



Institute for Security Studies

POLICY BRIEF

RECOMMENDATIONS

- The African Union (AU) should declare the countering of transnational organised crime in Africa a developmental and law enforcement priority. It should commence with a process that involves experts and government representatives from African states and aim at developing a more coordinated and effective regional and continental approach to counter transnational organised crime.
- National governments should develop specialised capacity to investigate, prosecute, and counter complex global organised crime and the international criminal networks that are involved in such crime.
- These specialised units should consist of selected personnel with the highest degree of integrity and skills, and operate with a legislative mandate that protects them and prevents politicians or senior government officials from interfering with their work.
- Regional organisations such as the Southern African Development Community (SADC) or Economic Community of West African States (ECOWAS) should play an important role in setting standards, harmonising approaches, ensuring coordination and cooperation among national units, and interacting with national states and the AU.

Transnational organised crime

The stepchild of crime-combating priorities

Peter Gastrow

SUMMARY

Experts continue to argue about an appropriate definition for organised crime, and ordinary citizens and lawmakers do not really know what it means. We tend to feel intense about the crime categories that make up organised crime, such as the trafficking of women and children, the poaching and smuggling of rhino horn and ivory, the selling of fake medicines, abalone poaching, the smuggling of endangered species, trafficking in narcotics, bank fraud or cybercrime. But organised crime as a concept tends to leave most people untouched. Pressure from voters on politicians and the latter's hope of re-election contribute to crime-combating strategies being short term, uncoordinated and confined within national borders. Little attention is paid to transnational organised crime even though it is developing into a major international security threat. It has gone global, but effective global responses have not been developed. Undoubtedly, some of the battles against transnational organised crime are being won, but we are losing the war. The vulnerabilities of developing countries should make the warning lights for Africa go on even stronger than elsewhere. Through its regional organisations and the AU, Africa should start working on a coordinated regional approach towards countering transnational organised crime on the continent, because individual states will no longer be able to do so on their own.

A VAGUE CONCEPT

Organised crime is not properly understood, nor is it really an issue for most ordinary citizens, either in South Africa or elsewhere in the world. Try and arrange a public demonstration against organised crime and you are unlikely to persuade many to join, but mobilise support against drug traffickers and the response will be significant, at least in affected communities. Vigilante groups may even want to join in. Drug trafficking is a form of organised crime, but because only few can link the term 'organised crime' to any personal experience and because for many it is a meaningless concept that does not trigger a memory response, we tend to ignore it. The term 'organised crime' does not evoke the kind of emotions that poaching and trafficking in rhino horn or ivory may, or the anger you feel when your bank account has been emptied as a result of cybercrime or bank fraud. Nor does 'organised crime' trigger the kind of moral indignation that is felt when it comes to the trafficking of women and girls into forced labour or sexual slavery.

And yet all these categories of crime constitute what is generally regarded as organised crime.¹ We are alarmed about the abuse of tik and other drugs; about our environment being depleted of fish, abalone, rhino, elephants and many other species; about increased bank fraud and Internet crime; about fake medicines and counterfeit goods; and about credit card scams, but 'organised crime' is rarely blamed for this. Such crimes are real for us and we

automatically link them to their specific crime category and not to organised crime, which is not a priority for ordinary citizens.

Why is there this inconsistency? Why do we have strong views about most of the various crime categories, but not about the concept that pulls them all together, i.e. organised crime? Some will argue that it is an inevitable consequence of the confusion that is inherent in the multiple definitions of 'organised crime'. Also, what some in society regard as organised crime, others might regard as acceptable conduct. When executives from large construction companies conspire to obtain contracts to build sports stadiums through manipulated tender processes or through fraud and deception, some would regard that as sailing close to the wind, but acceptable, while others would regard it as a form of organised crime.

The term 'organised crime' is often associated with the stereotype hoodlum who wears sunglasses, has tattoos and uses violence. Corporate executives, professionals and politicians, all of whom wear smart ties and suits, are not perceived to be involved in organised crime, even though the reality is that they are increasingly playing a role in such crime worldwide.

Some experts have a problem with the use of the term 'organised crime' because they regard the terms 'illicit trade' or 'illicit business' as more appropriate. Others contend that many forms of conduct that are currently categorised as criminal, e.g. the production and consumption of certain drugs, such as marijuana, should not be regarded as a crime and cannot be effectively addressed by criminal justice systems, but should rather be treated as a health issue.

ORGANISED CRIME GOES GLOBAL; LAW ENFORCEMENT REMAINS LOCAL

The lack of clarity as to what organised crime actually is partly explains why we get hot under the collar about specific forms of crime, but not about organised crime as a broad category. The problem is that this same lack of clarity and confusion also exists among many decision makers and politicians, both locally and in the rest of the world. As a result, policies and strategies to counter organised crime globally are failing and transnational organised crime is busy making significant strides. Law enforcement agencies and international organisations such as the United Nations (UN) or Interpol may be winning some battles, but they are losing the war.

The shrinking of the globe as a result of globalisation, increased mobility, information technology and increased trade has led to organised crime becoming more globalised and more diversified. International criminal networks have been more agile in adapting their mindsets than governments. Not only do they exploit globalisation to the fullest extent possible, but they have developed a different paradigm in which the concept of national borders does not exist.

No longer do the Chinese criminal networks operating along South Africa's coast deal mainly in the illicit shark fin trade as they did about 40 years ago. They are now involved in the burgeoning international business of abalone smuggling, trade in illicit drugs, prostitution, imports of counterfeit goods, the smuggling of rhino horn and elephant tusks, trafficking in women, etc. South African criminal groups smuggling stolen

and hijacked cars across borders are also involved in cross-border drug trafficking, the smuggling of firearms, trafficking in women and children, and in a range of other activities. Nigerian, Italian and Israeli criminal networks no longer focus primarily on trading in one or two illicit commodities, but have diversified into multiple areas of illicit international trade.

This may be stating the obvious, but the reality is that governments and international organisations have often not caught up with the rapid global spread and diversification of criminal activities by organised crime networks. If organised crime has gone global, then strategies to counter it should also go global and not be overwhelmingly confined to national borders. Local strategies to fight drugs are developed and top politicians visit drug-infested areas to show that they take the problem seriously, but the bigger picture is ignored.

Campaigns and strategies are developed to counter the poaching of rhino horns, but South Africa, Kenya, Tanzania, Namibia and others do not get together with China, Thailand, and other Middle Eastern and Asian countries to jointly develop a strategy counter this. Instead they each try to deal with it within their local national borders, when it is in fact an international problem.

Separate strategies thus exist to counter a range of organised crime categories. While such strategies are necessary, for as long as we fail to regard each of these crime categories as merely one part of the larger picture that is global or regional organised crime, global organised crime networks will get the better of us. It is necessary to step back and assess how the different pieces fit together and then develop a holistic global or regional strategy to counter organised crime in a holistic manner.

There are many reasons why law enforcement is lagging behind in its efforts to counter organised crime effectively. Among them are the following:

- Government and business elites focus more on the bright and financially rewarding side of globalisation, such as expanding international trade, fast and easy travel, financial flows, and the benefits that the Internet and information technology provide. The darker sides of globalisation, i.e. expanding illicit trade, illicit money flows and growing transnational organised crime, do not receive the same priority or resources.
- The time horizon for politicians tends to be the next election in three or four years' time, and they will do what is most likely to ensure their re-election. There is little incentive for them to take a longer-term view of organised crime when considering how to address it. This is why short-term approaches such as an 'Operation Iron Fist' to address drugs in a community or sending in the army are so typical of political responses during pre-election periods. For as long as the political pressure from below by voters does not also focus on organised crime, it will remain difficult to persuade governments to give it more priority.
- There is very little political pressure from voters on politicians and governments to take action against organised crime. Instead, voters demand improved service delivery, the provision of housing and action against drug dealers. Politicians, and occasionally presidents, generally jump to do something about this kind of thing.

Politicians and governments therefore tend to focus on current hot crime categories, which is their job, but at the expense of also developing longer-term regional and global strategies against organised crime. Those few who take organised crime seriously tend to be individuals who have a national or global perspective on crime trends and who have facts and figures at their disposal that spur them into action. They tend to be top law enforcement officers and other government officials, researchers or senior officials from international organisations such as the UN. They are unfortunately a minority in policy-making circles and do not carry much weight in government.

TRANSNATIONAL ORGANISED CRIME IN AFRICA: SOME INDICATORS

If the general public does not take organised crime seriously, why bother about it? We should be very concerned because a look beyond our city or national borders will show that all countries, particularly developing ones, will face significant increases in organised crime in future unless new and imaginative regional and global strategies are developed to counter it. Some indicators should suffice to make this clear.

Globally, increasing wealth gaps and skewed income distribution will contribute to the further expansion of criminal economies and a growing demand for drugs and cheaper contraband goods. In Mozambique, for example, spaza shops sell sugar illegally smuggled into the country at a lower price than locally produced sugar. It is not difficult to guess which product will be in greater demand among poor shoppers.

The UN estimates that the number of global illicit drug users is set to rise by 25 per cent by 2050 and that the bulk of the increase is likely to come from the rapidly rising urban populations of developing countries.² Although this rise is probably more or less in line with the natural population growth, it nevertheless means that we can expect turnover from drug trafficking to increase by billions of dollars and that urban areas in developing countries, including South Africa, will be most affected. In 2012 the UN estimated that the annual value of global drug trafficking was \$320 billion.³

The knock-on effect that increased drug consumption and profits will have on other categories of transnational organised crimes such as trafficking in counterfeit goods, arms and humans, and money laundering, suggests that a wide range of crimes will receive a boost. The youth bulge in many countries will lead to increasing numbers of unemployed youth entering such criminal markets.

African countries will increasingly be used as transit zones by international drug cartels. The observation by the UN Office on Drugs and Crime that the cocaine market seems to be expanding towards the emerging economies of Asia, including China⁴ needs to be taken seriously, and it would be wrong to assume that cocaine consumption will remain concentrated in the Americas and Europe. Asian countries hold the potential for significant growth, taking into account their large populations, their rapidly growing middle classes and their increased disposable income. If such a shift were to occur, it would hold serious implications for African countries, including South Africa, which is already regarded as the hub of drug trafficking in Southern Africa.

Even without a noteworthy increase in the flow of cocaine from South America to Asia, the African continent, particularly West Africa, is already an important and vulnerable drug transit region for international criminal networks. For South Africans this means that the most successful and ruthless international drug cartels from Latin America will increasingly use Southern and East Africa as transit zones towards the Far East, just as they are currently using West African countries as transit zones towards Europe, with devastating consequences for some of the countries concerned.

Africa's wildlife and national parks are key foreign exchange earners in many countries. The tourism industry in Kenya, for example, is the country's largest foreign exchange earner. While individual citizens in Kenya may be under the impression that this form of transnational organised crime does not affect them, it could have devastating economic consequences for the country if poaching and trafficking in wildlife products continue at the current rate.

Poaching levels in Africa are increasing at an alarming rate. In the Democratic Republic of Congo, for example, about 7 000 elephants currently roam the wilds, compared to about 100 000 in the 1980s.⁵ They have been reduced to levels where the threat of extinction becomes real. In 1930 between five and ten million African elephants existed. By 2012 less than 1 per cent, about 450 000, remained.⁶ The poaching of rhino for their horn needs no elaboration, except for a reminder that during the first six months of 2013 more than 500 rhinos were poached for their horns in South Africa.⁷ Longer-term regional and international strategies based on collaboration, not only among African countries, but also with receiving countries elsewhere, should be developed, because the poaching of rhino also overlaps with other categories of organised crime.

A form of organised crime that has a potentially direct and deadly impact on consumers and ordinary citizens, particularly in developing countries, is the trafficking of fake medicines, which is valued at about \$1.6 billion annually.⁸ The World Health Organisation reported that in 2011, 64 per cent of Nigeria's imported anti-malarial drugs were fake⁹ and about 80 per cent of all malaria drugs in the Kenyan market are counterfeits and therefore harmful to users.¹⁰ Counterfeit drugs in Kenya account for about \$130 million in sales annually.¹¹

Africa's rising economic prospects will be accompanied by a significant increase in cybercrime in the region, which is another form of international organised crime. Globally, eight billion devices are connected to the Internet and this will grow to 24 billion in five years' time. The world is increasingly wired and online. Approximately 2.4 billion people are now on the Internet, and this will grow to four billion in 2017. Most of this growth will come from new connections in India, Africa, China and South America. In the European Union and the United States about 72 per cent of people are wired, while in India the total is 11 per cent and in Africa a mere 9 per cent. Africa can therefore expect a significant boost both in the number of connections to the Internet and, consequently, in the number of cybercrime cases.

Criminals already earn billions from scams, malware, ransom ware, blackmail, VAT scams and phishing, among others. The *Norton cybercrime report 2011* suggests that there are more than one million cybercrime victims per day

who lose around \$388 billion each year worldwide as a result of cybercrime, making it more profitable than the global trade in marijuana, cocaine and heroin combined.¹² Taking into account that very few African countries have the resources, technical expertise or international reach to effectively counter cybercrime, the African region should take innovative steps immediately to counter the unprecedented expected growth in cybercrime. If 28 European nations were able to pool their resources and be pragmatic about sovereignty issues in order to establish a European Cybercrime Centre, there is no reason why Africa cannot take a similar step.

TOWARDS A CONTINENTAL STRATEGY FOR AFRICA

While the organised crime categories discussed above were described separately, they tend to overlap with other forms of organised crime. Countermeasures should therefore be holistic and not be addressed through a silo approach. Africa should aim at developing a regional approach towards organised crime that involves closer cooperation among states not only to deal with cybercrime, but also with poaching; trafficking of women, children and drugs; illicit trading in counterfeit goods, medicines and endangered species; and many other forms of organised crime.

Latin American countries recently took the first tentative step in this direction. The failure by their governments to stem drug trafficking through the 'war on drugs' approach led them to consider cooperating more closely, being more flexible about cross-border cooperation, and designing more effective regional strategies to counter transnational organised crime. This would inevitably involve improving international cooperation and require greater flexibility and a willingness to compromise on some aspects of national sovereignty.

In April 2012 Latin American states unanimously approved the establishment of a regional centre in Mexico 'to create an inter-American system against organized crime'. They conceded that national responses to the threat of organised crime and drug trafficking were by themselves insufficient and that there was a need to establish 'a hemispheric approach to transnational organized crime'.¹³ If it is to ward off what is coming its way, Africa, under the leadership of the AU and with the support of regional organisations, also needs to develop its own continental approach to transnational organised crime.

ABOUT THE AUTHOR

Peter Gastrow is a Senior Research Consultant with the ISS and a Senior Advisor to the Global Initiative against Transnational Organised Crime. A former Director of the ISS Cape Town office, and a Senior Fellow at the International Peace Institute in New York for the past four years, he currently works as an independent consultant from Cape Town.

NOTES

1. The definition contained in the UN Convention against Transnational Organised Crime (Article 2) is widely used as a guideline. According to the convention, organised crime occurs when three or more persons who operate in a structured group or network are repeatedly involved in the commission of serious crime for profit. Organised crime is 'transnational' in nature if it is committed in more than one state.
2. Alan Travis, Global illicit drug users to rise 25% by 2050, says UN, *The Guardian*, 26 June 2012, <http://www.guardian.co.uk/society/2012/jun/26/global-drug-users-rise-un>.
3. UNODC (UN Office on Drugs and Crime), *Transnational organized crime – the globalized illegal economy*, n.d., http://www.unodc.org/documents/toc/factsheets/TOC12_fs_general_EN_HIRES.pdf.
4. UNODC (UN Office on Drugs and Crime), *World drug report 2013*, Vienna: UNODC, 2013.
5. Taylor Toeka Kakala, Congo-Kinshasa: soldiers trade in illegal ivory, *AllAfrica*, 25 July 2013, <http://allafrica.com/stories/201307251380.html>.
6. Reuters, Factbox: big animals have big poaching problem, 24 April 2012, <http://www.reuters.com/article/2012/04/24/us-africa-poaching-factbox-idUSBRE83N0S420120424>.
7. AFP (Agence France-Presse), Over 500 rhinos poached in South Africa this year, *France24*, 24 July 2013, <http://www.france24.com/en/20130724-over-500-rhinos-poached-south-africa-year>.
8. UNODC, *Transnational organized crime*.
9. *The Economist*, Bad medicine, 13 October 2012, <http://www.economist.com/node/21564546>.
10. Betty Maina (chief executive, Kenya Association of Manufacturers), Anti-counterfeit bill – we count on legislators to act rightfully, presentation, <http://www.kam.co.ke/?sitesearch=www.kam.co.ke&domains=www.kam.co.ke&q=counterfeits&sa=Search&client=pub-7748431581473334&forid=1&channel=9218388018&ie=ISO-8859-1&oe=ISO-8859-1&safe=active&cof=GALT%3A%23008000%3BGL%3A1%3BDIV%3A%23336699%3BVLC%3A663399%3BAH%3Acenter%3BBGC%3AFFFFF%3BLBGC%3A336699%3BALC%3A000FF%3BLC%3A000FF%3BT%3A000000%3BGFNT%3A000FF%3BGIMP%3A000FF%3BFORID%3A11&hl=en>.
11. Ken Opala, Merchants of fakes reap Sh70bn and put lives and jobs at risk, *Daily Nation*, Nairobi, 21 November 2009, <http://www.nation.co.ke/News/-/1056/801882/-/item/1/-/wkyff9/-/index.html>.
12. Symantec, *Norton cybercrime report 2011*, 7 September 2011, http://www.symantec.com/about/news/release/article.jsp?prid=20110907_02.
13. NTN24, Americas leaders agree on Mexico center to fight crime, 15 April 2012, <http://www.ntn24.com/news/news/americas-leaders-agree-mexico-12533>.

The work of the ISS is made possible with support from the following core partners: the governments of the Netherlands, Norway, Sweden, Australia and Denmark.

ISS Pretoria

Block C, Brooklyn Court,
361 Veale Street,
New Muckleneuk,
Pretoria, South Africa
Tel: +27 12 346 9500
Fax: +27 12 460 0998
Email: pretoria@issafrica.org

ISS Addis Ababa

5th Floor, Get House Building,
Africa Avenue, Addis Ababa,
Ethiopia
Tel: +251 11 515 6320
Fax: +251 11 515 6449
Email: addisababa@issafrica.org

ISS Dakar

4th Floor, Immeuble Atryum,
Route de Ouakam,
Dakar, Senegal
Tel: +221 33 860 3304/42
Fax: +221 33 860 3343
Email: dakar@issafrica.org

ISS Nairobi

Braeside Gardens,
off Muthangari Road,
Lavington, Nairobi,
Kenya
Tel: +254 20 266 7208
Fax: +254 20 266 7198
Email: nairobi@issafrica.org