

# When terrorism and organized crime meet

Terrorism and organized crime are increasingly blurred, such that differentiating between the two can be counterproductive. Instead, efforts must be made to stabilize insecure regions.

By Mark Shaw and Prem Mahadevan

The debate on the evolution of terrorism and organized crime since the attacks on the World Trade Centre, in September 2001, has occurred in parallel universes. Ironically, as the “war on terrorism” began in earnest, negotiations around the signature global Convention on Organized Crime were concluded. The UN Convention against Transnational Organised Crime entered into force in 2003 after attaining the required number of ratifications.

An observer of these debates – one on terrorism and the growth of Islamic militancy, and the other on organized crime and the sudden surge of illicit trade in the new millennium – would have noted that they seldom connected. What was clear was that the debate on organized crime and illicit trade more generally was subservient to the debate on terrorism for both developed and many developing countries. For developed countries, the priority was to mitigate the terror threat. For many developing countries, in contrast, organized crime was seen as something distant, and only a threat to the developed world.

## Terrorism triumphant

The view of the developing world on organized crime at the time is instructive. The UN Convention had been negotiated in the late 1990s drawing largely on the experience of the Italian (and subsequently the US) experience of fighting mafia-like criminal structures. The Convention bore the imprint of Italy as a result, being symbolically signed in Paler-

mo in the wake of the assassination of two prominent anti-mafia magistrates – itself an act of terror.

Bringing together the two debates was not possible at the time. The West viewed it as the watering down of the focus on terrorism and many in the criminal justice community regarded attempts to make the link between terrorism and organized crime as the thin edge of the wedge in militarizing the organized crime response. Defining both phenomena inevitably ran into a maze of argument and counter-argument.

In the West, if the crime-terror nexus was recognized and aggressively combated it was at the domestic level, even if with limited resources. In contrast, at the international level the debate focused on the immediacies of

## Key Points

- Since 2001, policy debates on countering terrorism and organized crime have prioritized the former and neglected the latter
- A growing overlap between terrorism and organized crime now requires greater attention to stopping illicit flows
- Insecure spaces in the developing world allow for a crime-terror convergence that rapidly erodes state capacity
- Policy discussions should be redirected towards stabilizing these insecure spaces

the terrorism threat. And the linkage discussion was generally downplayed. This would not be a problem, were it not for the fact that much of today's terrorism cannot be insulated from overseas developments – and implicit in this is the link to wider issues of instability and their association with organized crime.

Fighting terrorism and organized crime did not always adhere to the same overall objectives. Terrorism was, at least in the policy space, triumphant. A 2017 report in *Politico* explored how the Obama administration ignored Hizballah's smuggling activities in order to focus on counterterrorism.<sup>1</sup> The article described a cultural clash between law enforcement agencies, such as the Federal Bureau of Investigation and the Drug Enforcement Agency, on one hand, and the Central Intelligence Agency and National Security Agency, on the other. The law enforcement community wanted to arrest and prosecute senior Hizballah activists involved in organized crime, while the intelligence community wanted to penetrate the group's command structure, which required leaving it largely undisturbed. In bureaucratic turf wars, the preventive mission of intelligence agencies usually prevailed over the investigatory mission of law enforcement agencies, so Hizballah operatives uninvolved in attack planning were not aggressively pursued, even as they strengthened the group's resource base.

Hizballah is not an isolated case: journalistic accounts of the Soviet-Afghan War and the rise of the Taliban explain how US counter-narcotics efforts in South Asia were accorded a lower priority than counterterrorism. As long as heroin traffickers made themselves useful to whatever happened to be the intelligence effort of the day, they were allowed to continue their activities. Such actors could simultaneously help with dismantling Al Qaeda, while opening new revenue streams for the Taliban, who in turn sheltered Al Qaeda.

Yet, important developments in the last decade in the terror and organized crime debates suggest that it might be time to revisit the subject and to update policy responses. Instead of talking about "links" between crime and terror, it may be more useful to ask whether they are not increasingly overlapping versions of the same phenomenon. This discussion is not new, and it is highly politicized. Nevertheless, some important contours of the debate have shifted.

### Security economics

Critics contend that counterterrorism often focuses on tactical objectives and not longer-term visions. They have a point. Radical Islamism remains a potent threat to the West and retains subversive appeal in some Arab states. In



Soldiers stand guard as they destroy poppies during a military operation in Coyuca de Catalan, Mexico April 18, 2017. Henry Romero / Reuters

part, this longevity has come about because Western governments have few policy options for addressing socioeconomic disappointments that arose in the developing world during the 1990s and 2000s.

As the rudiments of welfare states were dismantled under pressure from the World Bank and International Monetary Fund, new classes of winners and losers were created. The former set themselves up as oligarchs and kleptocrats. The latter became mobsters or militants. The oligarch-kleptocrat combine developed a high degree of institutional cohesion and went on to rule in places like Russia. Western capitals congratulated themselves for providing "shock therapy" to laggard economies – even as hundreds of millions of people suffered a drop in living standards.

The mobster-militant combine was comparatively less cohesive due to divergent motives: profit-seeking versus power-seeking. Despite the differences in their objectives, criminals and terrorists were bracketed as "transnational" security threats free-riding on globalization. According to the post-Cold War narrative on international security, such threats could infect "healthy" Western societies and needed to be stopped at the border. But while they were often referred to as "a cancer", different specialists were seen to be necessary to treat the afflictions.

In the 1990s, intelligence agencies cited growing traffic in illicit drugs, weapons and people, as well as sporadic terrorist attacks, to build a case for heightened border and domestic surveillance. The political shock of 9/11 reinforced this trend towards securitization at home, but generated an opposite effect abroad. From 2001 onwards, while hunting down Islamist militants in overseas territories, Washington attempted to divide and conquer. It allowed corrupt elites to strengthen themselves, often at the expense of liberal values. Simultaneously, racketeers in conflict zones like Afghanistan were sub-contracted to

identify and deliver Al Qaeda operatives into US custody. The result was that criminal impunity squeezed middle classes in the developing world from above and below, feeding resentment, which had allowed militant organizations to gain respectability in the first place as advocates of an allegedly just social order.

### Territory and legitimacy

One important result of these developments is the emergence of “insecure spaces”. These are not ungoverned, because there are often powerful groups calling the shots. It is in these relationships where the distinctions between terror and mafia-style organized crime are beginning to break down.

Although their objectives may differ, governance is one area where the interests of mobsters and militants converge. Both seek to carve out a territory that lies beyond the reach of law enforcement agencies and within which they can safely recruit, raise funds and recuperate.

In Western Europe, such territories are usually found in migrant ghettos. In other parts of the world, they are found in infrequently policed borderlands. To ensure that local inhabitants stoically endure the privations to which police raids subject them, both mobsters and militants provide basic services. This is remarkably common in gang-afflicted areas in Central America, but also in major urban complexes in the developing world. Gang bosses, often in symbiotic relations with the police, hold enormous social power and legitimacy. In cases where ideological responses to criminal power occur – such as the Islamic-aligned, anti-gang movement Pagad in Cape Town – such vigilante-style mobilizations evolve into enforcement arms of the criminal and grey economy, providing key services to facilitate operations.

Contract enforcement and dispute arbitration are two such services. The Taliban’s biggest asset in winning over Afghan villagers has been its court system. This dispenses rough and ready justice, in contrast to the Afghan government’s corrupt judiciary. Likewise, the Sinaloa cartel in Mexico has built a modicum of popular support by engaging in welfare activities.

### Criminal terror

“Governing” insecure space is often about linking social knowledge with violence. Here the activities of terror, militia-style and criminal groups reach a convergence: the development of protection economies wherein trade and business are taxed. Since insecure spaces are often points of production or pass-through, it is the illicit economy that generates the

most “taxable” income. Money has an eroding influence: it often shifts ideological objectives to align with resource accumulation and it empowers revenue-generating actors over those with more ideologically grounded positions.

At the same time, criminal groups have learned from those engaged in terror. The use of “symbolic” killing is a key feature of the criminal underworld. When Mexican criminal groups hang corpses or severed heads outside of towns and villages their message is: we are in control. The recent killing in Mexico of over one hundred mayoral candidates or office holders is a case in point. The global media response was remarkably subdued: had a self-described terror group conducted the killings, the outrage would have been on a far different scale.

### Revolutionary mafias

Criminal groups provide organized muscle. How it is used depends on the context, but crime groups and their leadership are adept at compromises and understand that they can only survive in symbiotic relations with others. Islamic ideologues and terrorists may often play the long game, but the same applies to the sophisticated crime boss. Profits are the objective, but so is long term survival. Crime bosses may outlive terrorist ones, or terrorist leaders may just become another crime boss.

Individual actors operating in the milieu of terrorism and crime may cross the boundaries between them, bringing with them experience and acquired skills. ISIS founder Abu Musab Al Zarqawi reportedly trained Pakistani militants in assassination methods during the 1990s.

### Further Reading

#### **Examining the Nexus between Organised Crime and Terrorism and its implications for EU Programming** *Tuesday Reitano, Colin Clarke and Laura Adal, CT Morse, April 13, 2017*

A policy paper that assesses the implications of the crime-terror convergence for European security at three levels: macro, meso and micro.

#### **Atlantic Currents and their Illicit Undertow: Fragile States and Transnational Security Implications** *Tuesday Reitano and Mark Shaw, German Marshall Fund, October 2015*

A study of the impact of drug trafficking and migrant smuggling across the Sahara, and the concomitant strengthening of criminal militias.

#### **Exploring the crime-terror nexus in the United States: a social network analysis of a Hezbollah network involved in trade diversion** *Roberta Belli, Joshua D. Freilich, Steven M. Chermak & Katharine A. Boyd (2015), Dynamics of Asymmetric Conflict, 8:3, 2015*

A case study of a Hezbollah network in the United States and its functional characteristics, to assess the prevalence of criminal and political motives.

The Jordanian-born Zarqawi had been a thug before turning to religion. One biography describes him as having “a hero complex and a guilt complex”.<sup>2</sup> Combined, they pushed him towards extremes of daredevilry and brutality, as he sought to atone for past sins by wholeheartedly killing “unbelievers”. His tactical advice to Sunni supremacists in Pakistan contributed to their operational sophistication.

A similar pattern appears with European jihadists who fought in Syria or planned attacks at home. Many have served prison terms. While already alienated from the political mainstream, as members of a social underclass, they became radicalized under the influence of ideologues in prison or in fringe mosques. These ideologues may have had oratory skills and knowledge of religious scripture, but usually lacked brawn and street smarts. Strongmen with violent pasts thus served as a link between grandiose theories of insurrection and caliphate-building, and the reality of confronting state power.

Meanwhile, institutionalized corruption and nepotism lead to resource-hoarding by powerbrokers, ensuring that violent ideologies find a receptive audience. Justice systems tend to become selective. Those who can afford high-priced lawyers may avoid indictment, while those who lack deep pockets may have no choice except to accumulate firepower. Since the latter pose an imminent threat of direct physical violence, the focus of law enforcement action is on countering poorer classes of lawbreaker. Thus, the state ends up supporting the winners of globalization against the losers, largely because the criminal activities of the winners are better hidden.

### The rise of the violent entrepreneur

Does this mean that terror and organized crime are the same thing? The question has crucial policy implications. Blocking a terrorist group’s revenue streams and its skills-transfer processes can cripple operational capabilities. But this requires taking a longer view of counterterrorism, and recognizing some activities as criminal accumulation. That means synergizing law enforcement and intelligence efforts domestically and overseas, and eliminating the seams through which foreign criminals find room to operate. It also requires that governments become as tough with high-born criminals as with those from underprivileged backgrounds.

There is growing evidence that terrorists and mafia-style organizations increasingly look the same, or at least evolve in the same direction. That is partly because of a growing crisis of governance in a series of insecure spaces around the world, as government reach and legitimacy contracts. It has emerged gradually, and has sometimes been lost amid crisis-obsessed media coverage. But there are parallels between all of these phenomena – not least the rise of the illicit, or grey, economy as a source of competition and control.

“Violent entrepreneur” is a useful label for the spectrum of actors that operate along the continuum of crime and terror. These individuals leverage the tools of illicit violence, economy and political ideology to achieve social, financial or political ends. Closing the space for violent entrepreneurs to operate requires a combination of diplomatic, development, economic and law enforcement tools.

If the boundaries between terrorism and organized crime always overlapped, they now are increasingly indistinguishable. This may require a return to post-Cold War thinking about how we can stabilize “insecure” spaces, but this time in the context of geopolitical competition that has hamstrung international organizations. Unless this is achieved, however, the threats from the margins – an increasingly complex intertwining of illicit economy, ideology and criminal governance – will proliferate, and while they may seem far away from the developed world, their reach will become ever closer.

### Selected sources

1. Josh Meyer, “The secret backstory of how Obama let Hezbollah off the hook”, *Politico*, accessed <https://www.politico.com/interactives/2017/obama-hezbollah-drug-trafficking-investigation>, 23 September 2018.
2. Joby Warrick, *Black Flags: The Rise of ISIS* (London: Bantam Press, 2015), p. 60.

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