Examining the Nexus between Organised Crime and Terrorism and its implications for EU Programming[1]

Abstract

The evolving relationship between terrorism and crime poses significant challenges to the international community, and is contingent on definitions of terrorism, petty crime and organised crime, which are often contested. In Europe there is evidence that there is a link between petty crime and terrorism, where individuals on the margins of society and the formal economy or in prison are most vulnerable to radicalisation. In other areas of the world, the relationship between organised crime and terrorism has transformed to one of symbiosis and convergence, in which it has become increasingly difficult to draw a meaningful distinction. Activities of terrorists and organised criminals frequently reinforce each other, where terrorists engage either directly or indirectly in organised crime activities such as trafficking, smuggling, extortion, kidnapping for ransom and the illicit trade of natural resources, for financial and/or material benefits. Such benefits contribute to undermining state security, stability and social and economic development, which in turn may create or maintain the conditions for organised criminal groups to flourish. On the other side, organised crime groups may employ terrorist tactics, including the strategic use of violence, to enable their objectives. In designing an appropriate policy response, there is value to recognising that there is a strategic distinction to be made between those situations where causal and enabling conditions for organised crime and/or violent extremism converge and where monitoring and preventive action is possible, versus those situations where the relationship is already in place, and where situation specific approaches are required.

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Executive Summary

Although generally having been thought of as distinct threats, the interplay between terrorism and transnational organised crime (TOC) is evolving. Once regarded as simply co-existing, TOC and terrorist activities have the effect of reinforcing one another, transforming their relationship into one of symbiosis, in which it is increasingly difficult to meaningfully distinguish between the two. Indeed, terrorists may engage either directly or indirectly in criminal activities such as trafficking, smuggling, extortion, kidnapping for ransom (KFR) and the illicit trade of natural resources, for financial and/or material benefits. Such benefits contribute to undermining state security, stability and social and economic development, which in turn may create or maintain the conditions for organised criminal groups to flourish.

A further step into this evolution may be seen when terrorist organisations and criminal networks seem to converge, oscillating between objectives and modalities that were once thought uniquely "terrorist" or "criminal". Although the international community has addressed the OC-terrorism nexus in a number of instruments and actions, ironically, defining what constitutes "terrorism" and "organised crime" continues to be a challenge. Moreover, the discord in defining the phenomena can also be seen in evolving discussions over the links between terrorism and organised crime as well, which must be acknowledged as varying between regional contexts. These discussions have been made all the more complex with the rise of the individuals with criminal backgrounds taking on the roles of terrorists, absent a traditional organised criminal structure.

While definitions pose a continual challenge to policymakers and respondents, in order to grapple with the conceptual complexities it is therefore necessary to bound the analysis presented in this paper with some degree of specificity. For the purposes of this discussion, therefore:

- Terrorism, will be defined as the unlawful use of violence and intimidation, especially against civilians, in the pursuit of political aims.
- Petty crime refers primarily to a type of crime that is not considered serious when compared with other crimes and is usually conducted for the benefit of the individual.
- Organised crime is serious crime planned, coordinated and conducted by people working together on a continuing basis. Their motivation is often, but not always, financial gain.

Following the distinctions as laid out above places the emphasis on not only a study of the group and its modus operandi and organisational structure, but more importantly the need to situate this in local context and to understand the political economy.In reality, the dynamics of individual groups are driven by the local environment, available resource flows, the policies of the state in response, as well as changes in the broader prevailing regional and international situation. Each group (both terrorist and criminal) is unique and therefore, so are the relationships between them.

In Africa, different groups employ contrasting models, ideologies and implications, and though affiliated to international terrorism 'brands', see their operations and targets vested tightly into their local political economy, or opportunistically exploiting traversing international illicit flows. Groups such as Al-Qaeda in the Islamic Maghreb, Boko Haram and Al-Shabaab have taken advantage of regional dynamics, weak state structures and widespread corruption to engage in criminal activities such as KFR, drug trafficking, and exploitation, to parlay their activities into political influence and

military and financial power, even at the expense of moving away from their ideological aims.

In the Afghanistan-Pakistan region of South Asia (Af-Pak), local conditions provide opportunity for both criminal and terrorists to carry out their activities. A combination of corruption, porous borders and weak rule of law, has created an environment in which criminals and terrorists can engage in KFR, drug trafficking and extortion to finance their organisations and networks, allowing each to engage in specific nodes within illicit supply chains. Groups such as the Taliban and Haqqani network have been known to cooperate in order to achieve mutual objectives, resembling organised criminal groups, motivated by a combination of profits as well as honor, revenge and ideology.

In Turkey, a group such as the PKK (Kurdistan Workers Party) has been known to toe the line between terrorism and organised crime, engaging in a number of illegal economic operations such as humans, drugs and cigarettes smuggling and other forms of organised crime, including extortion and money laundering, among its profit generating activities. In addition to funding its operations through "typical" organised criminal activities, ISIS has added to the complexity of the nexus with the promotion of widespread recruitment of individuals, particularly in Europe, to carry out "low-cost" attacks by self-funding through large-scale petty crime.

Within Europe, the decline in traditional organised criminal use of terrorist tactics is being replaced with a growing trend of individual small-time criminals carrying out terrorist attacks. The large influx of migrants (and the challenges of their integration into European society) as well as the rise of right-wing extremism, has led to widespread feelings of discontent and alienation, heightening the vulnerability of populations and leading them to turn to criminal activities, the black market and the illicit economy to address their dissatisfaction. The politicisation and remote radicalisation of criminals at the individual level (by groups such as ISIS and other Salafi-jihadists via the internet and social media), has allowed terrorist groups to take advantage of the restlessness and vulnerability of these individuals (who are already equipped to fund themselves through criminal activities) to carry out their attacks abroad, regardless of borders.

Given the technical nature of interpretation and understanding of the OC-terrorism nexus thus far, programmatic responses have thus largely focused on addressing issues related to the financing of terrorism, strengthening the protocols through which illicit money can be earned, transferred and procured. In light of the evolving nature of the OC-terrorism nexus however, relevant EU bodies must develop effective and tailor-made responses to the organised crime and terrorism phenomena that address the underlying causes of the convergence at the micro, meso and macro levels, based on a strong evidence base, engagement with local actors, good governance, enhanced services delivery and capacity building and the incorporation of normative frameworks.

Introduction

The evolving relationship between terrorism and organised crime poses significant challenges to the international community. Progressing from simple co-existence towards a symbiotic relationship, the lines between these seemingly distinct activities are now becoming increasingly blurred, making it difficult to differentiate between "pure" terrorist groups, their criminal counterparts or something in between.

Recognising this trend, the international community has addressed the nexus between OC and terrorism in a number of instruments and actions. In 2001, the UN Security Council adopted Resolution 1373, requiring all Member States to domestically criminalise terrorism and the financing thereof. Since that time, the counter-terrorism bodies entrusted by the Council with implementation of Resolution 1373 (2001) have routinely treated the potential links between terrorism and organised crime as falling within their purview. In 2014, the UN Security Council adopted Resolution 2195, "Threats to international peace and security," calling upon states to better understand and address the nexus between organised crime and terrorism as a threat to security and development.

The conceptual link between terrorism and organised crime has been made more explicit by subsequent international action. Specific legislation or declarations have expounded on specific areas of technical linkages:

- In 2012, the Global Counterterrorism Forum (GCTF) addressed the issue of kidnapping for ransom (KFR) as a tool used by terrorists to finance their activities by developing the Algiers Memorandum on Good Practices on Preventing and Denying the Benefits of KFR. This was followed in 2015, when the GCTF adopted an Addendum to the Algiers Memorandum, providing further recommendations relating to KFR prevention and deterrence measures.
- In 2014, the Hague-Marrakesh Memorandum on Good Practices for a More Effective Response to the Foreign Terrorist Fighters (FTFs) Phenomenon was adopted[2], which touches upon the impact of FTFs, including in providing operational knowledge, raising funds and facilitating the influx of recruits and arms.
- In 2015, UNSC Resolution 2199 underlined the obligations of Member States to take steps to prevent terrorist groups in Iraq and Syria from benefiting from trade in oil, antiquities and hostages, and from receiving donations.

In terms of actual programmatic responses, in 2015, the United Nations Counter-Terrorism Centre (UNCCT) in joint cooperation with the GCTF launched the Border Security Initiative to highlight the crucial role that border security and management play in countering terrorism, FTFs flows and cross-border organised crime. Following a series of activities that served to identify gaps and cross-border cooperation models, and explore balancing technology based solutions and border law enforcement training, the Good Practices in the Area of Border Security and Management in the Context of Counterterrorism and Stemming the Flow of Foreign Terrorist Fighters was adopted in 2016[3]in order to inform and guide governments in developing effective border security and management strategies within a counterterrorism and TOC context.

[2] Subsequent addendum adopted, available at https://toolkit.thegctf.org/document-sets/addendum-hague-marrakech-memorandum-good-practices-more-effective-response-ftf-6
[3] For more information, visit https://www.thegctf.org/Cross-Cutting-Initiatives/Border-Security-Initiative

Despite the general recognition of a nexus between OC and terrorism, ironically, the international community has failed to reach a consensus on the definitions of terrorism and organised crime. Notwithstanding the lack of a universal legal definition of terrorism, specific manifestations of the phenomenon have been criminalised and terrorist groups identified, and various regional instruments and communities have developed their own designations. There is common accord that the general intention of terrorist activities involves political motivations through intimidation, coercion and violence towards a civilian population and/or a government.

Just as nebulous of a concept, organised crime can exist in many markets, and can be undertaken under the guise of legitimate enterprises, semi-legal, state or para-state activities, as well as solely in the criminal domain. The United Nations Convention Against Transnational Organised Crime (UNTOC) defines "organised criminal group" as a "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 offences… in order to obtain, directly or indirectly, a financial or other material benefit." However, in the contemporary context, this definition is not nearly as robust as it should or could be.

In theory, the distinction between terrorism and organised crime lies in their respective objectives and modalities. Generally speaking, terrorist groups are those that deliberately challenge state authority and seek political change through violence (or the threat of violence) for many, including ideological, reasons. For terrorist groups, mobilising resources is viewed as an instrument to achieve their goals, rather than the goal itself. By contrast, organised criminal groups do not aim to cause political change, but are more concerned with profit. As such, any state disruption is aimed to create, expand or maintain conditions in order to benefit their operations. Unlike terrorist groups which generally seek political or ideological change, organised criminal groups seek personal financial or material benefits as the ultimate goal of their activities.

While organised crime and terrorism are marked with these theoretical distinctions, in reality such differences may not be as clear, with both activities reinforcing one another. Terrorists may engage either directly or indirectly in criminal activities such as trafficking of arms, persons, drugs and artifacts, extortion, KFR and the illicit trade of natural resources and gemstones, for financial and/or material benefits. Such benefits aid terrorist groups in undermining state security, stability and social and economic development, which in turn may create or maintain the conditions for organised criminal groups to flourish. Likewise, OC groups may pursue political strategies and strategically use violence to enable and protect their illicit businesses, at times keeping state institutions at bay and in others co-opting the state through corruption and patronage networks. Regardless of their goals and modalities, however, there is little dispute that both organised crime and terrorism are identical in that they both present serious challenges to the legitimacy of states and international peace and security.

In truth, despite high-level academic debate and excellent research already published on the nexus between transnational organised crime (TOC) and terrorism, very little is known about how strong

this convergence might be.[4]Moreover, the concept of a nexus should not be applied globally. While a nexus may exist between groups in South Asia, no such thing may be present in North America.

There is, therefore, no “one size fits all” application of the nexus between TOC and terrorism. Indeed, there is a marked difference in the situation in Europe and other more developed countries, and regions which are suffering to some extent from conflict and wider developmental challenges, particularly where there is a dearth of rule of law mechanisms and state institutions.[5] While the nexus may exist at an extremely parochial level in Europe, it could take on a more tactical or operational designation in parts of Central and South Asia, as well as areas of the Middle East and North Africa. Moreover, even if the existence of a nexus was universally accepted, there is far from anything resembling consensus on the “so what?” implications and ways to address these implications.

In terms of responses to an OC-terrorism nexus, therefore, policymakers have tended to default to an examination of the central aim of a particular group in a specific geographic area. In the contexts where this is clear, the paths for policy makers and practitioners to address these threats are relatively straightforward. Problems arises however, when the primary aims of any given group are no longer distinguishable between the realms of organised crime and terrorism, calling for a more nuanced approach in countering the OC-terrorism nexus. Such responses will be discussed further in this paper.

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[4] For example, while many cite examples like Sendero Luminoso in the Upper Huallaga Valley in Peru, or the PKK drug trafficking networks that stretched into Europe as examples of convergence, there are those that question the nature of the relationship. What can seem like cooperation is often anything but, and probably resembles a situation closer to extortion or taxation.

[5]There may be additional benefit in the study differentiating the nature and type of OC-terrorism links in countries at the different end of the world development indicators.

Evolution of the Nexus

The discussion in the academic and policy communities over the very existence of a nexus between TOC and terrorism has been playing out for over a decade. Whether referred to as a "nexus," or framed in terms of related issues of convergence, transformation and hybridity, one thing remains clear—there is no consensus, and a tendency for scholars to talk past one another, even when in agreement about some of the most important factors being analyzed.

While links have been drawn between terrorist and organised criminal groups, the nature, extent and depth of such links have been debated. The interaction between terrorist and organised criminal groups is not straightforward, each case is context specific and constantly evolving, and thus to make any general statements about how they reinforce each other is a challenge. Following an overview of the evolution of the nexus debate, the subsequent sections provide case studies of the interplay between terrorism and organised crime in Europe's peripheral regions (Africa, the 'AfPak' intersection of Western Asia, and the Middle East and North Africa) and the challenges of mapping these relationships therein. In particular, this paper analyses the nexus between TOC and terrorism in Europe and its peripheral regions, and the subsequent implications for EU policy.

Past

Tamara Makarenko has written extensively about the relationship between criminal groups and terrorist organisations as well as the types of activities each of these actors engage in to accomplish their objectives. Her "model of terrorist-criminal relationships" suggests that the relationship between TOC and terrorism should not be conceived of in terms of path analysis, but rather as a sliding scale on which groups can go back and forth between the extremes of crime and ideological insurgency, occupying any number of intermediate stages between these poles along the way.[6]

Besides relationships between criminals and terrorists and the activities in which they engage, the structure of these organisations and their logistical requirements also warrant further scrutiny. Hutchinson and O'Malley downplay the notion of a nexus, although they do concede that under certain conditions, terrorists and criminals will cooperate for mutual benefit.[7] Indeed, this cooperation is facilitated by the changing structural organisations of these groups, which have increasingly shifted to a more decentralised network, rather than a top-down vertical hierarchy.[8] From a logistical standpoint, some scholars argue that over time, terrorists and criminals will greatly increase their ability to in-source the activities they used to outsource through cooperative relationships,[9] or what Phil Williams has called "do-it-yourself (DIY) organised crime.[10] This includes developing an appreciation for the value of corruption and bribery, another facilitating factor in the convergence between TOC and terrorism.[11]

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[6] Tamara Makarenko, "The Crime-Terror Continuum: Tracing the Interplay between Transnational Organised Crime and Terrorism," *Global Crime*, 6(1) (2004), pp.129-145.

[7] Steve Hutchinson and Pat O'Malley, "A Crime-Terror Nexus? Thinking on Some of the Links Between Terrorism and Criminality," *Studies in Conflict & Terrorism,* Vol.30, No.12, 2007, pp.1095-1107.

[8] Chris Dishman, "The Leaderless Nexus: When Crime and Terror Converge," *Studies in Conflict & Terrorism,* Vol.28, No.3, 2005, pp.237-252.

[9]Chris Dishman, "Terrorism, Crime and Transformation," *Studies in Conflict & Terrorism,* Vol.24, No.1, 2001, pp.43-58.

[10] Phil Williams, "Terrorist Financing and Organised Crime: Nexus, Appropriation or Transformation?" in Thomas Biersteker and Susan Eckert, eds., *Countering the Financing of Terrorism*, London: Routledge, 2008, pp.126-149.

[11]Louise Shelley, "The Unholy Trinity:Transnational Crime, Corruption, and Terrorism", *Brown Journal of International Affairs*, 11(2): 101-111, 2005.

In the past, numerous terrorist organisations in Europe have engaged in varying degrees of criminal activities to fund their organisations, including Irish Republican Army offshoots and dissident groups and the Kosovo Liberation Army (KLA) providing examples of terrorist-criminal hybrids. [12] There have also been linkages between terrorist groups and ethnically based criminal gangs operating in Europe and on its periphery, including ethnically based-criminal gangs of Kurdish descent, or criminal-terrorist hybrids comprised of Chechens and Albanians, respectively. For the most part however, the concept of the nexus in Europe has assumed an operational context, with terrorist groups adopting the use of criminal methods to fund their operations and organisations.

The present situation, discussed more fully below, is somewhat reversed— perhaps best illustrated by the phenomenon of foreign fighters leaving Europe to travel to Iraq and Syria to fight alongside the Islamic State and other terrorist groups. Here, individuals with predominantly criminal pasts have assumed the ideology of Salafi-jihadism. This is far different than previous criminal use of terrorist tactics in Europe, wherein the Italian mafia and criminal outfits from the Balkans would occasionally conduct bombings or assassinations to strike out against the state, largely for the obstruction of their criminal activities.

Present

Indeed, where the concept of a nexus between organised crime and terrorism might be most interesting is the emerging profile of small-time crook to terrorist, a profile that is now emerging in many of the jihadist attacks and plots recently targeting Europe. With the continued politicisation and radicalisation of criminals, instances of transformation at the individual level (not from an organisational level), from criminal or drug trafficker to terrorist and from criminal enterprise to terrorist organisation could become more frequent.[13]Abdelhamid Abaaoud, the leader of the Paris November 2015 attacks, Ahmed Coulibaly, a key figure in the Charlie Hebdo attacks, and numerous other terrorists were involved in various forms of criminality before becoming jihadists.[14] Mohamed Lahouaiej Bouhlel, the terrorist who killed 84 people by driving a truck through a crowd on Bastille Day in Nice, France, also had a history of petty crime.[15] Anis Amri, the Tunisian national responsible for the 2016 Berlin Christmas market attack, spent four years in an Italian prison.[16]

A study by Emilie Oftedal of the Norwegian Defence Research Establishment (FFI) looked at data on the financing of 40 jihadi cells that have plotted attacks against European targets between 1994 and 2013 and concluded that the second most common method of funding for these attacks (in 28% of cases analysed) was illicit trade (which included drugs, cars, forged documents and weapons).[17] Three-quarters of the plots cost less than $10,000 to plan.[18] The 2004 Madrid train bombings killed 191 people and injured another 1,600 in an attack financed primarily by the leader of a small, yet effective drug trafficking network that smuggled hash from Morocco and ecstasy from Holland to

[12]Tamara Makarenko, *Europe's Crime-Terror Nexus: Links Between Terrorist and Organised Crime Groups in the European Union*, European Parliament Directorate-General for Internal Policies, Policy Department C: Citizens' Rights and Constitutional Affairs, Civil Liberties, Justice and Home Affairs, 2012.

[13] The authors are thankful to Phil Williams for this observation.

[14] Simon Cottee, "Reborn Into Terrorism," *The Atlantic*, January 25, 2016. See also, Anthony Faiola and SouadMekhennet, "The Islamic State Creates a New Type of Jihadist: Part Terrorist, Part Gangster," *The Washington Post*, December 20, 2015.

[15] Alissa J. Rubin et al., "France Says Truck Attacker Was Tunisia Native With Record of Petty Crime," *New York Times,* July 15, 2016.

[16] Joshua Berlinger and Laura Smith-Spark, "Berlin Christmas Market Attack Suspect: Who Was AnisAmri?" *CNN*.com, December 23, 2016.

[17] Emilie Oftedal, "The Financing of Jihadi Terrorist Cells in Europe," Norwegian Defence Research Establishment (FFI) (January 2015), 16. The use of personal assets was the most common method of funding.

[18]Oftedal, "The Financing of Jihadi Terrorist Cells in Europe," 3-7.

Spain.[19] It is easy to see why some terrorists planning similar types of attacks would follow the Madrid model—small sums of money collected over time through the use of somewhat banal criminal activities like drug dealing, various types of fraud and petty theft.[20] Besides the 2004 Madrid cell, proceeds from drug trafficking are also suspected of funding another plot against Madrid aimed at the National Court (2004), the Hofstad Group in Holland (2004), a Swedish cell (2010), Mohammed Merah's rampage (2012) and an attack at a kosher supermarket in Paris (2012).[21]

Edwin Bakker's research on jihadi terrorists in Europe found that about a quarter of terrorists sampled in the study had a criminal record while many had been involved in various forms of crime without having been in prison or sentenced in a different way.[22] A more recent study, focused strictly on ISIS, found that of 58 individuals linked to 32 ISIS-related plots in the West between July 2014 and August 2015, 22 percent had a past criminal record or were in contact with law enforcement.[23] A recent analysis by Sam Mullins noted that, of 47 cases of jihadist inspired violence carried out in Western countries between January 1, 2012 and June 12, 2016, half of the attackers had a criminal past.[24]

While there is no current evidence indicating in-depth involvement in the smuggling or sale of narcotics[25], it is important to note that many ISIS recruits, particularly those from Europe, have relied on drug trafficking as a means of generating revenue at a low level in what Magnus Ranstorp has called "micro-financing the Caliphate."[26]In many ways now in Europe, criminals and terrorists recruit from the same milieu.[27]It is not necessarily that the sale of drugs goes directly into ISIS coffers, but proceeds garnered from peddling narcotics affords jihadists in Europe the financial flexibility to travel back and forth to Syria as well as to save the money to help procure the resources necessary for planning a terrorist attack (e.g. weapons, vehicles, cell phones).[28] In addition to drug trafficking,

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[19] Phil Williams, "In Cold Blood: The Madrid Bombings," *Perspectives on Terrorism* (June 2008): 22.For a more in-depth analysis of the Madrid bombings, see Phil Williams, "The Madrid Train Bombings," in *Fighting Back: What Governments Can Do About Terrorism,* (Stanford: Stanford University Press, 2011), 298-316.

[20] Eric Schmitt, Mark Mazzetti and Rukmini Callimachi, "Disputed Claims Over Qaeda Role in Paris Attacks," *New York Times,* January 14, 2015.

[21]Oftedal, "The Financing of Jihadi Terrorist Cells in Europe."

[22] Edwin Bakker, "Jihadi Terrorists in Europe: Their Characteristics and the Circumstances in Which They Joined the Jihad, An Exploratory Study," (Netherlands Institute of International Relations, Clingendael, December 2006): 48.

[23] Robin Simcox, "'We Will Conquer Your Rome': A Study of Islamic State Terror Plots in the West," The Henry Jackson Society, Center for the Response to Radicalisation and Terrorism (CRT), 2015, p.3.

[24] Sam Mullins, "The Road to Orlando: Jihadist-Inspired Violence in the West, 2012-2016," *CTC Sentinel,* June 2016, pp.26-30.

[25] It should be noted, however, that some allegations have been made. See Damien Sharkov, "Islamic State Use Drug Trade to Bankroll Their Jihad, Says Spanish Intelligence," *Newsweek*, October 20, 2014; and "High Finance: ISIS Generates Up to $1bn Annually from Trafficking Afghan Heroin," *RT,* March 6, 2015; Tess Owen, "The Islamic State May Have Gotten Caught Smuggling a Huge Shipment of Opiates to Libya," *Vice News,* June 7, 2016; Eric W. Schoon, "ISIS, Ideology, and the Illicit Drug Economy," *Political Violence @ a Glance*, July 24, 2015.and Tom Porter, "Cocaine Funding ISIS: Drug Smuggling Profits Islamic State-Linked Jihadists in North Africa," *International Business Times,* November 20, 2014; Rukmini Callimachi and Lorenzo Tondo, "Scaling Up a Drug Trade, Straight Through ISIS Turf," *New York Times,* September 13, 2016.

[26] Magnus Ranstorp, "Microfinancing the Caliphate: How the Islamic State is Unlocking the Assets of European Recruits," *CTC Sentinel*, May 25, 2016.

[27]Rajan Basra et al., "Criminal Pasts, Terrorist Futures: European Jihadists and the New Crime-Terror Nexus," International Center for the Study of Radicalisation and Political Violence (ICSR), 2016; see also, Colin P. Clarke, "Drugs and Thugs: Funding Terrorism Through Narcotics Trafficking," *Journal of Strategic Security*, Vol.9, Iss.3, pp.1-15; and, Colin P. Clarke, "Crime and Terror in Europe: Where the Nexus is Alive and Well," International Center for Counter-Terrorism (ICCT)-The Hague, December 15, 2016.

[28] On the importance of logistics to terrorist networks, see Timothy Holman, "'Gonna Get Myself Connected': The Role of Facilitation in Foreign Fighter Mobilisation," *Perspectives on Terrorism,* Vol.10, No.2, 2016.

European criminals who have traveled abroad to join ISIS have also financed their activities through various types of fraud (mortgage, credit card, value added tax), petty theft, and low-level criminality.[29]

Future

Where previously the nexus could be characterised as largely operational, with terrorists appropriating criminal methods to fund their organisations, and the nexus of the present is small-time criminals who have "found religion," either in prison or via a charismatic imam, what will the future hold for Europe?

It is unlikely that the future will be like the past, as Europe currently has only five groups remaining on the U.S. Department of State's list of designated foreign terrorist organisations (FTOs) and most of these are largely dormant.[30] It is thus more likely that in the short-to-medium term, the future of the nexus will look a lot like the present, especially with the return of foreign fighters from Iraq and Syria to their countries of origin in Europe. The next five years will be shaped by what FBI Director James Comey has dubbed a "terrorist diaspora," which he believes will occur when scores of foreign fighters leave the Middle East and attempt to return to the West.[31] ISIS may have deployed hundreds of operatives into the European Union already according to some reports, ensuring an effective "international terrorist strike capability" for the better part of the next decade.[32] The post-ISIS diaspora is likely to have more connections to the European underworld than ever and be networked though the group's continued reliance on spreading its propaganda through social media.[33]

On the other hand, the longer-term could be something totally different—a black swan that the EU is unprepared for and is unable to currently conceptualise due to the unpredictable variation across several critical factors, including climate change, migration, and technological development. The future of the nexus will be complicated by technological advancements, including but not limited to, encryption, virtual currencies, the evolution of 3-D printing and the dark web.

In addition to the threat of returning foreign fighters, the current wave of migration has the potential to be far more relevant to future configurations of a TOC-terrorism nexus. The response to the movement of people from Africa and the Middle East to Europe has been the emergence of a vast, sprawling network of transnational criminal networks used to smuggle and traffic migrants[34] that involve different kinds of groups and individuals and, according to director of Europol Rob Wainwright, could number as many as 30,000 people.[35] While smugglers have yet to have been seen to crossover or integrate crime and terrorist groups in any substantial way, there is the possibility that

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[29] Elisabeth Braw, "Foreign Fighters Financing," *Foreign Affairs*, October 25, 2015; see also, Kim Hjelmgaard, "European Welfare Benefits Help Fund ISIS Fighters," *USA Today*, February 23, 2017.

[30] The five groups currently listed include ETA, the Continuity IRA, the Real IRA, the Revolutionary People's Liberation Party/Front (DHKP/C) and Revolutionary Struggle in Greece. See https://www.state.gov/j/ct/rls/other/des/123085.htm last updated May 2016.

[31] Josh Gerstein and Jennifer Scholtes, "Comey Warns of Post-ISIL Terrorist 'Diaspora,'" *Politico*, September 27, 2016.

[32] Colin P. Clarke and AmarnathAmarasingam, "Where Do ISIS Fighters Go When the Caliphate Falls?" *The Atlantic,* March 6, 2017.

[33] See Rukmini Callimachi, "How a Secretive Branch of ISIS Built a Global Network of Killers," *New York Times,* August 3, 2016; Jean-Charles Brisard and Kevin Jackson, "The Islamic State's External Operations and the French-Belgian Nexus," *CTC Sentinel,* November 10, 2016; Mitch Prothero, "Inside the World of ISIS Investigations in Europe," *Buzzfeed*, August 21, 2016; and Bruce Hoffman, "The Global Terror Threat and Challenges Facing the Next Administration," *CTC Sentinel,* November 30, 2016.

[34] For more, see Peter Tinti and Tuesday Reitano, *Migrant, Refugee, Smuggler, Savior*, Oxford: Oxford University Press, 2017; see also, Michael McNerney et al., *Cross-Cutting Challenges and Their Implications for the Mediterranean Region*, Santa Monica, Calif.: RAND Corp., PE-222-RC, 2017.

[35] Anthony Deutsch, "Europol Tracking 30,000 Suspected People Smugglers," *Reuters,* September 16, 2015.

networks and associations built and strengthened through people smuggling may turn to other illicit commodities or criminal acts.

More pertinent, however, is that unless new migrants are better integrated than their predecessors, they could become the recruiting pool for tomorrow's transnational criminal and extremist organisations. Although migrants are usually eager to start anew in their adopted countries, a small proportion may be members of criminal organisations, or have a history of low level criminality, and bring with them criminal skills and knowledge as well as criminal affiliations and contacts.[36] Some migrants, particularly those who fail to gain asylum and remain illegally, will not be adequately assimilated into their host countries, despite renewed attention to public policies designed specifically to address this immense challenge. For criminals looking to expand their bases of operations, recently arrived migrants who are not well integrated into society or the licit economy and who exist on the fringes of the black market, are the ideal type of recruits. Furthermore, while Diaspora communities are typically a force for positive development, resilience and support for their home countries, an expansive Diaspora network can also provide cover and logistical functions that facilitate illicit activities.

Case Study: Africa

The challenges of untangling the organised crime and terrorism nexus are starkly painted in the case of Africa, where different groups employ contrasting models, ideologies and implications, and though affiliated to international terrorism 'brands', see their operations and targets vested tightly into their local political economy, or opportunistically exploiting traversing international illicit flows.

In the Sahel and Sahara, a combination of the region's enormous expanse and difficult terrain, coupled with tribal conflicts, porous borders and fragile states, has long marked the area as a hotbed of instability. Historic trade routes across countries such as Algeria, Libya, Mali and Mauritania have become infiltrated by criminal and terrorist groups alike, with weak state institutions and widespread corruption allowing these groups to parlay their activities into political influence and military and financial power.

The regions' permeability has made it an ideal location for the movement of illicit goods and other forms of organised crime, such as KFR and drug smuggling. Such criminal activity has often been carried out by long-standing commercial and social networks based on local tribes and communities specializing in trade through informal arrangements across the region. Tensions among these local tribal communities have long underpinned the instability of the region, with tactical alliances proving necessary for OC and terrorist networks to operate. Indeed, conflict dynamics in the area directly contribute to the muddling of lines between groups seeking financial and material benefits and those primarily driven by political motives. Such groups may be characterised as opportunistic, rearranging their alliances once doing so becomes opportune to promote either their political, ideological or business interests.

Set against this backdrop, terrorist groups have taken advantage of the regional dynamics in order to promote their ideologies and fund their operations. For example, with its roots in Algeria, Al-Qaeda in the Islamic Maghreb (AQIM) espouses Salafist Jihadism dogma with regionally resonant elements. The

[36] Sometimes, ethnic diasporas have a reputation for criminality that inhibits integration and job opportunities.

group has formed tactical alliances with indigenous tribes such as the Tuareg and Berabiche, through marriage and other means, providing it with a recruitment source and allowing it to become intimately involved in their criminal activities in order to fund its operations[37].

Apart from West Africa and the Sahel, in the East, the Horn of Africa has also seen interplay between terrorism and organised crime. With its vast coastlines, and failing state institutions, East Africa has long been a hub for organised criminal activities. Demonstrating a strong symbiosis, Al-Shabaab has been officially identified as both a terrorist organisation as well as an organised criminal group, operating primarily in Somalia and Kenya, with an estimated annual turnover of nearly $70 million.[38] In addition to its terrorist tactics, the group has been linked to a number of illicit activities from extortion to wildlife crime.

Kidnapping for ransom

AQIM uses historic trade routes and strategic alliances to facilitate its most lucrative source of funding- kidnapping for ransom. Estimates relating to the amount of revenue that AQIM generates from KFR varies, but figures suggest that in the period of 2003-2012 alone, the group brought in nearly $89 million, focusing on nationals of countries (particularly Europe) that have been known to be willing to pay ransoms.[39]Following a series of kidnappings of foreign nationals[40] and terrorist attacks, the international community took action against AQIM, and in 2013, the UN peacekeeping mission MINUSMA was launched, along with French Operation Serval in Northern Mali in cooperation with local forces.[41] While these interventions succeeded in driving out jihadists in the area and weakening AQIM's operations, the group has since moved further south, deeper into the Sahara and has resumed operations unchecked by weak state structures.

Like AQIM, Boko Haram, which aims to establish a fully Islamic state in Nigeria, has garnered a large portion of its funding through KFR and brutal killing and abuse.[42] Named by the Global Terrorism Index as the world's deadliest terrorist organisation in 2015, Boko Haram has also been known to engage in criminal "banditry," carrying out bank robberies and looting and killing indiscriminately. Thus far, national and regional responses to the group have focused overwhelmingly on military measures with little success.

Arms

The de-stabilisation of Libya has also been a major component in the region's instability and contributed to terrorist and OC operations. The fall of the Qaddafi regime opened a "Pandora's box" of

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[37]*Guns, Money And Prayers: Aqim's Blueprint For Securing Control Of Northern Mali* (Apr. 2014) https://www.ctc.usma.edu/posts/guns-money-and-prayers-aqims-blueprint-for-securing-control-of-northern-mali; Michael Duffy, *The Sahel, Libya, and the Crime-Terror Nexus* (Oct. 2015), http://www.foreignpolicyjournal.com/2015/10/30/the-sahel-libya-and-the-crime-terror-nexus/

[38]*Somalia: Kenya lists Al-Shabaab as Organised Crime Gang* (Aug. 2013) http://allafrica.com/stories/201308310553.html; US Dept. Of State https://www.state.gov/j/ct/rls/other/des/102446.htm;https://www.forbes.com/forbes/welcome/?toURL=https%3A//www.forbes.com/pictures/eilj45fgkie/8-al-shabab-annual-turnover-70-million/&refURL=https%3A//www.google.ch/&referrer=https%3A//www.google.ch/

[39]*Kidnappings for Ransom: A Source for Terrorism Funding*, CSS Analysis in Security Policy (Oct. 2013) http://www.css.ethz.ch/content/dam/ethz/special-interest/gess/cis/center-for-securities-studies/pdfs/CSS-Analysis-141-EN.pdf

[40]Most famously in 2003, AQIM abducted 32 European tourists, in Southern Algeria. At the time, the government of Mali successfully mediated between the kidnappers and the European governments.

[41]http://www.un.org/en/peacekeeping/missions/minusma/background.shtml

[42]*Chibok girls: Kidnapped schoolgirl found in Nigeria*, BBC News (May 2016) http://www.bbc.com/news/world-africa-36321249; Boko Haram demands '$50m ransom' for release of kidnapped Chibok schoolgirls (April 2016) http://www.telegraph.co.uk/news/2016/04/09/boko-haram-demands-50m-ransom-for-release-of-kidnapped-chibok-sc/.

regional volatility, including spurring a proliferation of weapons in the Sahel-Sahara region. Libyan arms obtained by AQIM and other forces have been smuggled to groups such as Boko Haram and Al-Shabaab, emboldening and enabling them to mount more deadly attacks and further their illicit activities. In the East, Al-Shabaab has taken advantage of porous borders with Kenya and South Sudan to coordinate with local criminal networks to smuggle weapons into neighboring countries, further undermining state institutions, security and stability in the region.

Taxation

In addition to direct engagement and fueled by the erosion and/or absence of State structures in the region, these terrorist groups have also been known to participate in criminal activities indirectly, by charging "taxes", in reality extorting both local populations and criminal groups alike in order to fund their operations.

Al-Shabaab largely funds its operations through a broad-based taxation system of local populations and criminal groups. Straddling the line between taxation and extortion, Al-Shabaab collects information on businesses in areas under its power (where there is a complete absence of government control), and levies a variety of taxes and fees, including special collections for humanitarian and development aid agencies to work in the area, all of which are reinforced by the threat of violence.[43]In lieu of government rule in these areas, the group uses these collections to provide services to the communities in order to gain legitimacy and continue its operations unchecked. [44]

Al-Shabaab's control of Somalia's major port in Kismaayo, has been a cornerstone in carrying out its criminal activities. One of the largest sources of the group's funding stems from the charcoal and sugar trade, where the group charges taxes to traders leaving the coast bound for the Arabian Peninsula, despite significant military set-backs and UN Security Council Resolution 2036 (2012) which put a ban on the Somali charcoal trade.The expanding charcoal trade has enabled relationships to develop between Al-Shabaab and illicit local and international traders, and through extensive taxation, the group is thought to be making USD 38-56 million per year.[45]Additionally, despite harboring ideological differences, the group uses its influence on the coast to tax pirates operating in the Gulf of Aden, cooperating with these criminal counterparts for "business purposes", including the exchange of weapons for training. [46]

Drug Trafficking

In addition to its KFR activities AQIM is largely involved in drug smuggling, and has been known to offer "protection" to drug cartels primarily originating in Latin America for passage across the harsh terrain of the Sahel and onward to Europe.[47] Beyond these taxes, the continued relationship between

[43] Tuesday Reitano, "Case Study: Somalia" in Tuesday Reitano and Marcena Hunter (2016)"Protecting Politis: Deterring the influence of organized crime in state service delivery", Stockholm: International IDEA: http://www.oldsite.idea.int/publications/protecting-politics-organised-crime-public-service-delivery/upload/ch6-case-study-somalia.pdf ; https://www.euractiv.com/section/development-policy/news/al-shabaab-in-somalia-exploited-aid-agencies-during-2011-famine-report/
[44]Reitano and Hunter, op.cit.
[45]UNEP, *The Environmental Crime Crisis*, (United Nations Environment Programme, 2014): 81.
[46]FATF Report, *Organised Maritime Piracy and Related Kidnapping for Ransom*, (July 2011) http://www.fatf-gafi.org/media/fatf/documents/reports/organised%20maritime%20piracy%20and%20related%20kidnapping%20for%20ransom.pdf
[47]José Luengo-Cabrera and Anouk Moser, *Transatlantic drug trafficking – via Africa* (2016) http://www.iss.europa.eu/uploads/media/Alert_3_Narcotics.pdf

AQIM and drug trafficking syndicates has expanded to include other forms of criminal activities, including cigarettes, humans and arms.

In addition to taxation, Al-Shabaab has been known to directly engage in criminal operations. For example, the group has been linked to heroin trafficking, moving products through port towns and onward to Europe, along with cocaine transported as sugar or rice aboard trucks into Kenya.[48] Al-Shabaab has also been known to have strong links to ivory poaching, with reports estimating, that the illicit trade funds up to forty percent of the group's 5,000 strong army.[49]

Although advocating the spread of Islamist ideology on a "universal battlefield" through its criminal activities, AQIM's operations have generally remained confined to the region, suggesting that the group's ideological espousal has become a mere pretext for its engagement in highly lucrative criminal activities. Boko Haram has also generally focused its attention on local grievances rather than regional and international expansion, reinforcing the idea that expansion of their message may not be the ultimate goal. African terrorist organisations can be characterised as opportunistic movements, blending religious ideology with the pragmatic objectives of generating profits. Indeed, while such groups espouse Islamic dogma, these groups have developed a growing penchant for engaging in criminal activities and have moved further away from their ideological aims. Likewise, criminal activities have enabled Al-Shabaab to enhance their monetary capabilities, which in turn provides them greater access to sophisticated weapons and other equipment, allowing them to exert greater influence on local communities and expand the potential pool of new recruits. Combined with ineffective state institutions, space has been created for Al-Shabaab to form a relatively well-functioning administrative structure in these areas.

Case Study: Afghanistan-Pakistan (AFPAK): The Archetypical "Black Hole" Scenario

The Afghanistan-Pakistan (AFPAK) region of South Asia is perhaps the locale most conducive to a nexus between terrorism and organised crime. Afghanistan has been wracked by over three continuous decades of conflict, dating back to the anti-Soviet War that began in 1979. Since then, Afghanistan has epitomised the term "failed state", alternatively 'governed' by warlords, militias and various other violent non-state actors. Neighboring Pakistan is a major player in Afghanistan—according to some sources, its security services, including the Inter-Service Intelligence (ISI), stand accused of providing sanctuary and safe haven to a patchwork of terrorist groups, including the Quetta Shura Taliban, or QST (also referred to as Afghan Taliban), Haqqani network and Lashkar-e-Taiba (LeT), among others.[50] In addition to those groups supported by the Pakistanis, the Tehrik-e-

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[48]Judith Van Der Merwe,*The Crime-Terror Continuum: The Case Of Africa*, (Jan 2014) http://www.aberfoylesecurity.com/?p=778; AntônioSampaio: *Shifts in heroin trafficking highlight organised crime threats in East Africa*https://www.iiss.org/en/iiss%20voices/blogsections/iiss-voices-2015-dda3/july-2632/shifts-in-heroin-trafficking-highlight-challenges-of-organised-crime-in-east-africa-91de

[49] Quote from Andrea Crosta, CEO of Elephant Action League, http://www.independent.co.uk/news/world/africa/illegal-ivory-trade-funds-al-shabaabs-terrorist-attacks-8861315.html

[50]See Ryan Clarke, Crime-Terror Nexus in South Asia: States, Security and Non-State Actors, London: Routledge, 2011;Paul Cruickshank, "The Militant Pipeline: Between the Afghanistan-Pakistan Border Region and the West," New America Foundation National Security Studies Program Policy Paper, second edition, July 2011; Ahmed Rashid, Descent into Chaos: How the War against Islamic Extremism Is Being Lost in Pakistan, Afghanistan, and Central Asia, London: Allen Lane, 2008, p.222; Paul Staniland, "Caught in the Muddle: America's Pakistan Strategy," The Washington Quarterly, Winter 2011, p.137; Thomas H. Johnson and M. Chris Mason, "Understanding the Taliban and Insurgency in Afghanistan," Orbis, Winter 2007, pp.71-89; JayshreeBajoria and Eben Kaplan, "The ISIS and Terrorism: Behind the Accusations," Council on Foreign Relations Backgrounder, May 4, 2011; and Carlotta Gall, "Pakistan's Hand in the Rise of International Jihad," New York Times, February 6, 2016.

Taliban, or TTP (also referred to as Pakistani Taliban), is an active terrorist group waging a violent campaign against the Pakistani state and funding its activities through a reliance on criminal acts.

The AFPAK region offers the co-location of both geography and opportunity space for both criminals and terrorists. Levels of corruption are high, borders are porous, the rule of law is weak or nonexistent in most areas and parallel economies have developed over time, fueled by war and narcotics, respectively. KFR, drug trafficking, extortion and taxation all provide opportunities for criminals and terrorists to finance their organisations, and illicit networks allow each to engage in specific nodes within the supply chain. The Taliban occasionally cooperates with the Haqqani network to achieve short-term objectives. Although the network is part of the insurgency, it also functions like an organised crime group, motivated by profits but also by honor, revenge, and ideology.[51]

Kidnapping for Ransom

The Afghan Taliban's reliance on KFR as a form of revenue generation can be traced back to the mid-2000s, when the group officially altered its code of conduct to allow for the practice. The code of conduct states that with the permission of Taliban leadership, fighters can kidnap individuals and seek money for the release of government, non-government organisation (NGO), and private sector staff working on government projects (this was extended to include truck drivers affiliated with Coalition forces or the Afghan government).[52]Both the QST and TTP operate in Pakistan's Federally Administered Tribal Areas (FATA), although they are markedly different in their organisational structures, objectives, and ideologies. In what might be the most robust example of a wide scale criminal-terrorist enterprise, members of the Afghan Taliban and the Pakistani Taliban (along with representatives of the Haqqani network) met in 2007 to negotiate an agreement on how to divide ransom proceeds paid for the return of hostages.[53]

The Haqqani Network operates along the AFPAK border and has kidnapped numerous Afghans and foreign nationals, including American soldier Bowe Bergdahl. The TTP has extended its activities to major cities, including Karachi, focusing largely on abductions of businessmen and entrepreneurs.

Drug Trafficking

Though figures vary widely, the narcotics trade generates a significant profit each year for the Taliban.[54]According to Antonio Giustozzi, reliable estimates are that the Taliban retains an annual

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[51] Gretchen Peters, *Haqqani Network Financing: The Evolution of an Industry*, Combating Terrorism Center, West Point, NY: Harmony Program, August 2012, p.2.

[52] Mohammad Osman Tariq Elias, "The Resurgence of the Taliban in Kabul, Logar, and Wardak," in Antonio Giustozzi, ed., *Decoding the New Taliban: Insights from the Afghan Field*, New York: Hurst, 2009, p. 52.

[53] Gretchen Peters, *Crime and Insurgency in the Tribal Areas of Afghanistan and Pakistan,* The Combating Terrorism Center at West Point, Harmony Project, October 15, 2010, pp.46-47.

[54] The CIA and the DIA estimate that the Taliban receives $70 million a year from the drug trade.According to the former U.S. director of national intelligence Dennis Blair, the Taliban made $100 million from the drug trade in 2008.The DEA puts the number at around $300 million, while Gretchen Peters asserts that the number is much higher, probably $500 million.For more on the role of narcotics in Afghanistan's economy, see Jonathan Goodhand, "From War Economy to Peace Economy? Reconstruction and State Building in Afghanistan," *Journal of International Affairs,* Fall 2004, Vol.58, No.1; Jonathan Goodhand, "Frontiers and Wars: The Opium Economy in Afghanistan," *Journal of Agrarian Change,* Vol.5, No.2, April 2005, pp.191-216; Jon Lee Anderson, "The Taliban's Opium War," *The New Yorker,* July 9, 2007; Cyrus Hodges and Mark Sedra, "Chapter Three: The Opium Trade," Adelphi Papers, 47:391, 2007, pp.35-42; Vanda Felbab-Brown, "Kicking the Opium Habit?: Afghanistan's Drug Economy and Politics Since the 1980s," *Conflict, Security & Development,* Vol.6, Iss.2, 2006; Peter van Ham and JorritKamminga, "Poppies for Peace: Reforming Afghanistan's Opium Industry," *The Washington Quarterly,* Vol.30, Iss.1, Winter 2006-2007, pp.69-81; Jonathan Goodhand and David Mansfield, "Drugs and (Dis)Order: A Study of the Opium Trade, Political Settlements, and Statemaking in Afghanistan, London School of Economics Crisis States Working Papers Series No.2, Paper No.83, November 2010; Jonathan Goodhand, "Corrupting or Consolidating the Peace? The Drugs Economy and Post-conflict Peacebuilding in Afghanistan," *International*

surplus of between $110 and $130 million, with variation from year to year.[55]The Taliban has knowingly (and skillfully) suppressed the cultivation of poppy in Afghanistan in order to manipulate the international market price. At one point, a Taliban ban on poppy cultivation suppressed the supply by 90 percent, thus increasing the value of the group's stocks by ten times the price.[56] Besides deriving significant financial profits from the drug trade in Afghanistan, the Taliban also gains political capital from its sponsorship of the illicit economy.[57] The Taliban's involvement with the narcotics trade has increased steadily over time. In 2004, the group was sending small teams to attack checkpoints or make diversionary strikes in order to protect opium cultivation. Three years later, by 2007, insurgent commanders were operating mobile laboratories to process heroin.[58] Some reports have also indicated that the Taliban has engaged in heroin-for-arms trades with members of Russian organised crime.[59]

The Taliban now actively promotes the growing of poppy and provides protection to farmers growing the crop.[60] As Coalition forces continue to target the nexus between narcotics and the insurgency, the Taliban portrays itself as a defender of Afghans' livelihoods, while attempting to paint Coalition forces as an occupying force intent on destroying the crop most important to the Afghan economy. The Taliban's sometime partner, the Haqqani Network, is widely thought to be involved in the procurement of precursor chemicals such as acetic anhydride, lime and hydrochloric acid, which is done through legitimate fronts and aided by protection from elements of the ISI, which has reportedly shut down any investigations into the smuggling of acetic anhydride.[61] An analysis of recent events in eastern Afghanistan suggests that high levels of violence, rampant criminality, and indiscriminate brutality could mean that the group has descended into more of a criminal operation than an insurgent group.[62]

Pakistan is both a major transshipment country and lucrative consumer market.[63]Indeed, not only does heroin come from Afghanistan directly into Iran but also via Pakistan and to a lesser extent Turkmenistan, which has become part of the Iran-Turkey-Balkan route rather than the northern route through Central Asia. Slightly over 20 percent (30 tons in 2009) of the heroin smuggled into Iran is believed to come via Pakistan.[64]Some scholars have asserted connections between the TTP and drug trafficking, alleging the group is involved in heroin distribution abroad, including into Europe.[65]

Peacekeeping, Vol.15, No.3, June 2008, pp.405-423; and Barnett R. Rubin, "Road to Ruin: Afghanistan's Booming Opium Industry," Center on International Cooperation, October 7, 2004.

[55]TalatbekMasadykov et al., "Negotiating with the Taliban: Toward a Solution for the Afghan Conflict," London School of Economics, Crisis States Research Centre, Working Paper No.66, January 2010,pp.12-13.

[56]Vanda Felbab-Brown, "Kicking the Opium Habit? Afghanistan's Drug Economy and Politics Since the 1980s," *Conflict, Security, and Development*, Vol. 6, No. 2, Summer 2006, pp. 127–149.

[57] Vanda Felbab-Brown, "Fighting the Nexus of Organised Crime and Violent Conflict While Enhancing Human Security," in Phil Williams and Vanda Felbab-Brown, *Drug Trafficking, Violence, and Instability*, Carlisle Barracks, PA: U.S. Army War College Strategic Studies Institute, April 2012, p. 13.

[58]Gretchen Peters, *Seeds of Terror: How Drugs, Thugs, and Crime are Reshaping the Afghan War*, New York: St. Martin's Press, 2009, pp.116–123.

[59] Phil Williams, "Insurgencies and Organised Crime," in Phil Williams and Vanda Felbab-Brown, *Drug Trafficking, Violence, and Instability*, Carlisle Barracks, PA: U.S. Army War College Strategic Studies Institute, April 2012, p. 45.

[60]Alia Brahimi, "The Taliban's Evolving Ideology," London School of Economics, Global Governance Working Paper 02/10, July 2010, p. 9.

[61]Peters, "Haqqani Network Financing,"p.46.

[62]MujibMashal and Eric Schmitt, "Afghan Security Crisis Sets State for Terrorists' Resurgence," *New York Times,* December 2, 2016.

[63]United Nations Office of Drugs and Crime (UNODC), *The Global Afghan Opium Trade*, 2011, pp.39-44.

[64]*Global Afghan Opium Trade*, p.39.

[65]*Europe's Crime-Terror Nexus: Links Between Terrorist and Organised Crime Groups in the European Union*, European Parliament Directorate-General for Internal Policies, Policy Department C: Citizens' Rights and Constitutional Affairs, Civil Liberties, Justice and Home Affairs, 2012, p.33.

Extortion and Taxation

The QST extorts truck convoys through the imposition of transit taxes.[66] Occasionally working in tandem on this front, the Haqqani Network, "collects regular security payments from local, regional, and international businesses that operate in its zone of influence, effectively selling insurance against itself.[67] The Haqqanis are extremely opportunistic, appearing to collect money from small local shopkeepers up to large international firms."[68] The Haqqani Network is one of the most credible versions of a hybrid organisation, with elements of an insurgent group, terrorist organisation and mafia all in one. It is believed that the Taliban collects approximately $100 million per year from Ushr, which is an Islamic tax, or tithe, levied on local businesses and farms. Kharaj, and Islamic land tax, also provides funding to the insurgency.[69] As Gordon and Conway recognise, Taliban taxation of the poppy harvest is not merely an issue of either counter-narcotics or counterinsurgency, but rather "a threat finance and counterinsurgency issue—it both funds the Taliban and establishes the Taliban as the legitimate source of governance for the people."[70]The Taliban also target Afghanistan's telecommunications firms, receiving payments in exchange for not attacking cell phone towers and kidnapping the firms' employees.[71]

Case Study: MENA/Turkey

The emergence of the Islamic State in the Middle East is the momentum behind the upsurge in international attention towards terrorism. However, this notorious group has emerged from and continues to interplay with the complex dynamics of authoritarianism, insurgency and proxy politics across the region, making it all the more complex to understand and define.

PKK

In Turkey, a group such as the PKK (Kurdistan Workers Party) has been known to toe the line between terrorism and organised crime. Although designated as a terrorist organisation[72], the PKK's operations seem to fall further in line with those of criminal factions. Established in 1978 and spanning the areas of Turkey and northern Syria, Iraq and Iran, the terrorist group has evolved in both its ideologies (seeking an autonomous Kurdish state) and mode of operations, with its expanding influence reaching all over the world.[73] Over the span of three decades, the PKK has funded its operations through various means including state sponsorship, criminal activities and legal business enterprises. The organisation uses an ethno-nationalist political rhetoric to justify its terrorist acts, to gain popular support, and to recruit more expendable people to its criminal operations.

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[66]Peters, *Haqqani Network Financing,"* p. 40.
[67] For more on the Haqqani Network, see Vahid Brown and Don Rassler, *Fountainhead of Jihad: The Haqqani Nexus*, 1973–2012, Oxford: Oxford University Press, 2013.
[68]Peters, *Haqqani Network Financing,"* p. 39.
[69]ShivanMahendrarajah, "Conceptual Failure, the Taliban's Parallel Hierarchies, and America's Strategic Defeat in Afghanistan," *Small Wars & Insurgencies*, Vol. 25, No. 1, 2014, p. 109.
[70]Brian A. Gordon and J. Edward Conway, "Cost Accounting: Auditing the Taliban in Helmand Province, Afghanistan," in David M. Blum and J. Edward Conway, eds., *Counterterrorism and Threat Finance Analysis During Wartime,* Lanham, MD: Lexington Books, 2015, p.82.
[71] Anuj Chopra, "Afghan Taliban Flex Muscles With New Telecom 'Tax,'" *AFP*, January 18, 2016.
[72]European Union, Council Decision (CFSP) 2017/154 of 27 January 2017, available at: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017D0154&from=EN
[73]FAS Report on A Report on the PKK and Terrorism, https://fas.org/irp/world/para/docs/mfa-t-pkk.htm

Due to its clandestine structure, exact figures regarding the PKK's annual turnover is unknown, however the group has been known to partake in illegal economic operations such as drug, cigarettes and human smuggling, and other forms of organised crime, including extortion and money laundering, among its profit generating activities. The strategic geographic location of Turkey, with a vast coastline and positioned between Asia, Europe and Africa, has enhanced the group's abilities to partake in illicit flows.

One of the largest sources of funding for the PKK stems from drug trafficking, particularly in heroin, of which the group is known to capitalise on during all stages of the drug trade, from cultivation to retail distribution, collecting commission or "taxes" along the way.[74]In addition to the drug trade, the group has profited from Turkey's ideal location, marking the area with numerous routes for the group's human smuggling operations, which has been fueled by the Syrian crisis next door. Once drugs and smuggled migrants arrive in Europe from Asia, the PKK recruits immigrants as collaborators in its European Diaspora networks of smugglers to distribute the "products" across the continent and launder the profits, mirroring the activities of traditional criminal syndicates.[75]

In addition to trafficking activities, the PKK exerts its physical and ethnic control in order to intimidate local populations throughout Turkey, Iraq, Iran and Syria to pay money under the pretense of customs, taxes, protection fees, and "voluntary contributions".[76] Openly marked as a hybrid terrorist-criminal network, the PKK is one of the few organisations that has been able to operate throughout the European continent, placing political and financial aims on equal footing.

ISIS

In contrast to the PKK which has existed for decades, the Islamic State of Iraq and Syria (ISIS) is a relatively new terrorist group, but has completely transformed the notion of a terrorist "organisation" and the way in which it funds its operations. Identified as the richest terrorist organisation in the world, ISIS has an estimated annual turnover of around $2 billion.[77]

As with the other groups identified, ISIS has funded its activities through a number of illicit activities in order to expand its operations, particularly in Europe. Investigations into recent attacks on the continent (particularly in Paris and Belgium in 2015 and 2016) have revealed the group's extensive cooperation with European criminal syndicates to obtain either legitimate European passports through the black market, or forged documents in order to evade detection by border officials and carry out its attacks.

Human trafficking and KFR have been other sources of funding for the group. ISIS has raised substantial revenue through ransom payments for kidnapped victims, with FATF members providing estimates that range from 20 million USD to 45 million USD.[78] In response, several UNSCRs, including 2133 (2014) and 2170 (2014), call on all Member States to prevent terrorists from benefitting, directly or indirectly from ransom payments. In addition, UNSC resolution 2161 (2014) confirms that

[74]https://fas.org/irp/world/para/docs/mfa-t-pkk.htm
[75]PKK Criminal Networks and Fronts in Europe (Feb. 2008) http://www.washingtoninstitute.org/policy-analysis/view/pkk-criminal-networks-and-fronts-in-europe
[76] Mitchel P. Roth, *Global Organised Crime: A 21st Century Approach* 2nd ed. (2017).
[77] https://www.forbes.com/pictures/gkll45egf/1isis-annual-turnover/#4dab256c2c9d
[78]FATF Report, Financing of the Terrorist Organisation Islamic State in Iraq and the Levant (ISIL) (Feb 2015)http://www.fatf-gafi.org/media/fatf/documents/reports/Financing-of-the-terrorist-organisation-ISIL.pdf

the prohibition on providing funds to individuals and entities on the Al-Qaida Sanctions List, including ISIS, also applies to the payment of ransoms to individuals, groups, undertakings or entities on the list, regardless of how or by whom the ransom is paid.

The movement of migrants across the Middle East and Africa towards Europe has generated millions of dollars in revenue for ISIS, with funds going not only to ISIS but also Al-Qaeda-linked groups around the Sahara and militias in Libya. Reports suggest that ISIS forces Syrians from their homes in a deliberate attempt to increase their control over smuggling routes, implying a shift in priorities from ideological towards financial aims.[79]

ISIS also generates vast revenues through its exploitation of the oil and gas sector, taking over wells and refiners inside Syria and Iraq and smuggling oil to Turkey, with estimates of earnings reaching up to $3 million a day. Some reports indicate that such earnings have declined after the US and allies attacked ISIS oil facilities.[80]

Aside from oil, a trend of increasing concern is the smuggling of antiquities and cultural artifacts from Syria, Iraq, and Libya. It is estimated that ISIS has earned between $22 million and $55 million a year taxing antiquities smugglers, who traffic looted objects out of Syria and Iraq.[81] This looting has become more systematic and organised. The income generated from such activities is used to support recruitment efforts and to strengthen operational capabilities.[82] For example, reports indicate a lucrative illicit art-for-weapons ring between the Italian mafia and ISIS. The Italian criminal gangs reportedly acquire artifacts from jihadi tomb raiders from Syria, Iraq and Libya in exchange for a wide range of weaponry.[83]

As mentioned earlier, beyond engaging in these “typical” organised criminal activities to fund its operations, what sets ISIS apart from other terrorist organisations is the promotion of widespread recruitment of ISIS inspired terrorists around the world, and particularly in Europe, to carry out “low-cost” attacks abroad. Reports indicate that up to 90% of jihadist plots in Europe involve an element of self-funding, often through committing petty crimes.[84] Thus, while “sophisticated” transnational organised crime remains an enormous source of revenue for ISIS to carry out its worldwide operations, there is a troubling trend of large-scale petty crime used to carry out terrorist attacks, making it possible for any sympathiser or supporter to become involved virtually border-free.

Current Responses

The evolution of the relationship between OC and terrorism, and the widespread discord on its very nature, has translated into muddled responses by policy makers and practitioners seeking to address

[79] “Libya: a growing hub for Criminal Economies and Terrorist Financing in the Trans-Sahara”, Policy Brief (May 2015), Norwegian Center for Global Analysis & Global Initiative Against Transnational Organised Crime, http://globalinitiative.net/wp-content/uploads/2017/02/2015-1.pdf
[80] *Caliphate in Decline: An Estimate of Islamic State’s Financial Fortunes*, The International Centre for the Study of Radicalisation and Political Violence (2017),http://icsr.info/wp-content/uploads/2017/02/ICSR-Report-Caliphate-in-Decline-An-Estimate-of-Islamic-States-Financial-Fortunes.pdf
[81] http://time.com/3857121/isis-smuggling/
[82] UN Security Council, *Security Council resolution 2199 (2015) [Condemns Trade with Al-Qaida Associated Groups, Threatens Further Targeted Sanctions]*, 12 February 2015, S/RES/2199 (2015).
[83] Al Arabiya News, *Italian mob sells weapons to ISIS in Libya* (Oct. 2016), http://english.alarabiya.net/en/News/middle-east/2016/10/17/Italian-mob-sells-weapons-to-ISIS-in-Libya-in-exchange-for-looted-antiquities-.html
[84] Oftedal, Emilie, *The Financing Of Jihadi Terrorist Cells In Europe*, Norwegian Defence Research Establishment (FFI) (Jan 2015) http://www.ffi.no/no/Rapporter/14-02234.pdf

this emerging threat. Thus far, international and regional responses to the OC-terrorism nexus have remained limited in that they tend to either focus on "traditional" terrorist activities (such as the financing of terrorism), at the expense of organised crime (or vice versa), rather than tailoring efforts that acknowledge and address the nexus itself.

Furthermore, while the relationship between organised crime and terrorism is often political in nature, and a product of the local context and political economy, efforts to counter this phenomenon have largely remained tactical and reactive in nature, with responses primarily driven by law enforcement objectives. While such responses are no doubt important, they lack strength in addressing the root causes of the increasingly interlinked roles between criminals and terrorists. In other words, such interventions thus far have failed to address why terrorists and criminals are increasingly becoming one and the same.

The analysis presented in this paper suggests the need to draw a distinction between those interventions that are intended to prevent the alignment of terrorism and organised crime, and those which are targeted at breaking this nexus in existing groups once it is already in place. Making this distinction may serve to clarify where and how to respond in specific cases.

Preventing the formation of the nexus

In Europe, reservoirs of discontent and alienation among populations may make terrorism and/or organised crime seem like attractive and viable options. The continent continues to see a large influx of migrants with expectations of building better lives in their new homes. Many times such expectations are met with disappointment and an inability to integrate into local communities. At the same time, domestic expectations and the rise of right-wing extremism have fueled an environment of intolerance.

A combination of both macro, meso and micro factors, as well as a lack of sufficient State action that addresses these justifications and drivers (through education, economic and other initiatives), may lead dissatisfied and vulnerable individuals to seek inclusion, status and capital through criminal and terrorist means. As discussed earlier, this can be witnessed by the growing trend of non-organised criminals carrying out terrorist attacks (as seen in Paris and Belgium attacks). As criminals, these groups are already outlaws in society, making them easier to be identified, radicalised and recruited as terrorists. Moreover, such individuals already have means to fund terrorist activities by committing crimes.

To address this phenomenon, policy makers and practitioners will be required to move beyond traditional law enforcement methods to adopt a more nuanced, phased and multi-sector approach. This means firstly analysing and responding to the similarities and distinctions between the enabling macro factors in which criminality and terrorism are more likely to result; identifying, monitoring and mitigating the meso dynamics which serve to exacerbate vulnerabilities and create 'prevailing winds,' which increase the likelihood of terrorism and organised crime occurring and converging, and finally by recognising the types of catalytic triggers, or micro conditions, which may prove the tipping point in an individual's decision-making calculus and follow-on actions. This is indicatively laid out in the table below:

Level	Radicalisation / Terrorism	Organised Crime
Macro-level: systemic factors, root causes	Geo-political environment, such as governance, prolonged marginalisation or persecution by the state (including perceived), longstanding ethnic or nationalist discord. Lack of legitimate opportunities for social advancement, chronic or perceived inequality, failures of state service delivery.	Availability of resources locally, or situation along the route of major trafficking flows. Geographic vulnerabilities. Lack of legitimate economic opportunities, or marginalisation from them; extensive informal economies, failures to provide 'social advancement'. Weak, corrupt or failing states, ungoverned territories, political transitions, widespread impunity, low cultural prejudice for criminal acts (specific or general). Demographic profile: youth bulge, widespread diaspora.
Meso-level: Current events, circumstances, prevailing global trends	Outbreaks of violence, conflict, widespread social discontent. Unconstitutional political transitions, rise of conservatism or nationalism (including anti-group rhetoric), human rights violations towards individuals or groups. Burgeoning prison populations. Rise of global or regional groups with similar affiliations.	Economic contractions, or reductions in availability of livelihoods or basic social goods (due to natural causes, e.g. drought, market or political reasons). Emergence of new technologies, new resources, new illicit resource flows (either local or in transit) or prohibitions. High levels of societal violence, including domestic and gender-based violence. Displacement of criminal groups from other regions. Burgeoning prison populations, or widespread gang cultures. Boom in local population of indigent / itinerant, vulnerable or undocumented workers.

Micro-level: Personal or catalytic events that effect individual decision making.	Individual grievances or experiences, relating to family life or society, feelings of isolation. Catalytic events in family or society, such as a death of a family member, such as police brutality within a community, personal life failures (rejection from a partner, community group or a job). Recruitment by a partners, friend, or family member.	An opportunity presents itself which appears to offer a high reward-low risk proposition, particularly around catalytic events which force immediate need (illness of family member). Failure to meet aspirational life goals, or basic needs through legitimate means. Experiences of domestic violence, gang culture, need for social protection. Individual grievances or experiences relating to family life or society, including repeated arrests and failures of proper rehabilitation: "I'm no good". Recruitment by a partners, friend, or family members and other kinship networks embedded in local communities.

What the above analysis highlights is a set of vulnerabilities and motivations that incline towards criminal and terrorist groups and acts, which have a degree of similarity but also important differences. Policymakers or state officials acting within a remit where one or numerous of these factors are present could use the above condition as a guide, and monitor potentially vulnerable populations and individuals for the types of catalytic micro level acts that would 'tip the balance' between criminality and/or radicalisation. Addressing these vulnerabilities would allow for a preventive approach to recruitment of individuals to either crime or terror groups, and to specifically prevent the convergence of the two groups.

Efforts underway by the international community to address root causes of violent extremism and radicalisation come closer to addressing the socio-political underpinnings of the organised crime and terrorism nexus. For example, *inter alia*, the UN developed a Comprehensive Plan of Action to Prevent Violent Extremism in 2015[85], calling for a comprehensive approach that encompasses not only essential security-based measures but also systematic preventive steps to address the underlying conditions that drive individuals to become radicalised. In the same year, the Club de Madrid (CdM), along with International Centre for the Study of Radicalisation (ICSR), hosted a Policy Dialogue to confront and prevent radicalisation and violent extremism. The Policy Dialogue developed a framework document called "#GlobalConsensus", presenting key principles and recommendations in the pursuit of a global consensus on preventing and countering violent extremism, domestically and internationally. The document covers a number of issues including good governance, inclusion, education, the resolution of unresolved conflicts and community mobilisation.

While such initiatives can be said to be broadly applicable to the organised crime context, very little analysis or evaluation has been applied to establish whether or not these types of programmes are in fact effective on the nexus. Those focused on the study of organised crime and the means by which criminals develop suggest that there are number of recruitment schemes, including the graduation

[85]Available at https://www.un.org/counterterrorism/ctitf/en/plan-action-prevent-violent-extremism.

from petty crime into commodities and acts of higher value and criminality.

Breaking the Organised Crime and Terror Nexus

Beyond the issue of recruitment, addressed above, by far the majority of responses targeted at the organised crime and terrorism nexus are focused at breaking that relationship once it is in place, and there is sufficient evidence or suspicion that terrorist groups are benefitting from criminal financing or infrastructure.

The literature and responses around countering the financing of terrorism (CFT), which is often coupled strategically with those to prevent money laundering (AML and AML/CFT), is advanced and well documented with extensive guidance for financial institutions, law enforcement bodies, global and national regulators and states to follow and oversee. These are, however, far more comprehensive and effective for those CFT contexts where money is moved through the financial system. As a growing number of FATF reports have acknowledged[86], an increasing amount of money is moving through the informal 'hawala' financial system, or through non-traditional means such as through crypto-currencies, money value transfer, trade mispricing, or even social media channels and networks.

There has been little or no programmatic interventions of which we are aware that address the ability of local groups to extort or tax local populations, businesses and revenue flows, which have been identified in the case studies as being a major means by which contemporary terrorist groups raise funds. While there has been some limited work on breaking cycles of criminal extortion and mafia-style behaviour, this is becoming an acute challenge in a number of parts of the world, to which the level of responses have largely failed to keep pace. It is arguably the case that approaches to break criminal extortion may also be applicable in cases where terrorist groups also levy protection taxes to resource their causes.

As previously observed, terrorist groups also benefit and utilise the logistical capabilities and services offered by criminal groups, for example accessing travel and transport logistics and fraudulent documentation. Beyond anecdotal evidence offered, there has been no systematic study that we are aware of that have examined specifically what would cause or prevent a criminal group offering their services to a terrorist organisation. Furthermore, it is debatable whether this form of technical service provision represents the strategic alliance of criminal and terrorist organisations that the 'nexus' concept is meant to convey.

Overall, and as previously noted, what the responses have largely overlooked is the social and economic capital and legitimacy that crime/terrorist groups have managed to garner with their local communities, and for which technical responses are poorly fit for purpose. At the point in which crime/terrorist groups are presenting an alternative governance model, the strategic response would need to be tailored at breaking down their influence and rebuilding that of a legitimate state into the vacuum. Lessons learned in the FARC peace process in Colombia would be instructive in this regard.

[86] Including FATF Reports, "The Role of Hawala and Other Service Providers in Money Laundering and Terrorist Financing" (Oct 2013), available at http://www.fatf-gafi.org/media/fatf/documents/reports/Role-of-hawala-and-similar-in-ml-tf.pdf; "Financing of the Terrorist Organisation Islamic State in Iraq and the Levant" (Feb 2015), http://www.fatf-gafi.org/media/fatf/documents/reports/Financing-of-the-terrorist-organisation-ISIL.pdf; "Terrorist Financing in West and Central Africa" (Oct 2016), http://www.fatf-gafi.org/media/fatf/documents/reports/Terrorist-Financing-West-Central-Africa.pdf.

By contrast, the following section provides a number of recommendations for the development of interventions that are specifically tailored to tackle the OC-Terrorism phenomenon.

Conclusion and Recommendations

Given the technical nature of interpretation and understanding of the OC-terrorism nexus thus far, programmatic responses have thus largely focused on addressing issues related to the financing of terrorism, strengthening the protocols through which illicit money can be earned, transferred and procured.

The desire to have a theoretically concise and digestible framework for the OC-terrorism nexus has obscured the very important local differences between each context. Often these groups are highly localised, parochially-inclined and embedded in their domestic, or even sub-national political economy, without an international agenda or strategic linkages. Moreover, the motives of individuals joining the ranks of terrorist organizations and/or engaging in criminal conduct may vary on a number of levels. Thus, while they are important for development actors concerned with promoting good governance, sustainable development and human security, they are arguably not an international security priority.

As such, in the development of adequate responses to be effective within a particular context, practitioners and policy makers should consider and assess an OC-terrorism threat from the macro, meso and micro levels, in order to determine both the best suited responders (for example, from the intelligence, law enforcement communities, or both), and targeted interventions. The table below aims to provide a basic example of issues that may be identified as contributors at various levels to the OC-terrorism nexus, and offers a general framework of responses that remains malleable enough to be adapted to various contexts.

Responses of this nature play to the strengths of the EU as leading player in development policy and response. In particular, the value of the Instrument contributing to Stability and peace (IcSP) as an instrument with greater financial versatility, that targets pilot and cross-sectoral programmes that bridge the gap between security and development are particularly well suited to activities of this kind.

Level	Responders & Responses (examples)
Macro	With a long-term view, state actors and policy makers may work to address large scale contributors to the OC-terrorism nexus by implementing interventions aimed at issues such as improving Rule of Law, enhancing transparency, boosting economic opportunities. Failures to achieve state service delivery in an equitable manner, and the inability to offer 'social advancement' were identified as being key in the enabling framework of both criminal and terrorist recruitment.

Meso	At this level, raising awareness of key policy makers of the kinds of prevailing factors which intensify the risk of radicalisation and criminalisation would be useful, so that enhanced outreach and measures to ameliorate the vulnerabilities can be employed. Intelligence–led responses may serve to reduce the impact of 'prevailing winds' from global trends, counteract particular messaging that may garner support and action, and reduce both local and external appeal to crime and/or terrorism that move beyond the realm of petty crime
Micro	While there is obviously a limitation to the extent to which the state can control for the personal life incidents which trigger individual decision making, at the same time monitoring carefully vulnerable communities and those individuals already on watch lists for these triggers may allow early and supportive action. Community led (along with law enforcement cooperation) responses that allow individuals the opportunity to voice and address their grievances may be effective reducing the vulnerability of local populations more broadly.

By looking at the OC-terrorism nexus through three lenses, effective responses may be tailored to address threats in specific contexts. In this regard, it is suggested that EU programming would be well directed at considering the following:

1. Building the evidence base.

All levels: In developing responses to terrorism and organised crime, whether at the local, national, regional or international level, it is essential to assess local conditions in order to produce effective tailor-made strategies that are research and evidence-based. Relevant EU entities must strengthen their research and analytical work on the nexus between organised crime and terrorism in both specific EU member states as well as peripheral regions in which the EU may be directly or indirectly affected by (including the MENA, Africa and Central Asia regions).

The duty to build an evidence base for the development of responses does not fall squarely on the shoulders of the EU, but on local stakeholders as well. Indeed, local actors, by way of their proximity, are often in a more suitable position to carry out research of local conditions, and thus it is important that relevant EU entities provide capacity building initiatives for local actors to undertake research relating to terrorism and organised crime in their respective communities. Beyond focusing on the financing of terrorism, research undertaken should consider placing attention on specific areas such as the roles of women and youth as both proponents and victims of terrorism and OC, as well as the operation of illicit economies and local businesses.

Areas highlighted for particularly for policy-orientated research would be:

- The role of non-traditional and informal financial systems.
- Reducing the vulnerability of local communities and businesses to extortion.
- Strategic use of violence by organised crime and terrorist groups.
- Enhancing understanding of the meso factors and trends that apply to both organised crime

and terror.

- Engaging with and role of the diaspora as a communication channel, financier, source of resilience.

2. Local engagement.

Meso level: While much attention has been placed on the link between terrorism and organised crime through a financial lens, it is important to consider other areas in which these two phenomena converge. The goal of interventions in this area should be to reduce the pool of people who fall in the category of being vulnerable to criminal or terrorist recruitment.

Marginalised, persecuted or vulnerable groups, may find joining terrorist or OC groups an attractive option where they see insufficient return from the legitimate economy, or where feelings of isolation or lack of potential for social advancement are an issue. Perceived corruption, impunity or political, social and economic inequality further exacerbate these tendencies. Moreover, communities in which terrorist and OC organisations seek legitimacy by creating social services and programs, may be more sympathetic to such groups and provide a potential recruitment pool.

Strategies (at both the EU and national levels) should focus on local engagement in order to build social resilience through a multi-sectoral approach, with actors from all areas of society (including law enforcement, private sector, religious institutions, education, civil society, etc.), in order to dispel any narratives that attempt to make terrorism and organised crime a viable option. Such actors are often closest to vulnerable communities and therefore may be in the best position to serve as credible voices of resilience.

Micro level: While each individual's narrative is uniquely personal, nonetheless, understanding that certain acts serve as triggers the goal of interventions here would be to reduce the likelihood that people turn to crime or are vulnerable to radicalisation. Increasing safety nets, building resilience, providing enhanced levels of psycho-social support to people following catalytic events (deaths, income shocks, violent events) may prove beneficial.

3. Good governance.

Macro level: Principles of good governance, anti-corruption, countering impunity and social marginalisation and exclusion seem critical to breaking down the strategic objectives and capacities for leverage of both criminal and terrorist groups, regardless of their manifestation. EU programmes in this domain would benefit from a greater awareness and tailored programming to addressing reliance on illicit flows, advocating for inclusive governance, and opening space for peaceful protest and citizen activism. Addressing impunity (or the perception thereof) in government and state institutions are critical to creating a culture in which lawfulness and respect for the social compact are enhanced.

Meso level: It was identified that periods of political instability, including unconstitutional changes in government, controversial electoral processes, are times in which the risk of violent (possibly insurgent/terrorist) protest can scale up, and where both political parties and violent opposition groups are looking for financial resources and political capital, and thus the nexus risk is high.

Recognising these periods of vulnerability and identifying responses that would protect political integrity and the transition period would be key to prevent governance gains being distorted. Efforts to create 'free and fair' elections now need to also go beyond just violence, but also gain cognisance of the risks of illicit finance which increase the nexus between political and criminal endeavours.

Micro level: Focusing on the service and client orientation of the front-facing branches of the state is critical to preventing the catalytic trigger events, particularly in those institutions of security and justice.

4. Enhancing service delivery.

Macro level: As mentioned, a number criminal and terrorist groups (such as Al-Shabaab), may serve as alternative governance structures and deliver services to communities where states are absent or unwilling. This has built their legitimacy with local populations, making it harder for policy makers and practitioners to address and control. Just as important as building the capacities of local communities to resist the lure of terrorism and organised crime, it is essential to also enhance state capacities to deliver services to marginalised and vulnerable communities over the long term. Studies have shown that sustained efforts are pivotal, as short-term 'quick-win' development gains do not develop sustainable credibility and legitimacy.[87] Furthermore, it has been suggested that to counter the allure of criminal or terrorist groups, development strategies need to be tailored less to absolute increases in services, but more to the provision of opportunities for economic and social advancement.

5. Capacity building.

Meso level: Currently the focus of nexus programming is exclusively placed on capacity building of security sector institutions, carrying the underlying assumptions that technical capacity in law enforcement, border control and in the justice system will equally well serve to counter both criminal and terrorist groups. There is little cooperation between counterpart agencies in addressing a more multi-faceted understanding of the OC-terrorism phenomenon. As such, the EU could lead capacity-building activities for both state and non-state actors in order to garner trust, enhance cooperation, and improve information sharing and the exchange of best practices.

For state actors, the issue of when to share information for law enforcement purposes between intelligence agencies and police is particularly key. In addition, agencies with aims to improve border control (such as FRONTEX and national agencies), should be trained to coordinate between EU member states and their anti-crime and anti-terrorism agencies for their investigative and analytic capabilities, but also with development actors for engagement with livelihood alternatives and programming around identity and inclusiveness.

In addition, with regards to the influx of migrants into Europe from peripheral regions, EU funded initiatives externally could be directed towards coordinating with DG Home on communication and integration strategies with diaspora groups.

6. Normative frameworks.

Macro level: The EU should lead Member States in establishing a unified approach towards external states regarding the OC-terrorism nexus. The European Council and Commission may implement

[87] Tuesday Reitano and Marcena Hunter (2016) "Protecting Politics: Organised Crime and Service Delivery", Stockholm: International IDEA.

necessary strategies to reinforce the legitimacy and effectiveness of the EU in dealing with the OC-terrorism nexus. Additionally, it is imperative that EU member states incorporate related international instruments into national legislation, while taking into consideration that such laws may be limited in that they fail to address and/or focus on informal economic activity.

7. Monitoring Push/Pull Factors and the "balloon effect".

Meso level: Having understood that illicit flows and criminal and terrorist ideologies and 'brands' are transnational threats which displace, interact, merge and fragment, the capacity to monitor and understand the movement of these flows is critical. However, to further recognise that global flows of goods and ideologies engage with local control groups, which requires acute political economies to be a continual feature of response work.

Social networks have facilitated the connection of groups and ideologies, both in the criminal world and in global terrorist movements. Society, identity, and connectivity are increasingly being defined in the social media space, rather than the physical borders of geographic states. This has created an open forum for the connection of individuals and exchange of ideas, goods and services through which criminal organisation can ideologically thrive. It has become one of the primary means by which groups identify the like-minded, engage with them and garner their support. The potency of social media comes in its unique ability to broadcast *en masse*, whilst at the same time delivering messages that seem intimate, to which an individual can respond. A myriad of deviant groups are using social media to shape opinion and elicit respect, fear, and terror. They are exploiting the functionalities of social media along all parts of their enterprise chain, from identification of allies and victims, to executing operational capacities such as logistics and fundraising. In doing so, social media is blurring definitional categorisation between criminal groups, terrorists, political activists, and insurgents; perhaps more importantly, it is increasingly conferring legitimacy on their acts by drawing average citizens into this spectrum. This is a critical vector which has to be better understood, and which multi-lateral actors, individual states and the private sector will have to collaborate to counter-act.