enforcement effectiveness in fighting organized crime. Brazil has talked of providing interdiction assistance to Bolivia and could explore similar initiative with West African countries.³⁸ Mexico too can engage with West Africa on police reform, including counseling them on how difficult and lengthy such a process is as well as on the complexities of interdiction policies. Both European and Latin American countries can also engage with West Africa on how best to prevent and treat drug use and what public health approaches to adopt.

³⁵Adam Nossiter, "U.S. Sting That Snared Guinea-Bissau Ex-Admiral Shines Light on Drug Trade," *New York Times*, April 16, 2013.

³⁶Vanda Felbab-Brown, "Despite Its Siren Song, High-Value Targeting Doesn't Fit All: Matching Interdiction Patterns to Specific Narcoterrorism and Organized-Crime Contexts," The Brookings Institution, October 1, 2013.

³⁷Vanda Felbab-Brown, "Bringing the State to the Slum: Confronting Organized Crime and Urban Violence in Latin America," *Brookings Latin America Initiative Paper Series*, December 2011.

³⁸Marcel Fortuna Biato, Embajador de Brasil en Bolivia, "Brasil en la cooperación regional para la lucha contra la violencia y el crimen organizado," *Revista CIDOB d'Afers Internacionals*, No. 97-98, Abril 2012: 117-133.

This wealth of experience from Latin America potentially offers highly valuable lessons for West Africa—about which programs have worked well as well as on how and why many policies against organized crime and illicit economies have gone awry. It is as important that West African countries absorb the negative lessons as much as the positive ones. Indeed, they need to approach the external advice and policies delivered from abroad with a caveat emptor attitude and careful consideration of whether those external lessons and policies are well suited to their contexts. A distorted importation of high-value targeting from Colombia and an incomplete version of the components of success in eliminating the Medellín cartel, for example, contributed to the choice of counterproductive policies in Mexico and the escalation of criminal violence there.³⁹ Hardly all has been successful with Medellín socio-economic policies and much of the so-called Medellín miracle turned out to be a mirage of Medellín miracle.⁴⁰ As mentioned above, the UPP in Rio de Janeiro has been plagued by numerous problems, some of which appear to be increasing, and the verdict is still out about its overall effectiveness.⁴¹ Many of the successful public health approaches to drug use in places like Switzerland and the Netherlands may not fit countries where all public health is inadequate or lacking; instead, lessons from other countries that have managed to expand low-cost health care access to the poor may be better suited. The recipients of external aid and advice need to be cognizant of what has not worked as well as what has, such as the fact that Brazil and Argentina's decriminalization of personal possession of drugs has not decreased the corruption and abusiveness of its police forces.

Equally, however, external assistance partners need to approach engagement with considerable caution. Rather than rushing to assistance wherever organized crime has become visible, the United States, the European Union, Latin American countries and NGOs, and any

³⁹Vanda Felbab-Brown, "Battling Drug Trafficking Organizations: Law Enforcement Lessons from Colombia for Mexico," *Revista*, February 2012.

⁴⁰Vanda Felbab-Brown, "Reducing Urban Violence: Lessons from Medellín," Brookings Institution, February 14, 2011, http://www.brookings.edu/opinions/2011/0214_colombia_crime_felbabbrown.aspx; and Vanda Felbab-Brown, "No Stairway to Heaven: Rescuing Slums in Latin America," Brookings Institution, February 2, 2012, <http://www.brookings.edu/blogs/up-front/posts/2012/02/02-latin-america-slums-felbabbrown>.

⁴¹Simon Romero, "Brazilian Officers Will Face Charges of Torture and Murder," *New York Times*, October 2, 2013.

other potential partners need to engage in law enforcement, anti-organized crime, counternarcotics, and counterterrorism assistance with care. A do-no-harm attitude and careful evaluation of the side-effects of policy actions need to prominently figure in considering policies. Apart from smart design based on state-building conceptualization of fighting organized crime and careful implementation, policy design must be keenly cognizant of the fact that it is unrealistic to expect that external policy interventions can eradicate most organized crime and illicit economies in a particular place or, for that matter, most of the drug trade in that place.

The priority for the United States and the international community needs to be to combat the most disruptive and dangerous networks of organized crime and belligerency. Such networks are those with the greatest links or potential links to international terrorist groups with global reach. Indeed, there is a considerable variation in the capacity of organized crime groups to penetrate new territories, as Frederico Varese has shown, or new domains. Hardly all criminal groups are polycrime enterprises: smuggling cocaine is not the same as smuggling fissile material. Although it is frequently suggested that organized crime groups will easily make alliances or enthusiastically cooperate with terrorist and militant groups,⁴² the relationship between the two kinds of actors is often fraught and violent.⁴³ Most organized crime groups are not simply blind profit maximizers; they also weigh risks, including the risk of acting in cahoots with militant groups and thus drawing a far different level of scrutiny and repression from international and domestic law enforcement and security forces.

Similarly, terrorist groups are not uniform in their capacities to penetrate new territories and sustain their operating bases there without triggering a backlash from local populations: In Mali and Syria, Salafi groups succeeded in rapidly appropriating local causes for their

⁴²See, for example, Douglas Farah, Fixers, Superfixers, and Shadow Facilitators: How Networks Connect,” in Jacqueline Brewer and Michael Miklaucic, eds., *Convergence: Illicit Networks and National Security in the Age of Globalization* (Washington, DC: NDU Press, 2013): Felbab-Brown, *Shooting Up*.

⁴³Kenneth Menkhaus and Jacob Shapiro, “Non-state Actors and Failed States: Lessons from Al Qaeda’s Experiences in the Horn of Africa,” in Anne Clunan and Harold Trinkunas, eds., *Ungoverned Spaces: Alternatives to State Authority in an Era of Softened Sovereignty* (Stanford: Stanford University Press, 2010).

global jihad purpose. In Iraq al-Qaeda initially succeeded in anchoring itself among the Sunni population until U.S. efforts fostered a Sunni rebellion against al-Qaeda. In Pakistan, the ability of al-Qaeda and other salafi groups to take over or appropriate local actors has varied considerably and also stirred tribal rebellions and tribal anti-al-Qaeda militias. In Somalia, al-Qaeda struggled to establish itself there in the 1990s, eventually gave up, and ultimately its presence came instead through a reverse process: a native Somali jihadi group, al-Shabab, embracing the global salafi cause and embracing al-Qaeda.⁴⁵ Rather than assuming uniformity in motivations and capabilities of terrorists and criminality, external assistance policy efforts need to be guided by strict prioritization of those posing the most serious threats.

Such dangerous networks that the international community should prioritize in targeting in their external efforts, however, also include the criminal groups that are most rapacious and predatory to the society and accountable government and most concentrate rents from illicit economies to a narrow clique of people. Not only are those criminal groups most reprehensible, they also most undermine internal stability and create the conditions for militant groups to establish themselves among local populations.

The above two criteria for priority targeting in international cooperation—criminal groups with linkages to major terrorist groups and the most rapacious organized crime groups—may occasionally be in conflict and thus pose a difficult dilemma. In addition to considering the severity of the threat posed to the international community and to the host state and society, the estimated effectiveness of policy intervention with respect to each type of groups needs to be factored into the analysis of such policy choices.

It is important to realize that indiscriminate and uniform application of law enforcement—whether external or internal—can generate several undesirable outcomes that need to be guarded against:

First, the weakest criminal groups can be eliminated through such an approach, with law enforcement inadvertently increasing the efficiency, lethality, and coercive and corruption power of the remaining criminal groups operating in the region.

Second, such an application of law enforcement without prioritization can indeed push criminal groups into an alliance with terrorist groups—the opposite of what should be the purpose of law enforcement and especially outside policy intervention. Both outcomes have repeatedly emerged in various regions of the world as a result of opportunistic, non-strategic drug interdiction and law enforcement policies.

There are multiple dangerous risks in rushing to provide external assistance. First is the danger that with minimal monitoring presence and rollback capacity of the United States and the international community on the ground, U.S. or internationally-trained law enforcement forces will “go rogue” and the international community will only end up training more capable drug traffickers or coup forces.

Second, there is a not-insubstantial risk that some governments will come to see international counternarcotics or anti-organized crime aid as yet another form of rent to be acquired for their power and profit maximization, in the same way that anti-communist or counterterrorism aid had often been seen. Such funds can be diverted for personal profits; or worse yet against domestic political opposition and undermine institutional development and effective and accountable governance in the country.

Third, building up law enforcement capacity and intervening against illicit economies may often be perceived by local populations as antagonistic to their interests. Such a misalignment between state and societal interests may at the minimum limit the effectiveness of policy intervention; at worst compromise other, more important U.S. and international interests, such as to reduce violent conflict and suppress terrorism.

The international community can limit these dangers by following some overarching guiding principles regarding extending outside assistance to suppress organized crime.

First, international assistance should be carefully calibrated to the absorptive capacity of the partner country. In places where state capacity is minimal and law enforcement often deeply corrupt, an initial focus on strengthening the police capacity to fight street crime, reducing corruption, and increasing the effectiveness and reach of the justice system may be the optimal initial interventions. Only once careful

monitoring by outside actors has determined that such assistance has been positively incorporated, may it be fruitful to increase assistance for anti-organized crime efforts, including advanced-technology transfers and training. Careful monitoring of all anti-organized crime programs—including their effects on the internal political arrangements and power distribution within the society and their intended effects on the power of criminal groups and their links to terrorist groups—needs to be consistently conducted by outside actors.

Second, as detailed above, the international policy package needs to include a focus on broad state-building and on fostering good governance. Policy interventions to reduce organized crime and to suppress any emergent crime-terror nexus can only be effective if there is a genuine commitment and participation by recipient governments and sufficient buy-in from local communities.

Chapter 7

The Atlantic Basin and Corruption: Is There an Agenda?

Laurence Cockcroft

The proposition underlying the question is that the United States and the EU share a common interest in the rejection of corruption in Latin America and Africa in order both to protect their own societies from the backwash from corruption in countries which are endemically corrupt, and to promote stable development in the southern hemisphere from which their countries will ultimately be beneficiaries in economic terms. This means maintaining a constant struggle against corruption in their own societies, as well as “reaching out” to the south in areas like corporate behavior and the rejection of illicit flows. From a southern perspective the need is for internal anti-corruption strategies which can rely on northern support in areas such as corporate anti-corruption measures, the regulation of illicit trade, and an end to the magnet of “secrecy jurisdictions.”

This chapter will examine evidence on the ways in which some forms of corruption impact negatively on societies and economies in the Atlantic Basin (the Americas, western Europe and western Africa) and ask whether there are initiatives unique to the Basin that could curtail these types of corruption. The chapter recognizes first, that corruption takes many forms¹ and that all of these can be found in the countries under discussion; and second, that there are a variety of international and regional anti-corruption measures that are in place and active to varying degrees. The question under discussion is whether new forms of action between the countries concerned could yield stronger results than current measures are achieving on an international basis.

The issues can be illustrated by a discussion of three areas: first, the role of large companies trading across borders; second, the signifi-

¹A good working definition of corruption is that of Transparency International: “the misuse of entrusted power for personal gain,” but this and other definitions can never be exhaustive.

cance of trade in “illicit” products, orchestrated by organized crime; and third, the importance of secrecy jurisdictions in facilitating the externalization of funds by both individuals and companies.

Corporate Corruption: Bribery, Tax Evasion and Mispricing

The institutional framework for addressing international corruption has changed very substantially in the last twenty years, and not least in the Atlantic Basin countries. Much of this has been achieved through international Conventions such as the OECD Anti Bribery Convention of 1997, the OAS Anti-Corruption Convention of 2000, the UN Anti-Corruption Convention (UNCAC) of 2003, and the African Union (AU) Anti-Corruption Convention of 2003. These have overlapping provisions and converging issues, include criminalizing transnational bribery (both within Latin America and Africa and between these regions and North America and the EU), curtailing money laundering and facilitating the repatriation of stolen assets which have been deposited in the U.S., the EU or secrecy jurisdictions in the Caribbean and elsewhere. UNCAC is now effectively an umbrella Convention with 140 countries as signatories. Only six signatories have not ratified the Convention, and none of those are in the Atlantic Basin.

If the international and domestic context for anti-corruption legislation has changed fundamentally, important executive measures have been equally if not more significant. This includes the provision by the World Bank for “debarment” from future tenders of companies found to have behaved corruptly in relation to a project partly funded by the World Bank—this now applies to many companies. The debarment process has now also been adopted the Inter American Development Bank (IADB) and the African Development Bank (ADB), and in 2011 all the multilateral development banks agreed to share a common debarment list. From an additional perspective all export credit agencies from OECD countries have agreed to include contractual provisions that remove cover if an insured company is found to have behaved corruptly.

Although these measures have had a wide remit, one of their core concerns has been corruption emanating from the corporate sector,

and in particular bribery—though recognizing that bribery involves both a payer and a recipient. Bribery as a means of expanding market share had routinely characterized both North American companies in Latin America and European companies in Africa (with some crossover) until the late 1970s in the United States and the late 1990s, or later, in Europe. The first and most important measure to criminalize transnational bribery was undoubtedly the Foreign Corrupt Practices Act (FCPA) passed by the U.S. Congress in 1977, particularly in reaction to a variety of cases in the public domain, many of which involved companies holding liquid funds offshore to be used for the bribery of foreign officials.² Successful lobbying by the U.S. government (and Transparency International) led to the OECD Anti-Bribery Convention of 1997, which led to the adoption of national “foreign bribery” legislation in all 34 OECD member states, later expanded to 40. The total now includes OECD member states, Mexico and Chile and non-members Brazil, Argentina and South Africa. The narrative of subsequent cases of foreign bribery being the subject of investigation and prosecution in all these countries is available from the Department of Justice in the U.S., the OECD itself and Transparency International’s annual Progress Report on the Convention.

These reports show how far there is to go in real compliance with the objectives of the Convention, and in rooting out the impact of corporate bribery by “northern companies” in both Latin America and Africa, and in the behavior of larger companies in the south who are trading across borders. TI’s report for 2013 (covering 2012) shows that only four countries³ are “active” enforcers of the OECD Convention, four are moderate enforcers, ten have limited enforcement and twenty have little or no enforcement.⁴ In spite of its long familiarity with the FCPA, Walmart has admitted that its subsidiary, Walmart de Mexico, paid bribes systematically in the years after 2000 in order to acquire planning permission to expand the number of its stores. No major cases were brought to the courts in 2012 in countries as differ-

²Exposed with clarity in 1975 by Senator Church’s Sub Committee on Multinational Corporations, (a subsidiary of the Foreign Relations Committee), working closely with the Enforcement Division of the SEC, with information which related to about 400 U.S. companies.

³U.S., Germany, UK, and Switzerland.

⁴*Exporting Corruption: Assessing Enforcement of the OECD Convention on Combating Foreign Bribery*, Transparency International, October 2013.

ent as Belgium, Spain, Brazil, Mexico, Argentina and South Africa. This is a disappointing situation given the ambitious nature of the OECD Convention, which is certainly the most effectively monitored of all the Conventions through a peer group review process.

There are two further corporate issues which relate to a broad definition of corruption. The first has to do payments made by a company to individuals close to a regime, as opposed to the regular payment of recognized taxes and royalties. The second has to do with the manipulation of export (or import) prices in order to reduce the in-country tax burden and maximize externalized income, usually through a secrecy jurisdiction and a process often known as “mispricing.”

Both of these issues have received a high level of scrutiny in recent years. The first issue is particularly current where an extractive industry such as oil and gas has effectively entered into a deal with part of the local elite (often at Presidential level) to channel some of its profits into specific channels of their choice, thus depriving governments of potential exchequer revenue. A key response to this has been the creation of the “Extractive Industries Transparency Initiative” (EITI) which requires its supporters (companies and governments) to declare on the one hand corporate payments to governments and on the other what governments have received. This is more relevant to energy-rich Africa, where EITI has 15 fully “compliant” countries, than to Latin America, where there is only one “fully compliant” country (Peru) and two candidate countries (Guatemala and Honduras). In “fully compliant” countries the financial flows involved are made publicly available, with increasing international pressure to make them available project-by-project where a company has more than one major investment. The clauses in the Dodd-Frank Act dealing with corporate reporting by country, mirrored in 2013 in an EU Directive, are partly based on the experience of EITI. It is early in the life of these initiatives to suggest how they will work out in the long run, but EITI itself represents a success in curtailing corporate bribery of specific elites, and the scheme is one of the most advanced examples of the current trend to increased transparency in government and corporate relations.

In the second case, Global Financial Integrity (GFI) has regularly published estimates of total illicit flows from exporting countries. These were estimated to be a total \$877 billion from 2001-10 in the

case of Latin America and \$357 billion and in the case of Africa. These figures include illicit income from organized crime and personal corruption as well as mispricing; they are arrived at by three different routes. Even so, their value is contested⁵ but there is no doubt that flows from manipulated export and import prices is substantial. The data that lie behind pricing strategy, even when available, are open to interpretation (particularly given the complexity of price setting at “arm’s length” when a high proportion of international trade is conducted between subsidiaries of multinational companies). However, both the IASC and OECD have established rules on this in the recent past. So the issue now has more to do with accounting and audit practice and whether the adoption by international and local auditors of recommended international rules on the valuation of traded products can be enforced. This is very relevant to exports from both Latin America and Africa and to standard-setting international auditors.

Overall it is safe to say that corruption that is interlinked with the corporate sector, but generally abetted by its partners in and out of government, is a hazard for all countries in the Atlantic Basin—both companies based in the north who still successfully evade new anti-bribery legislation, and those in the south who participate in the deals. The separate issues of tax evasion and mispricing are of equally or greater significance and both are areas where a common front in the Atlantic Basin could be achieved.

Illicit Trades: Life and Death Struggles

Trade in “illicit” products, nearly always secret, is characteristic of each of the regions within the Atlantic Basin, though the “southern” blocs are primarily exporters and the northern blocs primarily importers. While drugs (cocaine and its by-products, and methamphetamines) are the most valuable of these trades, there are a variety of others, including trade from Africa in high value minerals such as coltan, trade from Brazil and the DRC in illegally cut logs, trade in humans

⁵GFI figures (in *Illicit Financial Flows from Developing Countries 2001-10*) are derived from IMF figures on Direction of Trade and Balance of Payments. Tax Justice Network, in its report *The Price of Offshore Revisited* of 2013, questions the value of GFI’s methodologies but does not publish an alternative figure.

from Latin America into the United States and from west Africa into the EU, and trade in “small arms” into and within both southern blocs.

Drugs

The production of coca, once centered on Colombia, is now widespread in the Andean region in particular (though supplies to Brazil are partly produced in Paraguay). Brazil is now the second largest user of cocaine in the world. The south-north trade in cocaine was until the late 1990s dominated by the Colombian Medellin and FARC cartels; successful inroads into their dominant positions were made both by Colombian government forces and by attacks on their control of Mexican distribution partners (La Linea, Sinaloa, Los Zetas) in the first decade of the new century. Their response was to open new connections to West Africa which would facilitate the passage of drugs to the EU and in some cases back to North America. The principal channel was from Venezuela to Guinea-Bissau, where the Head of the Armed Forces,⁶ Antonio Indjai, facilitated the trade, which in aggregate was estimated by UNODC to total \$1.25 billion by 2011. The product was disaggregated in Guinea and transmitted to Europe by a combination of air and land transport—in the latter case generating cash for the Sahelian- and Saharan-based groups close to al-Qaeda, such as AQIM and MUJAO. Indjai was arrested at sea by U.S. forces in 2011, but the trade routes for drugs through west Africa are certainly not dead, though Brazil and Argentina have replaced Venezuela as the first entrepôts. From the perspective of Latin American exporters the West African route will remain important since total demand for cocaine-based drugs in the EU is stable while that in the U.S. is reported to have fallen by 40 percent from 2006-11.⁷

The drugs trade has inflated the trade in small arms across borders and principally, though not exclusively, from north to south. In 2010 the most carefully researched estimate suggests that 250,000 guns were shipped from the United States across the Mexican border.⁸ The small arms trade into West Africa from Europe is well established; less well known is the fact that small-scale Ghanaian weapons manufactur-

⁶Forces Armada da Guine-Bissau (FAGD).

⁷*World Drug Report*, 2013.

⁸Estimate by University of San Diego and the Igarape Institute.

ers (numbering more than 2500⁹) sell more than half a million guns per year into the regional market, whose purpose includes protection rackets for drug runners. This trade is partly legal (as in gun purchasers by agents of the Mexican cartels in the United States) and partly illegal (sourced from U.S. amphetamine exporters, who seek to boost market share in Mexico) or spot sales for cash to unlicensed buyers in Ghana. In 2012 the UN voted for a new Arms Trade Treaty which has a particular focus on the trade in small arms requiring tougher conditions for export licensing and more effective monitoring. It could be an important tool for control of the arms trade in the Atlantic Basin.

Coltan and Precious Metals

Illicit trade in minerals from the DRC, and in particular coltan, has been the subject of intense scrutiny and debate during the last ten years. The principal known deposits of coltan worldwide are in eastern DRC and Australia, of which about 80 percent are estimated to be in the DRC's Kivu Province. Total annual production is only about 1000 tons, but this is absorbed by the global market for electronic goods, and in particular by mobile phones. Mining is mainly artisanal and much of it is controlled by militia groups with loyalties to different factions within the DRC, Rwandan and Ugandan governments. Coltan is traded through "comptoirs" which effectively wash it into formal and legal international markets. Some of these are owned by individuals, but others have been owned by corporations, such as Eagle Wings International, a subsidiary of Trinitech International from Ohio. The disastrous impact of this trade on society in the Kivu region of DRC was recognized in the Dodd-Frank Act of 2010, which required the SEC to develop rules which would require listed companies to specify any use of coltan and other metals mined in conflict zones of the DRC. This process led to a virtual suspension of the trade in 2011 and 2012, but it is now gradually being revived. This is an important example of international action (between countries of the Atlantic Basin) designed to limit mining of a specific product, the production of which generates violence and the illicit enrichment of individuals.

⁹*Small Arms Survey*, 2003

The Timber Trade

In 2005 the American Forest and Paper Association commissioned a study that found that 17 percent of all uncut timber traded internationally was from illegal sources. This is reflected in figures for three of the most important timber producing countries in the Atlantic Basin: in Canada, violations of logging have been detected in 55 percent of areas scheduled for protection; in Brazil, a recent Presidential Commission found that more than 70 percent of forestry management plans did not comply with the law; and in Cameroon, at least one third of timber cut is “undeclared.”¹⁰ While international concern and pressure has led to some reduction of the rate of deforestation in the last five years, the aggregate picture is still one in which deforestation in Africa is running at between 2 and 3 percent—a completely unsustainable figure. In Brazil the government of President Rousseff watered down recent proposed legislation, which had the effect of further enabling the privatization of forest land in some states in the Amazon basin, a process which in the past has been shown to be highly corrupt. In each of the countries of western Africa with a substantial remaining forestry sector (DRC, Liberia, Ghana and Cameroon), the process of illegal logging is sustained by the availability of “shadow permits,” which are allocated by officials and politicians close to forestry departments. Originally intended to support small scale logging, they have come to be a convenient vehicle for large-scale commercial operators engaged in international trade.¹¹ International attempts to restrain illegal logging have led to a new initiative in the EU—the Forest Law Enforcement, Governance and Trade Voluntary Partnership [FLEGT]—which has introduced rule-of-origin certification for all timber imported into the EU.¹² It is currently far from effective, but it has the potential to become so if taken seriously by exporting countries.¹³ In the U.S. this import trade in timber is governed by the Lacey Act of 1900, revised in 2008 to exclude timber imported from illegal sources. Its application has proved very controversial and there

¹⁰*The Many Faces of Corruption*, World Bank, 2007, p 90.

¹¹*Logging in the Shadows: How Vested Interests Abuse Shadow Permits to Evade Forest Sector Reforms*, Global Witness, London, April 2013.

¹²A by-product of the European Union Timber Regulation.

¹³The Director of FLEGT in Cameroon has described it as a “Herculean task which it will take many years to implement.”

Table 1. GFI Estimates, 2001–2010

Country	Cumulative Flows 2001-10 (\$ billion)
Mexico	47.561
Nigeria	12.904
Costa Rica	6.370
Panama	3.987
Brazil	3.510
DRC	1.503
Morocco	1.283
Liberia	1.083
Cameroon	.674
Ivory Coast	.688

appears to be only one instance in which a company has been fined for imports of this nature.¹⁴ There is major scope for developing common tools for eliminating the illegal trade in the Atlantic Basin in a context in which both the EU and the United States have in principle a common commitment to sustaining the world’s forests, exemplified by the UN-REDD programme and the World Bank’s Forest Carbon Partnership Facility.

Secrecy Jurisdictions

The flow of funds to secrecy jurisdictions of varying descriptions is a huge issue for the larger southern countries of the Atlantic Basin. Nigeria and Mexico are prime examples. GFI’s estimates for the period 2001-2010 for relevant countries are shown in Table 1.

“Secrecy jurisdictions” should be defined to include financial centers such as London, where specific legal mechanisms can readily be put in place to disguise the “beneficial ownership” of the assets in question, although these arrangements also characterize the “offshore centers” of the Caribbean and the Channel Islands. They also characterize financial centers in the EU such as Luxembourg, Liechtenstein and Monaco as well as U.S. states such as Delaware, Nevada and Wyoming. The flows represent loss of both liquidity (assets in the financial system) and tax revenues (income accrued offshore) to the countries from which they are exported. An estimate of the degree of

¹⁴Gibson Guitar was fined \$300,000 in 2012 for importing illegally source hardwood from Madagascar.

secrecy characterizing these centers was made by the Tax Justice Network (TJN) for a total of 73 centers in 2011.¹⁵ Forty-five of these were in the Atlantic Basin area. This Secrecy Index divides the centers into seven grades of secrecy: the lowest three grades include Bermuda, the Bahamas, Turks and Caicos, the Cayman Islands and the British Virgin Islands (BVI). The number of accounts involved in this system is formidable: the Cayman Islands is home to 600 banks and 18,000 companies; the BVI is home to 800,000 “international business companies.” The legal regime in Delaware has attracted no less than 217,000 American companies under arrangements that enable them to obscure beneficial ownership if they choose to do so.

These mechanisms benefit a tiny minority of super-wealthy individuals, and enable companies trading internationally to reduce their tax bill in the low and middle income countries which characterize the “south.” From an African perspective, where low-income countries are in the majority, the channelling of illicit flows to secrecy jurisdictions in the north and in the Caribbean is a huge cost to their economies. For middle income Mexico the cost is more sustainable but the flows represent income and capital forgone that could be applied to the many parts of Mexico which have not participated in its rapid growth rate. In 2013 these issues have been married to the question of the use of secrecy jurisdictions by multinational companies to reduce their tax bill in countries such as the UK and the United States, at a time of very tight government budgets. As a result, the G8 supported an agenda in June 2013 (largely confirmed by the G20 in September 2013) which envisaged an end to disguising “beneficial ownership,”¹⁶ the sharing of banking information, and a tax regime based on profits where they were earned. The 15 centers nominally under UK jurisdiction agreed in principle to sign up to these measures prior to the G8 meetings. Inevitably, the question of effective implementation will come to the fore and is not yet resolved. It is however an area where Atlantic Basin cooperation has a great deal of scope.

¹⁵*Financial Secrecy Index*, TJN, London 2011.

¹⁶However, following the G8 conference the White House issued a statement indicating some ambivalence about how the Federal Government could enforce this (see the White House statement of June 18, 2013).

Conclusion

Although the Atlantic Basin is not a natural fit for political or economic action, it represents a hemisphere in which some initiatives may be more feasible than elsewhere, since it is not encumbered by other “world problems” that occupy a great deal of the space for action at the UN and other genuinely global entities. This could represent one form of the “functional multilateralism” which Joseph Nye has advocated. Its strength is that it includes the two major driving forces of global GDP (the U.S. and the EU) as well as two of the BRICS (South Africa and Brazil) as well as wide range of low income countries whose challenge is to grow mainly through international trade. Corruption is a key issue in most of these countries, as all public opinion surveys confirm.¹⁷ In some cases, as in Nigeria and the DRC, it is extremely debilitating; in other cases, as in Brazil, it is a running sore and a source of violence at different levels of society. As discussed here three of its main negative impacts can be seen in:

- issues related to corporate corruption: transnational bribery, tax evasion and “mispricing;”
- Trade in products such as timber, coltan and small arms which are ultimately fed from illegal into legal channels but generate a wake of corruption;
- “secrecy jurisdictions” which facilitate illicit flows and deprive domestic banking systems of liquidity and facilitate the movement of corrupt funds, and hence of organized crime.

While building a case for action that could be implemented within the Basin requires much more analysis, this initial analysis shows that there are identifiable issues driving corruption that could be challenged in this framework.

¹⁷See *Global Corruption Barometer 2012*.

Chapter 8

Transnational Organized Crime in West Africa: Atlantic Connections

Stephen Ellis

Guinea-Bissau, Portugal's former West African colony, may fairly be described as one of the world's most obscure countries. Its entire officially recorded economy is less than a billion dollars per year, according to the World Bank, or in other words twenty-three times less than that of Vermont. Small in size, Guinea-Bissau has a population of less than two million.

It is therefore interesting to note the rather sudden prominence—notoriety, to be more exact—gained by Guinea-Bissau in recent years. In 2007 the United Nations Office on Drugs and Crime (UNODC) identified the country as a way-station in a major new route for the transport of cocaine from Latin America to Europe,¹ and its reputation has gone downhill ever since.

The events of 2012-2013 in Mali again drew international attention to the importance of drug trafficking in the West African region, now combined with a fear that drug profits are benefiting Islamist movements including Al-Qaeda in the Islamic Maghreb (AQIM), an existing Algerian outfit that rebranded itself with an al-Qaeda badge seven years ago.

Dramatic as these events are, they have deeper historical roots than may at first be apparent. The authors of one of the few general studies of drugs in Africa point out that khat, kola and other narcotic-type substances have been produced, traded and consumed in Africa for centuries.² In the case of Guinea-Bissau, another study shows that

¹UNODC, *Cocaine Trafficking in West Africa: The Threat to Stability and Development* (Vienna, 2007), Available at: http://www.unodc.org/documents/data-and-analysis/west_africa_cocaine_report_2007-12_en.pdf [accessed 31 January 2008].

²Neil Carrier and Gernot Klantschnig, *Africa and the War on Drugs* (Zed Press, London, 2012). A debate on this book may be found at <http://africanarguments.org/category/politics-now/africa-and-the-war-on-drugs/> [accessed 14 August 2013].

there has been a sharp rivalry between the army and the presidency ever since the end of the anti-colonial war in 1975, that the army is top-heavy with aging war veterans,³ and that one and the other do not make either for either a healthy government or an armed force well equipped to defend the nation's territorial integrity. In regard to West Africa more generally, some countries have been heavily involved in the international drug trade since the 1970s,⁴ when numbers of Nigerians and Ghanaians especially began to enter the business at a low level, while in Mali's case drug traffickers were transporting their cargoes with the discreet approval of senior state and government officials for years prior to the spectacular conquest of the north by a collection of separatist and Islamist groups in 2012.

Yet, notwithstanding West Africa's decades-long association with the drug trade, it remains clear that there has been a change of phase in the incidence of drug trafficking in West Africa since the start of this century. Accurate statistics are lacking, for reasons that are obvious. The most useful figures are those relating to seizures of cocaine in West Africa itself or in boats in its coastal waters, which indicate a dramatic increase in the mid-2000s.⁵ Interviews with security officials and others in several countries suggest that some leading Latin American drug traffickers decided in the early years of this century to increase the scale of their activities in West Africa on an unprecedented scale. In Ghana, for example, a group of Latin American business operators arrived in the early 2000s ostensibly looking for new investment opportunities. Only later did it become apparent that they were in fact reconnoitring Ghana's potential for drug business.⁶ Whether the resulting wave of massive drug shipments throughout the region, sometimes hundreds of kilos in one cargo, represented a collaboration between independent trafficking organizations, or

³Davin O'Regan and Peter Thompson, *Advancing Stability and Reconciliation in Guinea-Bissau: Lessons from Africa's First Narco-state* (ACSS Special Report, Africa Center for Strategic Studies, Washington, DC, June 2013).

⁴Stephen Ellis, "West Africa's International Drug Trade," *African Affairs*, 108, no.431 (2009), pp. 171–96.

⁵Details may be found in successive UNODC reports, perhaps beginning with *Cocaine Trafficking in West Africa*. See also Antonio L. Mazzitelli, "Transnational Organized Crime in West Africa: the Additional Challenge," *International Affairs*, 83, 6 (2007), pp. 1071–90. Mazzitelli is the former head of UNODC in West Africa.

⁶Author's interview with former security chief, Accra, September 19, 2012.

whether some leading traffickers were driven by the same logic to adopt a similar commercial strategy, is not known.

The usual explanation for the timing of this shift in cocaine trafficking to Africa is that Latin American drug traders saw the growing importance of the European market, causing them to look for intermediary locations for their transport, storage and marketing operations. Improved law enforcement along the Caribbean route was a further inducement to look more closely at West Africa. The fact that there were already a fair number of West Africans with experience of the drug trade made it all the easier to secure the right connections. Once really large cargoes had begun to arrive in West Africa, and a trans-Saharan transport route had developed, existing criminal or outlaw groups, like AQIM, began to get involved. However, some Latin American sources⁷ also emphasize the shift in trade patterns as a result of growing Mexican control of the flow of cocaine to the U.S. market in the late 1990s, leading Colombian and other Latin American groups to look for new marketing channels further afield.

The Historical Roots of West African Corruption

In West Africa, there has always been a close relationship between trade—licit or illicit—and political power. Governance in the region has for centuries been associated with relationships between local potentates and foreign traders that allow African rulers to distribute the fruits of their foreign friendships in such a way as to create the networks of patronage necessary for durable power. Indeed, that was largely how the African end of the Atlantic slave trade used to work.⁸ Slave trading, however appalling, was not illegal until it was outlawed in the British Empire in 1807, after which it came under increasing restrictions due to acts of abolition in major slave-buying and slave-shiping countries and through the growth of international law. In technical (as distinct from moral) terms, only then did slave-trading become a crime. A similar point could be made for many other forms of trade and comportment that were tolerated or even regarded as

⁷Interview with former Latin American drug policy czar, Accra, October 30, 2013.

⁸Joseph C. Miller, *Way of Death: Merchant Capitalism and the Angolan Slave Trade, 1730-1830* (University of Wisconsin Press, Madison WI, 1988).

normal in West Africa until they were forbidden by a new corpus of international and state law in the nineteenth and twentieth centuries.⁹

The colonial states that were created in West Africa just over a century ago, while introducing modern methods of bureaucratic governance and law, worked within this older tradition in the sense that they acted as gatekeepers, “[standing] astride the intersection of the colonial territory and the outside world,”¹⁰ regulating access to markets, and deriving much of their revenue from taxes on trade. Yet colonial administrators aimed in principle to build states of the sort they knew from home, run by a literate bureaucracy that aspired to wield a power evenly spread over every square foot of a territory defined by exact borders. This was the legacy inherited by African politicians at independence.

In reality, neither the colonial rulers nor the nationalists who succeeded them in the middle of the last century ever quite managed to achieve the aim of homogeneous power. Today, power and wealth in West Africa are generally concentrated in nodes in the main cities, growing more diluted in rural areas other than those with valuable mineral resources. These centers of power are home to a fully globalized upper class and a substantial middle class. Although the comparison should not be taken too far, this is not altogether different from pre-colonial systems in which power was vested in a king or other potentate who governed through webs of personal relations that were conceived in terms of personal obligation, largely irrespective of location, and oiled by patronage and gift-giving that in modern times has often been at odds with the law of the land.

Until quite recently, few people referred to organized crime in West Africa. Rather, analysts described a great deal of the institutionalized law-breaking that took place in terms of patronage, patrimonialism, bribery or other forms of political or social activity that seemed qualitatively different from the image created by the notion of organized crime, associated with developed countries and with criminal

⁹Stephen Ellis, “Nigerian Organized Crime,” in F. Allum and S. Gilmour (eds), *Routledge Handbook of Transnational Organized Crime* (London and New York, Routledge, , 2012), pp. 127-42.

¹⁰Frederick Cooper, *Africa Since 1940: The Past of the Present* (Cambridge University Press, 2002), p. 5.

organizations that often appeared to be the underworld equivalent of major corporations, with tiers of directors, middle managers and lowly workers.

In recent years the arrival of cocaine traffickers and the emergence of new forms of political radicalism have ushered in a new vocabulary of crime and terrorism rarely applied to West Africa in the past. This innovation certainly reflects a changing global context. What is less clear is the extent to which the new talk of gangsters, mafias and terrorists accurately captures any fundamental shift in the nature of power in the region and the generation of wealth.

Globalization Old and New

West Africa has been part of a globalized Atlantic economy since the fifteenth century, when Portuguese traders began visiting the region regularly and took to buying slaves for transportation to the Americas. After the Portuguese had lost their primacy to traders from England, the Netherlands and elsewhere, the demand for African manpower developed into a system of triangular commerce whereby European merchants took manufactured goods to West Africa for sale in exchange for slaves who were then shipped westwards to work in the mines and on the plantations of the New World. The bulk of the silver acquired by Spain from its colonies in South America was in fact shipped to Asia, where it was used to finance European commercial activity.¹¹ Joining the ancient system of Indian Ocean trade to the newer one in the Atlantic was achieved thanks to the silver mined in America by Africans.

Reminders of this history are still with us. The most obvious is the presence of populations of African origin all over the Americas, sometimes retaining substantial traces of their African roots. Two modern West African states—Sierra Leone and Liberia—owe their foundation to the return of the descendants of slaves from the Americas. The Sierra Leonean city of Freetown was established in 1787 as a settlement for American blacks who had fought for the losing side in the U.S. War of Independence before being evacuated. Liberia was the project of free persons of color from the United States, originally sup-

¹¹Dennis O. Flynn and Arturo Giraldez, "Born with a 'Silver Spoon': the Origin of World Trade in 1571," *Journal of World History*, 6, 2 (1995), p. 13.

ported by some leading public figures: the Liberians' miniature state received international recognition as a republic in 1847.

More than any other West African country, Liberia has kept alive the memory of the old transatlantic system, governed by an elite class that feels at home in two continents. Elsewhere, powerful merchant-dynasties still exist that are descended from ex-slaves in Brazil who returned to West Africa in the nineteenth century. But the most important of all the Luso-Africans is the elite of Luanda, now the capital of an oil-producing state with big ambitions and substantial achievements. Angola's ruling class, emerging from centuries of commerce and inter-marriage between Europeans and Africans, remains oriented towards the Atlantic far more than towards its continental hinterland. Many senior Angolan families, such as that of President dos Santos himself, bear names redolent of their partial Portuguese ancestry.

The Atlantic slave trade peaked in the late eighteenth century before being gradually supplanted with trade in so-called legitimate products, such as palm oil. Once Britain, France and a couple of other European countries had declared various parts of West Africa to be their colonial possessions, they were able to use a bureaucratic power that was new to the region to reorient commercial activity towards the various European metropolises. The result is visible on a map of West Africa, which shows a string of major cities along the coast, from Dakar to Port Harcourt, while a smattering of railway lines link the interior to the seaboard. Demand from foreign traders arriving by sea led existing routes for long-distance trade to be reoriented, as goods flowed southwards from the Sahel to the Atlantic shore. Old caravan routes across the desert, linking West Africa to Morocco, Algeria and Libya, declined in importance. Nevertheless, the same groups of people sometimes remained involved, as the movement of specialist traders over the centuries led to the establishment of ethnic diasporas along the length of major commercial routes throughout West Africa, while in the Sahara, nomadic groups such as the Tuareg and the Toubou have always lived partly as traders or guides. Islam was the religion of many traders, a cosmopolitan faith that they carried with them like a passport. Hence, the profound reordering of West Africa's trade associated with the rise of the Atlantic economy and later with colonial power produced new commercial elites but in some cases remained the business of existing trade networks.

Although an African diaspora began to form in the Americas with the growth of the slave trade, in the early centuries the conditions in which this new diaspora emerged made it impossible for any effective communication to take place between West Africans and their distant relatives in the Americas. A sophisticated consciousness of the existence of a trans-Atlantic diaspora developed only in the mid-nineteenth century, championed by the writers Alexander Crummell and Edward Blyden, both men born in the Americas who made their careers in West Africa. Throughout the colonial period relations between the African diaspora in the Americas and the mother continent were essentially the work of elites, notably the handful of West African intellectuals who travelled to the United States, Britain and France for study and who gained an interest in pan-Africanist ideologies, such as the *négritude* espoused by Léopold Sédar Senghor and the less ethereal pan-Africanism of Kwame Nkrumah. Ideas and connections acquired overseas played a large role in the formation of early nationalist movements in West Africa, and it is no coincidence that both Senghor and Nkrumah became heads of their respective states. In Europe, small communities of West Africans were formed in Europe by soldiers and seamen, especially in France during the First World War. Mass contacts began only in the 1960s, when independence from colonial rule and a push to develop programs of overseas higher education coincided with the growth of cheap air travel, allowing thousands of West Africans to visit the other shores of the Atlantic world for longer or shorter stays.

By the early 1960s, most of the former European colonies in West Africa had gained international recognition as sovereign states. From the start they displayed a distinctive system of rule, which the sociologist Stanislav Andreski dubbed “kleptocracy” in a book published in 1968.¹² In some countries, the systematic use of fraud, bribery and similar illegality as instruments of governance was apparent even during the last years of colonial rule. The rise of nationalist movements in West Africa was at an early stage entangled with the rise of a new style of globalized corruption, as West African politicians in search of funds and foreign businessmen in search of contracts found each another.

¹²Stanislav Andreski, *The African Predicament: A Study in the Pathology of Modernisation* (Michael Joseph, London, 1968), p. 109.

The United Kingdom's first High Commissioner to an independent Nigeria had "no doubt", he wrote, "that foreign firms are largely to blame in this respect."¹³ A young American businessman who took up a job in Nigeria in 1962 discovered that foreign companies were systematically writing inflated invoices in respect of imported goods as a means of expatriating their profits. "Most foreign-owned companies", he later recalled, "were doing largely the same thing."¹⁴ The safeguards that prevented politicians and civil servants from doing corrupt deals with foreign contractors "evaporated in some instances."¹⁵

West African economies became politicized in a new and very specific sense. Politicians who took bribes from foreign firms became vulnerable to blackmail, with the result that "corruption, foreign influence, and domestic politics became hopelessly entangled."¹⁶ In the region's French-speaking countries, the development from late colonial times of a corrupt relationship between foreign businesses, on the one hand, and African politicians and their parties on the other, took on a particular form, dubbed "Françafrique" by Côte d'Ivoire's long-serving president, Félix Houphouët-Boigny. The special feature of Françafrique was that the complex of Euro-African corruption was overseen by a small and durable circle of officials, whose centre of power was in the Elysée palace. A proportion of the rents that were generated were channelled to French politicians and their parties.

In countries where politicians and senior officials are seen to make such routine use of illegality as they commonly do in West Africa, it is small wonder that the general public is unlikely to develop deep respect for the law of the land.

The Drug Trade

"Nigerians as a group, frankly, are marvellous scammers," the former U.S. Secretary of State Colin Powell once opined. "I mean, it is in

¹³National Archives of the United Kingdom, London, DO 186/10, fol.37: Head to Clutterbuck, 5 May 1961; and fol. 56, same to same, 8 Nov. 1961.

¹⁴Raymond Baker, *Capitalism's Achilles Heel: Dirty Money and How to Renew the Free-market System* (John Wiley & Sons, Hoboken, NJ, 2005), p. 12.

¹⁵Henry L. Bretton, *Power and Politics in Africa* (Longman, London, 1973), p. 128.

¹⁶Ibid, p. 129.

their natural culture.”¹⁷ And it is not only fraud for which Nigerians have become notorious, however unfairly, but also drug trafficking of global scope. Nigeria is the biggest country in Africa in terms of population and, in the world of organized crime, it today occupies a prominent position. It therefore constitutes an important case study for anyone inquiring into the roots of today’s criminal connections.

Before the second half of the last century, Nigeria was in many respects quite a law-abiding society. A British official who had studied the matter reported in 1944 that there was no need for “alarm or despondency” in regard to crime in Nigeria, pointing out that “the number of persistent and professional criminals is not great.” He went on to note that “[c]rime as a career has so far made little appeal to the young Nigerian.”¹⁸ The same writer did, though, point out that the colonial penal code was “alien to the ethics and instincts of many of [Nigeria’s] constituent peoples” and that for this reason, embezzling or stealing funds from the government or foreign business concerns was popularly regarded as legitimate.¹⁹ The rejection of laws originally imposed by a foreign government has persisted not only in Nigeria but throughout many other parts of Africa, even since independence.²⁰ Embezzlement and bribery are acknowledged to be significant strands in the political and social fabric, but what has done most to create the impression that West Africa is connected to organized crime is its association with the trade in banned narcotic substances—the drug trade.

It is often said that West Africa was introduced to the cultivation of cannabis and consumption of the plant’s leaves by veterans returning from military service in Asia at the end of the Second World War. However, a pioneering article published in 2005 by the historian Emmanuel Akyeampong²¹ pointed out that a small export trade in cannabis products from West Africa existed already in the first half of

¹⁷Quoted in Henry L. Gates, “Powell and the Black Elite,” *The New Yorker*, 71, 29 (25 Sept. 1995), pp. 64–80.

¹⁸National Archives, Ibadan, Oyo Prof.1, 4113: “Crime and its Treatment,” report to the Governor by Alexander Paterson, February 1944.

¹⁹Ibid.

²⁰cf. Jean-François Bayart, Stephen Ellis and Béatrice Hibou, *The Criminalization of the State in Africa* (James Currey and Heinemann, Oxford and Portsmouth, NH, 1999).

²¹Emmanuel Kwaku Akyeampong, “Diaspora and Drug Trafficking in West Africa: A Case Study of Ghana,” *African Affairs*, 104, 416 (2005), pp. 429–47.

the twentieth century. By the mid-1950s, there were occasional arrests of farmers in southwest Nigeria, and probably in other parts of West Africa, for growing cannabis.²² At the same time, Nigerian marijuana-smokers were also buying small amounts imported from South Africa and the Belgian Congo.²³ By the 1960s, there were some cases of West Africans with good connections in diaspora communities in Europe smuggling marijuana for sale, to the extent that in 1971 Nigeria's Federal Commissioner for Health described marijuana-smuggling from his own and other African countries as "rampant."²⁴

Early West African drug traffickers seem to have been mostly individuals travelling by air to the United Kingdom in particular, carrying relatively small quantities of the drug hidden in their personal baggage or in cargo. Significantly, among Nigerians arrested for smuggling cannabis in 1972 were pilgrims travelling to Saudi Arabia for the *hajj*.²⁵ A decade later, Saudi Arabia figured in third place in a list of countries where Nigerians had been arrested for drug offences, behind the United States and the United Kingdom.²⁶ This is significant because most reports of West African drug-smuggling over the last fifty years have concerned the supply of consumer markets in North America and western Europe, which in Nigeria's case appears to have been largely in the hands of people from southern Nigeria. The transport of illegal drugs by Nigerians to the Middle East, including under cover of the *hajj*, is far more likely to involve people of northern Nigerian origin than the North Atlantic trade, given the historic links between northern Nigeria and the Muslim world, and to implicate networks of people and institutions rooted in the old trans-Sahara trade.

The smuggling of relatively small quantities of cannabis products by individual traders, some of whom may have had connections to

²²National Archives, Ibadan, Ekiti Div 1/1, 1085, Indian Hemp: Circular from Acting Permanent Secretary, Ministry of Local Government, Western Region, 7 December 1954.

²³NARA II, RG 84, records of the consulate-general, Lagos, 1940-63, box 2, "Smuggling of Narcotics": Erwin p. Keeler to Dept of State, 3 Feb. 1954.

²⁴Press release number 295, Federal Ministry of Information, Lagos, 22 March 1971, contained in press cuttings file in Nigerian Institute of International Affairs, Lagos.

²⁵Umoh James Umoh and Alhaji Nurudeen Adio-Saka, "The Problem of Smuggling among Pilgrims," *Daily Times*, 13 July 1972. In 1972, 44,061 Nigerians officially went on the *hajj*, the second-largest national contingent after Yemenis.

²⁶Penny Green, *Drugs, Trafficking and Criminal Policy: The Scapegoat Strategy* (Waterside Press, Winchester, 1998), p. 46.

senior officials,²⁷ was the precursor to West African involvement in the cocaine and heroin trade that emerged in the early 1980s. This, too, appears to have been largely the work of individual Nigerian and Ghanaian traders, who used methods developed for smuggling cannabis for a far more lucrative business. They travelled to South America or Asia to buy small quantities of cocaine or heroin that they could carry to West Africa in their personal luggage for onward transmission to the consumer markets of the North Atlantic, or they took up residence in producer countries and recruited couriers to carry the packages for them. Nigerian smugglers were reported to be sending heroin by air courier from Pakistan to Nigeria, where it was repackaged and re-exported to the United States.²⁸ West African traders—Nigerians and Ghanaians in the majority—developed the technique of swallowing drugs wrapped in condoms, which became a hallmark of the West African carrying trade. The great advantage of West African smugglers in the early days of this trade was that law enforcement officers in the consumer countries of North America and Europe were not expecting narcotics to be imported from West Africa, since it was not a producing area.

“Prior to 1982,” the U.S. embassy in Lagos stated, “Nigerians played an insignificant role in the marketing of narcotics and dangerous drugs in the United States.”²⁹ That year, U.S. authorities arrested 21 Nigerians for narcotics offenses, with figures rising rapidly thereafter.³⁰ A similar pattern emerged in Europe, where an official of the West German interior ministry reportedly stated in 1983 that Hamburg was importing significant quantities of drugs from West Africa, including one and a half tons from Ghana (presumably of marijuana), and that a ship from Nigeria carrying cocaine, heroin and marijuana had also docked there.³¹ The same year, Thailand witnessed its first known case of a Nigerian convicted of possessing heroin.³²

²⁷See Ellis, “West Africa’s International Drug Trade” for examples.

²⁸Statement by U.S. Embassy, Lagos, published in *Daily Times* [Lagos], 10 December 1984, p. 3.

²⁹*Ibid.*

³⁰*Ibid.*

³¹Quoted in the *Daily Times*, 26 November 1984.

³²According to the newsletter *Drug Force*, the official publication of the Nigerian Drug Law Enforcement Agency: quoted in *Daily Champion* [Lagos], 9 May 1993.

Inevitably, a market for cocaine and other imported drugs began to emerge in West Africa itself. A Nigerian newspaper in 1983 reported the existence of “a tiny cocaine world” in Lagos high society.³³ In Accra, by the late 1990s the Tudu district was home to a small colony of regular users of heroin, cocaine and other imported drugs.³⁴ In 1997, crack was said to be on sale in Abidjan.³⁵ Today, there are significant numbers of users of illegal drugs, in addition to the ubiquitous cannabis, in many West African cities.³⁶ It has recently become clear that methamphetamine is being produced in West Africa for both local consumption and for export, including to East Asia.³⁷ Arrests of West African drug importers in the United States and in Europe suggest that many small trafficking networks today consist of an individual entrepreneur who enlists family and friends living overseas to assist in the smuggling and distribution of drugs. The diasporas that have come into existence over time thus may be used for criminal purposes.

There has long been a Lebanese connection to the drug trade in West Africa. In 1952, a U.S. official noted that what he called “dope”—most probably heroin—was being transported by a Lebanese gang from Beirut to New York via Kano and Accra, using couriers on commercial airlines.³⁸ The U.S. consul-general in Lagos was told by a Lebanese source, described as “a competent narcotics and diamond smuggler,”³⁹ that the existing “heavy dope traffic” from the Near East to the United States via Europe at that time was being diverted to Nigeria “to an increasing extent” to avoid the attention of law-enforcement officers on the European route.⁴⁰

³³The *Guardian* [Lagos] carried a series of reports on this matter in May and June 1983. See also Axel Klein, “Trapped in the Traffick: Growing Problems of Drug Consumption in Lagos,” *Journal of Modern African Studies*, 32, 4 (1994), pp. 657-77.

³⁴Yahya H. Affinnih, “A Preliminary Study of Drug Abuse and its Mental Health and Health Consequences among Addicts in Greater Accra, Ghana,” *Journal of Psychoactive Drugs*, 31:4 (1999), pp. 395-403.

³⁵Author’s interview with police source, Abidjan, March 1997.

³⁶This is based on personal observation, plus remarks by the UNODC in its annual *World Drug Report*.

³⁷http://www.unodc.org/documents/toc/Reports/TOCTAWestAfrica/West_Africa_TOC_ME_TH.pdf [accessed 26 August 2013]

³⁸NARA II, RG 84, records of the consulate-general, Lagos, 1940-63, box 2, “Smuggling of Narcotics”: Erwin p. Keeler to Dept of State, 4 Dec. 1952.

³⁹Ibid: memorandum for Mr Ross, 21 August 1952, attached to Robert W. Ross to Dept of State, 28 August 1952.

⁴⁰Ibid: Erwin p. Keeler to Dept of State, 4 Dec. 1952.

The Lebanese diaspora in Africa had come into existence since the late nineteenth century, with Lebanese communities also emerging in other parts of the world, including Latin America. Many people of Lebanese extraction living in other continents have been able to maintain family relations with their homeland over generations, and their family connections have become inseparable from their commercial activities. The U.S. authorities have uncovered specific cases of sophisticated trading and money-laundering schemes that incorporate Lebanese in West Africa, South America, the United States and Lebanon itself.⁴¹ Walid Makled Garcia, a Venezuelan national of Lebanese ancestry, was listed by the Obama Administration as a drug kingpin in 2009 and subsequently placed on trial in his home country.⁴² These social and commercial relations have recently acquired a political and security complexion, as the Lebanese organization Hizbollah, which receives some financial and other support from Lebanese diaspora communities throughout West Africa, has been accused of profiting directly from the drug trade. The U.S. government has imposed sanctions on named Lebanese in West Africa said to be participants in a drug trading operation that produces funds for Hizbollah.⁴³ Greater use of the trans-Saharan route for trafficking drugs, combined with political upheaval in Libya especially, are encouraging a fusion of crime and politics through a swath of North Africa.

The West African Landscape

The Colombian economist Francisco Thoumi maintains that patterns of drug production and trading should not be attributed primarily to price differentials but to the nature of “institutions, governability and social values,”⁴⁴ since “institutional and structural weaknesses and cultural aspects determine the competitive advantage in illegal goods and services.”⁴⁵ “Illegality,” he writes, “generates competitive

⁴¹Drug Enforcement Administration briefing, Washington DC, 6 June 2008.

⁴²“Drug Trafficking Suspect Wanted by U.S. Is Arrested in Colombia,” *New York Times*, 21 August 2010.

⁴³<http://awoko.org/2013/06/12/sierra-leone-u-s-sanctions-salome-lebanese-and-3-other-hezbollah-supporters/> [accessed 26 August 2013]

⁴⁴Ibid.

⁴⁵Ibid., p. 127.

advantages in the countries or regions that have the weakest rule of law.”⁴⁶ More controversially, some writers⁴⁷ suggest that West African societies manifest a degree of admiration—ambiguous but nonetheless discernible—for the qualities of deception and subterfuge traditionally required by hunters, but equally useful in politics as well as in smuggling. The reasons for the existence of such an attitude are embedded in the region’s history.

In short, West Africa’s openness to bribery and corruption is historically rooted and has shaped its modern governance. This is a political reality confronting any West African who aspires to high office. Like their counterparts elsewhere, politicians in West Africa heading on the campaign trail need finance, but in many cases this may not easily be forthcoming from legal sources since the region’s informal economies are so large. To the costs of election campaigning have to be added the large sums needed for the maintenance of a patronage network. A successful politician also needs to keep an eye on the distribution of power among rival political networks nationwide, and to bear in mind the historic role of the state as the gatekeeper of commercial opportunity while paying attention to his or her international reputation. To give two extreme examples, Liberia’s President Ellen Johnson Sirleaf has, at one end of the spectrum, succeeded in running successive presidential election campaigns while negotiating the realities of Liberian political life and yet upholding her international image to the extent of receiving a Nobel prize. At the other end of the scale is Guinea-Bissau’s Admiral José Américo Bubo Na Tchuto, a political player despite his title as naval chief of staff, who currently languishes in a U.S. jail on a charge of drug smuggling while his country is widely reviled as Africa’s first authentic narco-state.

Outsiders who have engaged with the realities of West African politics for the benefit of their own businesses (and, indeed, who have thereby helped the region become what it is) include the executive

⁴⁶Francisco E. Thoumi, “The Rise of Two Drug Tigers: the Development of the Illegal Drugs Industry and Drug Policy Failure in Afghanistan and Colombia,” in F. Bovenkerk and M. Levi (eds.), *The Organized Crime Community: Essays in Honor of Alan A. Block* (Studies of Organized Crime no.6, Springer Science and Business Media, New York, 2007), p. 126.

⁴⁷Jean-François Bayart, “The ‘Social Capital’ of the Felonious State,” in Bayart et. al, *The Criminalization of the State in Africa*, ch.2.

officers of leading multinational companies, as numerous scandals⁴⁸ have attested, as well as South American drug traffickers. The range of commodities traded in West Africa includes both illicit commodities such as drugs but also licit ones such as oil, which in the case of Nigeria is smuggled on a large scale. Oil smuggling from Nigeria appears to take two basic forms. The crudest involves local residents puncturing pipelines in order to extract small amounts of crude oil that is then refined with home-made apparatus in “mom and pop” operations or that is smuggled out of the country in small boats. The second type of smuggling involves far bigger volumes of oil, taken out of the country by techniques that are both simpler and more complex, as crude oil is illicitly exported in tankers that are covered by documents that are official but illegally obtained (neatly called in French “*vrai-faux*” paperwork). Both types of operation depend on a degree of official complicity, ranging from local law enforcement officers who may be bribed to look aside while pipelines are tapped, to very senior officials who sign papers covering transactions in illicit oil. A great deal of smuggled oil clearly makes its way onto official world markets, where it loses the stigma of illegality. Although details are hard to find, it appears that oil companies, oil traders and others are often complicit in operations of this nature.⁴⁹ From the point of view of Nigerian state officials, the attraction of sponsoring oil smuggling is that it generates profits and rents that are not recorded in formal statistics and that may be kept in off-the-books accounts, for personal or political use.

It is possible that some of the people who derive huge profits from oil smuggling are also active in fully illegal trades, such as in drugs, or in semi-illicit ones, such as the arms business. In any event, it is plain that there is a long West African tradition of using a specific position, whether in a political or a geographical sense, to generate rents. For centuries, this practice has been integrated into global networks of trade and their related political interests. Although many aspects of West Africa’s participation in transnational networks of crime are not

⁴⁸Major cases of bribery that have been subject to legal proceedings have been in regard to the oil company Elf-Aquitaine, for example, the oil services company Halliburton, and the electronics giant Siemens.

⁴⁹Christina Katsouris and Aaron Sayne, *Nigeria’s Criminal Crude: International Options to Combat the Export of Stolen Oil* (Chatham House, London, 2013), <http://www.chathamhouse.org/publications/papers/view/194254>, accessed 17 Dec. 2013.

new, equally clear is that there has been a significant change both of scale and type in recent years, particularly in regard to the cocaine trade. At the same time, West Africa's impressive economic growth has been accompanied by a deepening of financial institutions in major countries of the region and a growing participation in conventional finance and investment. This creates a political logic that could nudge politicians in the direction of greater probity and respectability, although there is no guarantee that this will indeed occur.

The generation of rents by illegal or legal means is not a purely elite phenomenon, as is demonstrated by the existence of the sort of artisanal oil smuggling briefly described above. Important elements of social life have been drawn into the realm of international crime, for example as West African traditions of migrant labour have been globalized via international migration. The search for improvement far away from home is not a purely economic reflex but is related to ideas concerning initiation into adulthood, which traditionally takes not only a ritual form, but might require young men especially to raise money in ways unavailable locally. The tightening of international visa regimes in the developed world causes many people to look for work abroad illegally. They take huge risks, showing formidable powers of endurance, to travel illegally over the Sahara, for example, to find work in North Africa or in Europe.⁵⁰ Nowadays an alternative is the trip to China, which is easy to enter but difficult to find a living.

Conclusions

The common practice of labelling certain West African states or movements as narco-states or narco-terrorists is rather crude. West Africa is home to both a number of professional drug traders with decades of experience and to vast numbers of people who, aspiring to a better life, are willing to take the great risks involved in acting as a drug courier or mule, swallowing packets of heroin or cocaine before boarding a plane to Europe, the United States, or, these days, to Asia. It is governed by politicians who, in regulating access to the state to anyone who is able to pay, are able to generate funds for themselves

⁵⁰UNODC, *The Role of Organized Crime in the Smuggling of Migrants from West Africa to the European Union* (Vienna, Jan. 2011), also available at http://www.unodc.org/documents/human-trafficking/Migrant-Smuggling/Report_SOM_West_Africa_EU.pdf

and their parties. West African politicians were doing this for years before the wave of cocaine hit their region in the mid-2000s, and politicians of this stamp do not seem to regard drug dealers as fundamentally different from any other sort of business operator. Traders and politicians may make common cause, but there appear to be few senior politicians who are directly involved in the drug trade, with a few notorious exceptions.

Something similar is true of the practice of kidnapping that has been used with success by AQIM and by some non-governmental groups both in the Sahara and elsewhere, notably in the Niger Delta. In both cases kidnapping is rarely a politically motivated activity—although an ideological argument may be found if necessary—but more of an income-generator. All manner of businesses can provide the financial basis for political and ideological campaigns. It may matter little whether they are legal or illegal, although there is often more money to be made from the illegal ones. In the case of the Sahara, where smuggling is a way of life, drug-smuggling is widely seen as activity unsuitable for respectable people.⁵¹ Yet this attitude is surely being undermined as the sisters and daughters of leading smugglers intermarry with Islamist warlords.

West African statistics are notoriously poor at the best of times, and in regard to illegal activities they are even worse. Since people who gain a living from criminal or illicit activity don't easily divulge their trade secrets, even anecdotal information is lacking. However, perhaps our first need is to understand the new political economy of crime. Various authors suggest that a general loosening of financial regulation since the 1970s; military and intelligence assistance given to anti-Soviet groups in Afghanistan in the 1980s; and the end of the Cold War and the collapse of the Soviet Union⁵² have all contributed to the emergence of new global configurations in which crime and politics have grown closer.⁵³ The full implications of these developments are becoming apparent only over time, as is always the case, but it is clear

⁵¹Judith Scheele, *Smugglers and Saints of the Sahara: Regional Connectivity in the Twentieth Century* (Cambridge University Press, Cambridge, 2012).

⁵²See e.g. Misha Glenny, *McMafia: Crime Without Borders* (Bodley Head, London, 2008), and a series of works by R.T. Naylor, including *Wages of Crime: Black Markets, Illegal Finance, and the Underworld Economy* (revised edition, Cornell Univ. Press, Ithaca and London, 2004).

⁵³Stanley Cohen, "Crime and Politics: Spot the Difference," *The British Journal of Sociology*, 47, 1 (1996), pp. 1-21.

that the rise of the West African drug trade needs to be seen in this context. In the case of West Africa, the process seems set to develop further, as states effectively renounce any effective pretention to uphold a monopoly of legitimate violence within their national territory and as a lucrative Asian market emerges as a likely focus for the world's major drug traders in the next few years.

Chapter 9

Africa's Security Challenges in the Atlantic Ocean

Samuel Kamé-Domguia and Wilfried Relwende Sawadogo

Africa's oceans and seas are under pressure. Over the years, traditional maritime activities, such as shipping or fisheries have intensified, while new ones, such as aquaculture, offshore renewable energy or seabed mining, have emerged. The rise in intensity of activities at sea is taking place against the backdrop of insecurity due to various forms of illegal trafficking, degradation of the marine environment, falling biodiversity and aggravated effects of climate change. In past decades (most African states on the Atlantic basin acceded to independence around 50 years ago) direct aggregate losses of revenue from illegal activities in Africa's maritime domain amount to hundreds of billions of dollars, not to mention the loss of lives. This chapter discusses some of the related issues and explores some of the initiatives underway to address them.

Recurrent pirate attacks and illicit maritime activities have generated greater awareness that global waters are vulnerable to multifaceted domestic, regional and international threats with adverse socio-economic and political consequences, especially in the African context. Historically, African security concerns were land-centric; maritime security arrangements seemed less urgent by and among African states. In recent years, however, illicit and illegal activities in Africa's inland waters, seas and oceans have proliferated, requiring political attention to tackle them. Recent initiatives, such as elaboration of the African Union 2050 Africa's Integrated Maritime Strategy (2050 AIM-Strategy), coupled with the development of various regional Memoranda of Understanding and Codes of Conduct, suggest a paradigm shift, with Africans realizing the wide-ranging benefits that could derive from an enhanced maritime safety and security (MSS) framework in the African maritime domain.

This chapter first provides an analytical overview of MSS challenges in the African maritime domain in general and on the Atlantic side of the African continent in particular. It then assesses the pertinence of recent continental, regional and sub-regional efforts to address African MSS issues. It concludes by providing practical recommendations and outlines potential outcomes of a stable, secured and safe African maritime domain, not only for Africans but also for the wider international community.

Threats and Vulnerabilities in Africa's Maritime Domain

Africa is dependent on seaborne trade. Global seaborne trade has more than quadrupled over the past forty years, with seaborne trade volume representing 91 percent of Africa's total trade. Africa's waterways are almost certain to keep getting busier, and thus will continually face various challenges and threats. Africa's maritime domain suffers from poor awareness, lack of capability and rudimentary capacity to handle such threats. For a long time, African states were largely indifferent to their inland waters, seas and oceans; maritime domain issues were considered peripheral. Advocacy campaigns and outreach initiatives relative to maritime issues are scarce and limited. Illicit and illegal maritime activities in Africa's inland waters, seas and oceans were allowed to spread.

In our interconnected globalized world and more specifically in Africa, any threat can gradually undermine the security of an individual, a state or society, and at a greater level, the security of a whole region, or international trade as it is the case with the issue of piracy off the coast of Somalia today.

When these threats threaten to undermine security, there is clearly a need for action. Responsibility for action can range from the individual and local community to national governments, regional organizations such as the African Union Peace and Security Council, and ultimately the United Nations.

One crucial challenge Africa faces is the growing trend of piracy and armed robbery at sea, defined as "any illegal acts of violence or detention, or any act of depredation, committed for private ends by the crew or the passengers of a private ship and directed against

another ship, or against persons or property on board such ship”¹ or “an act of boarding or attempting to board any ship with the apparent intent to commit theft or any other crime and with the apparent intent or capability to use force in the furtherance of that act.”²

Much attention has been paid to incidents off Africa's eastern coasts. Yet incidents of piracy and robbery in the Gulf of Guinea, off Africa's western coasts, now rival those off the coast of Somalia as Africa's most acute maritime threat. At least 322 attacks were recorded in the Gulf of Guinea region between 2006 and September 2012. Incidents continue to rise despite the active counter-piracy operations that have been undertaken.³ Attacks have targeted high-value assets such as oil shipments, slowing down investment and entrepreneurship and diverting efforts to promote the development of the potentially lucrative fishing and tourism industries in the region, undermining development efforts and human security endeavors in the region.

The Gulf of Guinea is a strategic region that draws crime and sharpens the envy of criminal networks due to its role as a sea lane integrally connected to a region blessed with abundant energy resources, including large oil producers Angola and Nigeria; maturing oil producers such as Congo Brazzaville; former mature producers such as Cameroon and Gabon; newly rising oil producers such as Equatorial Guinea, Chad and Ghana; and mineral-rich countries such as the Democratic Republic of Congo.⁴ All told, the Gulf of Guinea has larger offshore oil reserves than the Persian Gulf. Around 5.4 million barrels of crude oil are produced per day in 2012. The Gulf of

¹Definition provided by the dispositions of the Law of the Sea. For further details, see: <http://home.wanadoo.nl/m.bruyneel/archive/modern/undef.htm>

²International Maritime Bureau, “Piracy and Armed Robbery Against Ships,” Annual Report, International Chamber of Commerce, Jan. 1–Dec. 31, 2003. Also see: D Dillon, “Maritime Piracy: Defining the Problem.” *SAILS Review* XXV (1) (Winter 2005): 156–164.

³United Nations Security Council, “Report of the United Nations Assessment Mission on Piracy in the Gulf of Guinea (7 to 24 November 2011),” January 19, 2012; Chatham House, “Maritime Security in the Gulf of Guinea,” Report of the conference held at Chatham House, London, March 2013, p. 1; *Jeune Afrique*, July 17, 2013, <http://www.jeuneafrique.com/Article/JA2739p039.xml0/piraterie-pirates-cedeao-golfe-de-guineegolfe-de-guinee-a-l-abordage.html>, accessed August 15, 2013; Joe Brock, *et al.*, “Pirates Kidnap Two U.S. Sailors off Nigerian Coast.” Oct 24, 2013, <http://www.reuters.com/article/2013/10/24/us-nigeria-piracy-idUSBRE99N0GT20131024>, accessed November 7, 2013.

⁴François Vreÿ, “Bad Order at Sea: From the Gulf of Aden to the Gulf of Guinea,” *African Security Review* 18:3 (2009), p. 22.

Guinea is an important energy supplier to Japan, China and various European countries.⁵

Seventy percent of Africa's rapidly growing population of over one billion people depends on fish, both inland and coastal.⁶ Fish is particularly important for the poor as it is often the most affordable source of protein. At continental level, fish and fish products account for average annual exports valued at \$2.7 billion.⁷

It should be noted that the root causes of piracy off the coast of Somalia are illegal fishing and dumping of toxic waste in Somali waters by foreign vessels, practices which directly affect human security and severely constrain the ability of local fishermen to earn a living. Many turned to pirating. Over the past five decades, losses from illegal, unregulated, and unreported fishing and over-fishing in Africa may have exceeded \$100 billion.⁸

The disposal of toxic and nuclear waste by foreign companies in Africa's maritime domain is akin to an environmental crime, as it destroys African flora and fauna, making life difficult and sometimes impossible due to the deadly consequences that derive from such activities. For instance, European companies find it cheap to dump toxic waste in Africa as it is cost-efficient (\$2.50/ton) compared to Europe (\$1,000/ton).⁹ Many of these toxic waste disposal companies are controlled by criminal networks. The Italian Mafia, for instance, controls an estimated 30 percent of Italy's toxic waste disposal companies.¹⁰ Such a situation poses a serious threat to the peace and stability of African states as it undermines human development and the socio-economic well-being of African populations, encouraging illegal migration and trans-border human trafficking as a way to overcome harsh socio-economic conditions and break out of poverty. Illegal

⁵<http://www.vanguardngr.com/2013/08/petroleum-minister-laments-insecurity-in-gulf-of-guinea/>, visited 16 January 2014.

⁶IRIN, "Security: Is Africa's Maritime Strategy All at Sea?" October 22, 2012. See: <http://m.irin-news.org/report/96608/>, accessed August 9, 2013.

⁷Mary Kimani, "Safeguarding Africa's Fishing Waters," July 2009, <http://www.un.org/africarenewal/magazine/july-2009/safeguarding-africa%E2%80%99s-fishing-waters>.

⁸African Union Commission.

⁹Aljazeera news, "Toxic Waste Behind Somali Piracy," <http://www.aljazeera.com/news/africa/2008/10/2008109174223218644.html>, accessed August 21, 2013.

¹⁰Ibid.

dumping of toxic waste in Abidjan in 2006 led to fifteen 15 deaths, 69 persons hospitalized and more than 108,000 medical consultations. Lead-contaminated waste dumped from illegal gold mining in 2010 cost the lives of more than 400 children and affected more than 18,000 mostly young children and pregnant women.¹¹

Transnational human trafficking, also known as trans-border human smuggling, is another serious human security issue—60 percent of the world's human trafficking takes place in Africa.¹² Such human trafficking relies significantly on seaborne transportation plying the same maritime routes used by drug smugglers and international criminals.

Drawing on the experience of the West African region, various factors contribute to the increased importance of trans-border human trafficking on the continent. These include the fast growth of African populations, uncontrolled urbanization, poor security arrangements, tribalism, and socio-economic hardships associated with wide inequalities in the distribution of wealth.¹³ Many trafficked human beings, among which are a high number of children, end up fueling terrorist networks, drug cartels, and the ranks of rebellion factions. Statistics by the International Labor Organization (ILO), backed by the United Nations Children's Fund (UNICEF), showed that around 200,000 to 300,000 children are trafficked each year for forced labor and sexual exploitation in West and Central Africa countries. Nigerian police intelligence reports indicate that “6,000–15,000 children trafficked from Benin were being used as child laborers in Nigeria”¹⁴ with a large number of them being used on cocoa farms. Many trafficked children are

¹¹<http://pages.au.int/maritime/events/2010-africa-maritime-safety-and-security-towards-economic-prosperity-conference>, accessed January 16, 2014.

¹²Defined by the Protocol to Prevent, Suppress and Punish Trafficking in Persons (Article 3, paragraph [a]) as “the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.”

¹³For further details, see: Africa Is Registering the Fastest Population Growth in the World: http://www.nytimes.com/2012/04/15/world/africa/in-nigeria-a-preview-of-an-overcrowded-planet.html?_r=1.

¹⁴IRIN, “West Africa: Traffickers Hold Thousands of Children, Women in Bondage,” November 12, 2003, <http://www.irinnews.org/fr/report/47205/west-africa-traffickers-hold-thousands-of-children-women-in-bondage>, accessed November 7, 2013.

also deported by trafficking rings for unknown destinations in Central African countries via the Atlantic coast bordering Cameroon, where they are loaded along with goods onto locally-built sea vessels without navigational equipment; hundreds die each year in Atlantic waters.¹⁵

Many trafficked children are also exploited in maritime-related activities.¹⁶ Trafficked children have been found in the Volta Lake region in Ghana, for example, where they are forced by fishermen to work long hours for little or no pay.¹⁷ Others are destined for domestic services or transported via uncontrolled maritime corridors and forced into prostitution in Europe, the Middle East, and the United States of America.¹⁸ Such human smuggling via sea lanes is rendered possible because of porous maritime borders and inefficient and ineffective maritime regulations and security, and the porosity of maritime borders. In many cases, these criminal activities are conducted via Africa's inland waters, seas and oceans, hence the need to strengthen safety and security controls so to tackle the porosity of maritime borders in West Africa and Africa in general.

Transnational human trafficking has adverse consequences on Africa's financial sustainability as it impedes legitimate economic activities, contributes to the disorganization of national economies, diverts foreign investment, increases the cost of doing business by driving companies away from Africa, pushes skilled workers overseas, damages employment and educational opportunities, hinders the continent's tourism potential, and encourages tax evasion, thus degrading life quality and eroding Africa's economic viability.¹⁹

¹⁵Ibid.

¹⁶According to a report by the Environmental Justice Foundation, on September 12, 2010, EJF staff in Sierra Leone documented an illegal Korean-flagged fishing vessel that was exploiting under-aged young boys (under 14 years old) from Senegal who stayed at sea for three (3) months at a time, and unloading fish illegally fished in West Africa (mainly Sierra Leone waters) destined for the European Union. For further details, please see: "Pirate Fishing Exposed: The Fight Against Illegal Fishing in West Africa and the EU," <http://ejffoundation.org/sites/default/files/public/Pirate%20Fishing%20Exposed.pdf>, accessed August 2013.

¹⁷IRIN, *op. cit.*

¹⁸According to the IRIN report, *op. cit.*, 19,774 Nigerians were deported from Europe between 1999 and 2013 due to prostitution and human trafficking offenses.

¹⁹Wilfried Relwende Sawadogo, "The Challenges of Transnational Crimes in West Africa," *African Studies Quarterly* 13, No. 1&2 (Spring 2012), p. 102.

Porous maritime borders, ineffective security frameworks, and the lack of good governance and rule of law at sea have permitted the proliferation of yet another human security challenge—drug trafficking. Each year 50-60 tons of cocaine are regularly trafficked into and through West Africa from places in Latin America such as Columbia and Mexico.²⁰ UNODC estimates that approximately a quarter of Europe's annual consumption of 135 to 145 tons of cocaine, with a wholesale value of some \$1.8 billion, currently transits via West Africa.²¹ An additional 30 to 35 tons of Afghan heroin are trafficked into East Africa every year.²²

International criminal organizations, including al-Qaeda and its affiliates, are enriching themselves through these activities. Such flows create links between drugs trafficking, money laundering, illegal crude oil bunkering, crime and terrorism that pose a complex and significant security threats to international order.²³ Such illegal and illicit trafficking activities through maritime routes contribute to violence, corruption, illegal trading of weapons, youth corruption and democracy perversion, distorting regional and continental economies and destabilizing communal life and human security conditions on the continent.

Yet another human security challenge powered by maritime trade is arms smuggling, which in turn fuels conflicts in various parts of Africa and the world. Two examples are illustrative. In 2010, Nigerian forces intercepted an Iranian ship smuggling arms destined to Hamas fighters. In 2011, during the conflict in the Ivory Coast, Cameroon forces intercepted at the port of Douala containers of weapons from neighboring Chad and Darfur bound for onward shipment to Ivory Coast.

²⁰United Nations Office on Drugs and Crime, "Africa Under Attack Drug Trafficking Has Acquired A Whole New Dimension," December 8, 2009, <http://www.unodc.org/unodc/en/about-unodc/speeches/2009-08-12-africa-under-attack.html>, accessed August 1, 2013; Annette Leijenaar, "Africa Should Wake up to the Importance of an Integrated Maritime Strategy," Institute for Security Studies (ISS), October 8, 2012, <http://www.issafrika.org/iss-today/africa-should-wake-up-to-the-importance-of-an-integrated-maritime-strategy>, accessed August 9, 2013.

²¹United Nations Office on Drugs and Crime (UNODC). "Drug Trafficking," <http://www.unodc.org>, accessed November 7, 2013.

²²Ibid.

²³For further details, please refer to Atlantic Council at: <http://www.acus.org/publication/advancing-us-african-and-global-interests-security-and-stability-maritime-domain/west-africa-faq>, accessed July 30, 2013.

Illegal crude oil bunkering, theft and pipeline vandalism pose additional human security challenges to Africa and its maritime domain. Bunkering involves siphoning oil into private barges from the network of pipelines that criss-cross oil fields and creeks. This is then ferried out to rusting tankers and sold on the black market. According to a special report from the United States Institute of Peace, the Nigerian economy lost about \$100 billion from illegal oil bunkering between 2003 and 2008.²⁴ The country lost an estimated \$7 billion in 2011 and \$9 billion in 2012. It is imperative to reverse the trend by severing links between crude oil thieves and buyers and making illegal crude oil bunkering an international criminal offense.

In sum, weak surveillance systems, lack of capacity for or/and uncoordinated security patrols throughout the continent, unclear definitions, and inadequate legal frameworks for prosecuting criminals have all rendered situational awareness and security enforcement ineffective in Africa's maritime domain and fueled growing illegal and illicit maritime activities. Such a situation hinders development efforts on the continent, generates human casualties, leads to catastrophic economic consequences and environmental damage, and overall heightens human insecurity. It has become urgent to design smart integrative and comprehensive multinational strategies to address this rising phenomenon of illegal and illicit maritime activities in Africa's maritime domain. Effective strategies, in turn, must be backed by political will.

Addressing Maritime Security Challenges in Africa

Africa has become one of the major hubs for global crude oil theft, money laundering, illegal arms and drug smuggling, human trafficking and smuggling, environmental crimes, piracy and armed robbery at sea, as well as dumping of toxic waste and maritime terrorism. It is high time that African leaders and African populations address this growing challenge to Africa's socio-economic development and prosperity.

It is a cruel paradox that Africa is blessed with blue economy resources estimated to value \$3 trillion annually while African populations are dying from hunger, starvation and poverty. Nevertheless, there

²⁴United States Institute of Peace, *Blood Oil in the Niger Delta*, Special Report 229, August 2009.

is greater awareness that Africa's maritime domain could play a significant role in the continent's overall development. National, regional and continental efforts are underway to design concerted integrative strategies to address Africa's common security challenges. It is said in African wisdom, "if you want to go fast, go alone; but if you want to go far, go together."

At regional level, it is worth referring to various regional frameworks and codes of conduct initiated by the Regional Economic Communities (RECs) and Regional Mechanisms (RMs). These include the code of conduct on the prevention and repression of acts of piracy, armed robbery against vessels, and illicit activities in the West and Central African Maritime Domain; and the June 2013 Memorandum of Understanding reached by the Heads of State and Government of the Economic Community of Central African States (ECCAS), the Economic Community of West African States (ECOWAS) and the Gulf of Guinea Commission (GGC) on Maritime Safety and Security in West and Central Africa.

The latter memorandum was reached at a summit in Cameroon that brought together 25 African Union member states. This was a historic achievement in the history of collaborative African efforts, as it was a tangible example of heightened public awareness and political commitment, and laid the ground for additional integrated and comprehensive approaches towards addressing the issues of maritime safety and security on the continent.²⁵ At this Summit, it was also decided to create an Inter-regional Coordination Center on Maritime Safety and Security for Central and West Africa (the Atlantic African coast) headquartered in Yaoundé, Cameroon. This center will help to gather and share information, as very little is really known of what is going on in African waters, and also to contribute to solutions to monitoring and implementation of effective responses to these security challenges in the Gulf of Guinea and the western Atlantic Ocean in general. In their final declaration the heads of state and government vividly expressed their unconditional support to the AU's 2050 AIM-Strategy, and called on each regional organization and the Commis-

²⁵Related documents are available at www.au.int/maritime.

sion of the Gulf of Guinea to “elaborate and adopt a regional strategy in line with the 2050 AIM-Strategy.”²⁶

Other regional frameworks include the Djibouti Code of Conduct, signed by 20 states under the auspices of the International Maritime Organization (IMO), to combat piracy and armed robbery against ships, transnational organized crimes in the maritime domain, and maritime terrorism in the Western Indian Ocean and the Gulf of Aden.

At continental level, it is worth mentioning other significant policy documents, which include the Africa Maritime Transport Charter (AMTC), which was first adopted in 1994 and revised and updated in 2009; the Plan of Action on Maritime Transport adopted in Abuja in 2007 and updated in Algiers, Algeria in 2008 and in Durban, South Africa in 2009; the Durban Resolution on Maritime Safety and Security and the Protection of Environment, and more recently the 2050 AIM-Strategy and its Plan of Action adopted by the Second Conference of African Ministers in charge of Maritime Affairs held on December 6, 2012 in Addis Ababa, Ethiopia.

Pursuant to two decisions of the African Union Assembly of Heads of State and Government issued in July 2009 and July 2010 in Sirte, Libya and Kampala, Uganda, the African Union Commission developed its 2050 AIM-Strategy. The strategy provides an African-driven, comprehensive, multilayered and long-term common vision and strategic framework aimed at maximizing a sustainable African blue economy. It addresses various cross-cutting geostrategic challenges and opportunities that Africans face in their maritime domain. It foresees the creation of a Combined Exclusive Maritime Zone of Africa (CEMZA); the strengthening of maritime legal and judicial instruments; the promotion and facilitation of intra-African maritime trade based upon a safe and secured maritime transportation system; the development of fishing activities, aquaculture, and maritime tourism and leisure; and the strengthening of African maritime labor force capability through a better promotion of gender equality and research capacity in the African maritime sector.

²⁶For further details, please see: <http://pages.au.int/sites/default/files/Declaration%20of%20the%20Heads%20of%20State%20and%20Government%20on%20Maritime%20Safety%20and%20Security.pdf>

Expounding on the security-socio-economic development nexus, the 2050 AIM-Strategy intends to reposition Africa's maritime industry and blue economy as a sustainable source of multifaceted growth. In addition, the Strategy embraces the ideals of peace, justice, stability and human security by addressing the socio-structural causes of poverty and under-development, promoting the emergence of societies based upon the rule of law, democratic principles and good governance, building consensus around a shared vision and common continental agenda, promoting the protection of seafarers, enhancing maritime-related job creation initiatives and the dynamism of African innovative culture, and developing integrated maritime infrastructures, logistics and surveillance capabilities, such as a cross-sectorial Strategic Foresight Marine Task Force (SFMTF), for the assessment of the broad spectrum of marine activities.

If fully implemented, the 2050 AIM-Strategy and its Plan of Action would enhance African wealth creation initiatives. For instance, the scale of high-value minerals deposits embedded in the depths of African oceans is staggering. Under-seabed nodules are known to contain up to 28% metal, ten times the proportion found on land. To this can be added the rich variety of Africa's flora and fauna that could be capitalized as tangible touristic and socio-economic assets to the benefit of African and world citizens.

There is much still to be done. An assessment of the African maritime environment reveals that the continent hosts more than one hundred ports. Yet African-owned ships account for less than 1.2 percent of the global total and only 9 percent by gross tonnage. Most African ports operate so much below their optimal capacity so that no African port is ranked among the seventy most productive ports worldwide.²⁷

Conclusion

Annette Leijenaar has called Africa "the continent that suffers most from illegal and unregulated fishing, maritime terrorism, piracy and

²⁷Annette Leijenaar, "Africa Should Wake Up to the Importance of an Integrated Maritime Strategy," Institute for Security Studies (ISS), October 8, 2012, <http://www.issafrica.org/iss-today/africa-should-wake-up-to-the-importance-of-an-integrated-maritime-strategy>, accessed August 9, 2013.

armed robbery at sea, poor legal and regulatory maritime regimes, illegal drugs, arms and human trafficking, a lack of effective communication and other technological maritime requirements, and last but not least, unsuitable ships and ports”²⁸ This should galvanize action to address the challenges facing Africa’s maritime domain.

More than 91 percent of Africa’s imports and exports are carried by sea; the continent’s maritime economy is estimated at over \$1 trillion a year.²⁹ So it goes without saying that Africa’s blue economy and blue growth should be referred to as ‘the new frontline in Africa’s renaissance.’³⁰ This means developing the continent’s own strategic maritime infrastructures in line with the needs of African populations. Such an enterprise requires more than the mere adoption of declarations, resolutions and policies. It demands demonstrable political and leadership commitment, good governance enforcement, responsible and transparent regulatory systems, heightened public awareness, more investment in maritime research, science and technology, the promotion of maritime industrial infrastructure and technological competence, effective information-sharing mechanisms, better collaboration among public and private sectors in maritime-related affairs, the establishment of regional and continental maritime early warning centers, continental common fisheries policies, the implementation of a naval component within the African Standby Force (ASF), better coordination of stakeholders’ contributions (United Nations, European Union, North Atlantic Treaty Organization, International Maritime Organization, World Bank, international non-governmental organizations, regional economic communities, regional mechanisms, and academic institutions), capacity-building geared towards maritime wealth creation, and the determination of all African actors to take the lead regarding their destiny by unanimously working towards the realization of “An integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena,”³¹ a *sine qua non* condition for a meaningful African renaissance.

²⁸Ibid.

²⁹Ibid.

³⁰387e Meeting of the African Union Peace and Security Council, held 29 July 2013 in Addis Ababa, Ethiopia.

³¹Vision of the African Union.

Chapter 10

Issues of Maritime (In)Security

Martin Uadiale

Piracy has re-emerged as a global security threat, most recently in the waters of the Horn of Africa, but also in West Africa, the waters off India, the South China Sea and the Strait of Malacca, and the Caribbean. Pirates tend to operate in regions with large coastal areas, high levels of commercial activity, small national naval forces, and weak regional security cooperation mechanisms. These characteristics facilitate other maritime security threats including terrorism, weapons and narcotics trafficking, illegal fishing and dumping, and human smuggling operations.¹ As a result, maritime security challenges are becoming increasingly relevant to human security, particularly in the southern Atlantic.²

In recent times maritime piracy has shifted its concentration to Africa from traditional Asian hotspots such as Indonesia, Malaysia, Singapore and the Philippines. This has been due to various factors, including the increased and profound impact of globalization, which has increased global trade and commerce; the end of the Cold War; technological advances; weapons proliferation; and the failure of African states to fulfill their basic role of providing security, including for the maritime domain. Other factors such as alienation and marginalization; unemployment; social problems of poverty and resource disputes have fueled a significant increase in piracy and contributed to a deterioration in Africa's maritime security environment.³

Much international attention has focused on eastern Africa, where Somali pirates have threatened not only the Gulf of Aden and East

¹Lauren Ploch, Christopher M. Blanchard, Ronald O'Rourke, R. Chuck Mason and Rawle O. King, *Piracy of the Horn of Africa*, Congressional Research Service Report, (R40529), Washington: CRS Report for Congress, April, 2011, p.4.

²Peter Chalk, *The Maritime Dimension of International Security: Terrorism, Piracy and Challenges for the United States*, Santa Monica: RAND Corporation.

³See Martin Uadiale, "Security Implications of Maritime Piracy in Contemporary Africa," *Africa Strategic Forum*. Ekpoma: Ambrose Alli University, Edo State, Nigeria (forthcoming).

Somalia but also the southern part of the Red Sea, the Bab el-Mandeb straits and the east coast of Oman. Yet high profile attacks in the Gulf of Aden, in waters off the Horn of Africa, and in the Gulf of Guinea underscore that problems of piracy extend broadly to waters around the continent. In fact, almost half of the world's reported pirate attacks take place in African waters, particularly near the coasts of Nigeria and Somalia. Piracy thus not only constitutes a threat to international security, it poses particular challenges to Africa's geostrategic, economic, social, political, environmental, humanitarian, energy and developmental prospects.

This chapter is organized into three sections. Section one explains security challenges in and around the Gulf of Guinea. Section two explores maritime security challenges related to the wider Atlantic Basin. Section three offers recommendations for more effective pan-Atlantic security cooperation to tackle these interrelated issues.

The Gulf of Guinea—A Maritime Perspective

The Gulf of Guinea, located off the coast of West Africa and extending from the western coast of Côte d' Ivoire, past Nigeria to the Gabon estuary, is fast emerging as an important region because of its landward and its maritime domains. Its large population offers a potential market. It is rich in timber, iron ore, copper and other aquatic mineral resources.⁴ Collectively, Gulf of Guinea countries produce more than five million barrels of oil per day, and more than three quarters of the world's supply of cocoa.⁵

The energy potential for the Gulf of Guinea region is astonishing. The region is host to 50.4 billion barrels of proven oil reserves and boasts the fastest rate of discovery of new reserves in the world. The discovery ratio for oil wells in the United States, for instance, is normally about ten percent; in West Africa the same ratio has been almost sixty percent. Experts predict that by 2020, Gulf of Guinea oil produc-

⁴Chris M. A. Kwaja, *Maritime Insecurities in the Gulf of Guinea*, West Africa Insight, May, 2011, p. 1.

⁵Ban Ki-Moon, *Letter from the Secretary General to the President of the Security Council*, (S/2012/45), New York: United Nations Security Council, January 18, 2012, p. 11.

tion will account for 25 percent of the global total, compared to twenty two percent from the Persian Gulf.

The discovery of offshore hydrocarbon deposits has increased the geostrategic importance of the Gulf of Guinea. It is currently the leading sub-Saharan African oil production region and home to the continent's main oil producing countries: Nigeria, Angola, and Equatorial Guinea. Its oil reserves are mainly offshore and can be exploited and exported along direct maritime routes towards the United States, Europe and Asia. As new discoveries are announced, Ghana, Togo, Benin, Côte d' Ivoire, Congo Brazzaville, Cameroon and Gabon are hoping to become or are already becoming big producers, making the region an enormous oil and natural gas field. China has joined Western investors in developing the region's oil infrastructure.

The Gulf of Guinea's coastal arc, which stretches over 6,000 kilometers from Senegal in West Africa through Cameroon in Central Africa to Angola in Southern Africa, underscores its value as an area of global geo-maritime importance as well as its vulnerable security. Devoid of any chokepoint that constrains shipping or increases vulnerability to accidents or attacks, the Gulf of Guinea is a key hub of commercial maritime activities, particularly exports of hydrocarbons, fishing, and imports of manufactured goods and food items. It provides an economic lifeline to coastal and landlocked African countries. Growing investments in the region, especially in offshore oil infrastructure, mean that coastal trading and maritime traffic are bound to increase.

The region's vast economic potential could be eroded, however, due to growing insecurity. Environmental threats include coastal erosion and maritime pollution, including dumping of toxic wastes and oil industry accidents. Economic threats include drug trafficking, illegal oil bunkering, pipeline vandalism, piracy, poaching and attacks on fishing trawlers. Illegal fishing is estimated to cost Nigeria alone \$600 million annually in lost revenue.⁶ The coastline has also become the layover point favored by narcotics smugglers trying to reach lucrative European markets. Resource insurgency, proliferation of small arms and light weapons, sea piracy, and the possibility of maritime terrorism round out the gauntlet of regional security challenges.

⁶K. K. Mbekeani and Mthuli Ncube, *African Economic Brief*, African Development Bank, July 14, 2011.

As a result, the Gulf of Guinea now rivals both the Malacca straits and the Somali coastline as one of the world's most dangerous and piracy-prone maritime regions. Maritime insecurity is compromising the development of this strategic economic area and threatening maritime trade in the short term and the stability of coastal states in the long term.

The Niger Delta region in Nigeria was the initial epicenter of maritime crime. For decades, oil production has paradoxically created poverty. As social tensions and environmental pollution increased, oil income in large part only benefited the central government, oil companies, and local elites. Some who felt excluded from the system turned to violent opposition. Forced to bypass the state to gain access to even a fraction of this wealth, they organized illegal activities, including siphoning of crude oil, clandestine refining and illegal fuel trade. The constant increase in the value of the industry has allowed these activities to prosper and economic crime to spread.

The weakness and general inadequacy of the maritime policies of Gulf of Guinea states and the lack of cooperation among them have allowed criminal networks to diversify their activities and gradually extend them away from the Nigerian coast out on the high seas. Crime does not affect only the oil industry; it has diversified to include piracy and increasingly audacious and well-planned seaborne raids. Criminal groups have learned quickly; taking advantage of troubled socio-political situations, they have appeared along the coasts of Cameroon, Equatorial Guinea, Sao Tome and Principe, Benin and Togo.

Attacks on the oil sector have cost billions of dollars in lost revenue, destabilized global energy prices, and led to many environmental disasters along the west and the central coast of Africa. According to a 2011 UN report, these crimes were costing economic losses of up to \$2 billion annually, mainly hitting local economies. In addition, the rise in the insurance premiums in such "war-risk" areas could be as much as ten times the ordinary level of maritime insurance premiums, with some insurance companies refusing to insure ships and shipments in certain areas without specific protection measures.⁷ In short, esti-

⁷Xavier de la Gorce and Anne-Francois de la Salvy, "Evolution of Illegal Activities at Sea and Governments' Responses to Them," in John Richardson, Armando Marques Guedes, Xavier de la Gorce, Anne-Francois de la Salvy and Paul Holthus, *The Fractured Ocean: Current Chal-*

mates of the true cost of maritime piracy must include a range of factors, from higher cost of operations and higher security costs to disruption of livelihoods, human rights violations, impact on fishing and environmental degradation.⁸

This shift in the nature of threats to national security is characterized by an emerging maritime threat for countries bordering the Gulf of Guinea and those dependent on resources and commerce originating from the Gulf. Maritime insecurity can deny communities on land the benefits of regulated commerce, vibrant trade, safe sea lanes and effective dominion.

Disorder of sea, in turn, is related to disorder on land. Rising crime in the Gulf of Guinea is due primarily to poor governance. Most states in the region have been unable to control economic activities in their maritime zones and in international waters, or ensure the development of their shorelines. This collective failure has created a major opportunity for criminal networks that feed on the needs and grievances of local communities.⁹

The region's loss of revenue from maritime trade, fishing and port fees and, above all, the loss of human life warrant better understanding of the onshore-offshore linkages that drive maritime insecurity.¹⁰ The growth of maritime crime is caused by structural problems such as poverty, socio-political tension and the grievances of local communities. The extent of piracy is an indicator of the radicalization of the alienated and their willingness to turn to crime. Other factors are the region's densely populated conurbations, porous borders, quarrels between states and the inability to stop illegal trade in arms, oil and drugs.

The rise of maritime crime in the Gulf of Guinea is mainly due to the poverty of the great majority of the population alongside wealthy elites. There is a lack of transparency about what happens to the prof-

allenges to Maritime Policy in the Wider Atlantic. Washington D.C.: The German Marshall Fund of the United States and OCP Foundation, December, 2012, pp. 59-63.

⁸See Martin Uadiale and Yonmo Ebiotubo, "New Security Challenges and Peace: Maritime Piracy in Contemporary Africa," in O. E. Tangban and C. Osakwe (eds), *Perspectives in African Historical Studies, Forwarded by Professor John N. Paden, (Festschrift in Honour of Professor C. N. Ubab)*. Kaduna: Nigerian Defence Academy Press, 2013, pp. 466-472.

⁹International Crisis Group, *The Gulf of Guinea: The New Danger Zone* (African Report, No.195). December 12, 2012, pp. i-ii.

¹⁰*Ibid.*, p. 2.

its from the oil industry and other resources which are monopolized by the ruling elites and foreign private companies. The inequitable distribution of wealth means that economic disparity is blatant.¹¹

The Movement for the Emancipation of the Niger Delta (MEND) is one of the largest militant groups in the Niger Delta region in Nigeria. The organization opposes and exposes what it deems to be exploitation and oppression of the people in the Niger Delta and devastation of the natural environment by the Federal Government of Nigeria and multinational corporations involved in the extraction of oil. MEND has been linked to attacks on foreign-owned petroleum companies in Nigeria and has engaged in piracy, kidnapping, theft, and property destruction.¹² MEND employs aggressive tactics at sea to influence decisions about landward matters; the oil industry's large maritime footprint offers lucrative opportunities.

Other groups engaged in related activities include financially motivated criminal gangs operating for personal gain and local community-based factions seeking concessions from international organizations operating in the region.

In short, given the region's geo-strategic and maritime significance, ensuring that good order prevails at sea has become a critical issue for Gulf of Guinea states as well as other powers with growing economic interests in the region.¹³ And since many of the drivers of maritime insecurity are to be found onshore, efforts to address offshore security must begin onshore.

Maritime [In]security in the Broader Atlantic Basin

The geographical scope of this volume ranges beyond the Gulf of Guinea to encompass the entire Atlantic Basin. The question is whether insecurities associated with the Gulf of Guinea are related to evolving issues of maritime insecurity in the wider Atlantic. We can start to explore such linkages by looking at governance mechanisms—

¹¹Ibid.

¹²Uadiale and Ebiotubo, *op. cit.*

¹³Freedom C. Onuoha, *Piracy and Maritime Security in the Gulf of Guinea: Nigeria as a Microcosm*, Aljazeera Center for Studies (Report), June 12, 2012, p. 4.

or lack of them—regarding human activity relating to the ocean's vast riches.

Huge hydrocarbon reserves have been identified in Venezuela, offshore Brazil, under the seas north of the Falklands, and near the South Georgia archipelago. On the Atlantic's eastern rim, Angola, Nigeria, Sao Tome Principe, Equatorial Guinea and Gabon also boast real or expected oil deposits—all potential game changers in economic, political and security terms.¹⁴

A good deal of the Atlantic's other mineral resources are well-known: sand and gravel; untapped deep-seabed reserves; biological resources for pharmaceutical or other biotechnological value; marine resources; renewable energy resources such as offshore wind wave and tidal energy. The shores of the Atlantic continents encompass significant areas of continental shelf, most of which is delineated by the Exclusive Economic Zones of the littoral states. The ultimate extent of these zones is still not fixed, with significant areas under consideration as being potentially included as part of "extended" continental shelves. Beyond these zones, the Atlantic consists of an extensive area of both high seas and deep seabed, otherwise known as the Areas Beyond National Jurisdiction (ABNJ).

The mineral resources of the Atlantic Ocean may be vast, but so far the race to stake rights to deep-sea sites remains in its infancy. Currently known Atlantic precious metal deposits are located in the ABNJ and therefore fall under the regulations of the International Seabed Authority (ISA). Two other mineral resources are located within the Exclusive Economic Zones of Atlantic countries, yet fall outside ISA control. The first is methane hydrate, exploration of which is being spearheaded by the United States and is a growing area of interest as countries look for new natural gas reserves. The second is sand and gravel mining, which continues to grow as the demand for construction materials increases, but with significant environmental consequences.¹⁵

¹⁴Armando Marques Guedes, "Geopolitical Shifts in the Wider Atlantic: Past, Present and Future," in Richardson, et. al, *op. cit.*, pp. 24-25.

¹⁵Paul Holthus, "Marine Natural Resources Extraction," in Richardson, et. al, *op. cit.*, pp. 119-121.

Fisheries are probably the oldest form of human exploitation of marine resources. Good fishing grounds are often associated with areas of strong primary production of biomass in the ocean, those areas with high concentrations of microscopic phytoplankton that form the base of the oceanic food chain. High productivity areas in the Atlantic include a band extending across the North Atlantic, parts of the West Coast of Africa, the mouth of the Amazon River, the waters of Argentina below the Rio de la Plata, and a narrow band of productivity extending from the shores of southernmost Patagonia to the Cape of Good Hope.

The world's most productive fishing grounds are confined to areas that make up less than ten percent of the global ocean. In the Atlantic, the major fish catch areas have been in the northeast waters between Europe and Greenland, the offshore banks of the northwest, and portions of the upwelling areas of West Africa. Overall catches have declined considerably in most northern areas.¹⁶ Four of the Atlantic's seven marine fishing areas lead the world with 50 percent or more of stocks overfished, and in the other three areas up to 30 percent of fish stocks are overexploited. As traditional fishing grounds becoming less fruitful, fisheries move to new areas and stocks as catches diminish.¹⁷ In addition, the Northeast Atlantic offers the clearest evidence to date that rising water temperatures are shifting the ranges and variations of warmer water marine organisms towards the poles. These changing patterns are creating new challenges for sustainable fisheries management and affecting fisheries catch probabilities.

In addition, as global fishing fleets increasingly focus their efforts on the southern Atlantic as traditional stocks diminish, control of illegal, unregulated, and unreported fishing presents a growing challenge.¹⁸ There is a vacuum in terms both of national maritime governance structures in most littoral states and any overarching system of cooperative governance. Those regional fisheries commissions

¹⁶Paul Holthus, Xavier de la Gorce and Anne-Francois de la Salvy, "Fisheries: A Resource in Crisis," in Richardson, et. al, op. cit., pp. 91-92.

¹⁷Richardson, John, et al. *The Fractured Ocean. Current Challenges to Maritime Policy in the Wider Atlantic*. Washington, DC: German Marshall Fund of the United States/OCP Foundation, 2012.

¹⁸Watson R.; Pauly D. "Systematic Distortion in World Fisheries Catch Trends." *Nature*. 2001;424:534-536.

that exist have not proven particularly effective, nor do they cooperate very well.

Unresolved disputes, weak governance, and new sources of insecurity around the Southern Atlantic should prompt new patterns of security cooperation between north and south on both sides of the Atlantic Basin.¹⁹ In this respect, establishment of a new, broad-based and robust maritime security architecture that is comprehensive and leverages institutional resources and experiences of both Atlantic and non-Atlantic powers in supervising new security arrangements for the Atlantic would help in combating the numerous challenges in the maritime domain.

Recommendations

To tackle the multiple problems associated with maritime insecurity and particularly the challenges of maritime piracy confronting the Atlantic Basin, consideration should be given to establishing a new maritime domain security architecture embracing the wider Atlantic space. Such architecture could encompass cooperative naval missions including the EU, NATO, U.S., African and Latin American nations, as well as extra regional actors such as China, Japan and India. Such naval operations need to have mandates that would enable them to address the many different types of criminal activity taking place at sea.²⁰ West African nations must call for increased international funding for their maritime security, including coast guard activities, in order to support local capacity/initiatives and actions. International operations of a similar type or scale to those of the Indian Ocean are highly desirable. Those efforts have involved collaboration among nations not otherwise inclined to sharing information or joining in cooperative action. There are lessons to be learned for more effective Atlantic collaboration, including ways to avoid duplication of international capacity building efforts.²¹

¹⁹Ian O. Lesser, Geoffrey Kemp, E. Alessandri and S. Enders Winbush, *Morocco's Geopolitics: A Wider Atlantic Perspective*, Washington D.C.: The German Marshall Fund of the United States and OCP Foundation, December, 2012, pp. 21-26.

²⁰Adjoa Anyimadu, *Maritime Security in the Gulf of Guinea: Lessons Learned from the India Ocean*. London: Chatham House (Africa 2013/02), July 2013, pp. 8-9.

²¹*Ibid.*, pp. 2; 13-14.

Solutions to piracy cannot be found only at sea; much must be done on land. For example, countries in question must consider ways to reform their administrative and judicial systems to ensure that suspects apprehended at sea are passed to law enforcement agencies on land. Particular attention must be paid to denying criminal access to information about vessels locations and cargoes; this underscores the need for more effective anti-corruption measures on land. International support should be available to countries requesting it, to ensure that their justice sectors are capable of providing fair trials and tackle issues of corruption and possible collusion of local officials with pirates and organized criminal groups.

The inter-connected nature of maritime crime conducted in the Basin means that the most effective methods of countering insecurity could be through identifying and pursuing the financiers of oil theft, piracy, trafficking and illegal, unreported and unregulated fishing. Navies and coastguards, police, judiciary and private industry must work together.

Consideration should be given to the establishment of regional centers with responsibilities to act as coordination hubs among marine forces, commercial ship owners and governments.²² Such hubs could improve databases for the systematic exchange of information on criminal activities, and align the operational activities of national coastguard functions.

Such arrangements might serve as precursors to what authors of a study for the German Marshall Fund have called a “South Atlantic maritime constabulary” charged with the maintenance of law and order on the seas. Activities within this framework might usefully include maritime spatial planning; developing holistic policies for regulating maritime activities; devising a common system of surveillance of maritime activities in the South Atlantic, including shared satellite base information; bolstering coastguard functions; addressing issues of sovereignty at sea; strengthening national legal frameworks and the reciprocal arrangement between them to allow for the more effective pursuit of criminal activity; and general confidence-building measures to alleviate mistrust among Atlantic actors.²³

²²Ibid., p. 10.

²³Richardson, et. al, *op. cit.*

Governments should consider bolstering their cooperation with private security companies, including the provision of ship security officers. Such companies should lend advice on commercial vessels or act in supervisory roles on escort vessels; survey port facilities and work with individual governments to ensure the safety and efficiency of port operations; check commercial vessels to prevent sabotage; gather intelligence; and suggest self-protection measures and ways to harden vessels against piracy. Government licensing regimes for such companies should be tailored to these requirements. Governments should chart clear and common guidelines establishing jurisdiction over such private security personnel.

Lessons may also be learned to inform and boost region-wide capacity-building programs that increase deterrence; strengthen local judicial capacity; offer opportunities for gainful employment to youth at risk of being drawn into piracy; rehabilitate those who have been low-level pirates or who are in danger of becoming involved in criminality. Coastal communities must be made to feel that they have a stake in efforts to resolve the issue of piracy. International community support should be considered for diaspora-led or local efforts to provide alternative livelihoods for young men in coastal areas.²⁴

Building up law enforcement capacity would aid governments in their attempt to reinforce security and political stability on land and at sea. Capacity-building mission initiatives with aimed at strengthening regional maritime capabilities through the development of coastal police and support for judicial institutions could provide needed support for home-grown efforts to combat piracy—a crucial factor in establishing a sense of responsibility within countries for both the problem and the likely solutions to maritime insecurity in their waters.

Consideration should also be given to regional agreements on pirate transfer. Agreements of this type that have been signed facilitate cooperation among countries, including access to training, while offering legal clarity, respect for sovereignty and deference to humanitarian concerns by affirming the right for accused pirates to stand trial in their home country, regardless of where they are captured or brought to land.

²⁴*Ibid.*, pp. 11-12.

The establishment of such pirate transfer agreements has meant that marine forces responsible for bringing suspected pirates to shore for prosecution have had to develop their skills in collating information they gather about suspects. The success of such cases, once they come to court, often hinges on evidence given by the naval personnel involved in action to disrupt pirate activity. To this end, local, national, regional and international law enforcement officers must work far more closely with international law enforcement agencies, such as INTERPOL.²⁵

All of this requires greater political will and foresight than is currently being demonstrated. Yet maritime insecurity in the wider Atlantic Basin is a growing threat. Maritime crimes result from a variety of factors, including weak governance and institutions, as well as the incapacity of the state to fulfill its quintessential roles and function of security provision. A comprehensive securitization approach is necessary to forestall the looming danger associated with maritime afflictions in the wider Atlantic Basin.

²⁵Adjoa Anyimadu, *op. cit.*, pp.11-14.

Chapter 11

Liaisons Dangereuses: Reading and Riding the Winds of Security Risks in the South Atlantic

Armando Marques Guedes

The Coordinates of a Setting

The aim of this chapter is to begin to unravel linkages and nodes¹ that have security implications for the more northerly band of the southern Atlantic reaches. My primary focus is on the South Atlantic—by which we refer not just to the oceanic expanses and rimlands located in the southern half of the Atlantic basin but rather the entire basin area (sea as well as coastal lands) south of the Tropic of Cancer—or, if one would rather look at it from such a perspective, the whole expanse located southwards from the area of jurisdiction of NATO.

In these enormous central and southern Atlantic land- and seascapes the absence of a security architecture is glaring. One built along lines similar to the Atlantic Alliance created after 1945 for the northern Atlantic basin is an unlikely solution, as it has repeatedly encountered the staunch opposition of Brazil, post-apartheid South Africa, plus a score of other Latin American and African states.

This arm-wrestling has a long pedigree and has undergone its fair amount of swings. In 1986 Brazil promoted an alternative structure it labeled the *Zona de Paz e Cooperação do Atlântico Sul* (South Atlantic Peace and Cooperation Zone, or ZOPACAS) and sought to gain support from the UN General Assembly.² Yet the United States voted

¹For some of the underlying concepts used here to “unfold” my data, see three articles by Kathleen M. Carley: “Dynamic Network Analysis for Counter-Terrorism” (2007), http://www.nap.edu/openbook.php?record_id=12083&page=169; also, “Dynamic Network Analysis” (2004), <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.299.8946&rep=rep1&type=pdf>; and Carley et. al “Destabilizing Networks” (2001), <http://www.hks.harvard.edu/netgov/files/complexity/carley%20paper.pdf>.

²1986 Resolution A/RES/41/11.

against it and most EU member states abstained (although not the UK, which voted for the resolution). Long dormant,³ the idea is now being revived by the Palácio do Planalto, the seat of the Brazilian Presidency, so as to “avoid external interferences” and “support the south-south cooperation” that Brazil wants to prioritize. Once again, however, the idea appears to be going nowhere—at least in the short term—as it faces staunch U.S. opposition and now some informal regional resistance too, from Chile and Colombia, among others.

In this chapter I shall suggest ways to contain and navigate the current tugs-of-war. But first I want to offer a general background to regional basin dynamics, namely those acting on the northern stretches of the South Atlantic.

Northern Actions and Southern Reactions

Given the ongoing economic reawakening of the enormous and varied southern Atlantic reaches, the emergence of worrying politico-military challenges there, and new attention by external actors, serious security problems are probably not going away anytime soon. Given their severity, they must be tackled early. In this context, initiatives that were rejected in the past may eventually be accepted and new ones considered.

A security framework of sorts is in the making—but it is largely driven by the North Atlantic. It consists largely of U.S. revival of a Fourth Fleet (an on-call virtual fleet so far, recreated from a similarly named and more permanent entity which had been shut down because of its unnecessary financial and logistical costs in 1950), and the almost simultaneous creation of a new Central Command that Washington christened AFRICOM, with jurisdiction over all of the conti-

³But not entirely: a declaration on the “denuclearization” of the South Atlantic region was adopted at a meeting of member states held in Brasília in September 1994. The UN General Assembly did endorse the initiative, albeit with opposition from the United States, United Kingdom and France. The South Atlantic is currently a “nuclear-weapon free zone.” All member states are currently signatories of international treaties that prohibit nuclear weapons, namely the African Nuclear Weapons Free Zone Treaty and the Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean. Interestingly, the “South Atlantic” here includes everything south of the Tropic of Cancer, and not merely what geographers (or Brazil) define as the South Atlantic. However, several Atlantic islands—namely the British overseas territory of Saint Helena, its dependencies Ascension Island and Tristan da Cunha, as well as Norway’s Bouvet Island—are not covered by those treaties.

ment except for Egypt (which remains, fascinatingly—and I think quite firmly, looking at recent regional dynamics—under the wings of CENTCOM). Both creations took place in quick succession in 2008. This U.S.-led architecture is also embodied in NATO operations and in constant joint military exercises along the opposing shores of the wider southern Atlantic basin, with either a strong U.S. presence or directly under its auspices.

This is by no means a completely new state of affairs, as the United States has been active militarily in African affairs since at least 1961, when it invited African states to participate in its International Military Education and Training Program (IMET). As of early 2013, forty-seven out of fifty-four African states participate in IMET, one of the oldest security tools assistance available to the U.S. Defense and Security Cooperation Agency, the scale of which no other state or coalition can even begin to claim on the continent. And of course the United States is not alone in turning its attention to the south. Old colonial powers like France and the UK have in the last couple of years shown a renewed interest in South Atlantic matters, from the Libyan crisis to Mali or the Falklands.

Of course, European and U.S. tools, in the South Atlantic as elsewhere, are not only bilateral. NATO carried out its first African exercises in 2006. Operation Steadfast Jaguar, staged in Cape Verde, began a series of month-long NATO tours of Africa, as well as sub-regional support missions, of which a few (for example, in Darfur and Ethiopia) were of importance. Most African countries—including South Africa—reacted harshly to the NATO fleet's presence, most allowing it to dock in their waters for only a few hours and just for refuelling.

As could be expected, regional players reacted with vehemence or recalcitrance to this U.S., British, and French-led process of creating a South Atlantic security architecture. Some did so coldly (Brazil, first and foremost, but also Argentina), a few more histrionically (Cuba and Venezuela, and associated "Bolivarian Alliance"—ALBA—countries), with most African and Latin American states in a rather Gandhian-fashion passive resistance mode. Other external actors made it a point to make their presence felt—namely Russia, Iran, China, India, virtually all the other European ex-colonial powers, and a host of diffuse

and very disparate non-state entities, most of them dependent on outside funding and logistical help.

Both discursively and “kinetically,” securitization took off in earnest: national security and defense strategies were drawn up with pomp and circumstance, arms deals were rapidly celebrated and informal coalitions formed. “South-south” diplomatic initiatives quickly flourished as did, curiously and somewhat ambivalently, north-south joint military exercises. Last but not least, timid attempts at variable geometry and not very ambitious institution-building gesticulations began cropping up north and south in the wider Atlantic basin.⁴

(In)security Sub-regions in the South Atlantic

In geostrategic terms the austral Atlantic region is conveniently divisible into four sub-regions: two are “horizontal,” the first northern (running from the Caribbean and northern South America to West Africa down to the Niger Delta), the second southern (from the Southern Cone to South Africa and down to Antarctica); and two are “vertical,” the first east (down the African coast from the northern Tropic), the second west (along the Caribbean, Central and South America down to the Drake Passage). From a security perspective, these are by no means discrete entities but relational hubs with partly superposable, albeit mostly distinct, structural properties—particularly concerning their specific tensions, each of which raises its own thorny issues. Such “sub-regions” are in most cases intermeshed, both “internally” and “externally,” across the basin and, to a lesser extent, outside it. So they are not really discrete entities.

If we are to unravel regional political dynamics in this southern region and basin-wide—in the Atlantic as a whole, and along its external interdependence ties—special attention must be given to the interests and actions of a plethora of state and non-state actors, some above and some below the level of the national state. The question is the degree to which there is a risk of rapid security degradation that could result from increasingly conspicuous and ever louder noises from local, regional and extra-regional state and non-state players; and to

⁴Armando Marques Guedes (2012), “Geopolitical Shifts in the Wider Atlantic: Past, Present, and Future,” in John Richardson, *The Fractured Ocean*: 34-40, The German Marshall Fund of the United States.

what extent efforts are required to remedy the glaring absence of an overarching security architecture that would relate them to each other and to other basins with which the Atlantic is becoming ever more connected.

There are reasons for concern. In the recent past, the Libya war unfolded; international intervention took place in Mali as order there and in Guinea-Bissau broke down; and non-state actors rose their heads in Brazil, northern South America, Central America and central West Africa, mostly in what the French like to call “Senegambia.” The ever more dire straits facing neighboring West African Guinea-Conakry, Sierra Leone, Liberia and Mauritania should also be understood as simple variations on the theme of state breakdown.

Given these trends and episodes, my aim is to look at the finer mechanics of the current web of very complex interdependencies to be found in the Atlantic southern reaches. My focus centers primarily on the long and wide northern stretch of the South Atlantic, and thus I pay particular attention to relations among non-state networks and between them and states. I do not mean to suggest that states no longer matter in the sub-region; they obviously remain the principal actors there. Yet closer attention to non-state actors can illuminate issues at hand.⁵

One reason why my focus will be placed on the northern stretch of the South Atlantic has to do with a rather marked north-south divide in the Southern Atlantic basin, as far as security matters are concerned. A couple of examples make that clear. To the basin’s south, along the eastern rim below the Niger Delta, a long stretch of coastline runs through the Congo, Angola, and Namibia, protected by no more than an incipient Angolan Navy fitted with a small handful of ex-Soviet and North Korean vessels (and some Spanish-built small patrol ships), and a scant force of some two hundred Angolan government-trained paramilitary “*ninjas*”—a special unit of the Angolan Police Rapid Intervention Forces. Angola’s marine forces, Portuguese-trained, are deemed efficient, if small. This sparse security presence stands in contrast to the huge quantities of often rare and highly valu-

⁵I do not look here into the roles of transnational economic and financial corporations and institutions in the sub-region; nor do I look at the plethora of NGOs active there. Their importance is not in doubt; but they are not really hard power players, not yet at least.

able mineral ores present, including high-grade diamonds, and massive local quantities of oil and natural gas—a convergence of precious commodities that are harvested and then transported via commercial routes linking this extended and sinuous littoral seaboard to the Cape of Good Hope and to Europe and North America.⁶

South of that, tranquility appears to reign. On the eastern end of South Atlantic rim, the South African state has been so far immune to attacks along its “global highways,” the Indian-Atlantic Cape of Good Hope routes, as its armed forces are fully functional and its littoral populations peaceful.

Similarly, as one moves southward along the western rim of the South Atlantic basin, one encounters only low-grade security issues. Perhaps it is because the sea is wider there and the continental and demographic masses thinner on the ground. Or perhaps it is because on the western rim the Drake Passage chokepoint is easily controlled by the United Kingdom and the United States (the first with the Falklands, South Georgia and South Sandwich archipelagoes, the latter with its McMurdo Antarctic base). Tensions do flare. But they are circumscribed and possibly mostly for domestic political consumption. Although the lack of a security architecture may be felt there, it does not pose the risks it does further north in the South Atlantic basin.

Connectedness and Security in the Southern Atlantic Basin

People and things have become more mobile in the Atlantic basin. This increased mobility is generating ever-thicker patterns of complex interdependencies of all sorts, which are rearranging traditional linkages, nodes and hubs across the entire Atlantic space. At least five major factors are driving these changes.

First, southern and northern Atlantic aggregate volumes of trade are changing rapidly, as fast-emerging economies such as China, India, Brazil and South Africa increase their shares of world imports of raw materials and world exports of finished goods through routes significantly dependent on, or tangential to, the South Atlantic. In addition, the European and U.S. rush to diversify their sources of hydrocarbons has led to a rapid growth in importance of the greater Gulf of Guinea.

⁶Marques Guedes, *op. cit.*, pp. 34, 47-48.

Second, the opening of an expanded Panama Canal in 2014 will provide new opportunities for ships larger than the Panamax size. The full implications are as yet unclear. Despite the enlargement of shipping capacity, the canal will be unable to host such super-large ships as the new Maersk Triple-E container ships; the very largest tankers; the Valemax iron-ore vessels (namely those using the ever more important Brazil-China route); or the largest cruise liners. Nor will it allow warships or any ships the size of a U.S. aircraft carrier. Those will be forced to continue to traverse either Cape Horn or the Cape of Good Hope.

Third, it is increasingly clear that the opening up of the Arctic Ocean to regular shipping will eventually provide much shorter alternative routes from East Asia to and from eastern North America and Europe. The gains are obvious and the numbers speak for themselves: estimates are that shipping distances will be reduced from 9,000 to 7,000 nautical miles in the Northwestern Passage, and from 11,200 to 6,500 nautical miles along the Northern Sea Route. As the Northern Sea Route opens further for transit, the trip from Europe to China will on average be cut by a third.⁷

All told, these developments and this growing connectedness are bound to fuel at least as quick an increase in South Atlantic trade as the expected growth in the northern oceanic rim. The pace might even be faster, since with the new routes China avoids quite a few U.S.-controlled chokepoints (the Straits of Malacca, the Bab el-Mandeb Strait) that Beijing feels are a vulnerability, as they threaten its control of maritime traffic essential for its trade and for essential vital resources. Among other endeavours, China's dockyards are investing large sums in ice-capable ships (not ice-breakers, but ships ready to cruise through frosted waters covered by not very thick winter ice

⁷In 2012 alone, 46 assorted Russian ships, including supertankers, are thought to have actually sailed through the Northern Route, compared to 34 in 2011 and only 4 in 2010. Total cargo transported on the NSR in 2012 was 1,261,545 tons—a 53 percent increase from 2011. See Trude Pettersen, "Preparing for record season on the Northern Sea Route," *Barents Observer*, (June 6, 2013), <http://barentsobserver.com/en/business/2013/06/preparing-record-season-northern-sea-route-06-06>, retrieved August 7, 2013. However, such options are not yet necessarily a good commercial bet. The need for ice-breaker support, special certifications for pilots, reinforced hulls, and higher insurance premiums combine with Russia's reported plans to charge hefty transit fees for ships cruising through their long territorial Arctic Waters to slow down the commercial pace. See Stephen M. Carmel, "The cold, hard realities of Arctic Shipping", *U.S. Naval Institute Proceedings*, July 2013.

sheets). China's interest in Arctic developments was underscored by its admission as an observer to the Arctic Council in May 2013.

Fourth, rising fuel costs and changing technologies are leading both to large increases in ship size and to slower steaming speeds—a combination that lowers commercial costs but may heighten security risks. Larger ships are both less vulnerable to, say, pirate attacks, because of their relatively slow speed and the height of their freeboard. All that may change soon with new propulsion technology or power sources, but those who seek to board commercial ships continue to develop new operational tactics.

Fifth, drug trafficking, piracy, the export of political instability and regional arms races are on the rise to the south of NATO's entire traditional area of jurisdiction in the basin, as new resources become available and the southern Atlantic reaches become more central. One example, to focus merely on hard sovereignty issues, is Argentina's President Cristina Kirshner's April 2012 public reopening/reiteration of territorial claims in the southern section of the Atlantic basin. The Argentine claims overlapped nicely with the discovery of new commercially profitable resources in the region, which are becoming, once more, a focus for general disputes among countries—not only as to the Brazilian *pré-sal* offshore bounty but also those in and around the Falklands, South Georgia, and perhaps even the further afield South Sandwich islands.

A factor that will likely influence maritime Atlantic trade and circulation patterns—one of a different order of magnitude, so really more of a general condition than a commensurable factor—amounts to a consideration: such patterns should be firmly inscribed in a dual security and energy perspective. On that front, much is likely to continue changing, perhaps particularly either with the new reserves identified within the basin or those cruising through it, and the substantial southward transformations on NATO's northern Atlantic grid—which took place not too long after NATO's first joint military exercises in Africa, the 2006 joint military operations in Cabo Verde, the “choke point” archipelago positioned between the northern Atlantic reaches and the southern ones. Bilateral U.S. security attentions, given the new dynamics in the region, are also moving south into the basin's austral regions, with the resurrection of its IV Fleet in 2008, centered

on the ocean's western rimlands and sea-lanes; and the creation, that same year, of AFRICOM, along its eastern rim, together with the surge in multilateral military exercises on both sides of these southern expanses. True, both the IV Fleet reconstitution and AFRICOM's creation were meant as the fashioning of tools for the support of partnerships and friendships, as humanitarian and development assistance instruments, and are indeed in a strong sense "virtual," as they have nothing to command of their own. But quickly developing dynamics related to terrorism, state fragility, energy, and their related security implications in the absence of a security architecture in the region have noticeably changed perceptions of such instruments.⁸

Two African Cases

Growing Atlantic security interdependencies in the northern horizontal South Atlantic subregion can be highlighted by examining Guinea-Bissau and Mali, two fragile states on the eastern Atlantic rimlands. The two cases were chosen because of their comparative absence in academic literature, their links to one another, and the connections they have come to exhibit with the other oceanic rim. Other examples could be brought to the fore, and they would bring out the same sort of issues. In both cases my aim is to try and bring out "dark network" interdependencies and their increasing complexity.

Guinea-Bissau

On April 12, 2012, the Chief of Staff of the Guinea-Bissauan Armed Forces, General António Indjai, whose nomination to the post had triggered a chorus of protests from international donors, engineered a *coup d'état*. It was, to be sure, a less structured affair than the unravelling which took place in Mali, as we shall see below. But it was not entirely unconnected to it.

⁸At least as concerns the U.S. Africa Command—reading the pre-Libya and Mali and post-Libya and Mali Commander's Intent documents is instructive here. AFRICOM provides the full documents on their site. See also David E. Brown, *Africom at Five Years: The Maturation of a U.S. Combatant Command*, United States Army War College, 2013, <http://www.strategic-studiesinstitute.army.mil/pdffiles/PUB1164.pdf>. As to the western rim, and the IV Fleet, see Jeffrey D. Maclay et. al, *The Fourth Fleet. A Tool of U.S. Engagement in the Americas*. Washington, DC: Center for Strategic and International Studies, 2009, http://csis.org/files/media/isis/pubs/090218_maclay_fourthfleet_web.pdf.

One year later, Injai was indicted together with the head of Guinea-Bissau's Navy, Vice-Admiral Bubo na T'chuto, by the U.S. Attorney's Office of the Southern District of the State New York, for exchanging cocaine for heavy weapons (such as surface-to-air missiles), allegedly with the rebel *Fuerzas Armadas Revolucionarias de Colombia* (FARC); the weapons percolated down from Libya via Mali. Na T'chuto and four others had been arrested by the U.S. Drug Enforcement Agency two weeks before the indictment, purportedly in international waters, for their alleged involvement in the drug trade.⁹

After over a year of a transitional government and presidency—initially with an Interim President, Raimundo Pereira, and the main party's (PAIGC) leader, Carlos Gomes Junior, as Prime Minister—the country seems to have quieted down. Haggling and external pressures, led by a reluctant West African section of the African Union, and the Economic Community of West African States (ECOWAS),¹⁰ finally seem to have led to a new equilibrium.

How does this relate to the connection between formal state-led governance, political-religious radicalism and organized crime, in this case traffic in narcotics? The answer relates to African Islamist ties forged with radical Islamists and political-ideological Latin American struggles.¹¹ A few words, then, about Islam, radicalism, and radicalization networks in Guinea-Bissau.

⁹See The United States Attorney's Office, Southern District of New York (2013), "Manhattan U.S. Attorney Announces Charges Against Antonio Indjai, Chief Of The Guinea-Bissau Armed Forces, For Conspiring To Sell Surface-To-Air Missiles To A Foreign Terrorist Organization And Narco-Terrorism Conspiracy," April 18, 2013, <http://www.justice.gov/usao/nys/pressreleases/April13/IndjaiAntoniIndictmentPR.php>, retrieved July 20, 2013. For Admiral na T'chuto's arrest, see the April 5 announcement "Manhattan U.S. Attorney Announces Arrests Of Drug Kingpin Jose Americo Bubo Na Tchuto, The Former Head Of The Guinea-Bissau Navy, And Six Others For Narcotics Trafficking Offenses," <http://www.justice.gov/usao/nys/pressreleases/April13/GuineaBissauArrestsPR.php>, retrieved April 5, 2013. For a comprehensive background, see *Transnational Organized Crime in West Africa: A Threat Assessment*. Vienna: United Nations Office on Drugs and Crime (2013), http://www.unodc.org/documents/data-and-analysis/tocta/West_Africa_TOCTA_2013_EN.pdf, accessed July 10, 2013.

¹⁰Both were joined, initially, by the *Comunidade de Países de Língua Portuguesa* (CPLP, the Community of Portuguese Speaking Peoples). ECOWAS French acronym is CEDEAO.

¹¹On this, it is worth reading what was claimed by Preet Bharara, the United States Attorney for the Southern District of New York, and Michele M. Leonhart, the Administrator of the United States Drug Enforcement Administration (DEA) in the document released at the unsealing of charges against Indjai for conspiring to provide aid to the FARC. I shall return to this and Na Tchuto documents below, as they give interesting evidence of the emergence of new types of networks in transoceanic narco-trafficking.

Shiite migrations, particularly from Lebanon, into Guinea-Bissau began some one hundred years ago, attracted by the commercial opportunities afforded by the country's rich commodity resources. Initially, the Shiites integrated quite well; they joined local *sufis* and Sunni *marabouts* often organized around *taríqua* fraternities that for many years were instrumental in resisting radical Islamist movements.¹² But recently Shia numbers in the country swelled as a result of the Libyan debacle and the Mali conflict. A great influx of Shiite Muslims, mostly coming from neighboring Guinea-Conakry, started arriving in Guinea-Bissau beginning in 2010. Many of these migrants settled in Farim, where few problems have arisen. Not so in Cuntabani, a city only a few kilometers from the Guinea-Conakry border, where mildly violent confrontations took place in July 2013 between long-term, mostly Sunni resident groups and incoming Shias over the latter's plan to build a mosque within the city perimeter.

This episode was a headline to a larger trend of growing Shiite engagement in Guinea-Bissau orchestrated by the sizeable Lebanese community now present in the country. According to Sunni leaders, after contact with the newly arrived Shiite jihadists some of the traditional local Shia elites and people adopted radical interpretations of Islam. Effectively reversing old trends, active Shia internal domestic proselytism is now taking place. This is often not taken lightly by many of the country's Sunni majority, who are appalled at the sight of their traditional confessional hegemony being openly threatened and sometimes surpassed by financially more powerful and religiously more knowledgeable jihadist Shias. As a result "intercommunal relations" have become tense.¹³

As these tensions brew and bubble, some powerful Guinean Shia and Sunni are known to be active intermediaries between foreign

¹²Examples of this successful integration include Francisco Fadul, a Balanta-Lebanese *mestiço* with a Christian background, who actually became Prime Minister of the country from 1998 to 2000. Fadul's cousin Amine Saad was the country's Public Prosecutor. See Olivia Gonçalves Janequine, *Estrangeiros no meio: o processo de estabelecimento dos sírio-libaneses na Guiné Portuguesa, 1910-1926*, a Master's thesis presented at the Universidade Estadual de Campinas, Brazil (2009).

¹³Guinea-Bissau Sunnis point, for example, to the fact that the now wider Shiite community has been sending students to Iran. Indeed, Shias are deemed to fulfill drug money-laundering and religious education roles, both issues Sunnis resent. At a religious and political level, instead of a win-win situation we are facing increasingly more painful zero-sum contests within the Guinea-Bissau Muslim community at large.

jihadists bringing weapons down from the north and their Guinean political and military lay (or often Christian) Bissau facilitators. They have become competitors, with Guinean Sunnis largely preferring to deal with Sunni jihadists and Guinean Shia working with Shiite jihadists, although it seems the groups may cooperate at times. In addition, Bissau politicians and the military have linked up to Colombian narco-traffickers carrying loads of cocaine grown and processed on the other shore of the Atlantic. These drugs do not just flow from west to east; some actually return to the Americas, namely to the U.S., after a storage period in Guinea-Bissau.¹⁴

In a very real sense, a game is being played from which all participants benefit, and this spells trouble. Entities like Colombia's FARC are quite content to have any local trading partners, irrespective of their religious inclinations. FARC rebels give Guinean politicians and military strong men highly valuable narcotics, mostly pure cocaine, in exchange for weapons, as a means to support their activities in Latin America. Similarly, for Islamists, be they Sunni or Shia, narco-trafficking provides the necessary financial backing for their own particular agendas. Ambitious Guinean military and political leaders tend to accommodate easily to their "traditional" role as facilitators and are quite content to just become rich and powerful.¹⁵

¹⁴In DEA-recorded meetings that took place between June and November 2012, where Guinean military under Rear-Admiral Bubo na Tchuto and two Colombian FARC operatives "agreed to receive the cocaine off the coast of Guinea-Bissau, and to store the cocaine in storage houses there pending its eventual shipment to the United States, where it would be sold for the financial benefit of the FARC" (The U.S. Attorney's Office of Southern New York, *op. cit.*, April 5, 2013).

¹⁵There is a consensus both General Injái and Vice-Admiral na Tchuto, like many of their predecessors in military and political circles since the mid-90s, were mere facilitators in the ever-thickening web of fast developing relationships between powerful narco-traffick interests, competing Islamist movements, against the background of an endemic state fragility that plagues Guinea-Bissau. Most analysts claim this rather complex set of webs of relationships was initially set up by three-time President João Bernardo Vieira ("Nino" Vieira) shot and killed by military competitors on March 2, 2009. In the "First Republic," Nino was President of the State Council from 1984 through to 1994. He then became the first democratically elected President of the Republic from 1994 to 1999; he was re-elected in 2005 and remained in power until his death 2009. For details, see the book by Ambassador Francisco Henriques da Silva (2012), *Crónica dos (Des)feitos da Guiné*, Almedina, Coimbra; and the book by Admiral Alexandre Reis Rodrigues (2012), *Bissau em Chamas*, Oficina do Livro, Lisboa. Both authors are Portuguese.

In short, two chain networks are operating in tandem. One is chain-linked to a continental Islamism increasingly rooted in Iran's political establishment and its proxies. The other has global Sunni and regional AQIM leanings. Each has developed connections with Latin American drug traffickers, and while so far they have not clashed noticeably, this could quickly change. Each operates as an intermediary network for Latin American drug deliveries to West Africa, using small airplanes that criss-cross islands in the region.

In principle, such chain linkages are rather fragile. Like all chains, they may be neutralized by directly severing links or shutting off nodes or, indirectly, by overcharging them past their capacity. But what we see on the ground suggests the two chain networks are not going to remain separate for long. In fact, it appears they are growing strong connections with one another by sharing common nodes. The nodes are the ones fashioned by the Latin American cartels and the Bissau politicians and military, as well more conjunctural ones flowing from cooperative actions between economic-minded Shia and Sunni actors. Particularly alarming is the evidence that some of the drugs arriving to West Africa go back to the Americas, as the implicit oceanic crossing indicates unsuspected organizational capabilities and planning ambitions, as well as stable links between the FARC and the Guinean military. All this suggests the emergence of more resilient scale-free networks (i.e., networks hard to decapitate since they tend to metastasize easily when under attack) in the illegal trade that is being carried out.

We shall soon know how all this unfolds, as complex local and regional Sunni-Shia balances of power shift in northern West Africa, and as cross-relations among the various African actors, and between them and their Latin American partners, multiply and thicken and are thus rendered more "distributed" and interconnected.

Mali

In early 2012, the Tuareg *Mouvement National de Libération de l'Azawad* (MNLA) pushed the Malian Army out of the north of the country and demanded the total independence of Azawad, a large slice of the state's territory. An al-Qaeda in the Maghreb (AQIM) affiliate, generated in the years of the Algerian civil war, had installed itself in north-

ern Mali for over a decade, building bridges and creating alliances with local Tuareg groups. By June 2012, the north of the country had been taken over by jihadist armed groups, namely Ançar Eddine and his *Mouvement pour l'Unité et le Jihad en Afrique de l'Ouest* (MUJAO). Together with a complicated *coup d'état* in the capital on March 21, 2012, control of the north by the Tuareg-jihadist had “placed the country on its kness.”¹⁶

On January 11, 2013, under the umbrella of UN Security Council Resolution 2085, French troops deployed to northern Mali and Bamako, with the support of Benin, Burkina-Fasso, Chad, Ghana, Guinea-Conacry, Niger, Nigeria, Senegalese, Sierra Leone, and Togo forces. Their stated aims were “to reconstitute the capacities of the Malian Armed forces” and to retake control of the north while “preserving” the civilian population.¹⁷

That was soon to change, as the situation on the ground rapidly deteriorated. The AFISMA initial format unraveled as soon as it became obvious that actual fighting would be required to keep Islamist networks from overrunning Mali. On April 25, 2013, the UN Security Council decided to transform the previous and insufficiently robust African-led International Support Mission in Mali (AFISMA) into a Chapter VII UN mission. On July 1, 2013 a hastily put together UN stabilization mission took into its charge the international peace-keeping mission in northern Mali.

The move was timely. It involved a sizeable and more resilient force. The United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) aggregated an authorized 11,200 military, including reserve batallions capable of rapid context deployment within the country’s territory if and when needed, with 1,440 policemen, including handpicked experienced regionally-seasoned officers. The real novelty in what MINUSMA actually brought to the ground was blanket authorization for intervention of the French military and police “when and where necessary.” A new intervention institutional format for intervention, more robust and with a more surgical

¹⁶International Crisis Group, *op. cit.*, *Synthèse*, pp. i-ii.

¹⁷The French called this the *Opération Serval*. West African states maintained the name AFISMA (MISMA in its French acronym), while Chad called it FATIM (*Forces Armées Tchadiennes d'Intervention au Mali*).

purview, was most certainly urgently needed. So from its very inception MINUSMA was more of a peace-imposition mission than a peacekeeping force.¹⁸

In many senses, Mali, like Guinea-Bissau, is a case where it will be difficult to bring different groups back into the national fold. As Winrich Kühne has commented, “[o]ne must not underestimate the fundamental difficulties of such a mission. It is not simply a matter of fixing a failed state and solving the Tuareg problem but rather a matter of managing a far more comprehensive regional and global destabilization issue: organized transnational crime in West Africa and the Sahel, run by Latin American drug cartels and funded by European cocaine consumption, and its connection with international terrorism. The fact that terrorist groups in Northern Mali receive a significant portion of their financial support, totaling several 100€ million from drug trafficking and ransom payments, is virtually excluded from [current international] debates.”¹⁹ Quite clearly, envisaging the troubles in northern Mali (and then Mali as a whole) simply through the lenses of Tuareg secessionism and Bamako state-fragility was never enough, as it fails to take into proper account the ever-thicker regional Islamist and drug-trafficking network linkages and new nodes that are coming to fruition. Such a limited view also fails to take into account the centrifugal forces generated by these new linkages.

How has this come about, and what are challenges are posed for human security in the Atlantic basin? The installation and rooting of Islamists both in the north and in the south of Mali has been a widely known fact for a long time. For example, just looking at jihadist

¹⁸When it was in the works and then mounted, there was actually a running *boutade* at the UN that in Mali there was actually no peace to keep, making the peacekeeping mission moot. As of November 30, 2013, numbers had decreased to 6,347 total uniformed personnel, 5,397 military personnel, 950 police (including formed units), 132 international civilian personnel, 105 local civilian staff, and 20 United Nations volunteers. Military personnel came from thirty-six countries and police personnel from eighteen. Its mandate lasts until mid-June 2014, and is presumed to be renewed, as the UN was asked by the Malian government to guarantee a “stabilization of the country and implementation of the transitional roadmap, focusing on major population centres and lines of communication, protecting civilians, human rights monitoring, the creation of conditions for the provision of humanitarian assistance and the return of displaced persons, the extension of State authority and the preparation of free, inclusive and peaceful elections.” See the official UN Mission site, at <http://www.un.org/en/peacekeeping/missions/minusma/index.shtml>, accessed December 31st, 2013

¹⁹Winrich Kühne (2013), in this volume.

groups moving into Mali from the north, these mostly AQIM-affiliated Sunni first settled near the Algerian border and later in other Azawad regions such as Goundam and Tombuktu. Incoming Islamists began settling from 2000/2001 onward, and their numbers started climbing after 9/11 as havens for Muslim radicals. Over the last decade, radical Muslim groups (first Sunni, then, mostly after Libya, Shia) have had ample time to embed themselves into local and regional social fabrics.

In addition, drug business in northern Mali offered paths to personal enrichment and also means of effectively managing to their own advantage Tuareg secessionism-induced regional instability. Indeed, for many years people in northern Mali have lived off a combination of such arrangements and a steady supply of food stuffs and fuel smuggled in from Algeria. At a wider level, however, the post-Libyan conflict arrival of militant Shias increased even further what were already complex national and regional conjunctures. It is easy to see how. Illegal trade in fuel and food were not the only rising flows entering the Azawad region. To this one must add the long-standing and rapidly increasing links of northern Malians with narco-traffickers coming up from the southern coastal Atlantic with their smuggled drugs, namely Guinea-Bissau and neighboring states like Guinea-Conakry, Senegal, Gambia, Liberia, or Sierra Leone.²⁰

²⁰Jihadists have been capable, for over ten years now, of offering substantially better economic means of subsistence for many Malian Tuaregs. They have reportedly often done so by means of promised and actual marriages, thus conquering local support of family and tribal loyalties developed through their betrothed and their wives. They went further than engaging in such matrimonial strategies: they profusely made use of their often considerable external financing linkages in Algeria, Qatar, and various Muslim Brotherhood affiliate entities, as well as of the profits they made from drug trafficking, so as to buy the loyalties of entire local communities. One of the reported techniques used to alligate followers lately consisted in offering a pick-up truck to whoever managed to bring the highest number of “faithful” members into their fold—a powerful tactic as in the region, a pick-up has a non insignificant value. As for instance Andrew Lebovich (2013), “Mali’s Bad Trip”, *Foreign Policy*, http://Islamist.foreignpolicy.com/articles/2013/03/15/mali_s_bad_trip?print=yes&hidecomments=yes&page=full. Lebovich actually laid down time markers for this: “[i]llicit and semi-licit commerce existed in northern Mali and the broader Sahel before the rule of Touré, of course. But the drug trade became ingrained in the very fabric of the Malian state at a time when the Salafist Group for Preaching and Combat (GSPC), the forerunner to AQIM, was implanting itself in the north. The organization and its commanders (including Mokhtar Belmokhtar, whom Chadian President Idriss Déby claims his troops killed in fighting this month [March, 2013]), developed deep social ties to local populations as well as links to various illicit businesses, ranging from hostage-taking to cigarette smuggling and taxing the smuggling of hashish and cocaine” (*ibid.*). For the different drug traffick routes see both 2013 UN Reports cited above, mostly UNODC (2013), *World Drug Report 2013*, Vienna, 2013), *op. cit.*

As groups moved in from the north with light or heavy weaponry ordnance and were quick to connect to existent narcotics and “kidnap and ransom” networks based in neighboring littoral Atlantic states, a local revolution of sorts happened. Trade and external connections skyrocketed, and everything somehow fell into place as the incomers, first Sunni and then Shia radicals, learned to find mutually beneficial accommodations with the local Tuareg. This of course fed into both Tuareg aspirations for independence and jihadist desires to carve up a safe haven. As a result, they became more cohesive, better armed, and soon felt capable of facing down the weak and thinly organized Bamako-centered national armed forces. As they did so, Mali began to break up.

The cascading events of 2012 and 2013 exacerbated the centrifugal instability and attendant issues of human security. As is the case with Guinea-Bissau, Mali’s geopolitical stakes are high. If the fight against Islamists—now well embedded in Azawassian “civil society,” mostly in and around the Kidal and Gao areas—goes according to plan, it is likely their pulverization will take place toward Mauritania, with its vast desert havens. Niger, with its vast uranium reserves, is too well protected by the French military for them to have a chance to settle there.

This is precisely the sort of development that threatens to further erode human security in the Atlantic side of northwestern Africa, by hardwiring areas in eastern and north African spaces ever closer to their adjacent rimlands.

Thick Complex Interdependencies in the Northernmost South Atlantic Rims

At a superficial level, the two cases stand in sharp contrast to each other. The attempted solutions, however, converged. In both cases there was agreement to hold both legislative and presidential elections; in Mali, elections took place in late 2013; in Guinea-Bissau, they were scheduled for November 2013 and then moved forward to early 2014.

While seemingly different, the two cases are interconnected. The main issue splitting Mali amounts to a Tuareg secessionism and a radical Islamist instrumentalization of centrifugal ethnolinguistic domestic forces and groupings that is spreading to the Atlantic coast. Guinea-Bissau’s challenge is a fragile and hollow military-based state

center that has been pulled apart by Latin American drug lords in collusion with military, politicians, and religious insiders seeking rents from their connection to them. Both highlight not only how each country has become more interconnected with illicit networks operating pan-Atlantically, but also how the two countries are increasingly linked with each other through these networks.

Each case also underscores that efforts to dismantle trafficking routes and the networks that feed them are likely to prove futile unless their upstream “entrance points” are taken down. A key “entrance point” for Guinea-Bissau is the Bijagós archipelago, with its tourist resorts, eco-reserves and dual-use small aerodromes, all located in a expansive group of several hundred (mostly uninhabited) islands nominally under Bissau’s sovereignty. It is clear that links are rapidly increasing between these entrance points and *pieds à terre* like Cape Verde and, increasingly, Guinea-Conakry and Gambia.²¹

These interconnections mean that in Guinea-Bissau as well as in Mali international efforts should anticipate and prevent possible spillover effects. The ECOWAS-CEDEAO/MINUSMA regional intervention package for Mali and Guinea-Bissau, for instance, could simply close one set of upstream drug trafficking gates and open another, by driving traffickers toward the desert hinterlands of Mauritania, an Arab Maghreb Union member state with a huge Atlantic coastal range, one-third of which is classified as a National Natural Reserve, thinly populated and subject to only minimal levels of effective patrolling. While Mauritania is home to one of the best fishing oversight systems in Africa, its onshore systems for monitoring and controlling illicit activities are far weaker.

In short, without proactive engagement by the international community, Mauritania may be regarded as a strong candidate for the next regional downstream center of narco-terrorist activity, leading to further erosion of state authority. These developments, in turn, are likely to intersect with a chain of linkages that have been extending out of

²¹The already cited UNDOC February 2013 report on *Transnational Organized Crime in West African* identifies “three hubs” in West Africa for the cocaine transatlantic trade routes. “The northern hub, radiating from Guinea-Bissau, Guinea, Gambia, and Senegal. A southern hub centered on Nigeria and includes Benin, Togo, and Ghana. And an eastern hub, encompassing Mali and parts of Mauritania.” *Op. cit.*, p. 11.

Libya and southern Algeria. Chain networks in this context are simple single lane roads, fragile in the sense of not being very resilient (since, as noted earlier, all that is necessary to render them inoperative is to take down a node, erase a link, or somehow cause them to overload and cascade into oblivion) until they branch out and new linkages and nodes spread “sideways.” Then, as we shall see below, their very structure may change radically.

Senegal, by force of geography, technical capacity, and integrated political and military command systems, could become the security provider for the region—but its own domestic politics are troubled and it could also be trapped in a vise between Mauritania, Mali and the two local Guineas, and become the next target. Moreover, opposite Senegal lies Cape Verde, which played a non-negligible role in the events leading to the unraveling in Guinea-Bissau.

Links to the Northwestern Rimlands of the South Atlantic

Upstream, i.e. on the other side of the South Atlantic northern rimlands, matters are also becoming more complex. In parallel to “the decline in large-scale maritime trafficking” detected by the UN,²² the numbers and sophistication of semi-submersibles, submarine vessels and aircraft used to transport cocaine are growing. They are active along a growing number of points in the north of South America and in Central America, and are increasingly networked. New hubs of activity are emerging as the overall landscape shifts. Colombian cartel monopolies are now having to share center stage with a variety of other entities implanted further north in Central America, the Caribbean locations and southern Mexico. All of this is taking place against the backdrop of Colombian President Juan Manuel Santos’ peace negotiations with the FARC, which were initiated in November 2012 in Havana under the aegis of Raúl Castro.

Moreover, important new nodes are rising. The Cape Verde archipelago, for instance, has become an intermediate point in the web used by western Atlantic rim traffickers for eastern-bound drugs crossing the mid-oceanic reaches, and arguably rivals Senegal-Gambia-Guinea Bissau cocaine along the the northwest African coast. Cape Verde is a

²²Ibid.

rather spread-out archipelago, with the two separate island clusters Sotavento and Barlavento functioning as hubs of islands that are being used as a lattice of potential drug sub-routes. In 2011 there were 1,500 cocaine seizures in Cape Verde, compared with 2,140 along the combined Senegal-Gambia-Guinea-Bissau nexus. Moreover, the number of Cape Verde seizures tripled since 2008, while the number of seizures along the second route declined.²³ Cape Verde has no ghost aerodromes or pirate ports, however, and Cape Verdian authorities contributed to Guinea-Bissau Admiral na T'chuto's arrest by the DEA.

What authorities in Cape Verde lack, it could be argued, is hardware: a half-dozen airplanes and fast skiffs may do the trick of controlling narcotrafficking flows in the archipelago. After all, Cape Verde is a functioning state. We should not forget that a decade ago or so the Canary Islands were used as narcotics traffic stepping-stones and the matter was quickly solved mostly for that very reason. On the other hand, discrepancies between state capacity and temptations offered by the cartels can be striking. In Cape Verde in 2011, for example, the state's military budget totaled \$8.3 million, whereas the European street value of one ton of pure cocaine was \$87 million.²⁴

What until a few years ago were a few hub-and-spoke sets of cartels-and-rebel-plus-Islamists-plus-politician-plus-serving-military narcotrafficker networks, with only a small handful of connections between them, has now effectively morphed into a much larger and far more node-heavy scale-free transoceanic southern web with chain-like interconnected tentacles stretching out into North American and European markets.

One indicator, or symptom, among many of the interwoven thickness of ties was the already mentioned DEA-recorded meetings that took place between June and November 2012, where Guinean military under Rear-Admiral Bubo na T'chuto and two Colombian FARC operatives "agreed to receive the cocaine off the coast of Guinea-Bissau, and to store the cocaine in storage houses there pending its eventual shipment to the United States, where it would be sold for the financial benefit of the FARC. The defendants further agreed that a

²³UNODC. It is not clear if these are simply seizures or the estimated total.

²⁴UNODC, *op. cit.*: p. 18.

portion of the cocaine would be used to pay Guinea-Bissau government officials for providing safe passage for the cocaine through Guinea-Bissau.” In the same string of meetings, Colombian rebels and Guinean officers also discussed “the benefits of using Guinea Bissau as a transshipment point for cocaine obtained in South America and destined for the United States, the process for offloading the cocaine once it arrived in Guinea Bissau, and the nature of the weapons to be supplied to the FARC to combat American forces in Colombia, including surface-to-air missiles and AK-47 assault rifles with grenade launchers.”²⁵ We should take note that a part of the drugs arriving to West Africa do go back to the Americas via more northern routes.

If indeed this is so, rather than a simple extension of existing networks, we are witnessing a structural set of changes which is transforming simple chain networks into much more complex, resilient, and metastizing scale-free ones.

Toward an Even Less Finely Grained Overall Picture: West...

It appears that a new sort of scale-free mega-network is forming fast across and between the two Atlantic rims. There is potential for things to get worse given the 2014 (more likely mid-2015) doubling of the Panama Canal and the associated increase in flows of people and goods through the northwestern South Atlantic rimlands, including the risk of more incidents of piracy or terrorist attacks.

Numerous security risks could be adduced, up and down along Central America, the Caribbean and the eastern and western coasts of northern South America. For example, “super Panama” and booming China trade for Brazil, Mexico and the United States will surely bestow a renewed relevance on the Guyanas and the Pacific coast of Central and northern South America. And as the Caribbean reawakens, expanded shipping will cruise along feebly policed shores, or ones only loosely controlled by surrounding states. A rise in piracy, robberies, environmental concerns and a surge in illegal immigration, immediately come to mind as hazards.²⁶ While it is true that since no cruise

²⁵The U.S. Attorney’s Office of Southern New York, *op. cit.*, April 5, 2013.

²⁶For an alternative position, see Xavier de la Gorce and Anne-François de Saint-Salvy, “Evolution of Illegal Activities at Sea and Government’s Responses to them,” in John Richardson ed., *op. cit.*: p. 68.

ships have been assaulted in the area, and also that powerful navies—those of the United States, Canada, France and the Netherlands—are present coordinating attempts to contain drug trafficking, and could, of course, thwart other threats in the region, the potential cascading effects of instability are unfortunately too easy to picture.

Such a scenario presents a regional security dilemma enmeshed in a fast-growing and very diversified type of “informal” web of (in)security complexity in the South Atlantic northern horizontal security band. This is not mere speculation. A substantive rise in recent pirate attacks and attempted attacks has been felt in South and Central America and in Caribbean waters.²⁷

...and Due East

Along the southeast rim of the Atlantic in Africa there is evidence that chain networks are emerging among various groupings, stretching some linkages without until now forging more organized nodes of common activity. Yet a new template may be evolving. Witness both the quasi-linear spread of piracy events around the Niger Delta and the string of Boko Haram attacks from late in the first decade of the century through 2013. It is highly conceivable that organized crime and pirate attacks will increase in number and impact in the Niger Delta region, and that Nigerian Islamist Boko Haram attacks may even reach the coast.

There are indications that other movements are also connecting at least in ad hoc fashion, for instance AQIM and the *Frente Polisario* in southern Morocco. There would seem to be limits to this type of cooperation, since the traditional Polisario leadership led by Mohammed Abdelaziz is keenly aware that any perceived alignment with a terrorism nebula would destroy their dream of a future Sahauri Arab Republic carved out of southern Morocco. But the *Frente Polisario* is also comprised of the Khat al-Shahid faction, known as the Line of Martyrs, which could conceivably be more open to such connections. Individual Sahauris with no links with political Polisarios might be (and have been, here and there) recruited by AQIM. And according

²⁷A comparison of the International Chamber of Commerce (ICC) Commercial Crime Services IMB Piracy and Armed Robbery charts for the years 2012 and 2013 is instructive: see <http://www.icc-ccs.org/piracy-reporting-centre/live-piracy-map>.

to a jihadi declaration to the Mauritanian *Al-Akbbar* website, the May 2013 attack on a military camp in the city of Agadez carried out by “The Masked Brigade” (*Al-Mulathameen*)—an offshoot of AQIM, led by Mokhtar Belmokhtar—was perpetrated by Malian and Sudanese holy warriors, joined by members of the Sahauri Polisario Front. And though there is no clear evidence of effective operational linkages between AQIM and Boko Haram, al-Qaeda’s emir in the Islamic Maghreb, Abdelmalek Droukdel, has declared his unconditional support for Boko Haram and offered training, weapons, equipment, and men. The type of improvised explosive devices and the kinds of suicide bombings and other strikes carried out by Boko Haram do bear AQIM-like watermarks.²⁸

Things may change fast should an opportunistic pattern of aggregation of different actors take place. A brief review of Boko Haram’s rise underscores this potential. Founded in 2002, Boko Haram burst into the headlines when it stormed Maiduguri police stations in northeastern Nigeria; hundreds of people were killed. The group’s leader, Mohammed Yusuf, was subsequently captured and killed. In December 2010 the group infamously bombed Jos, killing 80 people, and was also blamed for a New Year’s Eve attack on a barracks in Abuja. In June 2011 the group carried out bomb attacks on Abuja police headquarters, a UN building, and multiple Christmas Day attacks on local Christians. Attacks increased in 2012, marked by a wave of violence across northeast Nigeria and an Easter Day attack on a church in Kaduna. In 2013 Boko Haram kidnapped a French family in neighbouring Cameroon; launched a heavily armed incursion into Bama town; and killed 44 Muslim worshipers at a mosque in Nigeria’s troubled state. Nigerian authorities killed the group’s second-in-command and the “spiritual mentor” of the Islamist group, but Boko Haram’s capacities, as well as its geographic reach, seem to be expanding.

Enhanced cooperation with AQIM could fuel Boko Haram’s expansion and trigger greater violence across Nigeria and beyond. As Pathé

²⁸Felipe Pathé Duarte (2011), “Maghrebian Militant Maneuvers: AQIM as a Strategic Challenge,” CSIS, Washington DC, <https://csis.org/publication/maghrebian-militant-maneuvers-aqim-strategic-challenge>, downloaded August 1, 2013; Michael E. Gordon, “State Department Warns of New Terrorist Group Posing Threat to U.S. Interests in Africa,” *New York Times*, December 18, 2013, http://www.nytimes.com/2013/12/19/world/africa/state-dept-warns-of-new-terrorist-group-posing-threat-to-us-interests-in-africa.html?_r=0

Duarte noted, “if AQIM enjoys a foothold on Africa’s West Coast, it will open the door to new funding sources beyond the basic kidnap-ransom method. In other words, access to the region may be an *entrée* into one of the three corners of the international narcotrafficking triangle: South America, the Gulf of Guinea, and Europe. AQIM is already involved in drug trafficking, controlling smuggling routes through the Sahara and Sahel.”²⁹

Networked synergies among illicit groups and those seeking to do harm pose substantial challenges to human security in Africa, with potential for cascading effects across the Atlantic basin and beyond. Lagos, Nigeria is the sole deep water port in the Niger Delta region, and the current source of a sizeable percentage of hydrocarbons presently imported by the U.S., although since the first half of 2012, these numbers have been shrinking dramatically; and this does not take into account hydrocarbons (mostly crude oil) imported from Angola and neighbouring Southern regions. Disaster there could be harmful to trade flows and prices. And metastases could easily flower up and down the West African coast, to Mauritania and even Southern Morocco, or down to the Congos, Angola and South Africa.³⁰ The Africa Partnership Station and the joint exercises that have taken place there since the early 2000s displays well the U.S.Navy’s growing interest in the wide Gulf of Guinea area.

Armed attacks in territorial seas and banditry in the Delta, piracy there and along the Togo and Benin coasts, and the recently finished but still smouldering civil war in the Côte d’Ivoire, which began in April 2011, all add to the spreading blotch. They do so by turning the general macro-regional portrait into a fuzzy depiction of instability that will be very hard to restore to even a modicum of stability should either soft or hard security matters unravel.

Issues along the western South Atlantic Rim are diverse and largely do not involve a comparable complexity of actors or networks. This is certainly due at least in part to the fact that the countries of the Southern Cone—Brazil, Uruguay, Argentina, and Chile—stand out as func-

²⁹F. Pathé Duarte, *op. cit.*.

³⁰For a good overview, see Chatham House, “Maritime Security in the Gulf of Guinea,” http://www.chathamhouse.org/sites/default/files/public/Research/Africa/0312confreport_maritimeseurity.pdf (2013), downloaded August 4, 2013.

tional coastal entities when compared to those planted in the eastern rimlands of South Atlantic shores. In the Cone countries, neither “Bolivarian” nor Marxism *à la* Cuba is a meaningful part of political life.

What is to be Done?

To tackle these challenges, institutional knowledge, expertise and experience have to be in place and brought to bear quickly to achieve adequate level of analysis, understanding, and policy design. Mali demonstrates either that such knowledge was not there or no one wanted to use it. Perhaps external players did not care enough and lacked the appetite for a long engagement.

This is made worse by the disregard of the actual organizational formats in use, and basic dynamic network theory can be of use here. Treating networks as if they were billiard balls or immanent expressions of timeless political principles is perhaps conceptually worse, for analytical purposes, than interpreting the flows and dynamics of hub and spoke webs as if they were linearly comparable to chain network dynamics or those of scale-free ones. When placed side by side, in terms of the responsiveness, agility, and the overall resilience they display, scale-free or all-channel network rate so much higher than they do that hub and spoke or chain networks can only be said to “maneuver” their forces in the sense that pharaohs maneuvered heavy stones to make very large pyramids. Hub and spoke networks crumble when their pyramidal structure is decapitated, and chain ones are if even more easy to neutralize. Scale-free networks, on the other hand, tend to multiply by metastases when their nodes or linkages are removed, and all-channel networks are if anything the more resilient entities of all of them.

Overall, it is easy generalize in an illustrative manner at this juncture, and this is analytically useful at this point. Should we not ask questions such as: why did we get Sierra Leone right after its 1991–2002 civil war, and Mali wrong now? The former was far more than a military operation. Mali has had diplomatic and regional organization involvement but not a lot more. The Sierra Leone “model” drew mostly on the UK experience in rebuilding failed states and we all subsequently learned a lot from it. A few actors have become engines

of applied thought, experience and expertise, in conjunction with thinking think-tanks and a raft of private sector companies and subcontracting consultants—for instance retired policemen, security and intelligence agency officers, lawyers and civil servants with a serious security sector reform track record.

In the end, what is needed are institutional frameworks, properly designed (that is specifically drawn according to reliable real world data) and tailored to the specific needs of the region, so as to realistically deal with these growing pan-Atlantic human security challenges.

What can realistically be done? First, and at the very least, southern basin-wide “search and rescue” mechanisms well need to be established. This means that every state in the region must get a proper coast guard. North Atlantic powers should help. Such systems are relatively cheap, unarguably in everyone’s interest, they do not require too much leadership apportioning of roles, and they tend to be equipment rather than policy-heavy.

Could this be portrayed as paternalism or neo-colonialism? Of course, but likely not for long. Confidence-building splotches could begin spreading from here, from this level and at a low tier of ambition. Tangible benefits for all will become clear to everyone.

At a slightly higher level of institutionalization, there is a need to create a “maritime regional constabulary” type of entity. This is not an easy task, but it is probably feasible without too many allergic reactions. The Lazarote Declaration, signed in the Canary Islands on June 13, 2009 by Portugal and Spain, together with ten southern Atlantic states, was a first, if semiformal, legal instrument aimed at jump-starting a soft security framework for the region. The Declaration focused on organized crime, illegal migration, and also tourism, weather monitoring, and the safeguarding of biodiversity. It could perhaps serve as a template for other convergent multilateral initiatives.³¹

³¹Not much has been done with this declaration. Its text is particularly elusive, but may be found here: <http://www.noodls.com/viewNoodl/3032703/mne-minist233rio-dos-neg243cios-estrangeiros/declara231227o-de-lanzarote>. For news coverage of its contents, see <http://g1.globo.com/Noticias/Mundo/0,,MUL1193489-5602,00-PAISES+DO+ATLANTICO+SUL+FECHAM+ACORDO+CONTRA+NARCOTRAFICO+E+PIRATARIA.html>.

Pooling and sharing of information could be mutually advantageous but also quite difficult, since government officials who are enmeshed in narcotrafficking or other networks linked to terrorist groups will resist, as otherwise they will be quickly “taken down” by the informal networks with which they are associated. It is, however, worth a try; things may well be easier than many may think as state elites may be put in positions in which they clearly stand to gain too.

Such a constabulary-type entity should not be a stand-alone initiative, but must be synchronized with other institution-building efforts. For example, consideration could be given to creation of a loose, informal GONGO-type (government-organized non-governmental organizations) body devoted to pooling ideas about southern Atlantic governance. This has, in fact, already been rather forcefully proposed by authors in a recent volume edited by John Richardson:

A forum needs to be immediately created within which the Southern countries can both share their own ideas on ocean governance and on maritime policy and profit from the experience of the North. Over time, the activities of this Forum should lead to the Southern states themselves setting up the kind of multilateral infrastructure that could someday lead to a South Atlantic Security Agreement designed to deal with the multiple challenges arising in the context of increasing blue growth in the region. Such a Forum would be an essential card in replacing the fractured governance of today with an integrated framework for the sustainable and safe shared development of southern states. The countries of the Northern Atlantic should declare themselves ready, in the interest of a better husbandry of their common Ocean, to assist this process with their resources, their expertise, and their experience.³²

Relative institutional informality, joint ownership, and “subsidiary devolution” are crucial ingredients. Otherwise southern Atlantic states may simply refuse to play along and basin-wide efforts will plummet, as they have indeed done before when such caveats were not heeded.³³

For a number of reasons the campaign for institutionalization may prove to be an uphill battle. There is as yet no clear-cut, consensual

³²J. Richardson, et. al, *op. cit.*, p. 4.

³³See examples in Armando Marques Guedes, *op.cit.*, pp. 35-37 and 54-56.

understanding among north and south Atlantic governments or non-state actors about what might constitute their common interest with regard to human security challenges across the full Atlantic basin. A line may again be drawn at the Tropic of Cancer. Brazil's public declaration of interest in its immediate and more-distant water and ocean routes (which may be understood in part as one element of a "*Destino Manifesto*" the country feels it has for the unification of the entire southern Atlantic reaches), offers a caution that ideas for further institutionalization, if advanced without appropriate attention to southern preferences, could clash with the deeply embedded mistrust of southern countries regarding "northern ambitions" in their own hemisphere.³⁴

On the other hand, other currents are worth watching. Southern Atlantic states such as Colombia, Chile, Uruguay, and Argentina have been expressing their discomfort—often in not too subtle a manner—with Brazil's regional preponderance and bandwagoning, and have already begun informally to insulate themselves from it.

Given such distrust, offers of technical expertise and assistance could easily be equated with efforts at commercial and military penetration and dominance. Proposals for multilateral initiatives could easily be emasculated by all sorts of resistance. Initiatives along these lines only stand some chance of success if they take into account the very disparate and often parochial interests, perspectives and sheer political capabilities of Atlantic rimland countries—the majority of which are located south of the Tropic of Cancer.

Instead of attempting formal structures, perhaps an OSCE-style framework should be considered for the pan-Atlantic. A rather loose conglomerate might glean—by its light touch—mutual data on internal affairs, and focus on confidence-building measures and sharing of good practices. This loose conglomerate could generate enough goodwill to be interesting without being felt as threatening—and should certainly be devoid of ambitions outside or beyond the Atlantic ocean unless they are consensually deemed to relate directly to its constitutive parts.

³⁴Armando Marques Guedes (2012b), "From Deregulation to Decentering in the South Atlantic and the Construction of 'Lusofonia'", *Janus.net*, vol. 3 no.1, pp. 1-36, Universidade Autónoma de Lisboa, <http://observare.ual.pt/janus.net/en/component/content/article/51-english-en/vol-3,-n-º1-spring-2012/>.

To expand consideration of the entity to which I am alluding, let us also consider two other examples: the Council of Europe with its legal capacity and *acquis*; and the Arctic Council, with its straightforward and explicitly circumscribed focus on a specific geographic, political, economic and environmental section of the globe. Process could be, in its initial stages, its own purpose—as indeed OSCE was initially conceived, as a place where all European countries and stakeholders, regardless of the raging Cold War, could sit at the same table to discuss their disagreements and to detect where they may indeed have common interests. It is easy to dismiss such ideas as simply Eurocentric notions unfit for the pan-Atlantic. But discerning actors would at least take a look.

But if such ideas would still be perceived as a mere Eurocentric models, and thus off target, what other issues and solutions might present themselves? It seems that as a first step it is critical to grow support for the notion that Atlantic countries, especially those of the southern Atlantic, and their extant multilateral entities are bound by the margins of the Atlantic Ocean, although by no means entirely limited to it. Such “open boundedness” is essential to underscore that South Atlantic cooperation does not need to be the reverse, or the counterpoint, to North Atlantic cooperation.

Paul Isbell offers one point of entry to new notions of Atlantic connectedness by charting the Atlantic’s new energy dynamics and lamenting that “[t]here are no formal or informal Atlantic energy organizations currently—with the exception of the relatively inactive Transatlantic Energy Council, a strictly northern Atlantic institution.”³⁵ He goes on to say that “[g]lobal South identities and loyalties may even generate some initial resistance to the Atlantic Basin concept. However, it is also just as likely that the key emerging countries of the Southern Atlantic will identify the Atlantic Basin as a useful strategic hedging device for modifying current geopolitical identities or for moderating more traditional geopolitical dependencies and vulnerabilities.”³⁶ In short, beginning pan-Atlantic dialogue on functional

³⁵Paul Isbell, *Energy and the Atlantic: Mapping the Shifting Energy Landscape of the Atlantic Basin*. Washington, DC: The German Marshall Fund of the United States, 2012.

³⁶*Ibid.*, p. 48.

issues such as energy could lead to fuller engagement incorporating other issues, including those of human security.

Given the changing nature of Atlantic interconnectedness, Atlantic actors should be open to the possibility that a geostrategic window of opportunity is opening, and that with some nudging both North and South Atlantic states could make some slight adjustments to classic balance of power approaches in their own neighborhoods by accepting the value of mechanisms that could help mediate between the strategic continental orientations of old and new Atlanticist countries.³⁷ A “comprehensive Atlanticism,” one that can engender a twinning of “Atlantic regionalisms,” north and south, could well be possible. Difficulties abound. But experience shows us that hedging can be a useful strategy to maintain tranquility and confidence in the face of challenges that otherwise might offer outcomes from which no one stands to gain.

Another initiative might be to honor Brazil with an offer of joining a Brazil-NATO Council, designed much in the manner the ill-fated Russian Federation-NATO one has been. After an initial reaction needed for the sake of coherence and domestic consumption, Brasília’s reaction may not be as negative as generally feared.

The NATO Partnership for Peace program is rooted on the notion that allies and partners share a sense of common destiny or at least some common interests. Brazil would be sure to firmly turn down an offer of simple PfP membership. The Council approach, however, is rooted in the very idea of otherness and autonomy of the entity with which the Atlantic Alliance wants to establish a relationship. Russia offers a clear example. If good faith exists on both sides, Brazil would have no reason to feel other than comforted by the recognition of its autonomy such a proposal would signify. At the same time, and visibly in tune with this, NATO would need to provide comforting assurances to Brazil’s neighbors about the ultimate goals of such a Council. It might also be worthwhile to consider a South Africa-NATO arrangement, while simultaneously offering similar assurances to that country’s African rimland competitors.

³⁷Marques Guedes, “Geopolitical Shifts,” *op. cit.*, pp. 56-57.

The underlying point behind these considerations is that old North-South Atlantic differences and divergences are giving way to new types of pan-Atlantic interconnectedness that demand new ways of thinking. In the globalized world in which we live, we cannot afford to treat northern Atlantic issues as if they were not related to southern ones, or southern Atlantic issues as if they were not related to northern ones. An integrated vision for the Atlantic Basin is urgently needed.

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Dark Networks in the Atlantic Basin

Emerging Trends and Implications for Human Security

DANIEL S. HAMILTON, EDITOR

Growing flows of energy, commerce and people across the Atlantic basin are creating new opportunities. Yet they are also creating vulnerabilities that can lead to disruption of such critical functions as transportation, energy flows, medical services, food supply chains and business systems, communications, and financial networks. Drug trafficking, arms flows, cyber threats, manipulation of social media, money laundering, corruption, piracy, political instability, terrorist infiltration and pandemics are all becoming concerns of pan-Atlantic scope.

As part of its Atlantic Basin Initiative the Center for Transatlantic Relations asked experts from the four Atlantic continents to explain and explore how growing pan-Atlantic connections are raising common security challenges, and to recommend ways to address those challenges.

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