

NOREF Report

What makes countries vulnerable to transnational organised crime?

Ivan Briscoe

Executive summary

Countries emerging from conflict or other major crises face numerous difficult challenges on the road to state-building. One of the most harmful is the rise of violent crime, which threatens weak state institutions and the rule of law. In a number of cases, this concern is accentuated by the presence of transnational organised crime. Instead of starting on a path of economic and institutional development, these nations are transformed into way stations on the route of illicit products – drugs, clandestine migrants, or commodities such as timber or diamonds – heading to rich consumer markets. A conservative estimate puts the total value of these global markets at \$125 billion per year.

The problems posed by transnational organised crime are serious and spreading. In Central Asia, West Africa and Central America, the wounds of civil war and political transition had not yet healed by the time the phenomenon appeared. Instead, criminal groups took full advantage of the weaknesses of governments and the rule of law in the aftermath of faltering transitions to democracy. These groups formed links with formal economic and political actors, and used their power where necessary to intimidate citizens into submission. Electoral processes, political parties, security forces, horizontal inequalities, ethnic rivalries and basic conceptions of citizenship have all been reshaped by criminal money and violence.

This report explores in depth the exact nature of the threat posed by transnational organised crime and the conditions that give rise to its growth. In particular, it asks whether the presence of transnational groups in fragile states is an effect of international conditions – such as the need to supply a particular consumer market – or due to causes that are internal to the country. On this

basis, it picks out five key factors that underlie the expansion of this sort of crime. These are:

- the proximity to trafficking routes and destination markets;
- favourable international security conditions;
- extreme institutional fragmentation;
- high levels of inequality; and
- social atomisation.

Above all, the report stresses the importance of the last three domestic vulnerabilities in providing criminal groups with exceptional leverage over state and security actors, businesses, and local populations.

In conclusion, it offers a number of pointers for future policymaking that take into account the grave threat posed by transnational organised crime to stability and development. While this threat is undeniable, it is also true to say that it is the expression of fault lines and vulnerabilities in fragile states that cannot be repaired solely by law enforcement or donor exhortation.

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Introduction: the new anxiety over transnational crime

Organised crime is not a novelty in the internal affairs of most nation states. The violence and material accumulation carried out by medieval European *condottieri* or mafia networks in America have been well recorded. A rich literature has also explored the role that groups conforming to the definition of organised crime¹ have played not only in violence and profiteering, but also in the emergence of political leadership, the building of states, the construction of powerful patronage networks and the survival of civilians during periods of conflict.² Particularly striking examples of these sorts of influence have been found in some modern developed and post-Soviet countries, where criminal rackets at one time or another have offered alternative methods of private protection (of property rights, for example, or of contractual arrangements) to compensate for a lack of provision of these services by official state bodies.

While there is no doubt that the broader social influence of these criminal networks – at least the ones that can be regarded as classic outlaws or brigands – has diminished in the developed world, organised crime continues to flourish in the margins of wealthy societies, such as in border areas or in the nerve centres of global trading, particularly ports. A number of commentators also contend that serious crime is increasingly rife in the corporate heartlands of the West.³

But the principal contemporary international anxiety over organised crime is now directed elsewhere. It is the influence of transnational criminal networks on

the governance, social cohesion, and opportunities for economic development of a number of relatively poor and unstable regions that is now regarded as a leading obstacle facing countries seeking to emerge from conflict or authoritarian rule. Perhaps the most destabilising influence can be found in cases where armed insurgencies or militias overlap with the production and trafficking of illicit goods or illegally mined commodities, as has been the case in the Democratic Republic of Congo (DRC), Afghanistan, Myanmar, Colombia and Peru, among others.

A second and more diffuse effect, which will be the focus of this report, concerns the infiltration, corruption and capture of institutions in post-conflict and fragile states, which can become the ideal platform from which to intensify the trading flows of illicit or semi-licit goods to richer markets and populous emerging economies. At present, the total yearly value of the main global illicit markets is estimated at \$125 billion.⁴

A first signal of this concern could be found in the policies on global security and fragile states that emerged from America, the European Union (EU) and multilateral institutions in the wake of the September 11th 2001 attacks in America. Failures in governance – or, at an extreme, the proliferation of “ungoverned spaces” – tended to be viewed in these policy frameworks as, among other things, an invitation to transnational criminal networks wishing to secure safe bases for the trafficking of illicit goods.⁵ However, not all stateless regions are occupied by criminal networks, nor are all violent networks operating in these areas dedicated to illicit transnational trade: for example, in rebel-controlled areas of the Central African Republic, particularly close to the frontiers with Sudan and Chad, violence, banditry, and cross-border movements of troops and weapons can be found, but not any systematic

1 Organised crime is not a easy term to define. According to crime expert R. T. Naylor, it has five components: “specialization in market-based crimes, hierarchical and durable structure, use of violence and corruption to achieve monopoly power, high rates of return, and penetration of the legal economy” (R. T. Naylor, *Wages of Crime*, Ithaca, Cornell University Press, 2002, p 16).

2 On organised crime and state-building, see Charles Tilly, “War making and state making as organized crime”, Peter B. Evans, ed., *Bringing the State Back In*, Cambridge, Cambridge University Press, 1985; on crime and protection, see Diego Gambetta, *The Sicilian Mafia: The Business of Private Protection*, Cambridge, MA, Harvard University Press, 1993; and on the role of criminal networks in wartime, see Peter Andreas, *Blue Helmets and Black Markets*, Ithaca, Cornell University Press, 2008.

3 On ports, see *Financial Times*, “Mafia still holding US ports to ransom”, January 23rd 2011; on corporations, see Jeffrey D. Sachs, “The global economy’s corporate crime wave”, Project Syndicate, May 5th 2011.

4 UNODC (UN Office on Drugs and Crime), *The Globalization of Crime: A Transnational Organized Crime Threat Assessment*, Vienna, 2010, p 275.

5 EU (European Union), *A Secure Europe in a Better World*, Brussels, 2003, pp 4-5, <http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf>. The notion of “ungoverned spaces” has become more popular in security circles in recent years, despite fierce criticism of the concept for failing to acknowledge alternative non-state methods of governance. See, for example, Anne L. Clunan and Harold A. Trinkunas, eds, *Ungoverned Spaces: Alternatives to State Authority in an Era of Softened Sovereignty*, Stanford, Stanford University Press, 2010.

linkage to extra-regional illicit flows. The precise composition and origin of armed non-state groups that do operate in “ungoverned” areas also shape very different approaches to the involvement in illicit trade and the protection of local civilians.⁶

But, given these provisos, it is broadly true to say that the combination of weak or absent statehood with proximity and access to larger and richer markets can give rise to a situation in which transnational groups take advantage of differing legal standards and capacities through “jurisdictional arbitrage”.⁷ In other words, disparities in legal and cultural regulations, state effectiveness, and levels of economic development between countries in the same neighbourhood – or between different regions that are joined by strong transport linkages, such as the Caribbean and Western Europe – can give rise to transnational flows of illicit goods that connect the demands of consumer nations with the supply logistics provided by groups operating in countries with a weak state presence.

Initial policy responses

As mentioned above, the dynamics of this process, and the consequences for the weakly governed countries that are transformed into supply and trafficking platforms, are the subject of intense and increasing global attention. The 2010 report on transnational organised crime by the United Nations Office on Drugs and Crime (UNODC) documents the complexity of a series of interconnected global markets in which certain illicit products, particularly narcotics (estimated to represent 85% of the total value of these markets⁸), stand out as the most lucrative sources of income for highly adaptable criminal networks, thanks in large part to buoyant global consumption levels.

6 William Reno, “Persistent insurgencies and warlords: who is nasty, who is nice, and why?”, Anne L. Clunan and Harold A. Trinkunas, eds, *Ungoverned Spaces: Alternatives to State Authority in an Era of Softened Sovereignty*, Stanford, Stanford University Press, 2010.

7 See, for example, Phil Williams, “Here be dragons”, Anne L. Clunan and Harold A. Trinkunas, eds, *Ungoverned Spaces: Alternatives to State Authority in an Era of Softened Sovereignty*, Stanford, Stanford University Press, 2010, p 39.

8 Estimates of the values of different illicit global markets, including narcotics, firearms, human trafficking, natural resources, counterfeit products, piracy and cybercrime, can be found in UNODC, *The Globalization of Crime*, pp 16-17; see also World Bank, *World Development Report 2011*, Washington, DC, World Bank, 2011, p 220.

Until recently, and with a few notable exceptions such as the EU’s “integrated and balanced approach based on participation” towards Latin American narcotics flows,⁹ approaches rooted in law enforcement have dominated strategy towards transnational organised crime. These efforts, which have generally been designed and sponsored by the countries to which illicit products are sent, have systematically emphasised security and judicial cooperation, tighter border controls, closer monitoring of trafficking routes, and the more effective exchange of intelligence. The interdiction of goods as they move along trade routes is a focus of efforts, and 65% of all confiscated drugs, according to the World Customs Organisation, are seized in ports and at sea.

The constraints on this approach to combating illicit flows are becoming increasingly apparent. A first limitation stems from the fact that this trade is embedded in legitimate flows, whose speed and dimensions in the modern global economy offer traffickers a high probability of avoiding detection: according to one recent study, around two billion containers are moved on the seas each year to the top 50 ports, while the most modern ports are only capable of inspecting “the smallest percentage” of them.¹⁰ Likewise, the narco-trafficking hub of north Mexico cannot be explained without considering a daily cross-border trade worth around \$1 billion. In both cases, tougher policing of the interstices of commerce runs the risk of slowing up trade flows and harming business links, especially those involving fresh, perishable products.

A focus on fragile states

Insofar as poorer, less-developed countries have begun to feature more prominently on the route maps of organised crime, the emphasis has also shifted from international collaboration towards strengthening these countries’ institutional capacities to tackle globally networked criminality.

9 This strategy was coined in the Comprehensive Action Plan on Drugs agreed between the EU and Latin American and Caribbean countries in Panama in 1999, which established a broad agenda for inter-regional cooperation; see http://eeas.europa.eu/drugs/docs/pap_en.pdf.

10 Carolyn Nordstrom, *Global Outlaws*, Berkeley, University of California Press, 2007, pp 160-161. According to UNODC, illicit global markets are “by-products of licit commerce that has globalized at a rate in excess of our collective ability to regulate them” (UNODC, *The Globalization of Crime*, p 278).

Police and judicial reform, security training and specialisation, legislative initiatives, and targeted investment in hardware and infrastructure-building stand high on the menu for Central Asia, Central America and West Africa, regions whose levels of economic deprivation and post-conflict institutional weaknesses have made them particularly vulnerable to global organised crime.

Numerous multilateral donors have financed counter-narcotics projects in Central Asia, including UNODC, which has sponsored the creation of drug control agencies in Tajikistan and Kyrgyzstan, not without setbacks on the way.¹¹ The Central American Regional Security Initiative, meanwhile, has been provided with over \$200 million by Washington to support security modernisation across the region, and is now expected to align with an ambitious regional anti-crime programme devised by the Central American Integration System. Designed by the UN and several regional bodies, the West Africa Coastal Initiative (WACI) for its part aims to seed transnational crime units in the region's security systems as intelligence gatherers and focal points for international cooperation, although funding is at present limited.

One problem affecting these regional programmes has been poor coordination among overlapping donor initiatives: the World Bank counts ten counter-narcotics regional initiatives in Latin America, not including bilateral support projects run by the EU. In Guinea-Bissau, one of four initial countries to be supported as part of WACI, an estimated 14 countries and multilateral bodies have until recently been engaged in a largely stalled process of security sector reform.

New steps for donor engagement

At the same time, the challenges of encouraging more effective policing and sentencing in countries that suffer from weak governance and circuits of legal immunity are prompting more intrusive forms of donor engagement. Where the partnership with domestic authorities is considered unreliable or susceptible to abuse, other modalities of engagement

that encroach to varying degrees on sovereign powers have been embraced. The UN Commission Against Impunity in Guatemala (CICIG) operates under such a mandate, whereby it can be a joint plaintiff in criminal cases and pursue its own independent investigations, among other powers.¹² The European Pact to Combat International Drug Trafficking of 2010 (supported by EU member states' justice and home affairs ministries) reinforces the counter-narcotics focus of capacity-building and joint operations in West Africa and the Balkans, while the US Southern Command's Partnership Strategy explicitly envisages the right of Washington to "go it alone" if it considers core American security interests to be imperiled by inactive partners in other states.¹³

Both the *World Development Report 2011* and the state-building guidance provided by the Organisation for Economic Cooperation and Development (OECD), meanwhile, depict illicit transnational trade as a critical "external stress" for countries emerging from fragility and conflict.¹⁴ Grounded on a more sensitive understanding of the pressures and constraints on post-conflict or fragile states, and particularly on the incentive structures affecting elite behaviour, they propose to reinforce the protection of these countries against the intrusion of criminal cartels through regional initiatives, the sharing of administrative capacity, cooperation in border control and the strengthening of international support for weak criminal justice systems. They also encourage a broader debate on global systems of prohibition, particularly of narcotics.¹⁵ However, a number of these proposals are not in practice different from the security reform focus described above.

12 According to Eduardo Stein, former vice-president of Guatemala and signatory in 2006 to the accord that created the CICIG, trying to force the country's authorities at that time to strengthen the security and judicial system in order to combat impunity was like "tying a dog up with sausages" (interview with author, 2011).

13 Council of the European Union, *European Pact to Combat International Drug Trafficking*, Brussels, 2010; US Southern Command, *Command Strategy 2020: Partnership for the Americas*, 2010, p 4, <http://www.southcom.mil/AppsSC/files/634188450787308115.pdf>.

14 World Bank, *World Development Report 2011*; OECD (Organisation for Economic Cooperation and Development), *Supporting Statebuilding in Situations of Conflict and Fragility*, Paris, 2011.

15 World Bank, *World Development Report 2011*, pp 224-225; OECD, *Supporting Statebuilding in Situations of Conflict and Fragility*, pp 54-56.

11 Alessandra Ceccarelli, "Clans, politics and organized crime in Central Asia", *Trends in Organized Crime*, vol 10, 2007, p 29. The Drug Control Agency in Kyrgyzstan was abolished in 2009 by former President Kurmanbek Bakiyev.

In short, consensus exists across a range of policy communities as to the importance of the threat posed by organised crime in poor and fragile countries. This shared concern over crime, however, tends to get in the way of a more subtle understanding of how criminal networks arise and grow in these contexts. The absence of reliable statistics – an inevitable result of attempts to study clandestine activities – and the highly complex interplay of domestic and external influences in the emergence of criminal activity have persuaded governments and donors to opt for a simple and somewhat ineffective response based on tougher law enforcement.

A different approach will be outlined below. Assuming that organised crime exists wherever there is law (and there is thus a space for illegality), the priority in fragile contexts must be to identify and explain not just the presence of criminality, but also the leverage it exerts over the institutions of state and society, and the extent to which it is able to distort or undermine the basic goals of effective government and the provision of public goods, social norms and civil peace.

This report aims to elucidate these issues and will conclude with some practical steps forward. It starts by exploring the external and internal dimensions of organised crime in the current debate; the complex causes behind the emergence of crime (and its transnational variant); and the reasons why illicit networks have exceptional political, territorial and normative powers in certain cases. It focuses on, among others, countries such as Guatemala, Kosovo, Kyrgyzstan and Guinea-Bissau in an effort to find out what factors make countries and states vulnerable to organised crime and how policies may be crafted that act on the principal causes of vulnerability rather than focusing only on the pursuit and prosecution of criminals.

External stresses and internal weaknesses

Although it is currently popular to stress the role played by transnational criminal networks in exploiting the weaknesses of certain states, no one would deny that a domestic partner is always required. Cases of criminal “invasion” of a territory where no patterns of illicit accumulation existed before are exceptional. In the case of Guatemala,

domestic criminal power had been consolidated prior to the recent penetration of transnational drug-trafficking cartels, principally the Sinaloa cartel since 2000 along the Pacific coast and the Zetas since 2008 across the Atlantic shoreline and nearby inland territory.

This domestic structure consisted primarily of a network rooted in counterinsurgency warfare with strong connections to state officials, security forces and the military, and a series of regionally based drug lords who could be contracted by outsiders to act as couriers and guardians.¹⁶ These structures, and particularly the more autonomous role played by local criminal bosses, are being reshaped through violence and co-option, but the process of transnationalisation was long pre-dated by more informal linkages between domestic and external actors and the existence of an entrenched national system for the provision of impunity.

Other cases, however, point to a more blatant exercise in the criminalisation of a country by transnational networks. Kosovo and Guinea-Bissau, both of which have served as major crossroads in international drug trafficking (as well as, in the case of Kosovo, weapons and human smuggling), were integrated into transnational networks largely on the bases of their sizeable informal economies and their traditions of clan-based political networks, neither of which can strictly be called illicit.

The European migrant diaspora supporting the Kosovo Albanian insurgency of the 1990s and the highly factionalised military powerbrokers in Guinea-Bissau both proved to be indispensable vehicles for the infiltration of criminal networks into the political systems of each country. Ethnic Albanians became key players in the heroin trade in Western Europe in the period of Kosovo’s insurrection and are alleged to have used the proceeds to fund the armed resistance campaign: drug money is estimated to have accounted for half the funding of the Kosovo Liberation Army (KLA). Once the KLA assumed de facto control of local municipalities in the second half of 1999 following the expulsion of Serbia (and before the arrival of

¹⁶ Julie López, *Guatemala’s Crossroads: Democratization of Violence and Second Chances*, Washington, DC, Woodrow Wilson Center, 2010.

the UN peacekeeping mission, UNMIK), criminal interests were able to expand at the local level and within emerging political forces.¹⁷

Colombian narco-trafficking through Guinea-Bissau, which reached a peak around 2007, has been inseparable from an internecine battle among different military figureheads for influence and patronage resources.¹⁸ However, the connection between Latin American cartels and state and security officials appears to have been mediated in large part by the highly sophisticated Nigerian mafia, whose global expansion (for example, in 2003 there were 330 Nigerians in Thai jails) can be dated from Nigeria's economic decline in the 1980s.¹⁹

In this respect, Guinea-Bissau seems to conform to the template of criminalisation in sub-Saharan Africa, whereby fragmented, territorialised and ethnically distinct factions of political leadership seek to strengthen their resources and power by forging links with transnational traffickers so as to export valuable raw materials. In cases such as that of Angola, the pivotal role played by the military during wartime in aligning their campaign strategy with the economic imperative to extract natural resources and open up trading routes has been extensively noted.²⁰ The crucial difference with these criminalised war economies, of course, is that the networks in Guinea-Bissau and Kosovo have not extracted natural resources, but trafficked illicit goods that are produced elsewhere.

It is this difference that is essential to understanding the origins and nature of the external stresses that transnational crime can exert on weak states. Whereas states with prized natural resources such as Angola, the DRC, Sierra Leone or Colombia are sources of supply, and are thus intrinsically attractive to transnational groups or to national organisations aspiring to international market dominance – like the heavily centralised drugs cartels of 1980s

Colombia – states characterised by their failures in governance and development are only incorporated into trafficking circuits under a particular set of external influences.

These external influences stem from the geography of the market and trading routes into which countries are integrated. However, as will be seen below, they act only as necessary conditions for integration into transnational crime, and their role in plotting the precise course taken by trafficking networks is limited. As will be explained later in this report, a set of domestic factors is crucial in making countries vulnerable to a strong criminal presence.

The geography of the market: proximity and security

An illicit trafficking route, along with its associated retinue of criminal actors, facilitators, financiers, and complicit or passive state and security officials, can only exist if it serves to link centres of supply and demand in a way that is profitable for the organisations involved. This is obviously the prime factor excluding the majority of fragile states from becoming part of such networks. Some of these may have had war economies based on domestic predation, smuggling or foreign sponsorship of armed violence. Their post-war governance structures may also have been co-opted by political-criminal networks or affected by extensive corruption: Burundi and Bosnia-Herzegovina are good examples. But neither of these, nor several other conflict and post-conflict countries in highly peripheral and poorly connected regions, can offer any great competitive advantage to transnational cartels.

Indeed, it would seem that fragility in itself is a poor guide to whether a country poses the threat of transmitting global security risks, be they terrorism or organised crime. For this threat to materialise, it is essential that the country also has some geographical proximity to major markets or to trafficking routes towards these markets.²¹ With proximity must also come access to some of the facilities that are essential to international criminal

17 A particularly critical account of this process is given in the Marty report on atrocities in wartime Kosovo carried out by KLA leaders; see Dick Marty, *Inhuman Treatment of People and Illicit Trafficking in Human Organs in Kosovo*, Strasbourg, Council of Europe, 2010.

18 Luís Felipe Madeira, Stéphane Laurent and Sílvia Roque, "The international cocaine trade in Guinea-Bissau: current trends and risks", NOREF Working Paper, Oslo, NOREF, 2011.

19 Stephen Ellis, "West Africa's international drug trade", *African Affairs*, vol 108, no. 431, 2009, pp 171-196.

20 Nordstrom, *Global Outlaws*, particularly chap. 5.

21 "Geographical location and proximity to the global marketplace may also trump the weakness of state institutions as enticements for criminals" (Stewart Patrick, *Weak Links: Fragile States, Global Threats and International Security*, Oxford, Oxford University Press, 2011; see "Introduction").

operations, such as transport links, communications, and, if possible, facilities for money laundering, cash transfer or the provision of false documents. Some of these requirements may be waived if the country can provide safe and secure passage, yet it should be noted that modern information technologies make trading and transacting from extremely remote locations much more feasible.

Alongside geography, security conditions are fundamental to determining the regions where illicit trafficking is routed and represent the second major external condition shaping patterns of transnational criminalisation. Although law enforcement efforts rarely manage to extinguish entirely transnational markets in illicit goods, these illicit markets may become redundant, as happened to Mexican liquor smugglers following the end of prohibition in America,²² or has happened to an extent following the sharp rise in domestic cultivation of marijuana (notably in North America and Western Europe) following weakening restrictions on the use of that drug.

Furthermore, security campaigns within countries, such as that against opium production in Thailand (which formed part of an intense 30-year process of economic development and urbanisation),²³ and in important arenas of trafficking, notably the American efforts to shut down Caribbean routes for the cocaine trade at the end of the 1990s, reshape the global market, pushing production and trafficking into regions where they were formerly activities of marginal significance.

It is against this background, and with the assistance of the growing market power of the Mexican mafia following the demise of the Colombian cartels, that Central America has risen to prominence as a polyfaceted criminal supply route over the last decade, now accounting for the flow of 90% of the cocaine consumed in North America (as well as numerous other illicit trades, such as in arms, illegal migrants and child adoptions). Likewise,

the controls on maritime and air access to Europe appear to have spurred the diversion of transatlantic drug routes to West Africa and the deployment from there to Europe of multiple individual couriers, or “mules”, using various means of transport and carrying small quantities of drugs.

Crossing the border: the value of arbitrage

Proximity and the prevailing regional security conditions shape the geographic range in which criminal organisations seek to operate. But their power to explain the tractability of a country to the influence of illicit trafficking is limited. They do not offer much in the way of understanding the processes by which foreign and national actors coalesce in pursuit of illicit profits, nor the criteria by which these organisations decide their strategies of armed violence and state capture. Furthermore, they seem to offer few insights into one of the leading contemporary concerns regarding transnational crime: the emergence of competition, the recruitment or subjugation of local civilian communities, and the extreme violence with which rivalries are played out, often involving the use of terror against civilians.

To begin to explain these characteristics, the strategic requirements and bargaining positions of transnational entrants and domestic facilitators need to be considered. Rather than the expression of a purely external influence, or “stress”, these processes involve interactions between two sets of actors that are themselves internally fragmented, particularly on the domestic side.²⁴ A useful starting point is that of arbitrage or asymmetry. Transnational groups will seek to make use of the large disparities in legislation, law enforcement, income level and normative values between a trafficking nation and the final country of destination as a means to complete the flow of goods while avoiding detection. They will also seek to leave and rejoin the stream of licit commerce and finance as and when required.

22 The prohibition-era smuggling networks of the Mexican border city of Ciudad Juárez transformed into the first drug-trafficking organisations of this city, now regarded as the most violent place in the Western Hemisphere; see Howard Campbell, *Drug War Zone*, Austin, University of Texas Press, 2009, particularly the chapter entitled “La Nacha: the heroin queen of Juárez”.

23 Ronald Renard, *Opium Reduction in Thailand, 1970-2000: A Thirty Year Journey*, Bangkok, Silkworm Books, 2001.

24 The crucial relationship on the domestic side is between criminals actors on one side and state and security officials on the other. Complex dynamics are involved in the interplay between these two, including changing hierarchies of power, and even the initiation by “officials” of new illicit networks and schemes; see in particular Carlos Antonio Flores, *El estado en crisis: crimen organizado y política*, Mexico City, CIESAS, 2009, pp 131-136; Claudia López, ed., *Y refundaron la patria*, Bogotá, Random House Mondadori, 2010, pp 53-54.

Where cross-border asymmetry is extreme, as it was in Kosovo after the expulsion of Serbian authorities and before the establishment of the UN peacekeeping mission, or as can be found in the separatist Transdniestria region of Moldova (whose borders are not officially recognised) and along parts of the Mexican-American border, then frontier crossings represent the point at which the disparity of laws and norms reaches its point of extreme concentration. The success of the trafficking enterprise will depend on the extent to which illegal products that travel safely, and with a certain amount of social and political legitimacy, through one or several territories have been levered into a state of invisibility or have been assimilated within licit trade by the time they reach the other side of the border.

Two additional characteristics of this arbitrage are worth noting. Firstly, it is apparent that purely illicit goods, such as narcotics, weapons or so-called “blood diamonds”, tend to be trafficked through circuits that also afford space to a much broader set of semi-licit or contraband goods, such as cigarettes, oil or counterfeit products, all of which also seek eventually to return to the legal market, or thereabouts, and may even be traded with the consent of formal multinational corporations.²⁵ In the case of the Balkans, cigarette smuggling can indeed be seen as the forerunner of many other sorts of trafficking.²⁶

Secondly, it is crucial to bear in mind that arbitrage is a multidirectional process in which each country is exploited by transnational criminal networks on the basis of its competitive advantages. It is obvious that the destination country of narcotics or rare timber will tend to be a rich, or richer, market. However, the recent history of Mexican drugs cartels illustrates that the destination market may also be the preferred site for money laundering, as well as the main source of firearms for use by drug cartels. Recent patterns of transatlantic drug trafficking also indicate a trend towards exchanges of narcotics between “designer drug” laboratories in Europe and Andean cocaine-processing units.²⁷

Assessing the threat of organised crime

These considerations open the gateway towards a more finely grained understanding of how global networks begin to work alongside partners in fragile states and what might motivate this engagement. However, before analysing the specific vulnerabilities of post-conflict and fragile states to the approaches of transnational groups, it is important to specify exactly what is meant in these contexts by the threat of crime, and in particular the threat posed by transnational organised crime.

Crucially, crime covers a much wider field than the subset of organised crime. A region such as Central America has become victim to a multilayered crime wave – including petty crime and corruption, lynchings, gang violence, employable hit men, death squads, structural corruption and transnational cartels – as a result of historical circumstances as well as demographic and socio-economic influences. The region’s indicators of violent crime (above all in El Salvador, Honduras and Guatemala) and the levels of public perceptions of insecurity point to the difficulties in distinguishing the effect of each mode of criminal activity and the precise role played by organised crime in this process, as opposed to a contagious, system-wide weakening of respect for the rule of law.

The demobilisation of the paramilitary militia in Colombia in 2003 and the recent emergence in its wake of new criminal groups capturing similar sources of illicit revenue²⁸ offer some insight into the effect of organised crime on public security: whereas the murder rate is reported to have fallen sharply across the country (by approximately 50%), partly as a result of the demobilisation process, it has peaked again in Medellin, Cali and a number of peripheral regions from 2007 onwards under the influence of a recrudescence of new criminal groups, many of them incorporating former paramilitaries. Recent police statistics suggest that 47% of all the country’s murders are now carried out by hit men, most of them working for these groups.

25 Nordstrom, *Global Outlaws*, chap. 7.

26 Misha Glenny, *McMafia*, London, Bodley Head, 2008, pp 34-37.

27 UNODC (UN Office on Drugs and Crime), *The Threat of Narcot-Trafficking in the Americas*, Vienna, 2008, p 28.

28 There is a growing literature on this subject. See, for example, HRW (Human Rights Watch), *Paramilitary’s Heirs: The New Face of Violence of Colombia*, New York, 2010; Corporación Nuevo Arco Iris, *El declive de la seguridad democrática*, Bogotá, 2009.

However, Colombia is the archetype of structured criminality, with the deep and systematic penetration of central and local levels of government (as became evident in the “parapolitics scandal” affecting a third of congressional deputies) and the heavily politicised use of armed violence, as shown by the continued existence of revolutionary guerrilla movements. Likewise, there is little doubt that criminal cartels are at the root of extreme violence in northern Mexico. But, as mentioned above, it is by no means certain that the immediate post-conflict conditions of Central America, which were marked much more sharply by a grassroots surge in urban violence, fit the same pattern. A close correspondence between organised crime and threats to public security cannot be found in Kosovo, despite the undoubted links between post-war killings and politico-criminal competition among ethnic Albanian factions. And in West Africa, insecurity as perceived by the general public is more closely related to post-war social legacies, political competition, and the dilapidated state of the security and judicial systems than to any direct effect of organised crime.²⁹

The crucial role of state capture

The search for direct links of cause and effect between the presence of organised crime and the threat to public security misses the distinctive danger posed by domestic and transnational criminal networks. In the West African cases of Guinea-Bissau and Sierra Leone, for example, the power of informal networks anchored in state structures that have used public assets for private gain – through the control of valuable commodities or the exploitation of state budgets – has been critical to the fragmentation of the state and the emergence of armed resistance, leading to civil wars in both countries in the 1990s. Similarly, the relentless rise in violent crime in Guatemala cannot be accounted for without understanding the corrosion of the entire penal system under the influence of vested group interests.

In short, the threat posed by domestic and transnational organised 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. Where violence against civilians appears to be the hallmark of organised crime, as it is in Colombia and Mexico, it can invariably be found to have been pre-dated by the systemic criminal infiltration of public authorities.

Two important qualifications must be made at this stage. Firstly, it should be noted that a systemic weakening of public authority depends on the extent of state capture. The corruption of individual officials and the creation of rent-seeking networks within state structures mark a first level of capture. But this is largely an economic phenomenon and does not necessarily lead to a wider increase in levels of public insecurity.³⁰

However, these networks may lead to broader forms of capture that seek to circumscribe the institutional powers upholding the rule of law, such as the courts, the police and even parliament. Eventually, as noted in the case of Colombia, the networks may seek to bring about a lasting “reconfiguration” of the state (and thus an emergence into legality of criminal groups) through the consolidation of new, closely allied political elites, and the crafting of a more favourable legislative framework for their activities and for the “whitewashing” of their assets.³¹ More overt efforts by criminal cartels to seize direct control over the levers of executive power, on the other hand, have tended to lead to a rapid decline in their powers.³²

Secondly, it is important to stress once again that the concept of capture should not be understood solely as the involuntary submission of public servants to the command of criminal groups, but as a process

30 In this respect, it is interesting to note that both Bolivia and Nicaragua suffer much lower levels of criminal violence than their neighbours, even though both are profoundly affected by the corruption of state and security forces. In both cases, social control over and engagement with key actors in the security field – the police force in Nicaragua and the coca-growing farmers of Bolivia – ensure that organised criminality is more fragmented and of marginal importance to the working of governance systems (Dirk Kruijt, *Drugs, Democracy and Security: The Impact of Organized Crime on the Political System of Latin America*, The Hague, Netherlands Institute for Multiparty Democracy, 2011).

31 These three levels of capture were devised by Colombian economist Luis Jorge Garay and are dissected in López, *Y refundaron la patria*, pp 44-45.

32 Flores, *El estado en crisis*, p 135.

29 Field work by the author in Sierra Leone and Guinea-Bissau, 2010.

that implicates both sides in the creation of profit-making networks and, in extreme cases, alternative systems of governance.

The numbers game: explaining the power of transnational crime

If state capture is to be regarded as the most significant systemic threat posed by organised crime because of the way it affects governance, the rule of law and, as a result, the basic security of citizens, then the specific dangers posed by transnational criminal activity should logically arise from the additional economic, organisational and paramilitary muscle they bring to bear on weak state institutions. The specific threat of trafficking cartels was succinctly expressed by the head of the US Southern Command as “a well-financed, capable capacity – an enterprise”.³³

The picture of an organised external agent bringing deep pockets and an arsenal of weaponry to the negotiating table with state officials is anchored in the popular and policymaking imagination. But here the conventional wisdom must be challenged once again. Its principal shortcoming derives from the enormous difficulties that are encountered in matching the economic and military assets of these cartels with the areas in which they exert the greatest influence over state institutions.

A large part of this difficulty can be traced to the availability of reliable measurements of transnational criminal wealth and power. Estimations as to the value of the global trade in narcotics have long been questioned for their flimsy bases and their susceptibility to political manipulation.³⁴ However, the narcotics trade remains an essential, if at times dubious, source for mapping the economics of trafficking. Measures of the volume of narcotics flows can be estimated through the use of triangulated data on areas of crop cultivation (particularly opium poppy and coca), on consumption in destination markets and on reported seizures of drugs along the

trafficking route. On this basis, an estimate of the volume of drugs that reach their final markets can be obtained. The price of the drugs at stages along the route can furthermore be used to generate a figure for the revenues earned by each actor in the production and trafficking chain.

As a result, UNODC and other reputable sources³⁵ estimate that most of the total value of the cocaine trade from South to North America is absorbed in the final leg of the journey: the internal market delivering to the final user within America. Similarly, Spain, Portugal, the Netherlands and Belgium, through which around 70% of the cocaine consumed in Europe enters,³⁶ are hubs of trade and are reported to be strategic bases for distribution to other countries, including Britain. Although licit trade and transport flows in and out of these countries may offer many opportunities for trafficking, in none of these countries are there any more than exceptional cases of the penetration or capture of legitimate institutions by cartels.

Revenue, leverage and fragile states

The profits of the trade that remain in trafficking nations appear inconsequential in comparison to the sums made by dealers working in the final destination markets. However, the reported influence of trafficking groups in these areas is often disproportionate to their economic size.

A number of examples stand out. The Central Asian republics, notable Kyrgyzstan and Tajikistan, are reported to have suffered alarming degrees of criminal penetration at the highest levels of the state, contributing in the former case to a progressive polarisation between political factions and appearing to play a part in the outbreak of interethnic violence in 2010. While observers acknowledge that the precise role played by criminal motives in Kyrgyz politics is hard to gauge, it seems to be the case that the overthrow of

33 Jim Garamone, “Central America remains a hotspot of instability”, American Forces Press Service, March 31st 2011.

34 See, among others, Naylor, *Wages of Crime*; Francisco Thoumi, “Debates recientes de la Organización de las Naciones Unidas acerca del régimen internacional de drogas: fundamentos, limitaciones e (im)posibles cambios”, Juan Gabriel Tokatlán, ed., *Drogas y prohibición*, Buenos Aires, Libros Zorzal, 2010; and Peter Andreas and Kelly Greenhill, *Sex, Drugs and Body Counts: The Politics of Numbers in Global Crime and Conflict*, Ithaca, Cornell University Press, 2010.

35 See UNODC (UN Office on Drugs and Crime), *World Drugs Report 2010*, Vienna, 2010, p 18; Peter Reuter and Franz Trautmann, eds, *A Report on Global Illicit Drug Markets 1998-2007*, Brussels, European Commission, 2009, p 23; and Matrix Knowledge Group, *The Illicit Drug Trade in the United Kingdom*, London, Home Office, 2007, pp 18-19 (this latter work suggests a rather larger mark-up in the price of cocaine as it is trafficked from the Caribbean to Europe than in other studies).

36 UNODC, *World Drugs Report 2010*, p 83.

the previous regime of Kurmanbek Bakiyev, which was closely intertwined with trafficking interests, resulted in efforts to use civil unrest as a means to his return to power or possibly as a cover for smuggling operations.³⁷

However, the importance of this country to trafficking networks appears to be far smaller than the social and political significance exercised by criminal actors within the nation. Kyrgyzstan lies on the least important of the three routes for the trafficking of heroin from Afghanistan to Russia and Europe, a trade whose total value is estimated at close to \$60 billion. Its minor role on this one route would suggest that its total earnings from the trade would be considerably less than \$1 billion.³⁸

It could be argued that, in the cases of Central Asia or West Africa, the proportion of national gross domestic product (GDP) represented by illicit trafficking in impoverished countries – rather than the absolute financial value of the trade – provides criminal actors with exceptional powers to buy the complicity of officials and whole communities. However, one recent study has underlined that the only countries in which there is firm evidence to show that the value of drug trafficking is a substantial proportion of GDP are Afghanistan and Tajikistan.³⁹ Closer examination of a number of other cases indicates that it is not always easy to tally the estimated value of the financial incentives offered by illicit transnational flows with the reported territorial influence of criminal groups carrying out the trade.

Recent estimates in Mexico and Guatemala, in the former case from a Mexican Senate committee and in the latter from the head of the UN's Special Commission to Combat Impunity, point to levels of criminal control of municipalities and regions that are surprisingly extensive, reaching 60% of

the national territory in the case of Guatemala and 71% in the case of Mexico.⁴⁰ Although these figures have been inflated for political reasons and are neither based in solid research nor sensitive to local nuances, they do at least provide a measure of the sense of alarm over the power of organised crime in both countries. At the same time, they seem to bear very little relation to the relative size of the criminal economies in each country: even on the dubious assumption that Mexican mafia groups control the entire market in cocaine trafficked from Colombia to mid-level retailers in America, they would still only claim \$10 billion in revenue, equivalent to around 1% of Mexico's GDP.⁴¹ Guatemala's estimated revenues as a proportion of GDP would be similarly small.

Even if all possible sources of Mexican or Central American criminal incomes were aggregated, including weapons and human trafficking, kidnapping, and theft, it is hard to imagine that the total could rise higher than a few percentage points of GDP; combining these activities under one total would also have the effect of diluting the "organised" element in the criminality under consideration.

Both sets of statistics – of "captured" territory and criminal revenues – are plagued with fundamental problems of data-gathering and reliability. It is nevertheless striking that in Colombia, where the science of measuring criminal activity is more consolidated, figures suggest that the criminal proportion of total GDP declined to around 3% or 4% in the late 1990s, and that even at the highest point of Colombian cocaine cultivation at the turn of the millennium, at most 200,000 people of a population of 40 million were directly involved in the cultivation and processing of coca. Estimates suggest that a further 15,000 people may be directly involved in the running of drug cartels.⁴²

37 See, for instance, Associated Press, "Heroin trade a backdrop to Kyrgyz violence", June 25th 2010; and Erik Leijonmarck and Camilla Asyranikulova, *The Role of Organized Crime and Drug Trafficking in Kyrgyzstan's Ethnic Crisis*, Stockholm, Institute for Security and Development Policy, 2010.

38 The total value of the entire heroin retail market in Central Asia and Russia – the two destinations of the drugs passing via the Central Asian route – is estimated at \$13-15 billion, much of which is generated by the retail sector in Russia itself (UNODC, *World Drugs Report 2010*, p 53).

39 Reuter and Trautmann, *A Report on Global Illicit Drug Markets 1998-2007*, p 33.

40 The figure of 60% was used by the former head of the CICIG, Carlos Castresana, and is quoted in a Wikileaks cable (see *El País*, "Guatemala, un país controlado en un 60% por el narco, según el fiscal Castresana", February 15th 2011). The Mexican estimate comes from a report by a committee of the Senate of that country; see Ricardo Ravelo, "Los carteles imponen su ley", *Proceso*, October 24th 2010.

41 UNODC, *World Drugs Report 2010*, p 18.

42 Francisco Thoumi, *Illegal Drugs, Economy and Society in the Andes*, Baltimore, Johns Hopkins University Press, 2003, chap. 5.

The prominence of domestic risk

Taken together, these different cases, albeit inconclusively and with notable exceptions in Afghanistan and Tajikistan, point to a mismatch between the strategic and economic value of production and trafficking regions, and the extent of state and territorial capture. They raise questions as to how far transnational crime can be regarded as an “external” threat that imposes itself, rather than a risk factor that can only be calibrated on the basis of features of the domestic environment. They also seem to suggest that alliances between political and criminal groups may have motivations that are not always profit related or that are geared towards taking greater stakes in legitimate business and political life wherever possible.

Appealing to the concept of “ungoverned spaces” or stateless zones as the variable that would explain the exceptional power of trafficking networks in certain contexts does not match the ways in which these flows have clustered in areas marked by a concentrated military presence, such as Guinea-Bissau, or towards places with a weak rather than absent state presence. It also fails to recognise the ways in which transnational organisations seek out corruptible parts of extant state structures, on which they depend for protection, exemptions and privileges, rather than wholly lawless areas or places under non-state rule.

Instead, the concept of arbitrage, which was discussed above, gives us some insight into what features of the domestic environment could appeal to transnational networks. It would seem logical to expect that these organisations will route their flows through viable regions, i.e. where there is proximity to final markets and where tolerable security conditions exist. Furthermore, countries where substantial leverage over state structures can be achieved at the least expense and inconvenience would appear to be ideal places for exploiting to the hilt the possible disparities and asymmetries in regulation among states.

Three sources of vulnerability

Many causes can be invoked to explain a crime wave or a surge in armed violence. But vulnerability to organised crime – and, more specifically, to transnational criminal networks – rests upon a

limited number of factors that help to explain how substantial leverage over state and security bodies, and a certain degree of public tolerance, can be achieved with a modest expenditure of resources. They also highlight the incentives that may drive domestic powerholders towards alliances with transnational crime and thereby help correct some of the more simplistic analyses based on the supposedly coercive influence of external actors.

Three sources of leverage stand out and are exemplified in numerous cases of contemporary illicit trafficking.

Political and institutional fragmentation

Fragmented polities offer extremely favourable conditions for alliances between transnational groups and elements of the state and security forces. Highly fractionalised elites in countries marked by traditions of authoritarian rule, as in contemporary Guinea-Bissau and Kyrgyzstan, or post-war Kosovo, have used alliances with transnational crime to expand their resource and patronage base in a way that is similar to the exploitation of natural resources by patrimonial regimes.

Where democratic transitions have occurred, the end of one-party rule or the fragmentation of what were once vertical chains of state command through processes of decentralisation, multiparty democracy, participatory politics and a roll-back of the public sector can generate the emergence of criminal influence in state structures. The rapid switch to democracy in Central Asia after the fall of the Soviet Union occurred before the necessary intermediate institutions, such as political parties and a liberal media, had been created. As a result, this transition led to the establishment of authoritarian presidential regimes that drew their power from links to traditional clan networks. Criminal influence across the region emerged against a political background in which democratic politics has been substituted by the primordial need of largely unaccountable leaders to fund patronage networks.⁴³

The end of 70 years of hegemonic rule by the Institutional Revolutionary Party (PRI) in Mexico has also been associated with a spread in criminal

⁴³ Ceccarelli, “Clans, politics and organized crime in Central Asia”.

influence across the state's security forces. Part of this process has been ascribed to the way in which the onset of competitive partisan politics in the late 1990s, resulting in the PRI's loss of the Mexican presidency in 2000, prevented any cross-party agreement on police reform and "contributed to the emergence of new and more vicious intrastate and bureaucratic conflicts" on security issues.⁴⁴ But in Mexico, and Latin America generally, criminal influence in the wake of democratisation has concentrated primarily on localised pockets of state capture. These dynamics are associated above all with the infiltration of municipal authorities and local political structures in Colombia following the 1991 constitution, which formally established locally elected authorities with tax-and-spend powers, and the criminal capture of municipalities and local police forces in Mexico, especially in the north of the country, that followed the crumbling of the PRI state's vertical command system.

These two cases, which affect the primary producer and trafficking route of the most important narcotics flow, also reveal how processes of institutional fragmentation ended up substituting a heavily concentrated, and even state-controlled, form of criminality with a much greater diversity of criminal groups, each seeking partners in the state and security forces to provide protection and gain access to border areas. One crucial result, in the case of Mexico, has been the exacerbation of levels of violence through the extension of rivalry between criminal gangs into disputes between different wings of the security forces.⁴⁵

Inequality

In all of the primary cases of state capture, the existence of entrenched patterns of inequality has played a crucial role in enabling the co-option of the state, as well as achieving public consent for or indifference to the influence of criminal groups. A close correlation between inequality and homicide rates, or other indicators of violence, has also been noted by numerous social scientists; one recent analysis found that "homicides and assaults were most closely associated with income inequality, and robbery and rape less so".⁴⁶

44 Diane E. Davis, "Undermining the rule of law: democratization and the dark side of police reform in Mexico", *Latin American Politics and Society*, vol 48, no. 1, 2006, p 58.

45 Ricardo Ravelo, *Herencia Maldita*, Mexico City, Random House Mondadori, 2009.

46 Richard Wilkinson and Kate Pickett, *The Spirit Level: Why More*

However, it is important to disentangle two different sets of connections. Evidence pointing to a strong relation between inequality and violence does not in itself provide any reason for thinking that inequality should make a country vulnerable to organised crime. Indeed, the two countries that stand out among developed countries for their high combined rates of inequality and homicide – Portugal and America – do not appear to be significantly more exposed to organised crime than one of the most egalitarian and least-violent countries, Japan.⁴⁷ Although Latin America is the world's most unequal region, it is hard to find any clear correlation between each country's relative rate of inequality and its level of organised crime.

At the same time, highly unequal societies appear to offer conducive environments for organised crime, particularly when the segregation and stratification of society – and with it a sense of disaffection from the state – enable criminal groups to draw on wider networks of public support, not unlike those of insurgent or guerrilla movements. Perhaps the most striking examples of this phenomenon can be found in societies marked by entrenched horizontal inequalities. In Kosovo, the legitimacy enjoyed by the KLA militia among ethnic Albanians exculpated the group's ties to transnational crime and allowed for the embedding of criminal networks in the country's municipalities after the expulsion of Serbian authorities. Similarly, in Central Asia, particularly in focal points of the narcotics trade such as the Kyrgyz city of Osh, drug trafficking tends to operate through multiple ethnically based groups. Bonds of kinship and a language that is only understood by the group have been competitive advantages for criminal groups in multiple instances.

Links can also be found between high levels of vertical inequality and the presence and power of organised crime. Although these connections depend on context, it is apparent in the case of Central America that high rates of income inequality lead to pockets of social exclusion, possibilities for the corruption of low-paid state officials, uneven state presence and a social climate of resentment. In densely populated El Salvador, urban gangs are now operating in closer collaboration with organised

Equal Societies Almost Always Do Better, London, Allen Lane, 2009, p 135.

47 Ibid.

crime and the corruption of state officials is increasing.⁴⁸ The more sparsely populated and most unequal areas of Guatemala, on both the Atlantic and Pacific coasts, have become subject to a more brazen, systemic penetration by drug cartels, in which donations to the community, the provision of employment and the sponsorship of local politicians have enabled these groups to operate with total impunity.⁴⁹

Lastly, it is worth adding that extremely poor countries run by narrow and unrepresentative regimes suffer a radical type of inequality that allows for impunity and extraordinary prerogatives for members of the elite. It is notable in Guinea-Bissau, for example, that the abuses of power in the service of drug trafficking by members of the military and security elite are unpunished and are barely subject to any sort of public repudiation.

Social atomisation

A third and crucial factor explaining vulnerability to organised crime is the most difficult to quantify and compare. Atomisation refers to the process by which individuals sever their links to communities, and adopt a calculating and amoral approach in their dealings with society. A senior UN official in Colombia neatly described this condition as one in which inhabitants of drug-trafficking areas, when asked what they would like for their community, responded with “letters to Father Christmas. It’s all me, me, me”.⁵⁰

The country with the strongest system of community control over coca cultivation, Bolivia, is also the Latin American country that suffers the least violence as a result of the drug trade.⁵¹ Where communities are weak or fractured, often as a result of their recent creation, the effects of illicit trafficking on human lives and civil peace can be atrocious. The area in Guatemala where the power

of cartels and the murder rate are highest, Petén, is a frontier territory colonised by migrant farmers with state support from the 1960s onwards. Counter-narcotics and counterinsurgency campaigns have driven Colombia’s drug production further into the agricultural hinterland and trafficking into remote coastal areas. Mexico’s northern trafficking hubs, particularly Ciudad Juárez, have sucked in hundreds of thousands of migrant workers attracted by the *maquila* boom, giving cartels a ready supply of labour.

Atomisation matters in two fundamental ways to the vulnerability of a country to transnational organised crime. The first step is to enable a criminal presence by reducing the disposition of members of the community to act on a common interest, making it easier for individuals in the state and security forces to be picked off by co-option and for individuals to feel no binding obligation to obey the law. The second step sees community members respond to public acts of brutality and intimidation by retreating into self-defensive mechanisms of indifference, ignorance and forgetting.⁵² It is in these circumstances that organised crime can establish immense informal control over social and political life at the local level.

Recommendations for future policy

This report has attempted to dissect the dangers posed by transnational organised crime through an analysis of what is distinctive about this phenomenon and what makes countries vulnerable to its presence. Five sources of vulnerability have been outlined, two of them anchored in what might be termed geographic and security factors, and three in the internal configuration of a country’s social and political systems. Highly vulnerable countries are those that are close to trafficking routes, have relatively favourable security conditions (from the criminal point of view), suffer high levels of institutional fragmentation, are affected by sharp group or income inequalities and are characterised by widespread social atomisation.

One way to understand the attractiveness of these countries for transnational crime is through the way in which these different factors provide criminal

48 Growing evidence points to the integration of urban gangs into organised criminal structures; see, for example, Steven S. Dudley, “Drug trafficking organizations in Central America: *transportistas*, Mexican cartels and *maras*”, Woodrow Wilson Center Working Paper, Washington, DC, 2010.

49 Ivan Briscoe and Martin Rodríguez Pellecer, “A state under siege: elites, criminal networks and institutional reform in Guatemala”, Clingendael Institute-Conflict Research Unit Working Paper, 2010.

50 Author interview with UN official, Bogotá, 2010.

51 Kruijt, *Drugs, Democracy and Security*.

52 Tani Adams, “Chronic impunity, state fragility and extreme violence”, draft paper, 2010.

groups with greater opportunities to move in and out of legal business activity, avoid detection, and, crucially, secure safe passage thanks to the complicity of security forces, public authorities and communities. In other words, they maximise the jurisdictional asymmetry with the final destination market, since the controls and constraints on their operations in trafficking states are much laxer. At the same time, these countries offer possibilities to rejoin legal cross-border commerce using container boats, passenger aircraft or trucks; use legitimate business as cover; and enjoy solid relations with politicians and senior officials.

The techniques that are used by organised crime to exploit these working conditions range from targeted violence and bribery to joint business ventures, the financing of political parties, philanthropic gestures and spectacles of terror. Each case is different, from the long-standing organised crime of Mexico to the much more recent creations in West Africa and Central Asia. However, this report argues that a common set of factors makes a country more exposed and vulnerable to transnational crime. It thus raises the possibility that a set of common principles can guide the response of the international community to this threat.

- **Regional emphasis:** The importance of regional bodies in coordinating responses, pooling capacities, establishing consolidated systems for monitoring and intelligence, and devoting particular energies to zones of intense cross-border trafficking has been emphasised recently by the World Bank and OECD, among others. The Central American Integration System's white paper on security in the region, presented in June in Guatemala, is one such innovation. However, particular emphasis must be given to two outstanding issues: the establishment of permanent, trustworthy mechanisms for the sharing of information, and regional efforts to provide public services, enhance social cohesion and open up economic alternatives in areas of intense illicit activity.
- **Recognition of the dangers of law enforcement:** Evidence is accumulating that enhanced law enforcement, particularly when applied to drug-trafficking activities, increases levels of criminal violence. A new approach to policing in which the minimisation of violence is given prior-

ity over the repressive and corrupted fight against organised crime is a necessity wherever criminal groups have managed to capture significant parts of the state.

- **Resilience matters:** The cases of Nicaragua and Bolivia, or of Thailand's successful campaign against opium cultivation, show that strong levels of social control and community engagement can produce much lower levels of criminal violence and state capture even where there is a substantial presence of trafficking and corruption. A fundamental part of any campaign against transnational organised crime must thus be to minimise its entanglement with other political, economic and social actors. Effective law enforcement depends on social and political commitment to the cause, and can be undermined by commitments to the formal goals of liberalisation and democratisation or by campaigns of repression that seek out easy targets.
- **The importance of civilian control:** A long-standing weakness of approaches towards crime has been the lack of civilian planning capacity over policing and security affairs. Police forces are run and coordinated, particularly in Latin America, by police officers or military figures who tend to adopt purely punitive and repressive approaches to crime. Much more sophisticated planning, intelligence, strategising and prevention are required to enable security forces to adopt an approach based on minimising violence and harm, and respecting the integrity of affected communities.
- **Reconsidering the prohibitionist paradigm:** The *World Development Report 2011*, the OECD guidance on state-building, and, most recently, the Global Commission on Drug Policy have all called for an urgent debate on the way in which narcotics are classified and criminalised. Without changing the immense material motivations that draw entrepreneurs to the illicit drug trade, there is little chance that its effects on vulnerable countries will be reduced.

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