



**THE GLOBAL INITIATIVE
AGAINST TRANSNATIONAL
ORGANIZED CRIME**

SWP

Ignoring or Interfering?

Development Approaches to Transnational Organized Crime

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About the Stiftung Wissenschaft und Politik (SWP)

For more than 50 years, the [Stiftung Wissenschaft und Politik](http://www.swp-berlin.org/en/start-en.html) (German Institute for International and Security Affairs: <http://www.swp-berlin.org/en/start-en.html>) has provided analysis on foreign policy issues not only to the Bundestag and the German Federal Government, but also to economic actors and the general public. While the SWP initially dealt primarily with issues of disarmament, today there is a broad spectrum of analysis ranging from classic security policy issues to aspects of climate protection and the political challenges associated with resource scarcity.

What makes the SWP stand out in relation to other bodies providing policy advice is that it relies on the informed analytical expertise of its own researchers. The SWP not only acts as a service provider through its procurement of up-to-date information and its needs-based advising, but also provides a venue for the execution of thorough analytical work. The Institute attaches particular importance to maintaining independence in selecting its focus areas. The SWP serves above all as a neutral forum for exchange and communication.

About the Global Initiative against Transnational Organized Crime

The Global Initiative (www.globalinitiative.net) is a network of prominent law enforcement, governance and development practitioners dedicated to seeking new and innovative strategies and responses to organized crime.

The Global Initiative is an international civil society organization registered in Switzerland and headquartered in Geneva. Through a range of channels, the Global Initiative seeks to project the expertise of its Network members outwards and to make itself available to a broader range of stakeholders. The Global Initiative commissions and shares original research and cultivates the tools necessary to further the development of effective organized crime responses.



Introduction

Organized crime is increasingly seen as having implications broader than the traditional frameworks of security and justice, but also severely impacting on the capacity to achieve basic social and economic development objectives for the vast majority of vulnerable and marginalized people in the world. While organized crime is by no means a new phenomenon, the spread, impact and forms of organized crime in the modern world are unprecedented.

The effects of organized crime are being felt in fragile, developing, middle-income and developed nations alike, denigrating communities and societal structures, the environment and the economy. Organized crime undermines family, community and religious social structures. It affects men, women and children in different ways, but universally it denigrates individuals' perception of their life chances. In all of these sectors and in all regions of the globe, development actors consistently see past gains and opportunities for future progress undermined and reversed by organised crime, with particularly deleterious effects often occurring in the realm of governance. Organized crime diverts government resources away from investment in social services, through a combination of corruption, reduction of government revenue and a prioritization towards security. As a consequence, organized crime undercuts the ability of society to build viable state institutions, deliver adequate services and develop educational systems, thereby creating a long-term erosion of development potential.

In light of this, the process of developing the post-2015 Sustainable Development Goal (SDG) framework represents a singular opportunity to make explicit the link between organised crime and development and provide a mandate for development actors to address organized crime and mitigate its impact. Combatting organized crime has explicitly been proposed as a target within the initial draft of the SDGs proposed at the end of a year of deliberations by the Open Working Group. Under an overall goal to "Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels", target 16.4 calls on countries to "*by 2030 significantly reduce illicit financial and arms flows, strengthen recovery and return of stolen assets, and combat all forms of organized crime.*"¹ Furthermore, several bilateral donors have undertaken or supported assessments of how development (cooperation) is affected by organized crime and started to debate possible responses.

The objective of this meeting, which was a collaboration between the Stiftung Wissenschaft und Politik (SWP) and the Global Initiative against Transnational Organized Crime (Global Initiative), was to further interrogate the practical implications of responding to organized crime as a development challenge, and to identify lessons learned and best practices that may be used as guidance towards the design of further integrated approaches. This conference also continued a series of discussions convened by the Global Initiative to support the international development community in finding common approaches and tools to address organized crime. The "Development Dialogue" process began January 2014, initially amongst a few key donor governments, but has since expanded to include a more diverse group of states' representatives, a number of policy and research institutes as well as independent experts. It further seeks to enhance coordination and strategic approaches

¹ Open Working Group proposal for Sustainable Development Goals, July 2014, <http://sustainabledevelopment.un.org/focussdgs.html>



between the development and security communities, and is thus steadily drawing in key representatives from law enforcement and the security sector.² For the SWP, the conference has been a core part, and the concluding event, of a two-year research project on organized crime in fragile states funded by the Federal Ministry for Economic Cooperation and Development. This project has examined the relationship of fragile statehood, violence and organized crime in West African coastal states and the implications of this interrelation for development (cooperation).

The meeting brought together participants from governments, civil society, and intergovernmental organisations from all over Europe. In his opening speech the Parliamentary State Secretary to the German Minister for Economic Cooperation and Development Thomas Silberhorn stressed the need for a development approach to organized crime, “because organized crime runs counter to the interests of development policy. It undermines the goal of human security. It weakens societies' capacity to achieve socially and economically sustainable development.” Referring to the experience of a number of projects of German development cooperation which already address causes or effects of organized crime, he pointed out the importance of putting the issue on the global development agenda and build new partnerships across the globe and across institutions.

The subsequent panel presented the results of recent analyses as a structure around which the discussion could be framed:

1. The findings of the SWP study, “[From War to Illicit Economies](#)”, which drew from field work in Sierra Leone and Liberia, as well those as of a forthcoming paper providing four analytical lenses for understanding the relationship between organised crime and statehood;
2. A study by Saferworld, “[Identifying Approaches and Measuring Impacts of Programmes Focused on Transnational Organised Crime](#),” examining the theories of change behind programmatic interventions to counter organized crime; and,
3. A German funded Global Initiative tool, “Results-based approaches to Organized Crime and Development,”³ proposing results-based frameworks and indicators for countering organised crime and mitigating its impact in five key development sectors.

The presentations offered a number of analytical frameworks for understanding organized crime and its impact, as well as a series of practical case studies addressing pressing priority challenges presented by organized crime in a development context. The case studies were chosen to illustrate three areas in which existing programmes have begun to move beyond established security and/or law enforcement approaches to organised crime, and to show a variety of ways in which they do so. Under the Chatham House rule, participants analysed the challenges of these programmes, and highlighted innovations, gaps and lessons learned from the case studies and their experience.

² For reference, the reports of the previous meetings are available online at: <http://www.globalinitiative.net/programs/governance/the-development-dialogue/>

³ This tool will be published in January 2015, available at www.globalinitiative.net.



Framing Organized Crime as a Development Challenge

Organized crime's impact on development is wide-ranging. In a diverse set of development contexts, investments in prevention, preservation or progress are being diverted by criminal enterprises. According to the analysis presented by the Global Initiative, of the 17 SDGs proposed, no fewer than ten of them are, either in whole or in part, directly at risk from organized crime.⁴ This stands in stark contrast to the language of the Goals themselves, which, as noted above, mentions organized crime only once, in target 16.4.

These can be concentrated into five main areas:

1. *As a challenge to sustainable livelihoods:* While organized crime has a substantial and multi-faceted impact on efforts to end poverty and reduce inequality, it has tangible and measurable impacts on the capacity of people to achieve sustainable livelihoods. In 2012, according to the International Labour Organisation, nearly 168 million children between the ages of 5 and 17 were victims of child labour, a troubling 10.6% of all children in the world in that age range.⁵ Forced labour is said to generate upwards of \$150 billion in profits annually for criminal groups and unethical corporations using a variety of practices from indentured servitude to modern-day slavery.⁶
2. *As a public health challenge:* Not only do criminal networks garner billion dollar profits from dealing directly in the counterfeiting and trafficking of medicinal and pharmaceutical goods – in some cases prompting estimates that 60% or more of medicines in vulnerable developing markets might be falsified or substandard – but also a number of the most virulent organized crime practices: drug trafficking and human trafficking, contribute significantly to denigrating public health. For example, injecting drug use is responsible for one in ten of every new HIV infections globally, and in some countries in Eastern Europe and Central Asia this runs as high as 80%.⁷
3. *As a constraint to economic growth and trade:* Illicit financial flows, illicit trade, fraud and counterfeiting serve as massive drains on the productivity of nations, for the potential for equitable and sustainable economic growth, and for the capacity of governments to provide services to their citizens. For example, recent studies have shown that illicit financial flows in some countries can equate to 25% of the value of all goods imported.⁸
4. *As a threat to the environment:* Both on land and at sea, criminal networks poaching and pillaging natural resources has become a potent threat to the capacity to

⁴ Global Initiative against Transnational Organized Crime (2014). *Organized Crime as a Cross-Cutting Threat to Sustainable Development: an input to the post-2015 SDG process,* for publication in January 2015.

⁵ International Programme on the Elimination of Child Labour (2013). *Making progress against child labour: Global estimates and trends.* Geneva: International Labour Organisation.

⁶ ILO, "Profits and Poverty; The Economics of Forced Labour," May 2014

⁷ WHO, UNODC and UNAIDS, *Technical guide for countries to set targets for universal access to HIV prevention, treatment and care for injecting drug users,* January 2013

⁸ Kar, Dev & LeBlanc, Brian. (February 2014). *Illicit Financial Flows to and from the Philippines: A Study in Dynamic Simulation, 1960 – 2011.* Global Financial Integrity.



maintain a sustainable and balanced environment. Fully three-quarters of the world's fish stocks are "fully exploited, overexploited, or depleted," according to the United Nations' Food and Agricultural Organisation, in large part thanks to widespread illegal fishing.⁹ Key species are under threat of extinction, and conservation efforts in delicate ecosystems are being disrupted by deforestation due to a range of criminal practices: illegal logging, illicit charcoal smuggling and land clearances for drug trafficking.¹⁰

5. *As a threat to peace and stability, governance and the rule of law:* A significant body of analysis has highlighted the linkages between criminal activity and in particular the trafficking of arms and drugs significantly increase levels of violence and protract conflict. More recent studies have highlighted how good governance and the democratic processes have become very vulnerable to organized crime and illicit flows, compromising the integrity and credibility of states, and increasing the vulnerability of citizens.

As development actors in their various spheres become increasingly cognizant of the extent to which criminal networks and organized crime are obstructing the achievement of their objectives, the demand for integrated approaches has increased. Where previously there had been friction between development and security communities, there is now far greater understanding on both sides about finding commonalities. Thus, there is an increasing need for sensitization, better analytical frameworks and tools that are sensitive to crime dimensions, and greater sharing of lessons and emerging best practices.

Even in the face of more integrated approaches, though, significant challenges still remain. One major challenge is the speed at which organized crime evolves. West African drug trafficking is a good example, as traffickers shift methodologies and techniques very rapidly in response to law enforcement and development interventions, often too quickly for their opponents to react. A second challenge is to identify whether a sector-specific or cross-cutting approach is the best method for tackling a given type of organized criminal activity. The realization that integrated approaches to countering organized crime are valuable does not mean that they are the proper framework in every instance.

Identifying the theories of change in approaches to organized crime

In a recent report, Saferworld analysed the dominant "theories of change" (the underlying plan for how exactly a project intends to effect a desired outcome) that had been applied to past and current projects directed at countering transnational organized crime.¹¹ Their analysis identified six such theories of change:

1. *Deterrence:* If the costs associated with committing crimes increase at the same time as the crimes' benefits are reduced, crime will become a less attractive activity and will therefore decrease over time.
2. *Severing links between politics, the state, and crime:* If the accountability and transparency of political decision-making is increased, then the level of (illicit)

⁹ United Nations Office on Drugs and Crime (2011). *Transnational Organized Crime in the Fishing Industry*. Vienna: United Nations Office on Drugs and Crime, p. 71.

¹⁰ Global Initiative, *Organized Crime as a Cross-Cutting threat*, op.cit.

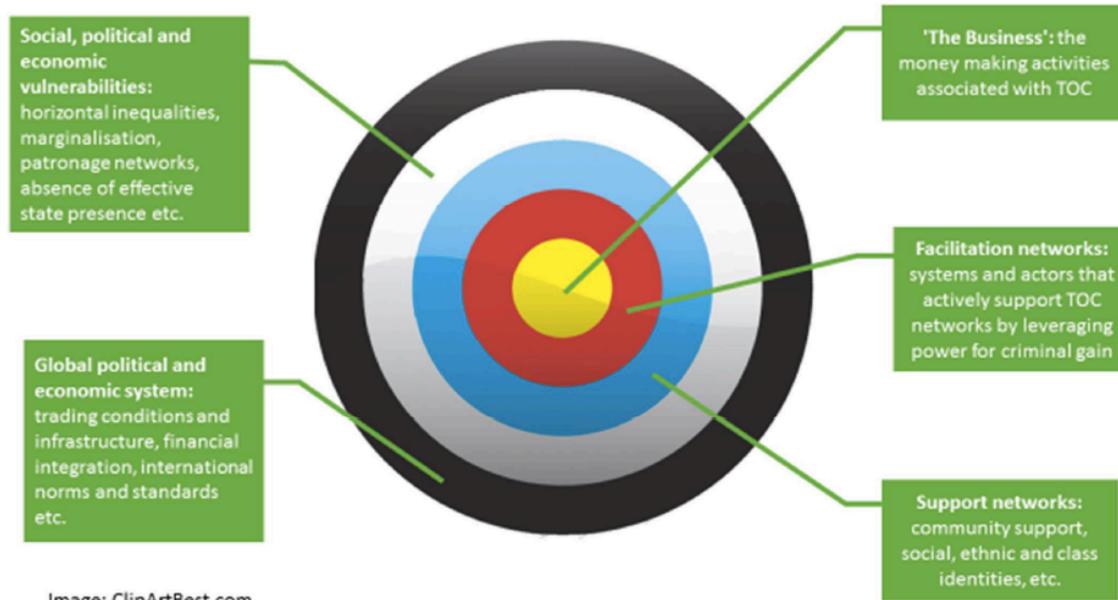
¹¹ Tim Midgley, Ivan Briscoe, and Daniel Bertoli (2014). *Identifying approaches and measuring impacts of programmes focused on Transnational Organised Crime*. London: Saferworld.



interaction between crime networks and state actors will decrease, because the population will demand responsive politics and state actors will fear being exposed.

3. *Managed adaption of crime to minimise negative impacts on violence, security and conflict:* If people engaged in illegal actions are encouraged to seek access to social welfare whilst negotiated settlements are sought with certain criminal actors, then the nature of organized crime can be altered towards a form in which the impacts on violence, security, and conflict can be minimized. The freeing up of resources will also allow law enforcement efforts to target the most violent criminals and confine illicit activities to certain areas.
4. *Cultural change:* If trust between security providers and communities is increased and communities are persuaded not to support or tolerate organized crime, then governments will gain advantages in their fights against organized crime because they will enjoy additional intelligence and trust from the population. This theory of change also includes efforts aimed at reducing demand through the re-education of consumer markets.
5. *Economic transformation:* If areas with high levels of organized crime enjoy economic development, then organized crime's negative impact on conflict and security will be reduced, because people who might otherwise engage in criminal activities will instead participate in the legitimate economy and the state will gain greater resources thanks to the area's increased economic activity.
6. *Global regulation:* If states can harmonise and coordinate efforts to counter-organized crime, then the ability of organized crime networks to operate internationally will be curtailed, because law enforcement will become more efficient and effective at the same time as key public and private actors become more transparent and accountable to the citizenry.

These projects target different aspects of the criminal value chain, as well as the enabling environment (described in the diagram below, from the Saferworld report).



In proposing these six theories of change, the Saferworld authors explicitly noted that some of them are, to a greater or lesser degree, incompatible with the others. Deterrence, for example, is philosophically and methodologically very different from the idea of managed adaptation to crime, and it would therefore be quite difficult to design an intervention inspired by both at the same time. Nevertheless, the various theories of change are generally not intended to be seen as mutually exclusive, and they are not necessarily to be used only one at a time. As was repeatedly discussed by participants at the conference, a broad initiative against, for example, a type of organized crime may well contain projects inspired by several different theories, and mutually reinforcing, theories of change.

Breaking the Link between Crime and Governance

The damage that organized crime does to governance and the rule of law is arguably one of the greatest threats and most deleterious impacts. Corruption of government and distortion of governance serves to create impunity for criminal acts by undermining the legitimacy of the state and its institutions. The linkages between organized crime, corruption and governance have become increasingly deep and intricate.

However, challenges remain for development responses particularly in fragile states, for example identifying priority areas for action and finding a balanced mix of measures. The SWP project shows that the broad concept of organized crime and its relationship to statehood need to be further disentangled in order to address these challenges. Overall, organized crime not only occurs in diverse forms and intensity in these contexts, but it relates to the state in different ways. Some criminal activities are mostly an external stress factor and profit from weak state capacity, for example in law enforcement. Others are much more intertwined with local actors or even grounded inside fragile states. Either these linkages become manifest in complicity of or in opposition to the state – sometimes both at the same time. The low legitimacy of the state often comes along with patronage networks providing an easy working environment for criminal networks. On the other hand, where non-



state (armed) actors exist due to a lack of state authority in certain areas (whether rebel movements in remote areas or youth gangs in capital cities) links to organized crime are common as well, whether by protecting criminal activities or by direct implication.

Apart from these potential links to weak state capacity, legitimacy and authority, organized crime can also be a matter of livelihood for parts of the population in fragile states. Even though this might not be a sustainable scenario, the fact that organized crime not only exploits and reinforces weaknesses, but occasionally fills a gap by providing income or services needs to be taken into account by development actors. The specific relationship of organized crime and the state varies within and between states and across time and type of illicit activity. Particularly for bilateral development cooperation it is crucial to define possible ways of engagement by anticipating effects across the four mentioned dimensions and dealing with trade-offs in a conscious way. But priorities are also defined by the available information, tools and instruments and the comparative advantage of different approaches in specific situations.

Reframing the debate

Where previously organized crime had been situated as a security challenge, its ability to exacerbate conflicts, spoil peace processes and undermine state consolidation has been most apparent in the context of fragile states. A growing body of analysis has thus examined the role of criminal groups and illicit flows as a stressor to weak and fragile states.¹² This argument posits that the ability of organized crime to spread and take root is directly and inversely related to the capacity of the various states and their ability to project authority. Crime thus flourishes in “ungoverned spaces.” What this paradigm takes as a fundamental assumption is that organised crime and legitimate state institutions are clearly distinct and separate groups of actors, with more or less diametrically opposed interests. Where this may be true in some cases, increasingly, however, it is becoming apparent that the line between the state and the perpetrators of organized crime is not so distinct, but instead is a spectrum of increasing criminalisation of the state.

Firstly, there is a need to challenge the assumption of “ungoverned spaces” as rarely, if ever, is a societal structure completely ungoverned. Where the state is unable to project itself, alternative governance mechanisms will assert themselves to control territory and populations, and in a number of contexts illicit resources capacitate criminal groups to fill the void and establish protection economies. In some cases this comes with societal benefits, as criminal groups provide socio-economic benefits to the local populations. More frequently, however, armed criminal groups tax local populations and local resource flows, both licit and illicit, in return for the provision of “protection.” Examples of protection rackets exist in a number of contexts. The Taliban in Afghanistan tax opium poppy grown in Afghanistan; in the diamond-mining areas along the Liberia-Sierra Leone border, remnants of rebel structures could be easily mobilized by violent or criminal entrepreneurs, even after the official end of civil wars.¹³

As highlighted by the SWP research paper “[From War to Illicit Economies](#),” the experiences of Sierra Leone and Liberia, where the growth of the illicit economy translated directly from

¹² The World Bank (2011). *World Development Report 2011: Conflict, Security, and Development*. Washington, D.C.: The World Bank.

¹³ Judith Vorrath (November 2014). *From War to Illicit Economies: Organized Crime and State-Building in Liberia and Sierra Leone*. SWP Research Paper RP13. Berlin: Stiftung Wissenschaft und Politik., p. 13.



the resourcing of conflict, show how it became intimately tied into the state building process, with close affiliations to the post-conflict power structures. Including criminal actors into the post-war architecture was to some extent a necessary compromise to secure stability, but at the same time drew criminal networks into the state itself. This has resulted in state actors becoming involved in organized criminal activities, most typically by facilitating or providing protection for criminal enterprise – from illegal logging to the drug trade.

In the final and most extreme end of the spectrum, organized crime can capture the structure of the state to become a form of government in and of itself. This corresponds to the second theory of change in the framework outlined above, in which bribery and corruption are used to penetrate to the highest levels of the state, to secure large-scale state-financed contracts or ministerial positions. State officials can themselves engage directly in criminal activity, as seen in the arrests (or warrants for the arrests) of several high-ranking members of the Bissau-Guinean military for large-scale cocaine trafficking.

Protecting politics

The nexus between organized crime and politics is a growing global concern that affects new as well as established democracies, as it erodes the very principles of democratic governance such as rule of law, equal exercise of citizenship rights, responsiveness, and transparency. As noted above, political corruption has become the preferred tool for illicit networks to advance their businesses in many regions of the world. Participants described a three-fold problem statement: the need to protect the integrity of the democratic process; the interrelationship between politicians, politics, and criminals; and how armed criminal groups use political office and/or state connections to gain legitimacy with society or specific communities.

A number of recent reports have shown that as states transition to multi-party democracies, they are particularly vulnerable to the potency of illicit resources. Political campaigning becomes increasingly expensive, and in many regions of the world (including Africa and Latin America) measures of transparency in campaign financing either don't exist, are not enforced or are insufficient to address increasingly sophisticated methods of laundering money. Thus, preventing criminal involvement in the electoral process has become increasingly challenging. Illicit networks have often found an ideal avenue to launder their money in politics, with the added value of putting local politicians directly under their payroll. Something of a "criminal virtuous circle" has developed, in which criminals can simultaneously launder money and weaken state capacity, which in turn makes further laundering (and state-weakening) easier. As a consequence, the legitimacy of democratic politics¹⁴ and the capacity of the State to provide basic services have suffered.¹⁵ States which have been captured by criminal networks are unlikely to keep their citizens' best interests at heart; moreover, efforts to counter organized criminal activity divert resources from other important pursuits.

¹⁴ See, for example, the findings of Transparency International's "Corruption Barometer," <http://www.transparency.org/gcb2013>

¹⁵ Organization for Economic Cooperation and Development (2014), *Illicit Financial Flows from Developing Countries: Measuring OECD Responses*, Paris: Organization for Economic Cooperation and Development.



Participants discussed the findings of a recent study by International IDEA on the interaction of crime and politics in Latin America.¹⁶ The parallels and contrast was drawn between the experience of West Africa, and the more longstanding democracies in the Americas. The study found that organized crime poses specific challenges to politicians at the local level, but that the inevitable process of interweaving of criminal groups and the state occurs over time. In the early stages, illicit networks often threaten the lives and wellbeing of politicians, but later agreements for peaceful coexistence take precedence over violence and intimidation. Eventually, other alliances are forged, greatly benefiting the politicians and organized crime networks alike, and create a “revolving door” for individuals to jump between politics and business (both licit and illicit).

The way these agreements and alliances undermine development and political representation varies, and includes a decrease in the state’s capacity to control its territory, as well as a long-term corrosive effect in the local political and business culture. For democratic politics, the effects include a reduced capacity of the state to provide basic services and of minorities and marginalized groups to participate in politics, due to the strengthening of the *status quo*, since these networks mainly target existing power elites to forge alliances and offer illicit money.

IDEA’s research both in Latin America and in other regions of study, including in West Africa and the Baltic States, found that the most potent and damaging relationships come when the concentration of power in a few elites opens the floodgates for illicit money. The way this concentration of power occurred, however, has been different depending on the nature of the respective political transition. In those countries that faced authoritarian regimes, the concentration of power took place before the transition, and the subsequent transition to democratic life did not manage to eliminate this legacy. For those that have not faced this criminal connection before the transition, other factors such as internal armed conflict economic instability and political fragmentation pushed power into the hands of a limited number of elite groups.

It was emphasised in the discussion that the notion of “protecting politics” again creates the impression that politics and crime are unhappy bedfellows, or that political actors are in some ways innocent. The examples given both in the contexts of Latin America and in West Africa highlight the fact that politicians are often complicit. The issue becomes further complicated when looking into the role of the electorate. While often perceived as the victim in the growing nexus between crime and governance, examples were given where a clean electoral system is established, and credible candidates stand for elections, but voters willingly choose to vote for and elect corrupt or compromised politicians instead of often foreign-backed alternatives. If they can guarantee security, or are providing services, powerful figures associated with crime may be the preferred candidates. Furthermore, where corruption is widespread, the security apparatus a threat rather than a provider of security and the state seen to be diverting funds with impunity, voters might see little distinction between “clean” political candidates and criminals.

¹⁶ Briscoe, Ivan, Catalina Perdomo, and Catalina Uribe Burcher, eds. (2014). *Illicit Networks and Politics in Latin America*. Stockholm: International IDEA. <http://www.idea.int/publications/illicit-networks-and-politics-in-latin-america/en.cfm>. Also available in Spanish at <http://www.idea.int/publications/illicit-networks-and-politics-in-latin-america/>.



Addressing corruption, both within government and the security sector, therefore becomes a critically important objective in changing the paradigm between citizens and the state. This strikes to the core of genuinely reinstating the rule of law, rather than just the electoral process. Participants discussed the need to target reforms in this sense with the goal of improving standards of behaviour and policy, help law enforcement produce verifiable and reliable data on security, and strengthening or reframing relations and communication between police and citizens.

Implications for the Response

One of the strongest conclusions from the discussions was the need to improve our capacity to *understand* the problems of corruption and crime-related governance issues, rather than merely describing them. The paucity of trusted and openly accessible data on public safety and people's perceptions of governance (local and national) and of security actors (civilian and military) as well as on communities own needs and priorities undermines the capacity to design and implement effective programmes.

International IDEA presented an on-going work to develop a customisable electronic tool to analyse TOC-related risks to democratic governance and support prevention and mitigation efforts. The self-administered tool, once operational, will allow respondents to assess the level and nature of organized crime in their locality, and identify the ways in which it is interacting with the democratic process. In addition, the tool will offer a range of knowledge resources, analytical instruments, and information on best practices and lessons-learned. It is designed for electoral management bodies assessing the risks of violence related to elections, as well as ombudsman offices, security agencies, and civil society organizations working on anti-corruption activities.

Discussants emphasised the importance of broadening the range of stakeholders that are engaged in the design phase of new programmes targeting governance. In particular, using and strengthening civil society and the media as a counterweight to interventions with state actors was seen as a priority. It was noted, however, that in certain contexts (Latin America and North Africa) NGOs are equally corrupted by criminal networks or political cronyism as the state bodies themselves, which requires a much higher degree of local knowledge and vigilance.

One constraint for bilateral development agencies is the requirement to work in country with the approval of the government (which applies also to the multi-lateral bodies like the UN and the World Bank). In circumstances where the government is perceived as highly corrupt or partisan, there may be restrictions in working with civil society, or serious concerns that aid is diverted or misused. Better protection also must be given to civil society and independent media actors, who can serve as indispensable watchdogs. The international community needs to figure out how to build capacity in such situations while also protecting the media and vulnerable civil society groups.

While there is arguably no one-size-fits-all solution to this, placing conditionalities on development assistance was discussed at length. These can be effective depending on the extent of leverage an individual donor is perceived to have with the recipient state – the larger donors will obviously have more capacity to place conditions (for example oversight requirements). Strategic withdrawal from the country was also discussed, and participants



again had mixed views of its effectiveness. It further creates complications should a donor wish to re-enter the country at a later time.

Even with all of these obstacles, the discussions did highlight that with coordinated action it is possible to achieve responses. Efforts by the international community to prevent violent coercion in elections – through sensitisation, election-monitoring and sanctions - has been successful at preventing electoral violence in the majority of the democratic world. While this has now placed additional pressure on non-violent means of distorting elections, it was suggested that a similar infrastructure aimed at illicit financing of elections and political parties might be a worthwhile investment in places where organised crime has a strong influence on the political process.

Reframing Approaches to Community Security

The way state security providers interact with communities is critically important to the citizen's sense of enfranchisement, engagement and relationship with the state, which in turn impacts on stability and security.

A number of global megacities, especially (but not exclusively) in Latin America and Africa, are struggling with high levels of violence and crime that undermine the very foundations of the economic and social development for the population as a whole, and in some cases incubating ideologies of violent extremism. Recent studies have shown how some of the world's most violent cities show death rates higher than that of active conflicts.¹⁷ In Latin America, rates of violent crime are six times higher than in the rest of the world. El Salvador frequently boasts one of the world's highest murder rates, and over 11,200 people were killed in drug-related violence in Mexico in 2010.¹⁸ Neglect of organized crime's impact in urban environments carries high risks: Cape Town, which has South Africa's highest rates of murder and drug-related crime, is a case in point.¹⁹ The city witnessed 2,580 murders in 2013, a rate of just over 7 per day, of which 12% were gang-related; the latter percentage represented an increase of 86% over 2012.²⁰ Criminal practices have escalated and accumulated, making the Western Cape area a hub for illicit activity.

The manner by which states respond to crime is deeply important to the prospects of future stability and security. Some Central American countries have adopted the so-called *mano dura* (iron fist) policies, criminalizing membership in youth gangs and resorting to extensive imprisonment. However, the eradication of kingpins and heavy-handed militarized approaches have often not provided lasting solutions since the results have been the

¹⁷ Small Arms Survey (2013), *Small Arms Survey 2013: Everyday Dangers*, Geneva: Small Arms Survey.

¹⁸ Felbab-Brown, Vanda. (December 2011). *Bringing the State to the Slum: Confronting Organised Crime and Urban Violence in Latin America*. Brookings.

¹⁹ Gie, Janet (2009). *Crime in Cape Town: 2001-2008: A brief analysis of reported Violent, Property, and Drug-related crime in Cape Town*. Strategic Information Branch, Strategic Development Information and GIS Department, City of Cape Town.

²⁰ Swingler, Shaun (2014). "Fighting the gangs of South Africa's Western Cape." *The Guardian* (United Kingdom). 29 May. <http://www.theguardian.com/world/2014/may/29/gangs-south-africa-western-cape>.



fragmentation of existing power relationships, increasing violence caused by disputes over territory or control, or the emergence of new crime groups.

Furthermore, in a number of contexts, both urban and in borderlands where state presence is weak, criminal or terrorist groups function as security or justice providers, regulating theft, robberies, extortions, rapes and murders and dispensing their rules and punishments for transgressions. They may also provide services to communities and protection from the states and corrupt officials, which gives them legitimacy and buys loyalty, so that subsequent efforts by the state to remove such groups may result in a rise of street crime and community fear. That has in fact been the case in both Medellín in the post-Don Berna order as well as in the “pacified” favelas of Rio.²¹

Development-orientated approaches to highly violent environments have also been piloted, emphasizing service provision, promoting dialogue, gang truces, and empowering civil society. Yet rarely have such development responses or “pacification” alone been sufficient to achieve long-term solutions to entrenched problems of crime, corruption or terrorism. A recent publication by International Alert discusses the use of peace building approaches to tackle crime-related violence, and cites the efforts of Brazil to combine security and justice responses with the delivery of social services in key slum areas of Rio de Janeiro.²² Positive experiences in reducing violence associated with criminal groups suggest that dynamic and balanced responses that combine security and development approaches are required.

Security for whom?

A priority in bringing these kind of balanced and integrated approaches to community security involves shifting the framework of analysis. So far, the security first strategy has done little to address the engagement of criminal networks in state functions, or to break down the growing legitimacy that criminal networks have with local communities. Instead, as the previous discussion highlighted, it has largely eroded democratic governance and allowed elites to profit at the expense of the general population, leaving communities marginalised and disenfranchised.

Discussions focused on the need to reframe debates around security to prioritise the needs of the community, and to reverse confrontational dynamics between state security actors and citizens. Addressing corruption is a necessary part of this response; so, too, is building more citizen-centric, service delivery orientated models of policing. Increased trust and positive interaction between security forces and communities will pave the way for potential schemes to increase cooperation between the two groups, in addition to promoting civilian oversight over security personnel.

An innovative project by International Alert, Strategic Capacity Group, and Aktis Strategy was presented, which seeks to build a participatory approach to border security in North Africa, following the Arab Spring transitions. Security in the region has been tenuous since the breakdown of much of the state sponsored security infrastructure, which has led to increased levels of all kinds of trafficking and the proliferation of criminal gangs as well as militias and terrorist groups. Border populations in the region are usually marginalised and

²¹ Felbab-Brown, op.cit.

²² International Alert, *Crime and Conflict: the new challenge for peacebuilding*, August 2014, <http://www.international-alert.org/resources/publications/crime-and-conflict>



largely excluded from central resource flows, fostering distrust of state institutions and officials among the local population.

Given the reliance on informal cross-border trade, many communities in the area perceive official security providers as threats to their livelihoods, which therefore reduces their incentives and willingness to cooperate with efforts to prevent illicit trafficking or terrorism. If, however, development and peacebuilding actors can train security providers to change their behaviour or work with locals to change the perception, then a negative cycle of mistrust and insecurity can be reversed.

The project takes a “peacebuilding approach to organized crime,” and its interventions are grouped into three categories. First, training on community engagement approaches is provided to security institutions. Second, taking advantage of the topicality of security sector reform in the transition period, the project works with the Ministry of Interior on incorporating community engagement into its policies and strategies. Finally, the organisation seeks to produce general evidence from the local level about why and how community engagement approaches work.

Participants noted that defining and understanding borders is a challenge in a number of contexts, particularly in Africa, where the drawing of borders was largely arbitrary and didn't account for local ethnic or political realities. Thus, in order to be effective a certain level of cross-border measures is necessary which are hard to achieve, particularly in the context of fragile states where longstanding regional tensions may prevent collaboration.

The growing trend by bilateral donors to integrate development agencies into foreign ministries increases the likelihood of political priorities (such as domestic security) trumping longer-term development approaches. It furthermore creates pressure to get results more quickly and visibly than in the past, which favours tangible and quantifiable activities, such as building a border post or training security officials, over holistic, integrated development approaches seeking to achieve cultural change.



Protecting Investments in Environmental Conservation

Development actors in the environmental conservation sectors are now increasingly seeing their ability to meet their goals diverted by organized crime. Significant and prolonged investments in protecting biodiversity both on land and at sea are being undermined by poaching, illicit logging, Illegal, Unreported, and Unregulated (IUU) fishing and other practices by criminal networks. In fact, the time to protect key species from extinction is running out – and as such urgent action is needed.

An integrated approach to wildlife trafficking

The German Federal Ministry of Economic Cooperation and Development (BMZ) presented a new programme to prevent and combat wildlife crime as an example of an integrative approach that draws on the competencies of different German ministries. The German government invests €500 million annually for 2010-2020 to protect biodiversity. In the Kavango Zambezi (KAZA) region spanning five southern African countries, Tanzania (Serengeti and the Selous national parks) and Central Africa they see this initiative being entirely undermined by virulent poaching.²³ It was further noted that poaching and the increasing militarisation of both the poachers and the wardens was impacting negatively on the tourist trade, with significant impact on local economies and sustainable livelihoods.

Therefore, the “polifund” project has been set up and is implemented by GIZ, bringing together the competences of different ministries in complementary fields of action, based on their own mandates, know-how and specific interests. This innovative programme addresses the whole criminal chain of ivory and rhino trafficking. As proposed by the earlier presentation by Saferworld, the project examined the socio-economic enabling factors through to the technicalities of the criminal business, to identify entry points to respond. It was recognised that strategic interventions would be needed to:

- Strengthen and support the national capacity for management and governance of the protected areas, including through the use of technology;
- Provide alternative livelihoods and incentives for local communities to engage in preventing poaching;
- Work across borders to ensure a uniform and collaborative approach to protect the conservation areas;
- Build the capacity of a range of security actors, from wardens to law enforcement, the police and the judiciary to uphold CITES and national environmental law;
- Address corruption facilitating the poaching and transportation of illegally sourced environmental commodities;
- Raise awareness and attempt to address demand in the main market countries in Asia consuming ivory and rhino products, based on analysis of the factors driving demand;
- Support international cooperation and dialogue between the affected African and Asian countries.

In this analysis, the polifund approach has essentially leveraged all of the theories of change to counter organized crime in a sequenced way. The approach incorporated cutting-edge

²³ CITES, “German Ministries and CITES Secretary-General meet to discuss measures to fight wildlife crime”, July 2014

http://www.cites.org/eng/news/sundry/2013/20130724_German_ministries_cites.php



ideas and tools from fields such as forensics, statistics, and other relevant disciplines to enhance efforts where possible.

The discussions around integrated approaches in the environmental sector emphasised the importance of having a broad as well as deep understanding of both the problem and its potential solutions. Developing the polifund approach and seeking sustainable long term solutions required in depth knowledge of local cultures and customs, both in the source and the market countries, in order to change perceptions and behaviour. In the source countries where environmental resources have long been considered a rightful source of income for local communities, the need to communicate the broader harms is essential – but not only to the environment, but also to their livelihoods through other industries, for example tourism. In the destination countries, acknowledging the importance of traditional customs in fuelling demand for illegal wildlife products would be pre-conditions to changing demand patterns. One practitioner noted that even the phrase “demand reduction” is controversial enough to be taboo in discussions with local partners in some areas of Southeast Asia.

Building momentum around integrated approaches

Clearly significant political will, imperatives and resources are needed to catalyse such multi-sectoral action. In the German example, two factors were critical: firstly the extent of the development investment already in place, which motivated the development actors to come to the table to protect it; secondly the time sensitive nature of the challenge which required urgent action. The discussion raised why and how it might be possible to build momentum to apply a similar approach to other organized crime challenges, for example, drug trafficking, human trafficking or migrant smuggling. Could it be done earlier, or would it always require the “mission critical” impetus to bring all parties to the table in such a way?

Other bilateral institutions shared the challenges of achieving these sorts of “whole of government” approaches to priority challenges, not least of which is addressing questions of turf, funding sources and establishing and maintaining coordination structures.

An additional challenge related to funding was noted in regards to the way development cooperation is structured. Donors make commitments about spending certain percentages of GDP on official development assistance (ODA), but money spent on organized crime (which is still understood as a security issue) cannot be under the ODA quota system. Therefore there are structural disincentives against engaging in more profound projects. Under the Financing for Development dialogue process,²⁴ this principle will be reviewed in 2015 as part of a systemwide effort to modernize the definition of ODA, and this might well be broadened to expand issues more classically understood as security spending. Finally, the example was explicitly given during the conference of one European country which has decided to make a significant investment in programs against transnational organized crime despite knowing that the money would not be counted as ODA, demonstrating that the structural disincentives are not always insurmountable hurdles.

²⁴ For more information, see the Financing for Development website: <http://www.un.org/esa/ffd/>



Conclusion and the Way Forward

The meeting highlighted a number of ways that bringing development actors into integrated approaches can both support efforts to counter organized crime but also to mitigate the negative impact that criminal groups and practices have on development objectives.

Participants offered a wide range of perspectives and suggestions for how to move ahead with work on development approaches to addressing organised crime and its impact:

1. Building a better evidence basis

There was a general sense that there is not enough analytical work being done to underpin and justify policymaking around organized crime from a development perspective.

In those areas – such as environmental crime – where the impact and the link to development is more obvious, half the battle is won. However, in other contexts development partners still need to be convinced to get engaged. Bilateral donors would see value in improved data collection and analysis from the research and policy institutes focused on these issues. While describing the problem and publishing large and shocking numbers to attract attention has some value in raising awareness, studies of this kind often fail to provide practical recommendations regarding how to respond, which link the analysis to the ramifications for development assistance.

2. Designing responses for a development audience

Typically even where innovative analysis might be done, the resulting recommendations on programmatic responses fall into the same formulas of buying more expensive surveillance equipment, upgrading infrastructure, or build capacity of law enforcement and customs officials. This does little to convince development actors that they need to do things differently. Development donors and practitioners need more practical guidance on how things can be done within areas they are comfortable working in.

Some nascent good practices and lessons learned were identified in this meeting, for example, and there is a clear need for these to be documented and disseminated to inform efforts in other jurisdictions and contexts. Several participants noted that development donors would welcome examples of what integrated approaches would look like in various project areas.

3. Strengthen the analytical framework

A number of participants noted that the policy sector around organized crime lacks a dynamism that has coalesced around other key debates, for example human rights or gender mainstreaming. The advocacy pressure is not being put on donors in the way it has on other issues, and common tools, approaches, principles or strategies are missing to underpin efforts. Caution was expressed, however, in pushing too hard to “mainstream” organized crime. While a crime sensitive approach may be the requirement, there is a certain fatigue amongst development practitioners towards mainstreaming, and it often results in an issue being overlooked rather than emphasised.

4. Measure impact

A frequently repeated constraint in programming to counter organized crime is the challenge of measuring the impact. As the SDG discussions move forward into establishing targets, the capacity to measure progress will become more pressing. If actors cannot put forward a



credible framework of indicators to measure the impact of interventions in a particular area, they will struggle to convince donors that such interventions are credible and feasible.

While the broader Goal 16²⁵ remains potentially under threat, as the Global Initiative's report has proven, it is also important to recognize opportunities to integrate efforts to counter organized crime in the other Sustainable Development Goals. Thus, within each of the development goals, putting in place a matrix of indicators and benchmarks will be necessary to measure the extent of criminal penetration and its impact on development objectives might be necessary. Both of the analytical framework presentations accompany reports that have proposed indicators. There are in addition many other reports circulating which examine the implementation of the goals and indicators for measurement. Selecting an effective basket of measurement tools will be important, and continued advocacy and sensitization is required.

5. Bridge the gap

A number of the participants had been involved in the Development Dialogue process run by the Global Initiative since its inception a year previously, and remarked on the degree to which debates have progressed. Clearly, the development community is much more proactively engaged and aware of the issues now, and the emergence of programming in this area is a positive indicator. Participants encouraged to continue the Dialogue, but to look towards increasing the participation of security sector representatives, thereby furthering the development of joint thinking, sharing of experiences and approaches, and eventual alignment of policy.

²⁵ "Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels."