

# Transnational Crime

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## Reader's Guide

This chapter explains why many governments have come to consider transnational crime a threat to national and international security. It explores both the reasons for and the nature of the increase in transnational crime since the end of the Cold War in 1991. It also considers what we know about how transnational crime is organized and finds that our understanding is quite limited. The chapter explores debates over the strength and nature of the 'nexus' between transnational crime and terrorism. It concludes by discussing how the government response to transnational crime has evolved over time.

<sup>1</sup> This chapter was co-authored with Jeanne K. Giraldo in earlier editions of this volume. Although she did not participate in drafting this version of the chapter, the author wishes to acknowledge Ms Giraldo's significant contribution to shaping its arguments and contents.

## Introduction

The growth of transnational crime during recent decades is indisputable, but its impact varies considerably across the globe. While organized crime has always been with us, trends in the international system, particularly globalization, have made it possible for criminal enterprises to cross both physical and virtual borders. If the globalization of trade, finances, and travel continues to increase, we should expect crime to become even more transnational in the future and to increasingly adopt flexible network forms of organization. This means that more countries will be exposed to the effect of transnational crime on individual security, societies, and the rule of law at a time when the phenomenon is becoming more difficult to address and contain. In addition, the persistence of poorly governed or essentially ungoverned spaces around the globe, which provide fertile home bases for transnational crime, means that even states with strong rule of law are vulnerable to spill-over effects (Clunan and Trinkunas 2010). It is on these occasions that transnational crime may become a threat to global order.

Thinking about transnational crime is difficult from a traditional international security perspective, which typically focuses on questions of war and peace, conflict and cooperation, often with a state-centric perspective. The threat posed by transnational crime has both international and sub-national dimensions, and, as we will see in this chapter, it has implications for national security, public safety, and even the stability of regimes. Its ability to transcend borders and commit crimes far from its origins, its covert nature, and its ability to corrupt and subvert government agents make it challenging for states to anticipate threats and prepare their defences. It is even more difficult for governments to think about whether this type of threat can be countered with traditional security instruments, although there have been controversies over the use of military and intelligence assets to counter transnational crime. For this reason, the theoretical lenses used in this chapter to understand the problem have less to do with our traditional interpretations of International Relations and draw more heavily on theories about organizational forms and domestic politics.

This chapter examines the emergence of transnational crime as an international security threat. I provide an overview of how transnational crime changed with increasing globalization and the weakening of state authority in the aftermath of the Cold War.

I discuss the debates over how transnational crime is organized, which range from those who view it as highly hierarchical to those who argue it is closer to a decentralized market, and the implications of each model for our understanding of the severity of the threat and how to counter it. This includes an assessment of the arguments concerning the potential links that may develop between transnational crime and terrorism. I conclude by analysing government responses to transnational crime.

### KEY POINTS

- Transnational crime is perceived as a major international security threat by some governments and scholars, but traditional theories of International Relations are less useful for understanding the threat.
- International trends such as globalization may have the unintended consequence of opening new spaces for the development of transnational crime.
- The threat posed by transnational crime is growing in scope and severity in some parts of the world, and it affects even states with strong rule of law.
- Using theories about organizational forms and domestic politics provides us with insights about the nature of the threat and how to address it.

## Definitions and key concepts

### Transnational crime

Traditionally, transnational crime has referred to criminal activities extending into and violating the laws of two or more countries. In 2000, the United Nations in its Convention against Transnational Organized Crime defined transnational crime even more broadly to encompass any criminal activity that is conducted in more than one state, planned in one state but perpetrated in another, or committed in one state where there are spill-over effects into neighbouring jurisdictions (United Nations 2000). Efforts to typify the nature of the activities labelled as transnational crime are similarly encompassing, as is suggested in Background 26.1.

The increasing globalization of economic activity has provided a wider range of activities and opportunities for crime to cross national boundaries than in the past. Criminals, like businesses in the licit economy, seek to match supply and demand and to take advantage of differences in regulations, risk levels, and

### BACKGROUND 26.1 Categories of transnational crime

1. Money laundering
2. Illicit drug trafficking
3. Corruption of public officials
4. Infiltration of legal businesses
5. Fraudulent bankruptcy
6. Insurance fraud
7. Cybercrime
8. Theft of intellectual property
9. Illicit traffic in arms
10. Terrorism
11. Aircraft hijacking
12. Piracy
13. Hijacking on land
14. Trafficking in persons
15. Trade in human body parts
16. Theft of art and cultural objects
17. Environmental crime
18. Other illicit smuggling

Fourth United Nations Survey of Crime Trends and Operations of Criminal Justice Systems (1994), cited in Mueller (2001). Updated with information from 2010 report Globalization of Crime (UNODC 2010).

opportunities for profit between markets. These differences may emerge from the availability of supply in certain regions that can be matched to demand in others, such as the flow of narcotics from Afghanistan and South America into Europe and the USA. In other cases, criminals may exploit differences in the regulation of activities, as is often the case in money laundering transactions that take advantage of variations in banking secrecy between offshore financial havens and conventional banks. Variations in risk in performing activities may also shape the geographical presence of transnational crime, with criminal enterprises developing their home bases in low-risk, poorly governed states, such as Nigeria, or in under-governed areas within otherwise strong states, such as the *favelas* (shantytowns) of Rio de Janeiro in Brazil. Criminal activities are likely to take place in host nations, where higher risks are compensated for by the lure of higher profits. Other countries are less important as markets (or hosts) for transnational crime groups, but contribute to the illicit economy as trans-shipment states, through which illicit goods pass, or as service states (as in the case of money-laundering havens).

### Organized crime

When governments and international organizations refer to transnational crime, they most often mean transnational organized crime. For example, the Europol Convention on the European Law Enforcement Organization noted that its objective was to target 'terrorism, unlawful drug trafficking and other serious forms of

international crime where there are factual indications that an organized criminal structure is involved' (EU 1995; emphasis added); and in 2000 the United Nations issued the Convention against Transnational Organized Crime. This raises the question of what the qualifier 'organized' adds to our understanding of transnational crime.

As the UN definition in Key Quotes 26.1 indicates, organized crime is differentiated from other crime in that it is *profit-driven* and *on-going* (that is, a one-time offence would not be included).<sup>2</sup> While everyone can agree on these two dimensions, a more encompassing definition of organized crime has proved elusive. Originally, the term 'organized crime' was used to refer to hierarchical crime groups that were believed to monopolize the criminal market in a given area; to deploy violence and corruption systematically in pursuit of their illicit activities; and to procure abnormally high profit levels that allowed them to threaten political and economic structures. When applied to transnational crime, this view lent itself to notions of a centrally orchestrated conspiracy by leaders of organized crime groups to carve up the world into their own individual fiefdoms. While most analysts no longer believe in notions of monopolistic control, many still see systemic violence and corruption as the essence of organized crime. Transnational organized crime is often (mistakenly) thought to refer to complex and sophisticated organizations with a centralized leadership directing cross-border operations.

<sup>2</sup> Note that hijacking and terrorism from the original UN list of transnational crime (see Background 26.1) would be excluded by this definition.

“ KEY QUOTES 26.1 United Nations’ definition of organized crime

‘Organized crime is defined as any “structured group of three or more persons existing for a period of time and acting in concert with the aim of committing one or more serious crimes or offenses . . . in order to obtain, directly, or indirectly, a financial or other material benefit”.

‘A structured group is one that is not randomly formed for the immediate commission of an offence and that does not need to have formally defined roles for its members, continuity of its membership or a developed structure.’

Article 2, *UN Convention against Transnational Organized Crime* (United Nations 2000)

Other analysts put a great deal of emphasis on the network form of organization as the defining characteristic of transnational crime since the 1990s, highlighting the entrepreneurial flair, scale, sophistication, flexibility, efficiency, and resilience of this form of organization.<sup>3</sup> Networks (defined simply by their parts—the component entities or ‘nodes’—and the relationships or ‘links’ between them) are a decentralized, ‘flat’ organizational form said to enable criminals to maximize their profits while minimizing their risk from law enforcement. Collaboration between individuals is often ad hoc and transitory, with the networks being formed and disbanded as circumstances warrant (Williams 2001). Under these conditions, many analysts feel it is more appropriate to talk about criminal ‘structures’ or ‘enterprises’ rather than ‘groups’ (which implies a clearly defined membership, UN definition notwithstanding).

Finally, a key group of scholars argues that it is more important to think of transnational crime as a marketplace rather than a network of groups (Beare 2003; Naylor 2004). The need to minimize risk (that is, to avoid law enforcement) and other limits imposed by the illicit marketplace mean criminal organizations will tend to be small, vulnerable, and competitive—a far cry from the monopolies or collusive oligarchies stressed in the traditional, hierarchical

<sup>3</sup> Although it is commonly believed that it is easier for law enforcement to dismantle hierarchical organizations than networks, it is not clear whether this is the case because networks are more flexible and sophisticated or simply because police agencies tend to focus more on hierarchical organizations and have more information about them (Kenney 2007).

vision of organized crime. While network theorists point to the adaptability and sophistication of criminal networks as a key source of their resilience in the face of law-enforcement efforts, the market scholars note that the ‘great majority of what is conventionally defined as crime is the province of small-time losers’ (Naylor 2004: 10). From this perspective, the resilience of transnational crime can be attributed to the inexorable logic of the marketplace—supply rising to meet demand—rather than the sophistication or entrepreneurial flair of networks.

How can these competing visions be reconciled? Most observers agree that transnational crime groups vary greatly in their size, organization, and modes of operation and that hierarchies, networks, and markets coexist. The challenge for organized crime theorists and law enforcement practitioners is to determine which organizational logics operate in any given situation and determine empirically (rather than assume) whether the logics are correlated with other factors such as types of crime, patterns of cooperation with other groups, linkages to the legal world, different threat levels, and vulnerability to law enforcement or other interventions.

#### KEY POINTS

- Transnational crime involves on-going profit-driven criminal activity that crosses national boundaries.
- Not all organized crime is transnational, but there are growing incentives for criminal enterprises to operate across national borders because of differences in the supply and demand for illegal goods and services among countries.
- Most observers agree that transnational crime groups vary greatly in their size, organization, and modes of operation.
- Proponents of a hierarchical view of organized crime view these groups as wealthy, powerful, violent, and under the control of a small number of individuals.
- Others argue that most transnational crime operates through networks of individuals and small groups who operate on a transitory or ad hoc basis to minimize the risk from law enforcement.
- Critics argue that organized crime is in fact highly disorganized, and resembles more a market for illicit goods and services than an organization. Proponents of this view minimize the threat posed by organized criminals to states and societies.

## The increase in transnational crime

Transnational crime is not a new phenomenon. Organized crime groups have operated transnationally for decades, if not centuries. How then can we account for the widespread alarm over transnational crime beginning in the 1990s and intensifying after the terrorist attacks of 9/11? Many observers argue that much of the initial concern was generated by the military, intelligence, and broader national security communities in search of a justification for their relevance (and budgets) in the post-Cold War era (Beare 2003). Although there is some truth to this, there is also a consensus that a very real increase in the scale and scope of transnational crime occurred following the end of the Cold War and continued during the first two decades of the twenty-first century.

Transnational crime has become global in scale and is no longer exclusive to certain geographical areas or ethnic groups. There has been a marked increase in the number and size of illegal markets, the number of groups involved, the number of countries affected, and the overall amount of illicit trade. Whereas illegal markets were small and isolated in the past, today illicit markets tend to be interrelated, mutually supporting, and more embedded in the legal economy than ever. The ‘democratization’ of crime has been matched by an increasing reliance on decentralized, network forms of organization.

The increased scale and scope of transnational crime and its changing nature can be explained in large part by two developments. First, the increased transnational flow of people, goods, and money in the second half of the twentieth century and early twenty-first (a process often referred to as ‘globalization’) has contributed to the growth of both licit and illicit economies that operate across national boundaries. Second, the breakdown of authoritarian regimes in the former Soviet bloc and an increase in civil unrest in Southeastern Europe, the Middle East, Africa, and Asia undermined state authority in a number of countries, providing a home base for crime groups, or otherwise facilitating the operation of transnational criminal networks.

### Globalization

The increased transnational flow of people, goods, and money that occurred during the second half of the twentieth century and early twenty-first was

greatly facilitated by advances in communications and transportation technologies, such as the advent of inexpensive passenger air travel, the personal computer, the Internet, and mobile communications. However, the process of globalization, properly understood, is not just a matter of technological innovation but is even more fundamentally linked to the economic and political reforms that reduced the restrictions on the international movement of goods, people, and money, starting in the 1980s and picking up speed in the twenty-first century. In addition, a wave of market-oriented reforms in the developing and developed world reduced barriers to trade and promoted the development of export-based economies. Politically, a wave of transitions towards democracy, beginning in 1974 in Southern Europe and moving to Latin America in the 1980s and on to Africa, Eastern Europe, and the former Soviet Union following the fall of the Berlin Wall, increased transnational flows. Borders that had been closed shut under authoritarian rule now spilled open.

This largely positive process of economic and political liberalization had a ‘dark side’. In an increasingly global marketplace, illicit actors, like their licit counterparts, took advantage of business opportunities wherever they occurred. The growth of global trade and global financial networks provided an infrastructure and cover that illicit actors could exploit. For example, as a result of the creation of the North American Free Trade Area, trade between the USA and Mexico grew from \$81.5 billion in 1993 to \$247 billion in 2000 to over \$1.1 trillion in 2016. This land border is also one of the main routes for the smuggling of illegal goods and aliens into the USA. Burgeoning cross-border traffic increases the opportunities for criminals to hide their activities within the flow of legal commerce. The globalization of financial markets has accelerated dramatically since the 1980s, making it easier for criminals to move and store their profits quickly and secretly. Legal and regulatory responses to the 2008 global financial crisis in no way reduced the challenge faced by governments, which is to find the criminal ‘signal’ within the ‘noise’ generated by the large amount of international trade and financial flows produced by globalization.

At the same time, globalization increased the importance of ‘network’ forms of organization for both legal and illegal enterprises. Hierarchical organizations no longer had to recruit personnel with the full range of specialized skill sets necessary for various operations; instead these functions could be ‘contracted



out'. In the criminal world, fluid and readily adaptable networks of individuals and organizations could group together and disband as required by the needs of particular illicit ventures. Operations such as money laundering or the manufacturing of false identities could be outsourced to independent specialized contractors, who might very well be part of multiple criminal networks. The ability to increasingly conduct such operations over the global Internet added to the viability of transnational networks and illicit global marketplaces. In short, innovations in technology and the proliferation of illicit markets had the effect of 'democratizing' the criminal underworld, making it easier for individuals to participate in crime without the need for large, hierarchical organizations to provide the infrastructure and necessary social contacts.

The increased movement of people across borders—and their ability to remain in contact with their homelands long after they had resettled elsewhere—helped to provide the human infrastructure for networked organizations. Continuing economic disparities between the developing and developed world continue to drive international migration. In addition, the sharp increase in civil conflicts around the globe has created a new generation of refugees who are crossing borders in search of safety. In the short term, transnational crime has exploited these vulnerable populations by engaging in human trafficking. Organized crime may provide illicit transportation, for example, transporting persons from Africa through Libya or from Syria via Turkey to the European Union as they seek safety and opportunities. In the long term, these diasporas may in turn provide the family and ethnic ties that help facilitate a transnational criminal enterprise. Groups such as the Chinese triads operating in Hong Kong, the USA, and Western Europe, or Kosovar drug smuggling networks in Western Europe, depend on the links maintained between individuals of similar cultural backgrounds across borders. Unassimilated ethnic minority populations are often vulnerable to exploitation by criminals even in developed countries, yet they are also fearful of cooperation with law enforcement.

Despite the undeniable importance of family and ethnic ties in facilitating collaboration, this element can be overemphasized—and often is, given law enforcement's tendency to focus on these visibly different groups (see Background 26.2). However, of the forty organized crime groups in sixteen countries studied by UNODC, only thirteen were based on

shared ethnic identities (and another ten were based on shared social characteristics; the other half had no strong shared identity). Collaboration *between groups* is even less likely to depend on shared identities, being driven instead by opportunism (UNODC 2002)—as was first emphasized with the widely noted alliance between Colombian cartels and the Sicilian mafia in the late 1980s to facilitate the entry of cocaine into Europe. In some cases, a shared position of marginalization within a society can facilitate cooperation between different ethnic groups, as was the case with Vietnamese vendors of smuggled cigarettes and Polish smugglers in Germany (von Lampe and Johansen 2003).

### The undermining of state authority

Globally, transitions toward free-market economies and democracy in the 1980s and 1990s contributed greatly to the increased mobility of people, goods, and money that provided increased opportunities for transnational crime. This section focuses on transitions that have gone awry, leaving behind a state that is often unable to assert the rule of law (so-called grey areas) or even to exert control over its territory (creating 'ungoverned areas'). These grey and ungoverned areas have provided the home base for a wide range of groups engaged in transnational criminal activities: from organized criminals to warlords to insurgents. It is worth noting that many criminal organizations prefer poorly governed grey areas rather than completely ungoverned territories in which to base their operations. Grey areas have the advantage of ready access to banks, communications, and transportation, while the cost of physical security in truly ungoverned areas is quite high (Clunan and Trinkunas 2010).

In some cases, such as Russia and many of the post-Soviet states, organized crime took advantage of political and economic transitions to enhance their power and further corrupt the state (Shelley 2008). In Russia, economic 'fixers' that had greased the wheels of the pre-1991 command economy and small organized crime groups that survived the Soviet period joined with some discharged elements of the Soviet intelligence and security apparatus and emerging entrepreneurs to take advantage of the poorly regulated transitional economy. Combining inside knowledge of state enterprises and resources, access to intelligence and surveillance files, experience and contacts in the West, and expertise in violence and

### BACKGROUND 26.2 Sample of prominent transnational criminal 'clusters'

The following are not 'single and interconnected criminal groups in their own right' but are more appropriately thought of as 'clusters' of groups (UNODC 2002: 8). These broad labels are a convenient (but potentially misleading) shorthand used by the media and law-enforcement agencies to refer to individuals and groups that share ethnic or social characteristics, and may show some similarities in structure and organizations.

*Italian Mafia.* In Italy, this is a generic term applied to the Sicilian Mafia, the Neapolitan Camorra, the Calabrian 'Ndrangheta, and the Apulian Sacra Corona Unita.

*Russian organized crime.* Based on legacy organized crime groupings that exploited the inefficiency of the Soviet centrally planned economy, these groups continue to operate, even in an increasingly authoritarian Russian state under President Putin. They include persons from all the former Soviet states, including prominently Russians, Ukrainians, Chechens, Georgians, and Azeris. They are known to have connections to organized crime in the USA and Western Europe.

*Chinese Triads.* Working predominantly from Hong Kong and Taiwan rather than the Chinese mainland, these groups are involved with drug trafficking, prostitution, gambling, extortion, and human trafficking. They have developed a

global presence throughout the Chinese international diaspora.

*Japanese Yakuza (Boryokudan).* These Japanese-based gangs engage in some transnational crime, mainly drug trafficking and human smuggling for prostitution. Their activities are concentrated in Japan, South East Asia, and the USA.

*Mexican and other Latin American drug cartels.* These groups are highly specialized and organized around the various stages of production and transportation of cocaine, heroin, and marijuana from Bolivia, Peru, Colombia, and Mexico into the USA and Europe through land, sea, and air routes. Insurgent groups in Colombia and Peru became involved in this type of organized crime as well, although they have largely been defeated in both countries.

*Nigerian organized crime.* These transnational organizations take advantage of the weak rule of law in their home country and the Nigerian diaspora throughout the world to engage in organized drug trafficking, computer and mail fraud, and various forms of financial fraud.

Williams and Savona (1998). On criminal 'clusters', see UNODC (2002) and White House (2011). For specific cases, see Digest of Organized Crime Cases (UNODC 2012).

intimidation, these new organized crime elements were well positioned to exploit the weaknesses of the emerging Russian state to great personal advantage (Finckenaer and Voronin 2001). The efforts of these emerging organized crime groups did much to undermine investor confidence in the Russian economy, driving up the cost of doing business and aggravating a scarcity of legal capital for legitimate business development. They also delegitimized the subsequent Russian democratic regime by calling into question its ability to maintain the rule of law and provide for public safety. This eventually contributed to broader popular support for a more authoritarian style of government under President Vladimir Putin in the 2000s and 2010s.

In other cases, such as the Balkans in the 1990s, various countries in Africa during the 2000s, and the Middle East and North Africa following the 'Arab Spring' in 2010, failed transitions to democracy resulted in open warfare, a situation that lends itself to the creation of ties between political elites and criminal elements that persist even when the conflict ends. In the

case of the Balkans during the 1990s, the embargo against the warring states created new asymmetries that could be exploited by organized crime through the trafficking of commodities, gasoline, and arms. With the connivance of local government officials, organized crime groups trafficked women into Western Europe and, in some instances, to the peacekeeping forces attempting to reduce the level of conflict. These groups included the highest levels of society within the former Yugoslavia, including the government leadership of Serbia, which used these networks to enrich themselves and provide the supplies necessary for their forces to continue the war. The inclusion of law enforcement, intelligence, and military officials in these transnational crime networks explains their ability to endure beyond the end of the Balkan wars and the advent of democracy in the region (Saponja-Hadzic 2003). We see a similar pattern in the civil war in Syria after 2011, with both government forces and insurgents benefiting from access to illicit markets and cross-border smuggling. The so-called Islamic State, attempting to establish a caliphate in

areas of Syria and western Iraq, derived funding from illicit trafficking in oil, drugs, and antiquities looted from regions under its control (Humud et al. 2015).

#### KEY POINTS

- Transnational crime increased in scale and scope by the 1990s, with a jump in the number of groups involved, the range of countries affected, the number and density of illicit markets, and the prevalence of networks.
- The increased globalization of trade, finances, and travel has produced an environment conducive to transnational crime by making it easier for criminals to move illicit profits and illegal goods, provide services, and smuggle persons across state borders.
- Political transitions to democracy and economic transitions to free markets have occasionally gone awry, undermining states' capacity to enforce the rule of law and creating new opportunities for organized crime to penetrate societies and governments in transition.
- Civil conflict in some states in Africa, Asia, and the Middle East in the past decade have produced a breakdown of state authority and created illicit economies that fuel the military efforts of both governments and insurgents.

## Transnational crime and terrorism

Groups that use terrorist methods have long relied on crime as a means to fund their activities. For example, many Marxist-Leninist terrorist groups of the 1970s and 1980s engaged primarily in domestic crimes—bank robbery, extortion, or kidnapping in the country where they operated—for funds. With the vast increase in opportunities for transnational crime in recent decades, it is not surprising that transnational terrorist groups (as well as those located in a single country) have increasingly engaged in crime as a source of financing. Despite high levels of Iranian support for Hezbollah, supporters of the group have engaged in various criminal schemes to raise funds, such as cigarette smuggling and coupon fraud in the USA and smuggling and counterfeiting in the loosely regulated 'Tri-border' frontier area of Argentina, Brazil, and Paraguay. Similarly, Boko Haram insurgents in Nigeria have relied on extorting local populations and human trafficking; so-called Islamic State's insurgents

resold hijacked petroleum and trafficked in drugs; and guerrillas and paramilitary groups in Colombia (both of whom used terrorist tactics) participated in the cocaine trade.

In short, the same democratizing effects of globalization that increased the opportunities for criminal activity apply to terrorists. The decentralization of transnational crime groups contributed to the ability of 'terrorists' to increase their involvement in crime. In addition to engaging in criminal activities to fund their activities (and sometimes cooperating with criminals in illicit trading), terrorists also seek the services provided by criminals for operational reasons—for example, buying weapons from illicit arms traffickers or false identity documents from counterfeiters. One of the greatest fears is that terrorists will be able to procure weapons of mass destruction from criminals.

While no one disputes these connections, there has been a great deal of disagreement over their meaning and the future course of events (for a review of the debate and evidence, see Williams 2008). The 'criminal-terrorist nexus' *can* be overstated—governments have incentives to discredit terrorists by labelling them as criminals, concerned only with profits, and law enforcement stands to benefit from more resources and powers by invoking the spectre of a 'strategic alliance' between the two. This view assumes that criminals and terrorists share an interest in both money-making and destabilizing the state and that the multiplier effect of cooperating to attain their goals will be devastating.

While there is more contact between criminals and terrorists than ever before, collaboration is by no means automatic, nor—with the exception of the smuggling of nuclear materials—is it likely to have the devastating effects that some predict. As the US State Department emphasizes, the two groups share 'methods but not motives', and this tends to limit their collaboration. Criminals interested in profits may at times engage in tactical collaboration with terrorists, particularly where the latter control essential territory or resources (just as multinational corporations acting in conflict zones sometimes collaborate with insurgents or local warlords). In contrast, when criminal organizations are strong, they are likely to create barriers to entry for terrorists (and other individuals) interested in criminal activities. Even when collaboration brings monetary benefits, criminals may eschew it so as not to attract unwanted attention from law enforcement.

The different motives of the two groups also mean it is incorrect to predict an inevitable convergence of the two in the future. The ideological motives of terrorists usually persist, despite their participation in criminal activities: 'fighters turned felons' are a relatively rare phenomenon. For example, this label had been applied to the Islamic Movement of Uzbekistan but could not explain why a profit-driven group would fight to the death on behalf of the Taliban in Afghanistan in 2002. A more problematic phenomenon is that of 'felons turned zealots'. There is some evidence that criminals and terrorists who share jail cells also develop shared interests in joint criminal and terrorist ventures upon their release. This has been documented not only in South Asia, but also in the 2004 Madrid bombings, in which a radicalized drug dealer played an instrumental role, and in the 2014 Charlie Hebdo attacks in Paris, where prior to the attack, the assailants had come into contact and been mentored by an imprisoned radical affiliated with Al-Qaeda that they had met while serving prison time together.

Despite these caveats, it is important for policymakers and law enforcement to develop strategies to address the link between crime and terrorism. The risk of 'catastrophic criminality' requires particular attention to the smuggling of nuclear material. Targeting the criminal activities of terrorists is unlikely to bankrupt any organization, as most groups have diversified funding streams, but it could hinder their ability to fund and arm themselves on the margins. As importantly, identifying the criminal nexus within terrorism can provide an entry point into otherwise hermetic organizations for counterterrorist and intelligence specialists to exploit.

#### KEY POINTS

- Terrorist groups often rely on crime to fund and carry out their operations.
- There is increasing concern over the connections between terrorism and transnational criminal groups, but in most cases these are episodic 'marriages of convenience'.
- The radicalization of criminals by terrorists during periods when they are in close proximity, such as when they share prison cells, is one way in which criminal expertise is made available to terrorist groups.

## Assessing the threat

Transnational criminal groups cause harm to individuals and societies with the profit-driven crimes they carry out. For example, drug trafficking contributes to levels of substance abuse, petty crime, and the spread of HIV/AIDS by intravenous drug-users. Lost productivity, work accidents, and increased expenditures on health care are all economic costs associated with drug use. Coca production in South America has led to the deforestation of areas of the Amazon forest and to the pollution of land and waterways with the chemicals used for growing and processing coca. These costs are often cited to justify viewing drug trafficking as a threat to human security (see Think Point 26.1).

Often, however, transnational crime is characterized as a *national* security threat, requiring a quantitatively and qualitatively different response from government. This sometimes occurs when the *level* of harm caused by transnational crime reaches epidemic proportions—for example, the increase in the HIV infection rate unleashed by drug use in Russia. Or, if the crime itself is of a serious enough nature—for example, smuggling of nuclear material—the threat posed would be considered a matter for national security experts. Most often, however, the *perpetrators* of transnational crime—rather than the crimes themselves—are seen as the real threats to national security. According to this view, increasingly wealthy and powerful criminals undermine the state, democracy, and the economy through the use of corruption, violence, and reinvestment of their profits in the licit economy.

On a very basic level, the ability of transnational crime enterprises to evade state border controls and provide new avenues for the illicit transportation of goods and persons challenges the state's ability to exercise its core functions as guarantor of national sovereignty, the holder of the monopoly on the legitimate use of force, and provider of the common good. In the course of their activities, transnational criminal enterprises corrupt and undermine numerous state agencies, providing mechanisms by which transnational criminal enterprises can affect the very nature of government and state policy in the host countries. At the extremes, transnational criminal enterprises become so powerful at certain moments as to challenge and replace the state's monopoly on the use of force, as has occurred in some remote areas of the drug-producing regions of Colombia, Peru, and Bolivia, or along certain drug smuggling routes in Central America and Mexico.



Second, transnational crime may become a fundamental threat through its power to corrupt or coerce government officials. In some states, transnational criminal enterprises have taken advantage of the instability that accompanied transitions to democracy to become entrenched, using corruption to extend their influence into the upper reaches of the state and thus shield themselves from law enforcement. In extreme situations, the power of organized crime relative to governments may lead to hybrid forms of governance in which politicians, law enforcement, and transnational criminal organizations form mutually supporting networks, as has been observed in the slums of Rio de Janeiro, the suburbs of Buenos Aires, and certain cities and towns in Mexico.

Third, governments view transnational crime as a security threat to the extent that it undermines democratic stability by calling the legitimacy of regimes into question. The perceived fecklessness of law enforcement in new democracies to respond to transnational crime and public insecurity contributes to undermining public confidence and loyalty to the new regime. In the extreme, popular reaction can lead to the replacement of governments or regimes, as occurred during the Orange Revolution in Ukraine in 2004. At other times, it may produce a nostalgia for more authoritarian forms of government, as arguably occurred in Russia during the Putin presidency and in the Philippines with the election of Rodrigo Duterte in 2016 on a 'take no prisoners' platform for fighting drug crimes.

Fourth, transnational crime is seen as a threat to economic development (and therefore national security). The UNODC estimated the cost of transnational crime as 3.6 per cent of global GDP in 2009 (UNODC 2011). Organized crime is perceived as a threat to development in so far as it undermines the rule of law and deters foreign investment by increasing the level of violence and insecurity in host communities. In addition, criminals often reinvest their proceeds in the legal economy as part of its money-laundering efforts, and these criminally affiliated businesses often have an unfair competitive advantage through their access to cheap capital and their ability to intimidate competitors in the market.

Fifth, organized crime is increasingly seen as having an impact on the global environment due to the role it plays in facilitating illicit mining, logging, and wildlife trafficking. The United Nations Environmental Program estimates that transnational criminal

networks are responsible for over 50 per cent of illicit logging in the Amazon, South East Asia, and Central Africa, and this activity is very lucrative, amounting to over \$52 billion per year as of 2016 according to INTERPOL. Wildcat gold mining in the Venezuelan and Brazilian Amazon is a major source of mercury pollution in local waterways, affecting both wildlife and Indigenous persons dwelling in the area. In 2016, one investigative report found that illicit trafficking in wildlife-related products constituted the fourth most lucrative black market in the world at over \$23 billion per year. This is having a catastrophic impact on many wildlife species which are unable to reproduce swiftly enough to compensate for the pressures placed on them by poachers and criminals. The result may be the widespread extinction of species such as tigers and rhinoceroses. Although the extraction of these resources from areas where they are found is typically the province of small-time poachers, miners, and loggers, the international transportation and marketing of such products frequently fall to transnational organized crime. Governments have found this type of threat particularly difficult to combat because there are legal sources for most products involved, which allows criminals to disguise illicitly obtained products in conventional production streams. Much as in the case of international drug trafficking, demand for these products is strongest in wealthier parts of the world such as East Asia, Europe, and North America. Yet many of these products are obtained from areas where marginalized and impoverished peoples dwell. Government measures to conserve such resources undermine the ability of these populations to benefit from their environment. This has led to a highly charged debate over whether it is the responsibility of countries in the global South to police illicit markets that are largely driven by demand from developed countries (Felbab-Brown 2017).

While this threat assessment is true for some organized crime structures and countries, it is often incorrectly applied across the board to all instances of 'transnational organized crime'. Recall, however, that the minimalist definition of transnational organized crime used by governments and international organizations means there is a great deal of variation in the size, structure, and activities of these groups. In particular, they vary greatly in the factors that are often considered the 'trademarks' of organized crime; the extent to which they use violence and corruption to facilitate their crimes; and the degree to which they

### ! THINK POINT 26.1 Human trafficking and transnational crime

Transnational human trafficking has garnered an increasing amount of attention since the end of the Cold War. In 2014, the US State Department estimated that 20 million persons were trafficked across international borders for the purpose of forced labour or involuntary prostitution. Many millions more suffer this fate within national borders. It is also estimated that 80 per cent of the victims are women or girls, many of whom are trafficked for the purpose of sexual servitude. Approximately half the victims are minors. The International Labour Office estimates that global profits from forced labour generated \$150 billion per year.

Transnational criminal organizations play a major role in facilitating and profiting from this modern form of slavery. Victims are lured by scams or false promises made by criminal gangs, or sometimes are simply taken by force. Profits may derive from the smuggling process itself, since criminal gangs are often paid by employers at the destination for the delivery of forced labourers. In the case of integrated transnational networks, criminal organizations benefit directly by exploiting victims' labour in prostitution rings or other illegal ventures once they have reached their destination. Trafficking organizations typically move victims from less developed to more developed countries. A good deal of human trafficking takes place in South East Asia, but there are also well-established trafficking networks connecting states of the former Soviet Union and North Africa to Western Europe, and Latin America to the USA.

Human trafficking is not just another profit centre for transnational criminal organizations, but it is one of the activities these groups undertake that is viewed as a direct and growing threat to human and national security. On an individual level, human trafficking directly attacks a victim's human rights, health, and safety by pressing them into forced labour, exposing them to increased risk of sexually transmitted disease, physical assault, and mental illness, particularly post-traumatic stress disorder. It also degrades communities by breaking up families and lowering

levels of trust among community members, particularly because many victims come first into contact with trafficking networks through acquaintances. However, governments also perceive human trafficking as a threat to national security. In part, this is because trafficking networks are facilitated by official corruption, so they have a corrosive effect on the integrity of security forces. However, governments also worry that these dark networks may be used to traffic more than victims, serving as conduits for terrorist organizations, epidemic disease, or other nefarious threats to the state and its citizens.

Governments have reacted with increasing vigour to this threat, particularly in the developed world. Breaking up human trafficking networks is a classic example of a threat that requires a transnational response, since it crosses borders, but also an inter-agency response within states. In 2000, the United Nations adopted two protocols against the trafficking of women and the trafficking of migrants as part of the Convention against Transnational Organized Crime. In 2008, the Council of Europe Convention on Action against Trafficking in Human Beings came into effect. At the national level, countries such as the UK have explicitly criminalized trafficking in forced labour. Within the USA, there have been federal efforts since 1998 to develop a national response to human trafficking through horizontal integration among different agencies (forty-two were involved at one count), but also vertical integration between national and local officials, typically taking the form of special task forces operating in urban areas hit particularly hard by this form of crime. However, conflicts between US government agencies over funding, jurisdiction, personnel, and information sharing are often cited as obstacles to effective government action against human trafficking. Similar inter-agency conflicts and lack of cooperation are also reported in many national anti-trafficking efforts. This suggests that there is still a long way to go before states develop effective responses to human trafficking (Weitzer 2015).

penetrate the legal economy. This variation can help explain the very different threat perceptions of organized crime held by groups of academics that study the topic. In particular, analysts who study criminal markets in advanced industrial democracies are more likely to stress the 'disorganized' nature of criminal networks and downplay the threat posed by these groups. These critics point to misleading and sensationalized media coverage of 'mafia-like' organized crime groups; political rhetoric based on grossly over-inflated official estimates of criminal profits;

and undifferentiated threat assessments by law enforcement based on unclear methodological and empirical grounds to argue that the threat is exaggerated (Naylor 2004; van Duyn 2004). In other countries, organized crime lives up to its billing as violent, corrupting, and disruptive of national economies.

The challenge for students of transnational organized crime is to develop empirically grounded theories of the threat transnational crime poses, rather than assuming the threat based on the 'transnational organized crime' label (which tends to be most readily

applied to ethnic groups operating at the margins of society). For example, while many observers believe that hierarchical organizations are more wealthy, corrupt, and violent than other criminal structures, there is a lack of empirical information to determine whether this is the case.<sup>4</sup> Others have suggested that organized crime groups be categorized not according to their organizational logic but rather in terms of the different ways they are embedded in society (von Lampe 2004). Groups embedded in high-level social and political structures are likely to pose a greater threat (through corruption and penetration of the licit economy) than those that operate at the margins of society.

#### KEY POINTS

- The crimes committed by transnational criminal groups often harm individuals and societies, posing a threat to human security.
- Transnational crime often comes to be seen as a national security threat because of the added danger posed by the *modus operandi* of the perpetrators of transnational crime.
- Policy-makers and law-enforcement agencies are particularly concerned with the extent to which wealthy and powerful criminal groups engage in corruption and violence in ways that undermine the state, democracy, and the economy.

## Government responses

Transnational criminal organizations are not inherently more sophisticated or dangerous than other crime structures, but they do tend to pose greater challenges for governments, which are much more constrained than illicit actors by borders and traditional norms of sovereignty. In an effort to deal with the increasingly transnational and decentralized nature of criminal networks, governments have globalized their law-enforcement efforts. Early efforts to internationalize law enforcement can be traced to the US 'war on drugs' policies dating back to the 1980s under the

<sup>4</sup> Although see UNODC (2002), which surveys forty crime groups in sixteen countries and finds that hierarchical groups are more likely to employ violence and corruption than criminal networks.

Reagan administration. The USA used financial sticks and carrots to promote drug-control efforts in producer and transit nations; pushed hard in multilateral circles for the 1988 UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances and the G7's establishment of the Financial Action Task Force to promote laws and expertise for countering the money laundering associated with the drug trade; and encouraged sometimes reluctant European law-enforcement agencies to adopt more aggressive and intelligence-based approaches to counter narcotics trafficking.

With the extension of transnational crime to new areas of the globe in recent decades, increasing numbers of nations began to see transnational crime as a serious problem and were willing to take measures to reduce the asymmetries between countries through harmonization of legislation and increasing police capacity and networking. This trend was reinforced by the emphasis placed on it by the USA in the 1990s and by expanded and deepening regional integration in the European Union, which created additional incentives and opportunities for law-enforcement cooperation (Andreas and Nadelmann 2006). One example is the European Police Office (EUROPOL), which was established in 1992 as part of the Maastricht Treaty creating the European Union; its initial focus on fighting drugs soon expanded to other forms of transnational crime, and this broader emphasis was formalized in the 2002 annex to the Europol Convention. Globally, the 2000 UN Convention against Transnational Organized Crime and 2003 UN Convention against Corruption are also indicative of increased international cooperation on transnational crime.

The terrorist attacks of 9/11 in the USA and the subsequent emphasis on fighting terrorism only deepened already unprecedented levels of cross-national cooperation. The blurring of lines between law-enforcement and national security agencies and missions that had already begun with the emphasis of transnational crime as a national security threat only increased with the fear of 'catastrophic criminality', forcing law-enforcement agencies to engage in the worst-case scenario planning usually reserved for the military and national security apparatus. Almost two decades after 9/11, the 2011 US national strategy to combat organized crime still focused on possible linkages to terrorism to justify more aggressive efforts. Despite significant disagreements on how to address terrorism, there was significant international

convergence on the role of law enforcement. Many governments were willing to embrace more drastic responses, devoting additional resources to law enforcement and introducing more draconian legal measures, some of which arguably endangered civil liberties, such as the forfeiture of all assets held by persons participating in organized crime schemes, not just those related to the crime itself. In addition, governments considered how emerging technologies, often derived from military programmes, could be put to use in improving the ability of government to gather information on transnational crime and, in some cases, how the military could be used to attack this threat.

## Evaluating government responses

Overwhelmingly, the government response to transnational crime has focused on targeting the individuals

and organizations perpetrating the crime rather than the criminal markets in and of themselves. In the case of the drug trade, for instance, leaders or 'critical nodes' of drug-trafficking organizations are targeted (depending upon whether they are hierarchies or networks), as are criminal assets. In decades past, less attention was paid to reducing the demand for drugs or the social conditions that contribute to the attractiveness of illicit crop cultivation in favour of 'tough-on-crime' approaches. This organizational focus has been justified by governments on the grounds that targeted criminal organizations are so powerful, violent, and corrupt that they pose an even greater immediate threat to the state and democracy than the drug trafficking itself—as has been the case in Mexico during the past decade (see Case Study 26.1).

Law-enforcement approaches that target criminal organizations have had some tactical successes. For

### CASE STUDY 26.1 Targeting criminal organizations: trade-offs and unintended consequences

Mexico has experienced dramatically high levels of violence due to conflicts among drug trafficking organizations (DTOs) and between DTOs and the state. Over 134,000 Mexicans died due to homicide between 2006 and 2013, which for the same period, exceeds the combined rate of violent deaths in two countries suffering from internal wars, Iraq and Afghanistan. Mexico has had as many as six to ten large drug cartels during this period, but Mexico's strategy of targeting the leadership of DTOs has led to their fragmentation into nearly a hundred smaller groups at war with each other. In addition, there has been a dramatic surge in crime in Central America, where local youth gangs are increasingly involved with DTOs, and criminal violence has produced a surge in internal displacement and transnational migration. The dramatic rise in violence in this region is the unintended consequence of anti-crime policies in South America and unsuccessful security strategies in Mexico (Felbab-Brown 2014).

Efforts by Colombia, with the support of the USA, to destroy the Medellín and Cali cartels shifted power in the illicit narcotics economy away from traffickers in South America. In addition, a policy of targeting the air transportation of narcotics from Peru to the USA, known as air bridge denial, forced Colombian traffickers to rely more heavily on transnational criminal organizations in Mexico to deliver their products to the US market. Mexico's police forces, which are often poorly trained, underpaid, and corrupt, were unprepared to deal with the surge in smuggling and violence across their jurisdictions.

In 2006, the administration of President Felipe Calderón in Mexico decided to confront the drug cartels by pursuing a strategy of 'high-value targeting'—killing or capturing drug kingpins with the intent of disrupting what were assumed to be hierarchical criminal organizations. This strategy differed from that of previous Mexican governments, which had tended to negotiate informal bargains with DTOs to contain violence and establish predictability in illicit markets. A surge in trafficking displaced from Colombia and accompanying violence led the Calderón administration to conclude that a new approach was needed to contain what was seen as a challenge to the state. The Calderón administration's strategy was influenced by what was perceived as a successful effort in Colombia, where leaders such as Pablo Escobar of the Medellín cartel had been removed from the field, with disastrous consequences for the organizations they led.

In Mexico, this strategy proved to be counter-productive in terms of reducing violence. Given the large number of trafficking organizations in Mexico, the removal of any one set of leaders, such as the Beltrán Leyva brothers, simply led to conflict among the remaining cartels for control of illicit markets and trafficking routes into the USA. The Mexican state was simply not powerful enough to go after all the groups at once, and the result was a criminal war that produced stunningly high levels of internal conflict in Mexico. This outcome was somewhat predictable given what Colombia experienced in the 1990s. There, the defeat of

(continued)





### CASE STUDY 26.1 Targeting criminal organizations: trade-offs and unintended consequences (continued)

the Cali and Medellín cartels led to a fragmentation of drug trafficking organizations and the rise of violent non-state actors, such as the Fuerzas Armadas Revolucionarias de Colombia (FARC) and right-wing paramilitaries. These actors profited from the drug trade, preyed on the local population, and, at times, challenged the state for territorial control.

A further unintended consequence of Colombia and Mexico's policies has been to displace illicit trafficking routes towards Central America. Drug traffickers increasingly began to use Central America's Northern Triangle (El Salvador, Honduras, and Guatemala) as an alternative route to move illicit products into North America, and to fight against each other for control of *plazas* or trafficking routes along the Mexico/Guatemala border. Central America's security forces, already overwhelmed by a rise in youth gang violence (known as the *maras*), were even less well placed to address the growing presence of DTOs on their territory than Mexico or Colombia (UNDP 2013). As a result, the Northern Triangle countries are now three of the five most violent in the world in terms of homicides per capita.

In 2013, President Peña Nieto came to office in Mexico with a campaign platform that promised to reduce the levels of criminal violence by adopting a strategy that purported to address socio-economic root causes. While homicide levels were reduced over the next two years, this occurred because the Peña Nieto administration adopted a much less confrontational policy towards DTOs. As a result, the DTOs in Mexico continued to have the organizational capacity to

wield high levels of violence with impunity, and they have penetrated deeply into the state and society at the local level. This was highlighted by the massacre of forty-three student-teachers in the town of Iguala in 2014 at the hands of a local drug gang, in complicity with the municipal police and at the direction of the town's mayor. Mexico's civil society reacted with outrage and mass protests at the news of this massacre, dramatically impacting President Peña Nieto's popular standing. Homicide rates in Mexico have since rebounded, much of it occurring in regions of the country hard hit by drug-related crime.

Mexico and Colombia serve as a cautionary tale about the unintended consequences that national-level anti-crime strategies can have on transnational criminal enterprises operating on a regional scale. In each case, governments reacted to the threat of DTOs when they began to use levels of violence that threatened society and the state. Their strategy of High-Value Targeting (HVT) led to the disorganization of trafficking markets, but it actually increased violent competition among a larger number of smaller criminal organizations. In addition, the DTOs reacted by seeking out alternative territories and routes that allowed them to (temporarily) evade the impact of state law enforcement efforts, which had the effect of spreading violent competition into new countries. This suggests the need for a more comprehensive evidence-based approach that asks what regional strategies would really lead to reduced violence and DTO penetration of state and society.

example, in Colombia, the Cali and Medellín cartels were dismantled and 50 per cent of the transnational organized crime groups identified in a 1999 UNODC survey were defunct by the time of the study's publication in 2002. In a more recent example, the Mexican government has killed or captured the heads of the seven largest drug smuggling cartels in their country, including the notoriously elusive head of the Sinaloa Cartel, Joaquín 'El Chapo' Guzmán. However, the overall strategic effectiveness of this approach has been called into question. In the short-to-medium run, law-enforcement efforts tend to increase corruption (paying off officials is only necessary if criminals have something to fear from law enforcement) and violence (as criminals compete to fill the organizational vacuums left open by law-enforcement successes).

In the medium-to-long run, tactical successes in one country can lead to the spread of illicit markets to other countries and strengthen new sets of actors, who may pose an even graver threat to the state (see Case Study 26.1)—without having much effect on the price and availability of illicit goods. While these 'unintended consequences' are commonplace and well documented, governments continue to fail to anticipate them when devising enforcement strategies.

Although law enforcement is an important part of any strategy to combat transnational crime, the shortcomings previously identified have rightly led to calls for a more comprehensive approach that relies on all elements of national power to address crime. To the extent that transnational crime harms individuals and society, public health ministries, non-governmental

organizations (NGOs), and other societal groups should be involved. For example, devising measures protecting the victim (as in the case of trafficking in persons) and minimizing the harm to society should be given more importance than targeting organizations. Given the harm posed to the integrity of public institutions by corruption, collaborators of organized crime groups in the licit sector should be targeted with as much vigour as the 'career' criminals themselves. Efforts to police environmental crimes benefit when they receive the support of local communities, which means involving them in community-based efforts to manage natural resources so that locals benefit from conservation rather than extraction of local minerals, timber, and wildlife.

Approaches that focus on the general underlying conditions that facilitate illicit markets, such as state failure or corruption, are important, particularly to the extent that they bring into play actors and approaches often neglected in the traditional law enforcement approach. The World Bank has emphasized building up the capacity of judicial systems as a mechanism to ensure good governance and the rule of law and in addressing corruption. The private sector and NGOs have also contributed, both by setting industry-wide standards designed to combat organized crime, as has been done by the international banking industry, and through civic education designed to help citizens resist the influence of these groups in their lives. NGOs such as Transparency International (founded in 1993) can also play an important role in targeting corruption

and in linking transnational crime and a wide range of other important issues on the international agenda such as responses to conflict situations, peacekeeping, promotion of the rule of law, and protection of human rights (Godson and Williams 1998). This brings a new set of groups and agencies to bear on the problem, checks the penetration of government and the private sector by transnational crime, and provides new avenues by which citizens can hold states accountable for this problem.

#### KEY POINTS

- The US war on drugs largely drove initial state and international responses to transnational crime in the 1980s.
- With the spread of transnational crime that began in the 1990s, nations around the globe increasingly coordinated regional and international responses to crime.
- Governments have come to perceive transnational crime as a national security threat, leading to the temptation to use intelligence assets and the military to supplement law enforcement.
- At the same time, the concern of international financial institutions and non-governmental organizations with corruption and state failure—two issues closely related to transnational crime—holds the promise of more comprehensive national responses to supplement law enforcement.

## Conclusion

Transnational crime has expanded aggressively since the late 1980s, particularly since the end of the Cold War opened up new possibilities for criminal enterprises. Continuing globalization during the twenty-first century has facilitated not only the development of new criminal markets but also new forms of organization. The available evidence suggests that organized crime is becoming more difficult to fight because it has become more adaptable and resistant to available law-enforcement strategies. Even if organized crime networks turn out to be more vulnerable than many analysts believe, the ability of organized crime to form tactical or strategic alliances more easily today should give governments cause for concern.

Ironically, the global trends most welcomed by leaders in developed countries—globalization, democratization, and economic liberalization—also have a dark side: the capacity to create new spaces for the spread of transnational crime. Just as these trends promote greater political, economic, and personal freedom, they also facilitate the ability of criminals to transcend national jurisdictions. Even if countries were to decide that the costs of globalization outweighed the benefits, these are trends that are largely beyond the control of any single government. The question becomes one of how to contain this phenomenon and reduce the harm it causes.



This is particularly true if we consider that organized crime not only targets individuals but also undermines societies, particularly those governed by democratic regimes and operating under free markets. The threat that transnational crime poses to whole regions, be it the Horn of Africa or the Balkans, means that even governments with relatively robust law-enforcement capabilities and a well-established rule of law are faced with the spill-over effects of transnational crime based in poorly governed areas of the globe.

Does this level of a national security threat justify the use of intelligence and military assets, and, perhaps, even a certain level of expediency in the pursuit of justice? Not all governments or societies will concur. Those countries where law enforcement and judiciaries are highly capable and adapt sufficiently quickly to contain transnational crime are unlikely to face such a choice. However, in countries where voters believe that the rule of law and personal safety are disappearing, pressure will develop for politicians to seek more draconian solutions. This is particularly true where a link is established, correctly or not, between transnational crime and terrorism. In extreme cases, it can lead to support for more authoritarian forms of government and

restrictions on free markets, as has arguably occurred in Putin's Russia.

The question is therefore what else can government, the private sector, and civil society do to reduce the harm caused by transnational crime before they are driven to extreme measures? Clearly, there is room for solutions short of militarization. One approach suggests greater cooperation between law-enforcement and national intelligence assets to address threats that cross borders. Others have suggested greater attention to harm reduction measures or those aimed at reducing demand for illicit products and services, particularly by those developed states that are the source of the greatest demand and also have the greatest stake in the success of the international order. To the extent that the USA, the European Union, Japan, and other leading democracies value free elections and free markets, then it makes sense for them to engage in capacity-building processes designed to strengthen the rule of law and law-enforcement agencies, particularly in countries that are experiencing so-called dual transitions. Given what we also know about the consequences of civil war for the proliferation of transnational crime, this also suggests another arena for anticipatory measures.

## QUESTIONS

1. What factors enabled the expansion of transnational crime after the Cold War ended?
2. What is new about transnational crime today?
3. Does it matter if transnational crime is organized as hierarchies, as networks, or as markets?
4. Is transnational organized crime a greater threat than other forms of illicit activity?
5. What factors affect the extent to which terrorist groups and transnational criminal groups cooperate?
6. What indicators should we consider in deciding whether transnational crime has become a national security threat?
7. Why are governments tempted to use military and intelligence assets to address transnational crime? What problems might arise from such a response to this threat?

## FURTHER READING

- Andreas, Peter and Nadelmann, Ethan (2006), *Policing the Globe: Criminalization and Crime Control in International Relations*, New York: Oxford University Press. Theories and analysis of the internationalization of crime control, from the 1800s through 2005.
- Arquilla, J. and Ronfeldt, D. (eds) (2002), *Networks and Netwars: The Future of Terror, Crime and Militancy*, Santa Monica, CA: RAND Corporation, 61–97; <http://www.rand.org/publications/MR/MR1382/MR1382.ch3.pdf>. This RAND

study uses network theory to explain the organization of transnational crime and argues that networked criminal organizations are more flexible and robust than the governments that target them.

- Naylor, R. T. (2004), *Wages of Crime: Black Markets, Illegal Finances, and the Underworld Economy*, Ithaca, NY: Cornell University Press. This book presents a critique of the view of organized crime as a powerful hierarchical organization and a threat to national security.
- Paoli, Letizia (2014), *Oxford Handbook of Organized Crime*, Oxford: Oxford University Press. An up-to-date and comprehensive academic survey of organized crime, including its international dimensions.
- United Nations Office on Drugs and Crime (2010), *The Globalization of Crime: A Transnational Organized Crime Threat Assessment*, Vienna, Austria: UNODC, [http://www.unodc.org/documents/data-and-analysis/tocta/TOCTA\\_Report\\_2010\\_low\\_res.pdf](http://www.unodc.org/documents/data-and-analysis/tocta/TOCTA_Report_2010_low_res.pdf). In-depth report of the findings from a 2010 study of transnational organized crime.
- United Nations Office on Drugs and Crime (2012), *Digest of Organized Crime Cases*, Vienna: Austria: UNODC, [http://www.unodc.org/documents/organized-crime/EnglishDigest\\_Final301012\\_30102012.pdf](http://www.unodc.org/documents/organized-crime/EnglishDigest_Final301012_30102012.pdf). Thorough review of the lessons learned by key states in combating organized crime.
- Williams, Phil (2008), 'Terrorist Financing and Organized Crime: Nexus, Appropriation or Transformation?', in Sue Eckert and Thomas Biersteker (eds), *Countering the Financing of Terrorism*, London: Routledge, 2008, 126–49. While focused on the financial dimension, this chapter provides a critical assessment of the argument that terrorism and transnational criminal organizations are converging and may begin to cooperate to a greater extent.



## IMPORTANT WEBSITES

- <http://www.organized-crime.de> Klaus von Lampe Organized Crime Research. Although the geographical focus of this website is the USA and Germany, its social-science perspective and collection of organized crime definitions, papers, book reviews, and web links make it an essential resource.
- <http://nij.gov/publications/Pages/annual-reports.aspx> National Institute of Justice, US Department of Justice. This website provides a comprehensive collection of official reports and commissioned research publications that provide an overview of the US perspective on organized crime.
- <http://policy-tracc.gmu.edu> Transnational Crime and Corruption Center, George Mason University. This centre brings together a large collection of academic and policy research on transnational crime (with a focus on Russia and former Soviet states), as well as providing a comprehensive set of links to other online resources on this subject.
- <http://www.unodc.org> United Nations Office on Drugs and Crime (UNODC). The UNODC is one of the leading international agencies focused on assisting states in developing international efforts to fight drug trafficking, terrorism, and organized crime.



Visit the online resources that accompany this book for lots of interesting additional material:  
[www.oup.com/uk/collins5e/](http://www.oup.com/uk/collins5e/)