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Drug policy and its impact
on governance in Eastern
and Southern Africa

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SUMMARY

Drug markets in Eastern and Southern Africa have pernicious impacts on governance systems in the region. This paper tracks the primary effects of drug profits in shaping political processes, including elections and decision-making by elites. It also considers how drug markets penetrate and undermine state security and criminal justice infrastructure, and examines how this has an impact on national borders. Finally, it considers the impact of the profits from the drug market on the economic governance and financial markets of countries in the Eastern and Southern Africa region.

Key points

- The profitable drugs markets of Eastern and Southern Africa are having a devastating impact on governance.
- Corruption and illicit markets have a mutually reinforcing relationship: corruption facilitates the operations and growth of illicit markets, while criminal actors leverage illicit proceeds to entrench existing structures that help to facilitate corruption and drive the creation of new ones.
- Prohibition, the policy approach that underpins the creation of all criminal markets, remains the prevalent response to drug markets in the region.
- Drug profits constitute a key source of 'unearned rents' for elements of the political elite. Accessing these rents shifts elite incentives, driving policymakers to focus on predation, rent creation and capture, with devastating impacts on the provision of public services and the socio-economic development of states.
- Drug profits feed electoral campaigns, with indebtedness to criminal actors repaid through politicians' facilitation of the drugs market.
- The extraction of rents by state bodies from drug trafficking has fundamentally transformed some institutions into enablers rather than disablers of the market.
- Drugs profits penetrate the criminal justice infrastructure, creating a broader climate of impunity.
- Drug-fuelled corruption compromises international borders, airports and seaports, damaging the territorial integrity of states and posing a threat to national security.
- The laundering of vast drug profits through financial systems warps the proper functioning of the private sector and undermines the integrity of financial systems.
- As drugs move through Eastern and Southern Africa, with an ever-increasing volume and diversity of supplies, their networks ensure the protection of the system that supports them, further eroding governance.

INTRODUCTION

The Eastern and Southern region of Africa is a growing transshipment point in the international drug-trafficking trade, used by networks transporting drugs from producer nations in South Asia and Latin America for lucrative end markets in Europe, and to a lesser extent, the US. Increasing profits from the trafficking of ever larger volumes of drugs through the region have fuelled corruption, broadly defined as the 'abuse of entrusted authority for illicit gain,'¹ penetrating state systems and fundamentally undermining good governance. The corruption of government officials, and subsequent infiltration of drug profits into state processes, is a powerful structural enabler of drug markets in the region.²

The large, growing demand for cocaine, heroin, methamphetamines and other drugs in Europe and the US, and the high value of these drugs on the global market, mean that they have the potential to generate high rents for those who control or facilitate their export, transshipment and trade in Eastern and Southern Africa. The bulk transit of drugs through countries in the region has fuelled growing domestic consumption for heroin, cocaine, methamphetamines and a range of so-called new psychoactive Substances (NPS). As these regional markets grow, they also become increasingly profitable to those who control and coordinate them, and crucially to those who protect their operations.

These two functions, performed by what has been referred to as the 'criminal entrepreneur' and the 'entrepreneur of violence', are almost always separate.³ They form the two axes of protection economies, where payment is given in exchange for security – in this context, security for drug trafficking operations. As high-value commodities flow through regions of weak governance, they typically engender the creation of structured protection economies.⁴

The benefit of being part of this protection economy is significant, with vast profits generated by regional consumption and the international transit trade. In South Africa alone, for example, the largest regional consumer market, the total value of the market for heroin, cocaine and methamphetamine is estimated to be more than US\$3.9 billion, a figure that exceeds the GDP of the Seychelles and the Comoros combined.⁵ Although the drug trade is lucrative, it is only one of the myriad drivers of corruption across the region.⁶

Corruption and illicit markets have a mutually reinforcing relationship: corruption facilitates the operations and growth of the illicit market, while criminal actors leverage illicit proceeds to entrench existing corruption structures and drive the creation of new ones. As highlighted in 2020 research by ENACT, a research programme scrutinizing organized crime across Africa, while the relationship between illicit flows and corruption is widely recognized, too often commentators 'attribute causality in only one direction – that illicit flows become entrenched because governance is corrupt, not that illicit flows themselves generate or deepen corruption'.⁷ This latter, under-recognized, relationship, is explored below.

The drugs market corrupts the pockets of the public administration system that have the greatest friction with the day-to-day operations of the market, including the police, customs and border officials; it also reaches upwards into state hierarchies.⁸ Drugs markets also offer a tempting source of revenue for political elites, who then may become facilitators and protectors of the market. Consequently, the drug market drives both petty and grand corruption.⁹

Each of the countries within the region has distinct geopolitical and socio-economic dynamics as well as drug markets of varying composition, size and profitability. Although the scale of corruption in these markets may differ in degree, the relationship between the two remains essentially the same throughout, as explored below.

Accurately measuring corruption is very difficult, arguably impossible given the inherent flaws in each of the methods used to assess its prevalence. Official statistics are of limited value, pointing to the ineffectiveness of anti-corruption efforts, rather than the prevalence of corruption itself.¹⁰

DRUG POLICY: THE RELATIONSHIP BETWEEN PROHIBITION AND CORRUPTION

The year 1961 marked the advent of a global consensus on the prohibition of a range of illicit drugs while simultaneously making the illicit drugs market an extremely profitable criminal enterprise.¹¹ The clash between spiralling demand in international drug markets and prohibition efforts have driven growing profits, with the drugs market now the second most profitable criminal market in the world.¹²

Prohibition is the policy approach that underpins the creation not only of the illicit drugs market, but all criminal markets, which are widely recognized to constitute significant drivers of corruption. The governance impacts of illicit markets are an inevitable consequence of prohibition-based approaches.

For example, South Africa's 2020 ban on cigarettes in response to COVID-19 led to the immediate emergence of an illicit market.¹³ While the government's cigarette ban had limited impact on access (with 90% of smokers reporting buying cigarettes in the first weeks of the ban), it triggered a spike in prices and cross-border smuggling.¹⁴ It also offered a new source of revenue for both South African gangs, who quickly entered this lucrative emerging market, and for state officials, a number of whom were arrested for trafficking and selling tobacco products.¹⁵

While drug policies do not create corruption, they do shape the scale and nature of profits from the drug market, which reward, entrench and enhance corrupt practices.

Although consensus on the effectiveness of prohibition as a useful policy approach is starting to fracture, it remains the prevalent approach in Eastern and Southern Africa.¹⁶ These responses, based on criminalization and interdiction, have had unintended public health, social and governance consequences in the region, but have failed to control growth in the consumption and trafficking of drugs.

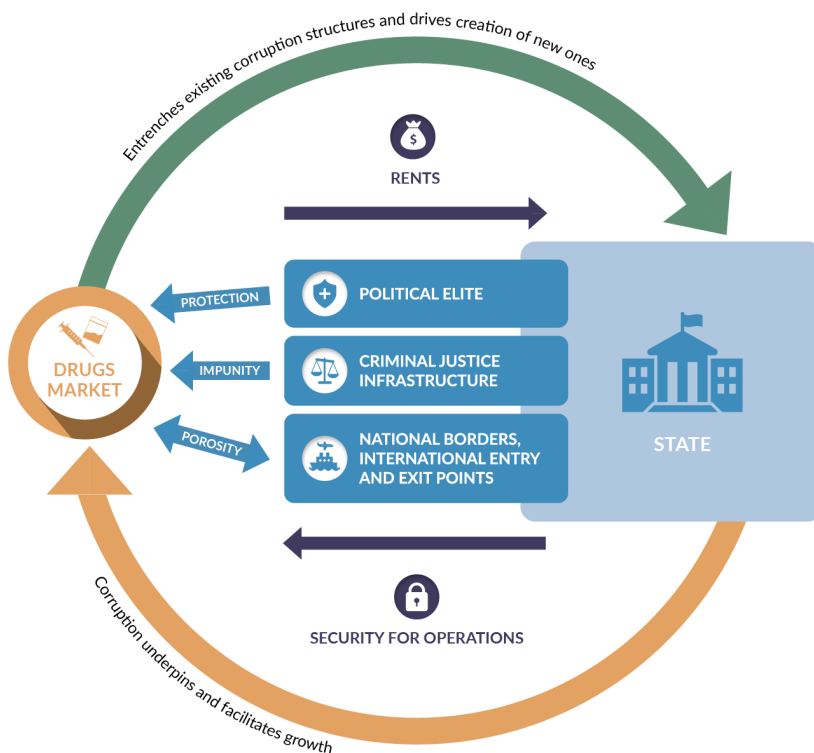


FIGURE 1: The governance impacts of drugs markets in the region.

ELITE CAPTURE: THE IMPACT OF DRUG PROFITS ON POLICY

State protection has underpinned the growth of drug trafficking through Southern and Eastern Africa. High profits make the drugs market a tempting source of rents for local officials and political elites. Accessing these rents shifts the way policymakers act, with profound implications for governance.

Where policymakers, or the political elite, can access ‘unearned’ sources of revenue, such as rents from illicit drugs or natural resources, they become less reliant on taxation and economic growth as a main revenue stream.¹⁷ This, however, drives an increasing reliance on rents to balance the books, creating a self-perpetuating cycle, which diminishes accountability.¹⁸ This cycle drives the creation of patronage networks, where rents are distributed to a small group of supporters.¹⁹

In Uganda, for example, the revenue base is extremely narrow, hovering at about 12% of GDP since the late 1990s. Policymaking processes are dominated by patronage networks and the elite has captured a significant proportion of public resources.²⁰ As the country becomes an increasingly important transit point for heroin and NPS, elements of the political elite are also reported to be protecting and facilitating the profitable drugs market in exchange for a cut of the profits.²¹ US government submissions in the 2019 drug trafficking trial of the Akasha brothers, the leaders of a sophisticated drug trafficking network based in Kenya, showed evidence of high-level political patronage of the drugs market, specifically relating to protection by President Yoweri Museveni’s sister-in-law.²² Similarly, Ugandan civil society reports that predation of the drugs market by elected members of parliament is so widespread that they significantly delayed the enactment of the 2016 Drugs Act, which sought to increase penalties for drug trafficking offences.²³

In Zimbabwe, where the distinction between political and criminal actors has become increasingly blurred since the 1980s, profits from illicit markets, including drugs markets, fund political patronage systems and constitute a key source of state revenue.²⁴ For example, heroin trafficking between Harare and Johannesburg has provided a key source of hard currency for the country during periods of economic hardship.²⁵ This alternative income stream has enabled the political elite to retain power while remaining detached from the needs of its citizens.

Patronage networks often result in a swollen civil sector, as those in power create jobs to repay favours.²⁶ This has occurred in the Comoros, where the revenue base is sufficient to pay public salaries for only part of the year, driving reliance on alternative, often illicit, sources of funding. Reflecting this, people who use drugs (PWUD), dealers and state officials in the Comoros consistently report that the state draws profits from and exerts a significant degree of control over the illicit drugs market in the archipelago.²⁷

The widespread penetration of illicit profits within the state ‘normalizes’ collusion with criminal markets, decreasing reputational and legal risks of involvement. For example, while Mauritius and the Seychelles are afflicted by some of the highest heroin consumption rates in the world, both have high rankings on international governance indices. Any proven connection between elected officials and the drugs trade is perceived by local stakeholders to be career-ending.²⁸

In contrast, a number of MPs in Tanzania were openly linked to the drugs trade between the early 2000s and 2015, the year when former president John Magufuli took office, with no tangible career impacts. (Unsurprisingly, there were no meaningful drug seizures in the country during this period, despite evidence of a vast transit trade.) This widespread political protection has underpinned significant growth in the country’s drugs market, with the heroin market alone estimated to have an annual value of US\$14.04 billion as at February 2021.²⁹ Magufuli’s inauguration in 2015 marked the start of a disruption to the status quo. His stated crackdown on corruption, drugs and organized crime engendered a wave of laws and policies that aimed to disrupt criminal groups. However, these measures mostly affected opposition

political figures, civil society and vulnerable groups, and appear to have avoided addressing high-level government collusion with criminal interests, particularly in the drug trade.³⁰

In Kenya, no such disruption has occurred and the links between traffickers and political office are openly recognized.³¹ Indeed, corruption among politicians is identified by Kenyans in polls as the biggest issue facing the country.³² Politicians are also repeatedly identified as being the biggest obstacle to fighting the drugs trade.³³ The growing integration of drug networks and political office in Kenya appears to have reached its logical endpoint, with an increasing number of drug kingpins seeking to cut out the political middlemen and directly campaign for office.³⁴

Drugs are an important source of rents for certain political elites in countries across the region, driving policymakers to focus on predation, rent creation and capture, with devastating impacts on the provision of public services and the socio-economic development of states. In turn, diminished public trust in state institutions dissuades payment of taxes, eroding the revenue base and fuelling greater reliance on alternative revenue sources.³⁵ A growing drugs market is well positioned to provide this alternative funding.

Electoral financing

Profits from drug markets have fed into electoral financing, creating indebtedness to illicit actors, which is repaid through protection and facilitation of the market.

The very structure of democracy encourages the penetration of drug profits into state infrastructure. The risk of opposition victories in functioning multi-party democracies requires criminal networks to buy state protection and spread financial support between political players to safeguard business continuity from any electoral upheavals. Reflecting this, in countries across the region the drugs market has become intricately intertwined with the state formation process.³⁶

GI-TOC research into the littoral countries of the southern and eastern African seaboard has found that the periods of expansion of coastal drug trafficking markets – the mid-1990s, with a further period of escalation from the early 2000s – correlate with the evolution of multi-party democracies and liberalized markets.³⁷ Players in nascent democratic systems, needing funding for electoral campaigning and patronage networks, had limited recourse to legitimate sources of finance and thus turned to illicit markets, including the growing heroin market.³⁸ Opposition parties, unable to exploit state budgets to fund elections, are particularly vulnerable to illicit funding sources, perpetuating a vicious cycle of increasing corruption as they become indebted to illicit markets.

Spiralling election costs in evolving democracies across the region have also increased the reliance of the political establishment on illicit funding sources to fund polls.³⁹ For example, the Kenyan government spent over US\$500 million on the country's 2017 elections, making it one of the costliest polls in history.⁴⁰ Reports that drugs money contributed to financing campaigns for this election are widespread.⁴¹

Similarly, between 1995 and 2015, the costs of elections in Tanzania spiked, with campaigners adopting ever flashier strategies, notably including the use of helicopters to mobilize attendance at political rallies in 2005.⁴² This increased the reliance of political actors on private donors, and on illicit sources of funds.

The growing cost of elections, and the ready availability of finances from the profitable drugs market, poses a threat to governance even in countries that rank highly on international governance indices. For example, the 2019 election in Mauritius, which catalyzed unprecedented allegations of procedural irregularities, was reported to have been far more expensive than others in the island's history. Political opposition figures, civil society and democracy analysts pointed to the abundance of 'dirty money' being used to finance campaigning, with many pointing to the large drugs market as a source.⁴³ The elections are a stark departure from Mauritius's record of good governance and are perceived to be only one public manifestation of accelerating institutional decay, in part linked to the booming drugs market.

EROSION OF CRIMINAL JUSTICE

State institutions tasked with disabling drug markets are targeted by networks who aim to buy complicity in order to safeguard their operations and create a culture of impunity.⁴⁴ When state bodies begin to benefit from the profits of drug trafficking markets, the relationship between organs of the criminal justice infrastructure and illicit markets is fundamentally altered, transforming the former from disablers to enablers.⁴⁵

Law enforcement

The illicit and cash-based nature of the drugs market lends itself to the corruption of law enforcement bodies, which are repeatedly identified as the organizations most corrupted by illicit markets in the region.⁴⁶

State institutions are weakened by resourcing shortfalls, which also mean that the salaries of low-level officials are often extremely low, enhancing their vulnerability to bribes. (These resourcing shortfalls are partly a consequence of a narrow revenue base, which is exacerbated by the diversion of scarce resources by political elites to support patronage networks, as explored above.)

In Uganda, where a police constable earns about US\$140 a month, the bribe required to turn a blind eye to drug trafficking is commensurately low. In Mozambique, a job in the police force is attractive despite the low salaries because it offers a route to decent compensation through the collection of bribes. The reliance on illicit funding sources, engendered in part by low salaries, results in criminal networks operating with the tacit blessing, or active participation, of the police.

Most countries in the region ascribe to traditional law enforcement approaches to countering the drugs trade, indiscriminately targeting street-level retailers as well as PWUD. This heightens police vulnerability to drug-fuelled corruption.⁴⁷ For example, in South Africa, where drug-related arrests have spiralled over the last decade,⁴⁸ police officers across urban areas regularly collect bribes from street-based heroin and methamphetamine distribution points.⁴⁹

Similarly, in Mauritius, where drug-related arrests have also been rising year on year, particularly since 2015, when synthetic cannabinoid markets significantly increased, street patrol units in the profitable drug-selling hotspots of Port Louis are known to collect regular payments in return for non-interference or active facilitation of the drug trade. This includes transporting drugs or targeting competing networks.⁵⁰ These dynamics are reported across countries in the region in predominantly urban areas, including in Mozambique and Tanzania.⁵¹ Within drug networks, bribes are part of the cost of doing business, and represent a small cost relative to the size of drug profits.

Growing arrest statistics are also driven by the use of total arrest figures as a key element of performance indices used by law enforcement agencies across the region, and indeed globally. PWUD and low-level street dealers are vulnerable to being rounded up to enable officials to meet targets, and to extortion to avoid arrest.⁵² In both South Africa and Mauritius, the increase in arrests is mostly driven by arrests for possession and use, rather than for trafficking.⁵³

This strategic focus on interdiction enables police to abuse their powers to extract greater rents from the drug markets. For example, in Lesotho, the limited drug raids conducted by the police rarely result in arrests; instead, they cost traffickers about US\$30 (Lesotho loti 500) per person per raid.⁵⁴ Similarly, in South Africa the threat of arrest is widely used by police as a tool to extort payments from low-level street-based dealers.⁵⁵

Specialist anti-drug units are particularly targeted by drug trafficking networks. In both the Seychelles and Mauritius, sources within the criminal justice system and drug markets highlighted particularly extensive corruption within these units.⁵⁶ In Mauritius, the 2018 Report of the Commission of Inquiry on Drug Trafficking found corruption to be so

pervasive in the specialist anti-drugs unit that it recommended the unit be disbanded, a recommendation that has not been implemented and appears unlikely to be.⁵⁷

The commission found the unit to be systemically corrupted. This is not to say that every individual in the force is corrupt, but that the consequences of acting against the corruption are too high, driving individuals to adapt their behaviour to avoid harm. This means that the force, taken as a whole, plays a facilitating, rather than debilitating, role. Reflecting this, interviewees in South Africa, Mozambique, Tanzania and Kenya all reported avoiding investigating drug trafficking cases as a result of senior corruption in the force.⁵⁸

The nature of illicit drug markets, together with the policy and law enforcement response adopted by many states across the region, has entrenched corrupt practices in law enforcement bodies across the region. Many, including some in South Africa, Kenya and Mozambique, should now be recognized as being systemically corrupted.

Judicial systems and prisons

Corruption of law enforcement bodies largely safeguards middle- and high-level players from arrest, but the lower levels of the criminal justice system are also targeted by criminals.

Lower-level organized crime figures typically lack access to informal networks within the judiciary, but will be able to target court administration personnel (which can lead to tampering with evidence or disruption of court timetabling, for example),⁵⁹ or public prosecutors (who hold significant sway over court outcomes).⁶⁰ Such disruption of the prosecutorial process for the benefit of players in drug markets has been reported in countries across the region.

In Uganda, lawyers openly acknowledge that drug traffickers are able to ‘influence court outcomes’⁶¹ and members of the judiciary complain that corruption has a direct impact on criminal prosecutions. One prosecutor noted that when dockets disappeared, he knew not to try to track them down in order to avoid a backlash,⁶² pointing to protection structures among high-level state officials.

Pressure from political elites, where they have themselves become facilitators of the drugs trade, is a common indirect driver for the co-option of the judiciary into trafficking.⁶³ This is particularly common in countries where judicial independence is limited and the executive exerts significant influence over judicial processes, as is the case in Uganda and Zimbabwe.⁶⁴

Even in countries where the judiciary is broadly perceived to be independent and honest, as is the case in South Africa, there are clear instances of the judicial system failing to bring powerful players in the drugs market to account in dubious circumstances. For example, the Periasamy brothers – leaders of the ‘bloods gang’ operating in the suburb of Phoenix in Durban – survived more than 175 cases brought against them over a decade without a single conviction. The withdrawal of more than 131 claims, together with the dissolution of many others as a result of witnesses being intimidated or disappearing, points to actions taken outside the courts. However, the ‘not guilty’ verdicts in 45 cases point to a degree of complicity within the system.⁶⁵

Actors in the drug markets also target prison administrations, principally to facilitate unsupervised communication with the outside world.⁶⁶ This has become more prevalent as a result of the widespread use of communications technology. For example, in Mauritius, the 2018 constitutional commission of inquiry found endemic collusion of prison officers with imprisoned heroin kingpins, manifesting partly in the easy availability of mobile phones. This enabled the kingpins to continue their trade from jail.⁶⁷ Although efforts were made following the 2018 report to tackle corruption in the prison service, in 2020 local stakeholders reported that a number of these high-level kingpins continued to operate, showing ongoing collusion between prisoners and officials.⁶⁸

National borders, entry and exit points

The corrosive influence of illicit rents on formal institutions, as outlined above, also weakens the ability of the state to control its territory. Porous borders are pivotal to the functioning of drugs markets in Eastern and Southern Africa as the vast majority of the drugs are cultivated or produced outside the region and are destined for more profitable markets in Europe and the US.

Although drugs move around official entry and exit points, significant volumes go through them. While trafficking through official entry points is in part enabled by poor screening procedures, corruption also plays a central role, and immigration and customs officials are widely known to be active facilitators of the market, requiring only small bribes to assist traffickers.⁶⁹

Officials at international airports – which provide opportunities for both regional and transnational drugs trafficking, albeit in smaller volumes than trafficking by land or sea – have repeatedly been found to be complicit in the trade. At Malawi's Kamuzu International Airport in Lilongwe, it is widespread practice for drug traffickers to pay border officials to provide a designated 'window of time', typically spanning just a few minutes, to allow drug consignments to pass through the checkpoint without inspection.⁷⁰ Similarly, police officers at OR Tambo Airport in Johannesburg, a pivotal transit point in global cocaine flows, have been found to seize drugs only to sell them back into the market.⁷¹

Networks shape trafficking flows to enable them to exploit attractive entry and exit points.⁷² For example, the inland creep of regional heroin markets can in part be attributed to the increasingly well-connected airports of landlocked countries, including Uganda's Entebbe airport, which offers convenient connectivity to international markets.⁷³ As a growing number of airports in the region increase their route networks, they become more attractive to drug trafficking groups, as does vulnerability of officials to corruption.⁷⁴

However, although airports play an important role in connecting the region to international drug markets, the bulk transit trade moves by sea.⁷⁵ The weak governance systems in ports across the East African seaboard first made them attractive to traffickers as transshipment points for heroin destined for Europe in the 1990s, driving the expansion of the so-called southern route.⁷⁶ In turn, criminal networks required the ports to be permeable to ensure their increasingly valuable cargo was not seized. In order to do so, they entered into transactions with figures exerting control over ports and the state agencies tasked with protecting them, eroding governance in these strategic areas.

Over time, the criminal influence has grown in many of Africa's ports, with networks not only using their facilities to tranship heroin, but also a range of other illicit commodities, including other narcotics, timber and illicit ivory.⁷⁷ While such commodities are also trafficked in and out of the region using the many informal ports and entry points, official ports are corridors for a significant proportion of the trafficking, particularly in the context of container traffic, which enables greater volumes to be trafficked.

The control of seaports thus presents key opportunities for increasing profits. It is no coincidence that political figures linked to the drugs trade in a number of the region's littoral states have exerted influence over the region's ports. For example, nine of the names linked to drugs in the Kenyan parliament in 2010 own (or owned) companies in the container freight, or import and export businesses.⁷⁸ Similarly, ports in Mozambique have long been managed by a holding company owned by the ruling political party, Frelimo, which played a pivotal role in protecting the country's illicit drugs markets.⁷⁹

The region is littered with corruption-compromised intermodal ports, including Zanzibar and Tanga in Tanzania, and Nacala in Mozambique.⁸⁰ The increasing amount of trade through these ports offers ever greater opportunities for criminal networks.

Weak governance, exploited and further damaged by illicit markets, is undermining the development benefits of regional infrastructure development in the region. Criminal operators leverage the opportunities this presents for enhanced international connectivity.⁸¹ The 2019 expansion of Namibia's Walvis Bay port, which more than doubled port capacity (from 350 000 containers to 750 000 a year), illustrates this.⁸²

At Walvis Bay (as in many ports across the region), low wages of port staff make them vulnerable to bribes and the predations of criminal networks.⁸³ Long used for the traffic of illicit diamonds,⁸⁴ more recently trafficking networks have used the port to import precursor chemicals from India and China for the production of synthetic drugs.⁸⁵ The growing throughput of the port, the limited operational monitoring capacity (expected to remain largely unchanged following the 2019 expansion) and endemic governance weaknesses make Walvis Bay more vulnerable than ever to exploitation by trafficking networks. Namibia is neither a production point nor a consumer market for NPS, but its economy is under threat from the opportunities offered by its expanding but compromised infrastructure.⁸⁶

Corruption at countries' entry points compromises their function as checkpoints, and they operate as key nodes facilitating growing illicit commodity flows. This not only damages the territorial integrity of states, but also poses a threat to national security.

IMPACTS ON ECONOMIC GOVERNANCE AND FINANCIAL MARKETS

Drug trafficking is a cash-intensive business, making cash conversion and concealment crucial to the functioning of the trade. The injection of criminal proceeds into formal business and financial systems undermines existing economic systems. This can have a serious impact on financial and political stability, distort the proper functioning of the private sector, create fake bubbles in real estate, and undermine the integrity of financial systems.

Evaluations by the Eastern and Southern Africa Anti-Money Laundering Group have repeatedly identified the drugs market as one of the top five sources of illicit funds in countries across the region, which increases the risk of money laundering.⁸⁷

Recent market valuation studies conducted by the GI-TOC in six countries in the region support these findings. For example, 2020 estimates of the value of the market in Kenya for heroin, cocaine and methamphetamines alone (ignoring the vast cannabis market and growing NPS markets) suggest that more than US\$671 million is being laundered through the country's financial systems every year.⁸⁸ In Lesotho, the annual value of the same three drugs is estimated to be about US\$196 million, a vast amount given the small size of the country.⁸⁹

At such scale, the laundering of drug profits increases the risk of bank failures and weakens governmental control of the economic system. Further, high levels of money laundering damage the reputation of countries, constrain economic growth and are a disincentive to foreign direct investment.⁹⁰

For example, the 2020 downgrade of Mauritius and the Seychelles in international financial regulatory rankings as a result of weaknesses in their anti-money laundering systems was a significant reputational blow to the countries, both of which have offshore financial systems.⁹¹ The Financial Action Task Force in Mauritius and the European Union in the Seychelles cited drug proceeds as a key money laundering risk, and the failure to prevent the infiltration of drug profits appears to have been a contributing factor to the downgrades.⁹²

In the Seychelles, the downgrade was specifically related to the failure to reform beneficial ownership regulations. These have facilitated the operation of shell and front companies, used by traffickers to launder drug proceeds across the region. The new administration in the Seychelles, which came to power in October 2020, has passed a series of legislative reforms, including measures to tackle opacity in beneficial ownership structures.⁹³

In the Seychelles, clothing and jewellery stores, gambling operations and the hospitality sector are among the businesses typically used to launder drug profits, while in Mauritius fast food establishments are particularly favoured for this purpose.⁹⁴ Buoyed by illicit funds, these front companies can outcompete legitimate businesses, distorting the private sector and hampering economic growth.

CONCLUSION

The highly profitable drugs markets have had a devastating impact on the governance of countries across Eastern and Southern Africa. Members of the political elite have been captured by drug profits, which has undermined governance, diverting policymaking efforts away from the interests of citizens. Drug markets have also destabilized the region's financial systems, driving away investment, entrenching poverty and constraining economic progress.⁹⁵ Drug money has also penetrated the criminal justice and security infrastructure. The culture of impunity it has created in these structures has affected the application of justice, not only in the context of drugs markets but more broadly, with serious consequences for the rule of law. In some countries, drug markets have contributed to the creation of a shadow state, where those in power draw authority from their ability to control and draw rents from illicit markets, including the drugs market.

The combination of governance weaknesses and geography has made Eastern and Southern Africa an attractive transshipment point on global drug routes, particularly for heroin moving from Afghanistan to markets in Europe. These factors do not look set to change, enabling increasing volumes and diversity of drugs being trafficked through the region, including methamphetamines trafficked alongside heroin on the southern route, and Latin American cocaine. Entrenched corruption structures underpin drug markets across the region and are well positioned to gain greater traction as trafficking volumes grow.

Notes

¹ This definition is in line with that used by NORAD, Norwegian Agency for Development Co-operation, *Anti-Corruption Approaches: A Literature Review*, 2009. It is broader than the conventional one, 'the abuse of public office for private gain'. The latter is difficult to apply in developing country settings, where the distinction between the private and public sphere is often unclear. Notably, neither the United Nations Convention against Corruption, nor the African Union Convention on Preventing and Combating corruption define the term 'corruption', instead outlining specific corrupt acts to be criminalized, including bribery, embezzlement, trading in influence, abuse of functions, illicit enrichment, laundering of proceeds of crime, concealment and obstruction of justice. See OECD, *International drivers of Corruption: A tool for analysis*, 2012, <https://www.oecd.org/dac/accountable-effective-institutions/49263997.pdf>.

² Jason Eligh, The evolution of methamphetamine markets in eastern and southern Africa, *Global Initiative Against Transnational Organized Crime (GI-TOC)*, March 2021, <https://globalinitiative.net/analysis/meth-africa/>.

³ William Reno, Understanding criminality in West African conflicts, in *Peace Operations and Organized Crime: Enemies or Allies?* John Cockayne and Adam Lupel (eds), London: Routledge, 2011; Vadim Volkov, *Violent Entrepreneurs: The Use of Force in the Making of Russian Capitalism*, Ithaca, NY: Cornell University Press, 2002.

⁴ Mark Shaw, We pay, you pay: Protection economies, financial flows, and violence, in Hilary Matfess and Michael Miklaucic (eds), *Beyond Convergence, World Without Order*, Washington, DC: Center for Complex Operations, Institute for National Strategic Studies, 2016, pp. 235–250.

⁵ GI-TOC market valuation study, February 2021.

⁶ The overall value diverted through corruption is vast. According to United Nations estimations, every year US\$1 trillion is paid in bribes globally while an estimated US\$2.6 trillion is diverted annually through corruption. The sum is the equivalent of more than 5% of global GDP. UN, Security Council 8346th Meeting, *Global Cost of Corruption at Least 5 Per Cent of World Gross Domestic Product*, Secretary-General Tells Security Council, Citing World Economic Forum Data, 10 September 2018, <https://www.un.org/press/en/2018/sc13493.doc.htm>.

⁷ Simone Haysom, From the maskani to the mayor: The political economy of heroin markets in East and Southern Africa, February 2020, ENACT, <https://enact-africa.s3.amazonaws.com/site/uploads/2020-03-05-heroin-coast-02.pdf>.

⁸ Illicit markets are repeatedly identified to corrupt in an 'enclave' fashion, from which the corrupting influence can spread throughout the state. See Peter Gastrow, *Termites at work: Transnational organized crime and state erosion in Kenya*, International Peace Institute, October 2011, <https://globalinitiative.net/wp-content/uploads/2017/12/IPI-Termites-at-Work-A-Report-on-Transnational-Organized-Crime-and-State-Erosion-in-Kenya.pdf>.

⁹ Petty corruption should be understood as smaller financial transactions, often affecting the provision of basic services as citizens are forced to pay bribes to access services they are entitled to. 'Grand' corruption typically includes the participation of people in prominent public roles and involves significant sums of money and assets.

¹⁰ INTERPOL, *Corruption as a facilitator for organized crime in the Eastern African Region*, 15 October 2019, ENACT.

¹¹ The year of enactment of the UN's Single Convention on Narcotic Drugs: UNODC, *Single Convention on Narcotic Drugs, 1961*, <https://www.unodc.org/unodc/en/treaties/single-convention.html?ref=menuaside>. As the UN Office on Drugs and Crime (UNODC) noted in 2008, 'the first unintended consequence [of the global drug control regime] is the creation of a criminal black market. There is no shortage of criminals interested in competing in a market in which hundred-fold increases in price from production to retail are not uncommon'. United Nations Office on Drugs and Crime, *World Drug Report 2008*, https://www.unodc.org/documents/wdr/WDR_2008/WDR_2008_eng_web.pdf.

¹² Second only to the illicit market in counterfeit goods. See: *Global Financial Integrity, Transnational crime and the developing world, 2017*, <https://gfintegrity.org/report/transnational-crime-and-the-developing-world/>. As far back as 1998, the preamble to the UN convention on drug control recognized that '[I]llicit traffic generates large financial profits and wealth, enabling transnational criminal organizations to penetrate, contaminate and corrupt the structures of government', Preamble to the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988, https://www.incb.org/documents/Publications/AnnualReports/Thematic_chapters/English/AR_2010_E_Chapter_I.pdf.

¹³ The ban on alcohol in Namibia had a similar impact. See *Smuggling of alcohol, cigarettes on the rise*, Defenceweb, 20 April 2020, <https://www.defenceweb.co.za/featured/smuggling-of-alcohol-cigarettes-on-the-rise/>; *Spike in people smuggling beer, whisky into Namibia amid coronavirus crackdown*, IOL, 28 April 2020, <https://www.iol.co.za/news/africa/spike-in-people-smuggling-beer-whisky-into-namibia-amid-coronavirus-crackdown-47308917>.

¹⁴ GI-TOC, *Civil Society Observatory of Illicit Economies in Eastern and Southern Africa, Risk Bulletin – Issue 9, June–July 2020*, <https://globalinitiative.net/wp-content/uploads/2020/07/Civil-Society-Observatory-of-Illicit-Economies-in-Eastern-and-Southern-Africa-Risk-Bulletin-9.pdf>.

¹⁵ *Ibid.*

¹⁶ The Southern African Development Community drug policy position advocates the criminalization of use, possession and production of drugs. Jason Eligh, *The evolution of illicit drug markets and drug policy in Africa*, ENACT, 9 July 2019, <https://globalinitiative.net/analysis/the-evolution-of-illicit-drug-markets-and-drug-policy-in-africa/>.

¹⁷ The revenue base of all countries in Southern and Eastern Africa are below the OECD average. While the revenue base of the Seychelles, South Africa, Mauritius, Lesotho, and Namibia are all over 20% (the OECD average is 24%), the remaining countries in the region are below that. See OECD, *Revenue statistics in Africa 1990–2018*, <https://www.oecd-ilibrary.org/docserver/14e1edb1-en-fr.pdf?expires=1612522832&id=id&accname=guest&checksum=D8549D11EF9F24CA4BF3523B067CD368>.

¹⁸ Sources of revenue are core in shaping the incentives and strategies of the ruling elite. Where rulers need to 'earn' revenue by taxing citizens this creates pressures for public accountability and a strong incentive for rulers to nurture productive investment and build the capability to raise and manage public revenues. Where revenues are 'unearned', no such accountability mechanism exists, driving predation, corruption, rent seeking and political patronage rather than inclusive political behaviour centred on the provision of public goods. Unearned revenues have corrosive power regardless of whether they are licit (for example, the 'resource curse', where countries' natural resources fetch high prices on international commodity markets and translate into inflated corruption and dwindling domestic governance) or illicit. The nature of the revenue source – whether licit or illicit – shapes the strategies of the elite in power, in part because the latter can be directly appropriated. The former must typically be obtained through taxation. The 'unearned' and 'illicit' nature of profits from criminal markets makes them highly corrupting of state officials. See OECD, *International drivers of corruption: A tool for analysis*, 2012, <https://www.oecd.org/dac/accountable-effective-institutions/49263997.pdf>.

¹⁹ This is in contrast to licit 'earned' state income, which should benefit the population in the form of public services.

²⁰ OECD, *Revenue statistics in Africa 1990–2018*, <https://www.oecd-ilibrary.org/docserver/14e1edb1-en-fr.pdf?expires=1612522832&id=id&accname=guest&checksum=D8549D11EF9F24CA4BF3523B067CD368>.

- ²¹ GI-TOC, Civil Society Observatory of Illicit Economies in Eastern and Southern Africa, Risk Bulletin – Issue 5, February–March 2020, https://globalinitiative.net/wp-content/uploads/2020/03/RB5.27.02.web_.pdf.
- ²² A US government submission in the 2019 drug-trafficking trial of the Kenyan brothers Baktash and Ibrahim Akasha says they and two associates attended a meeting at which Ugandan President Yoweri Museveni's sister-in-law allegedly 'offered to provide a licence to import ... ephedrine, two tons at a time, in exchange for a percentage of the profits'. See *United States of America v Baktash Akasha Abdalla and Ibrahim Akasha Abdalla*, United States District Court Southern District of New York, case 14 Cr. 716 (VM).
- ²³ GI-TOC interviews with representatives of law enforcement and civil society, Kampala, December 2019.
- ²⁴ Zimbabwe scores poorly in the World Bank Control of Corruption Index, which captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as capture of the state by elites and private interests. In 2019, Zimbabwe scored –1.24, ranking 173rd of 193 in the world (a few spots below Uganda). See: https://www.theglobaleconomy.com/rankings/wb_corruption/.
- ²⁵ Furthermore, drug networks operating in key cities, including Harare and Bulawayo, and in towns strategically important for cross-border trade, such as Beitbridge and Mutare, have been linked to high-level government officials. Jason Eligh, A shallow flood: The diffusion of heroin in eastern and southern Africa, GI-TOC, May 2020, <https://globalinitiative.net/analysis/heroin-east-southern-africa/>.
- ²⁶ Many countries in the region, including Kenya and Zambia, suffer from a bloated civil service and an increasingly untenable public sector wage bill. See, for example, World Bank, Republic of Zambia, Systematic country diagnostic, 2018, <http://documents1.worldbank.org/curated/en/290011522954283481/pdf/Zambia-SCD-March-29-Final-04022018.pdf>.
- ²⁷ Alastair Nelson, A triangle of vulnerability: Changing patterns of illicit trafficking off the Swahili coast, GI-TOC, June 2020, <https://globalinitiative.net/triangle-vulnerability-swahili-coast/>.
- ²⁸ GI-TOC interviews with stakeholders in Mauritius and the Seychelles, May–August 2020.
- ²⁹ GI-TOC market valuation study, February 2021.
- ³⁰ While lack of transparency and a repressive press environment means dynamics within Tanzania's state are opaque, state government officials are believed to remain highly involved in the national drug economy. Note that access to information in Tanzania remains poor –the country has a right to information rating of just 73, ranking 91 globally. Data and analysis collated for the ENACT Africa Organized Crime Index, <https://globalinitiative.net/analysis/organised-crime-index-africa-2019/>.
- ³¹ Simone Haysom, Peter Gastrow and Mark Shaw, The heroin coast: A political economy along the eastern African seaboard, GI-TOC, July 2018, <https://globalinitiative.net/analysis/the-heroin-coast-a-political-economy-along-the-eastern-african-seaboard/>.
- ³² Data and analysis collated for the ENACT Africa Organized Crime Index, <https://globalinitiative.net/analysis/organised-crime-index-africa-2019/>.
- ³³ Research and expert opinions collated for Organised Crime Index Africa 2019.
- ³⁴ Simone Haysom, Peter Gastrow and Mark Shaw, The heroin coast: A political economy along the eastern African seaboard, GI-TOC, July 2018, <https://globalinitiative.net/analysis/the-heroin-coast-a-political-economy-along-the-eastern-african-seaboard/>.
- ³⁵ INTERPOL research in Eastern Africa found corruption to be a key factor in weakening the government's ability to collect revenue and found drug trafficking to be the illicit market most connected with corruption. See INTERPOL, Corruption as a facilitator for organized crime in the Eastern African Region, ENACT, 15 October 2019.
- ³⁶ Simone Haysom, Peter Gastrow and Mark Shaw, The heroin coast: A political economy along the eastern African seaboard, GI-TOC, July 2018, <https://globalinitiative.net/analysis/the-heroin-coast-a-political-economy-along-the-eastern-african-seaboard/>. Academic studies have pointed to the essential role criminal markets, and notably the illicit profits they engender, can play in state formation processes. For the mafia's role in state formation in Italy in the 19th century, see Diego Gambetta, *The Sicilian Mafia: The Business of Private Protection*, London: Oxford University Press, 1992. For an overview, see Vincenzo Ruggiero, *Understanding Political Violence: A Criminological Approach*, Maidenhead: Open University Press, 2006.
- ³⁷ Although small-scale drug trafficking markets have operated along the East African coast since the 1980s, they materially expanded in the mid 1990s, with a further period of escalation from the early 2000s. South Africa can be distinguished from the other coastal states in that GI-TOC research did not identify direct links between the political establishment and the heroin markets. However, there are long-standing and widespread reports of political protection of the drugs trade, alongside other illicit markets, and specific allegations targeting senior political figures. See Simone Haysom, Peter Gastrow and Mark Shaw, The heroin coast: A political economy along the eastern African seaboard, GI-TOC, July 2018, <https://globalinitiative.net/analysis/the-heroin-coast-a-political-economy-along-the-eastern-african-seaboard/>.
- ³⁸ Simone Haysom, From the maskani to the mayor: The political economy of heroin markets in East and Southern Africa, February 2020, ENACT, <https://enact-africa.s3.amazonaws.com/site/uploads/2020-03-05-heroin-coast-02.pdf>.
- ³⁹ The infiltration of drugs money in electoral financing has been evident in a number of countries across the region. Such allegations have also been made, although unsubstantiated, regarding Mauritius, the Seychelles, Zambia and Zimbabwe.
- ⁴⁰ Millions of dollars at play as Kenyans go into their most expensive election yet, *The East African*, 22 May 2017, <http://www.theeastafrican.co.ke/news/Millions-of-dollars-at-play-as-Kenyans-go-to-the-polls/2558-3937572-as8pr8/index.html>; Kenya poll one of the most expensive in the world, *The Nation*, 17 July 2017, <http://www.nation.co.ke/news/Kenya-holds-one-of-the-most-expensive-elections/1056-4018144-10vpg41/>.
- ⁴¹ Simone Haysom, Peter Gastrow and Mark Shaw, The heroin coast: A political economy along the eastern African seaboard, GI-TOC, July 2018, <https://globalinitiative.net/analysis/the-heroin-coast-a-political-economy-along-the-eastern-african-seaboard/>.
- ⁴² Ibid.
- ⁴³ Roukaya Kasenally and Ramola Ramtohol, The cost of parliamentary politics in Mauritius, WFD, September 2020, <https://www.wfd.org/wp-content/uploads/2020/10/Cost-of-Parliamentary-Politics-in-MauritiusWEB-FINAL.pdf>. Telephone interview with Kasenally and Ramtohol, 18 January 2021.
- ⁴⁴ INTERPOL identifies the following as the public agencies most targeted by organized crime groups seeking to corrupt their officers in Eastern Africa: customs, immigration, public procurement, country governments, public service agencies (in charge of providing identity documents, birth certificates, etc.), natural resource agencies, national parks, security agencies and the judiciary. INTERPOL, Corruption as a facilitator for organized crime in the Eastern African Region, ENACT, 15 October 2019.
- ⁴⁵ Jason Eligh, The evolution of methamphetamine markets in eastern and southern Africa, GI-TOC, March 2021, <https://globalinitiative.net/analysis/meth-africa/>.
- ⁴⁶ ENACT Organised Crime Index Africa 2019, <https://globalinitiative.net/analysis/organised-crime-index-africa-2019/>.
- ⁴⁷ It has also largely proved ineffective; see https://globalinitiative.net/wp-content/uploads/2020/05/FINAL-EN_2020report_web.pdf In contrast, where a more lenient state approach is taken to street dealing, with the focus of interdiction instead on mid-level distributors, street police units have been found to face a lower risk of corruption in some instances. See Center for the Study of Democracy, Examining the links between organized crime and corruption, 2010, https://ec.europa.eu/home-affairs/sites/homeaffairs/files/doc_centre/crime/docs/study_on_links_between_organised_crime_and_corruption_en.pdf.

⁴⁸ Between 2006 and 2016, drug-related arrests increased by 181.6%. Monique Marks and Simon Howell, Cops, drugs and interloping academics: an ethnographic exploration of the possibility of policing drugs differently in South Africa, *Police Practice and Research*, 2016, 17:4, 341–352, DOI: 10.1080/15614263.2016.1175176.

⁴⁹ Jason Eligh, A shallow flood: The diffusion of heroin in eastern and southern Africa, GI-TOC, May 2020, <https://globalinitiative.net/analysis/heroin-east-southern-africa/>; Monique Marks and Simon Howell, Cops, drugs and interloping academics: An ethnographic exploration of the possibility of policing drugs differently in South Africa, *Police Practice and Research*, 17:4, 2016, 341–352, DOI: 10.1080/15614263.2016.1175176.

⁵⁰ Arrests are largely for possession, although a growing proportion are for dealing. This does not translate into convictions, however; 92% of convictions for drug offences in 2019 were for either possession or use, with only 4% relating to dealing or importation. Mauritius National Observatory Report 2019,

<https://mroiti.govmu.org/Communique/National%20drug%20observatory%20report%202019%20Final.doc%2011.pdf>. Interview with senior prison official, 23 May 2020, Mauritius; Interview with PWUD and former dealer, Rose-Hill, 13 June 2020, Mauritius; interview with cannabis PWUD, close to Grand-Gaube/Goodlands, June 2020, Mauritius. Cited in Lucia Bird, et al, Changing tides: The political economy of illicit drugs trafficking across the Western Indian Ocean states, GI-TOC, June 2021, <https://globalinitiative.net/analysis/drug-trade-indian-ocean/>.

⁵¹ The two Mauritian police units identified to be the most corrupt patrol two of the most profitable drug trafficking hotspots on the island (Roche-Bois and Rose Hill). GI-TOC interviews conducted in Mauritius May–June 2020. Cited in Lucia Bird, et al, Changing tides: The political economy of illicit drugs trafficking across the western Indian Ocean states, GI-TOC, June 2021, <https://globalinitiative.net/analysis/drug-trade-indian-ocean/>.

⁵² In Uganda, the introduction of the Anti-Narcotics Act 2016, which further hardened the government's stance on drugs, decreed stiff penalties for use and possession. According to local civil society organizations, the Act fuelled extortion by law-enforcement officers, who give PWUD a choice between 10 years' imprisonment (as prescribed by the Act) and a bribe. See GI-TOC, Civil Society Observatory of Illicit Economies in Eastern and Southern Africa, Risk Bulletin – Issue 5, February–March 2020, https://globalinitiative.net/wp-content/uploads/2020/03/RB5.27.02.web_.pdf. While the Act is widely reported to have triggered a spike in arrests, these are almost exclusively for possession rather than trafficking. Similarly in Malawi, PWUD are rounded up alongside the homeless to meet law enforcement arrest quotas. GI-TOC, Civil Society Observatory of Illicit Economies in Eastern and Southern Africa, Risk Bulletin – Issue 5, February–March 2020, https://globalinitiative.net/wp-content/uploads/2020/03/RB5.27.02.web_.pdf.

⁵³ Although 2019 and 2020 saw an increase in the proportion of arrests for dealing offences in Mauritius, law enforcement agencies note that since 2019 they have pursued a strategy that is more focused on dealing offences.

⁵⁴ Jason Eligh, A shallow flood: The diffusion of heroin in eastern and southern Africa, GI-TOC, May 2020, <https://globalinitiative.net/analysis/heroin-east-southern-africa/>.

⁵⁵ Simone Haysom, From the maskani to the mayor: The political economy of heroin markets in East and Southern Africa, ENACT, February 2020, <https://enact-africa.s3.amazonaws.com/site/uploads/2020-03-05-heroin-coast-02.pdf>. Jason Eligh, The Evolution of Methamphetamine Markets in Eastern and Southern Africa, GI-TOC, 21 March 2021, <https://globalinitiative.net/analysis/meth-africa/>.

⁵⁶ Interviews with stakeholders in Mauritius and the Seychelles, May–August 2020.

⁵⁷ Report of the Commission of Inquiry on Drug Trafficking, July 2018, <http://cut.mu/wp-content/uploads/2018/12/Commission-of-Enquiry-on-Drug-Trafficking-Report-optimized.pdf>.

⁵⁸ Interviewees in law enforcement in South Africa's urban areas not only cited drug markets as a key driver of police corruption, but also confirmed the existence of senior criminal patronage networks within forces, which affects investigations. GI-TOC interview with law enforcement officer working on narcotics investigations, Durban, May 2019, cited in <https://enact-africa.s3.amazonaws.com/site/uploads/2020-03-05-heroin-coast-02.pdf>.

⁵⁹ For example, in 2018, 10 court officials were arrested on allegations that they were connected to the disappearance of 24 grams of cocaine from the Lusaka Magistrates' Court, which was being held as evidence in a case against traffickers. See 10 court officials arrested in connection with the disappearance of cocaine not being victimised-DEC, *Lusaka Times*, 11 September 2018, <https://www.lusakatimes.com/2018/09/11/10-court-officials-arrested-in-connection-with-the-disappearance-of-cocaine-not-being-victimised-dec/>.

⁶⁰ The threat to accountability and independence of public prosecutors, both from organized crime and from executive overreach, was identified as a key cause of concern in UN General Assembly, Report of the Special Rapporteur on the independence of judges and lawyers, 2020, <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G20/071/25/PDF/G2007125.pdf?OpenElement>.

⁶¹ GI-TOC interview with lawyer in Kampala on 13 May 2019, cited in Simone Haysom, From the maskani to the mayor: The political economy of heroin markets in East and Southern Africa, February 2020, ENACT, <https://enact-africa.s3.amazonaws.com/site/uploads/2020-03-05-heroin-coast-02.pdf>.

⁶² GI-TOC interview with legal officer, Kampala, May 2019, cited in Simone Haysom, From the maskani to the mayor: The political economy of heroin markets in East and Southern Africa, February 2020, ENACT, <https://enact-africa.s3.amazonaws.com/site/uploads/2020-03-05-heroin-coast-02.pdf>.

⁶³ Judge Jose Matos, advisory board member of the UNODC's Global Judicial Integrity Network, reported that judicial independence is under greater threat from corruption than a decade ago. Comments given ahead of the UNODC conference side event titled Exploring the effects of organized crime and corruption on the integrity and independence of the judiciary, <https://www.unodc.org/dohadecaration/en/topics/ji/judicial-integrity-events-exploring-the-effects-of-organized-crime-and-corruption-on-the-integrity-and-independence-of-the-judiciary.html>.

⁶⁴ Regarding executive pressure on the judiciary in Zimbabwe see, for example Cyril Zenda, Is Zimbabwe's new leader stifling judicial freedom?, 27 June 2019, TRTWorld, <https://www.trtworld.com/magazine/is-zimbabwe-s-new-leader-stifling-judicial-freedom-27854>. The World Justice Project Rule of Law Rankings includes indicators regarding corruption in the judiciary, the impact of corruption on the criminal justice system as a whole, and the influence of the executive in the judiciary. In 2020, Zimbabwe and Uganda both ranked poorly across all three indicators, demonstrating a high degree of corruption within the judiciary, the significant impact of corruption across the criminal justice system and a high degree of executive influence on the judiciary. See https://worldjusticeproject.org/sites/default/files/documents/WJP-ROLI-2020-Online_0.pdf. Similarly, both countries score poorly for 'Judicial system and detention' in the 2019 Organised Crime Index Africa, <https://ocindex.net>.

⁶⁵ Simone Haysom, From the maskani to the mayor: The political economy of heroin markets in East and Southern Africa, February 2020, ENACT, <https://enactafrica.org/research/research-papers/from-the-maskani-to-the-mayor-the-political-economy-of-heroin-markets-in-east-and-southern-africa>.

⁶⁶ Center for the Study of Democracy, Examining the links between organized crime and corruption, 2010, https://ec.europa.eu/home-affairs/sites/homeaffairs/files/doc_centre/crime/docs/study_on_links_between_organised_crime_and_corruption_en.pdf.

⁶⁷ Report of the Commission of Inquiry on Drug Trafficking, July 2018, <http://cut.mu/wp-content/uploads/2018/12/Commission-of-Enquiry-on-Drug-Trafficking-Report-optimized.pdf>.

⁶⁸ In Mauritius, a popular saying goes: 'You enter prison a thief, you leave a drug trafficker.' Prisons in Mauritius, as with countries across the world, are breeding grounds for recruitment into drug networks. Interviews with prison officers, law enforcement, PWUD in Mauritius, June–

September 2020. Cited in Lucia Bird et al, Changing tides: The political economy of illicit drugs trafficking across the Western Indian Ocean states, GI-TOC, June 2021, <https://globalinitiative.net/analysis/drug-trade-indian-ocean/>.

⁶⁹ Jason Eligh, A shallow flood: The diffusion of heroin in eastern and southern Africa, GI-TOC, May 2020, <https://globalinitiative.net/analysis/heroin-east-southern-africa/>.

⁷⁰ See also international airports in Tanzania, Kenya, South Africa. Jason Eligh, A shallow flood: The diffusion of heroin in eastern and southern Africa, GI-TOC, May 2020, <https://globalinitiative.net/analysis/heroin-east-southern-africa/>.

⁷¹ Edwin Ntshidi, 16 police officers arrested at OR Tambo drug bust to appear in court, Eyewitness News, 2020, <https://ewn.co.za/2020/08/11/16-police-officers-arrested-at-or-tambo-drug-bust-to-appear-in-court>. See also Jonisayi Maromo, SAPS members are involved in Pretoria drug trade, says Tshwane MMC, IOL News, 24 September 2019, <https://www.iol.co.za/news/south-africa/gauteng/saps-members-are-involved-in-pretoria-drug-trade-says-tshwane-mmc-33501490>. Of course, the issue of law enforcement agencies being directly involved in the drug trade is not restricted to South Africa.

⁷² INTERPOL, Illicit goods trafficking via port and airport facilities in Africa, June 2020.

⁷³ Jason Eligh, A shallow flood: The diffusion of heroin in eastern and southern Africa, GI-TOC, May 2020, <https://globalinitiative.net/analysis/heroin-east-southern-africa/>; Simone Haysom, Peter Gastrow and Mark Shaw, The heroin coast: A political economy along the eastern African seaboard, GI-TOC, July 2018, <https://globalinitiative.net/analysis/the-heroin-coast-a-political-economy-along-the-eastern-african-seaboard/>.

⁷⁴ INTERPOL, Illicit goods trafficking via port and airport facilities in Africa, June 2020.

⁷⁵ Mother ships, including dhows, are often used to traffic drugs to the seaboard of eastern and southern Africa, and transferred to smaller boats before landing at unofficial entry points and porous maritime borders. However, significant volumes also move through ports. Containers, which also play a significant role in drug-trafficking into the region, can only be offloaded in ports, underscoring their importance.

⁷⁶ Simone Haysom, Peter Gastrow and Mark Shaw, The heroin coast: A political economy along the eastern African seaboard, GI-TOC, July 2018, <https://globalinitiative.net/analysis/the-heroin-coast-a-political-economy-along-the-eastern-african-seaboard/>.

⁷⁷ Ibid.

⁷⁸ Ibid.

⁷⁹ Ibid.

⁸⁰ Ibid.

⁸¹ David Danelo, Constructing crime: Risks, vulnerabilities and opportunities in Africa's infrastructure, 27 November 2019, ENACT, <https://enactafrica.org/research/policy-briefs/constructing-crime-risks-vulnerabilities-and-opportunities-in-africas-infrastructure>.

⁸² LUA Correspondent, Namibia's Walvis Bay port terminal to handle 750k containers per annum, Logistics Update Africa, 6 August 2019, <https://www.logupdateafrica.com/namibias-walvis-bay-port-terminal-to-handle-750k-containers-per-annum-shipping>, as cited in Jason Eligh, The evolution of methamphetamine markets in eastern and southern Africa, November 2020, GI-TOC, March 2021, <https://globalinitiative.net/analysis/meth-africa/>.

⁸³ Ibid.

⁸⁴ Matthew Hart, How to steal a diamond, *The Atlantic*, March 1999, <https://www.theatlantic.com/magazine/archive/1999/03/how-to-steal-a-diamond/305488/>.

⁸⁵ Jason Eligh, The evolution of methamphetamine markets in eastern and southern Africa, GI-TOC, March 2021, <https://globalinitiative.net/analysis/meth-africa/>.

⁸⁶ Ibid.

⁸⁷ See, for example, the original evaluation reports (where predicate offences are ranked) by the East and Southern Africa Money Laundering Group of Uganda, Namibia, and Zambia: https://esaamlg.org/reports/2ND-ROUND-MUTUAL-EVALUATION-REPORT-OF-THE-REPUBLIC-OF-UGANDA_1.pdf; https://esaamlg.org/reports/Namibia_detailed_report.pdf; <https://esaamlg.org/reports/MER%20Zambia-June%202019.pdf>; reference to eSwatini in East and Southern Africa Anti-Money Laundering Group, From Arusha to Ezulwini: Looking back and looking ahead, Twenty Year Report, 2020, <https://esaamlg.org/reports/ESAAMLG%2020%20YEAR%20REPORT.pdf>. Money laundering can also diminish government tax revenue, adding to the cycle of poor revenue collection and reliance on unearned rents, as explored above, <https://www.hsdl.org/?view&did=3549>.

⁸⁸ GI-TOC market valuation study, Kenya, February 2021.

⁸⁹ GI-TOC market valuation study, Lesotho, February 2021.

⁹⁰ Financial Action Task Force, Money Laundering FAQs, <https://www.fatf-gafi.org/faq/moneylaundering/>. World Bank data shows a clear correlation between countries where allegations of grand corruption (including abuse of office and embezzlement) are high, and low 'ease of doing business' rankings, demonstrating the impact of corruption in driving away investment.

⁹¹ In 2020, Mauritius was included on the Financial Action Task Force grey list, and subsequently on the EU High-Risk Third Country list; see Debevoise & Plimpton, Mauritius added to the European Union's AML High-Risk Third Country List – Implications for European Businesses, 5 June 2020, <https://www.debevoise.com/insights/publications/2020/06/mauritius-added-to-the-european-unions-aml>; Seychelles named to EU's tax-haven 'blacklist', *Africa Times*, 20 February 2020, <https://africatimes.com/2020/02/20/seychelles-named-to-eus-tax-haven-blacklist/>.

⁹² Eastern and Southern Africa Anti-Money Laundering Group, Anti-money laundering and counter-terrorist financing measures, Mauritius, Mutual Evaluation Report, July 2018, <http://www.fatf-gafi.org/media/fatf/documents/reports/mer-fsrb/ESAAMLG-MER-Mauritius-2018.pdf>; Eastern and Southern Africa Anti-Money Laundering Group, Anti-money laundering and counter-terrorist financing measures, Seychelles, Mutual Evaluation Report, September 2018, <http://www.fatf-gafi.org/media/fatf/documents/reports/mer-fsrb/MER-Seychelles-September-2018.pdf>. Risk assessments published by the Mauritius government also note that proceeds from illicit drugs represent among the highest sources of illicit finance in the financial system: Mauritius Ministry of Financial Services and Good Governance, The National Money Laundering and Terrorist Financing Risk Assessment Report 2019, http://www.fiumauritius.org/English/DOCUMENTS/NATIONAL%20STRATEGY%202019-2022_REVISÉD.PDF.

⁹³ The amended legislation includes Mutual Assistance in Criminal Matters (Amendment) Act 2021; Anti-Money Laundering and Countering the Financing of Terrorism (Amendment) Act, 2021; International Trust (Amendment) Act, 2021; Prevention of Terrorism (Amendment) Act, 2021; Beneficial Ownership (Amendment) Act, 2021, <https://www.gazette.sc>.

⁹⁴ GI-TOC interviews with law enforcement, PWUD, actors in the drugs market, and state officials in Mauritius and the Seychelles, May–August 2020. Cited in Lucia Bird et al, Changing tides: The political economy of illicit drugs trafficking across the Western Indian Ocean states, GI-TOC, June 2021, <https://globalinitiative.net/analysis/drug-trade-indian-ocean/>.

⁹⁵ World Bank, Combatting corruption, 11 May 2017, <http://www.worldbank.org/en/topic/governance/brief/anti-corruption>. Note that countries plagued by allegations of grand corruption tend to be ranked lower in the World Bank's Ease of Doing Business Index, showing how such practices constrain economic progress and increase poverty.



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