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**UNU-CPR**



United Nations University Centre for Policy Research  
**Crime-Conflict Nexus Series: No 1**  
May 2017

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# The Crime-Conflict Nexus

## Assessing the Threat and Developing Solutions

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This material has been funded by UK aid from the UK government; however the views expressed do not necessarily reflect the UK government's official policies.

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ISBN 978-92-808-9046-4

Criminal networks and activities fuel violent conflict, complicate conflict resolution and corrupt transitions from war to peace. Illicit networks span continents, yet they often thrive in conflict-affected and post-conflict states by taking advantage of illicit opportunities to entrench their economic, political and social influence through corruption, rent-seeking, predation and criminal governance.<sup>2</sup> The reality is that the threat from external actors such as transnational armed groups and organised crime gangs is increasing.<sup>3</sup> This fact was underscored in several key policy documents of the UK government and is reflected in the fourfold increase in the number of United Nations Security Council resolutions and statements that contain references to organised crime over the past decade.<sup>4</sup>

Notwithstanding increasing levels of concern among national governments and international organisations with respect to the links between organised crime and conflict, much remains to be understood about the nature, extent and implications of the connectivity between the two. Analytical capacities within governments and institutions such as the United Nations are weak. Operational tools are often inadequate and there is an insufficient understanding of what works and what doesn't to reduce the growing impact of organised crime on conflict.

## OBJECTIVES OF THIS PROJECT

To address this gap, the UN University Centre for Policy Research undertook a 12-month policy oriented research project seeking to improve the international response in situations where crime and conflict intersected. The objective was to draw lessons from a series of case studies and identify recommendations for international actors to limit the impact of organised crime on conflict, peace negotiations, and political transitions.

A comprehensive review of the literature led the team to focus on three lines of inquiry where the evidence base was deemed to be particularly weak; where the impact of organised crime was apparent; and where external actors could make a difference.<sup>5</sup> To that end, the team sought to assess the:

1. impact of global illicit flows on local conflict dynamics (focusing on the cases of Libya and Nigeria).
2. impact of criminal agendas on negotiating an end to violence and conflict (with Colombia as a case study); and the
3. impact of political-criminal alliances on political transitions (with Afghanistan and Myanmar as case studies)

In addition to extensive desk-based research, the investigation process entailed field work in Colombia, Libya,

Myanmar and Nigeria. Additional desk-based research, coupled with key phone and in-person interviews, was also conducted for cases involving Afghanistan and El Salvador. The objective of these case studies was twofold: (a) to establish a contextualized understanding of the conditions and mechanisms through which organised crime influences either conflict, agreements to end violence and conflict, or political transitions; and (b) to identify approaches that could work to prevent these conditions and mechanisms from developing or further consolidating.

## THE OVERARCHING FRAMEWORK FOR THIS PROJECT

In contexts of conflict or transition,<sup>6</sup> criminal actors, non-state armed groups and state actors are often in competition for 'government' and 'governance'. In many instances conflict leaves a governance void that is filled by criminal actors. In such contexts, the quest for power is often at the heart of the criminal project.<sup>7</sup> For development actors, dealing with criminal agendas may be new territory, however, it is something that can no longer be ignored. Today, these actors compete and collaborate for authority, power and control over significant territory and populations posing serious risks for national, regional and even global security and development.

To bring the crime-conflict nexus into the open it is essential to recognize that criminal and political actors often operate in shared strategic spaces. Whether these spaces be along drug trafficking routes, illicit mining sites, marginalized communities or in the vortex of governmental power, it is in these spaces where contests for power play out and where dividends emerging from conflict, agreements to end violence and conflict, and transitions are negotiated. This framing of the crime-conflict nexus underpins this series and is illustrated in the three lines of inquiry.

### STREAM 1: ASSESSING THE IMPACT OF GLOBAL ILLICIT FLOWS ON LOCAL CONFLICT DYNAMICS

While research has highlighted the growing impact of organised crime on conflict, especially on conflict financing and duration, we still have a limited understanding of how global illicit flows influence local conflict dynamics.<sup>8</sup> For example, little is known about how transnational organised crime preys on and/or amplifies local conflicts. Furthermore, despite conflicts in Libya, Syria and the Sahel attesting to the critical importance of drug trafficking, oil smuggling and other illicit flows in shaping conflicts, we still don't know: 1) how global illicit flows are organised and regulated at the local level; 2) why they exacerbate local conflict dynamics in some instances and not in others; and 3) how international actors can help make a difference.

When it comes to understanding the conditions that cause global illicit flows to impact local conflict dynamics, Reitano,

Shaw and Hunter single out “protection economies” as a useful analytical concept (see Annex A for a glossary of terms).<sup>9</sup> Protection economies govern relationships between criminal actors, non-state armed groups and state agents to enable illicit goods to flow through transit zones to their place of consumption. At their core, protection economies are about who governs illicit flows and is entitled to extract rents through extortion.<sup>10</sup> Their analysis has shed light on the idea that, “structured protection economies develop in contexts where illicit flows transit areas of poor or weak governance, or where corruption is endemic.”<sup>11</sup> Violence is not an inevitable outcome of protection markets. In fact, these markets can be extremely sophisticated and exhibit low levels of violence. This is likely due to a number of factors, but could indicate a deeper level of collusion or collaboration between criminal and political actors.<sup>12</sup>

Research for this line of inquiry was undertaken in Libya and Nigeria. In both instances, research highlighted the need to move beyond a narrow law enforcement focus on illicit commodities towards an approach that understands criminal groups and their agendas in a broader political economy of subnational power dynamics.

## SUMMARY OF KEY FINDINGS FROM RESEARCH

### Libya (read the case study report here)

In their work on post-revolutionary Libya, Mark Shaw and Tuesday Reitano demonstrate how a country can fracture into a plethora of sub-national political ecosystems and protection economies to control illicit flows, ultimately shaping the nature and intensity of civil conflict. In the case of Libya, illicit flows, and the competition to control them, have acted as a centrifugal force consolidating the power of local armed groups. This competition over illicit economies has exposed deep fissures within Libyan society that were previously controlled through a combination of force and a web of patronage networks under the Gaddafi regime. When Gaddafi was removed from power, an already divided system of power and control, fractured further with illicit flows emerging as an organizing force. Absent a strong set of centralised state institutions, local actors were empowered to assume local control, effectively taxing both licit and illicit trade.

Since the onset of the civil war in 2011, the impact of illicit flows on local conflict dynamics has varied geographically. Coastal groups have consolidated their control over illicit flows largely by colluding with the State and by relying on external financial support (particularly from the Gulf). In the south, competition over the country’s oil resources have emerged as a key driver in strengthening conflict protagonists.

After six years of protracted conflict and political stalemate, illicit markets for fuel, human smuggling and subsidised goods have emerged as the only stable sources of livelihood

for several groups. Over time, the dependency on illicit economies legitimized the presence and power of criminal actors over formal institutions in many parts of the country and violence has often been the result of contests for control over these economies.

This case study highlights how the intersections between local and regional flows have increased the capacity of local actors to influence conflict dynamics and political processes in the country. It also reaffirms the importance of understanding the trajectory and history of illicit markets and their relation with a wide set of actors, including state actors, with vested interests and political aspirations. In such settings, contextual analysis that situates local control within the context of transnational illicit flows is critical. For international actors, it is essential to understand that unless the illicit economy, and the priorities of those who control it, are addressed holistically as part of the political transition, the possibilities for a peaceful settlement remain remote and the viability of the central state questionable.

### Nigeria (read the case study report here)

This case study, written by Sasha Jespersen, focused on Boko Haram in northeast Nigeria and militant groups in the Niger Delta. In the two regions, the study finds that the dynamics of criminality are significantly different. For Boko Haram in the northeast, global illicit flows play a minor role in the conflict. Although Boko Haram is a consumer of certain illicit goods, it is not an active player in the transnational trade of illicit goods. The sporadic nature of Boko Haram’s attacks and its cell-based structured, inhibiting effective command and control, has also deterred transnational organized crime networks from partnering with it.<sup>13</sup> Instead, Boko Haram relies on a much more localized form of criminality, including the taxation of licit and illicit goods moving through the northeast. For militant groups in the Niger Delta, criminal activity is directly fueling local conflict dynamics. In particular, armed conflict is used strategically to disguise the involvement of criminal and state actors in lucrative criminal activities such as oil theft. In this case, illicit activities are actively sustaining the conflict, which simultaneously acts as an effective cover for criminal enterprise.

Conflict in Nigeria, whether the Boko Haram insurgency or the emergence of new militant groups in the Delta, ultimately stems from a lack of governance, an inequitable and opaque distribution of resources, and perceived differences in how ethnic or religious groups are treated by leaders. Responding to both violence and criminality in conflict-affected areas will require efforts to rebuild governance and promote socio-economic development. This case study puts forward a series of recommendations, from enhancing governance and accountability through an increased presence of observers in the northeast, to addressing oil-related grievances, providing credible employment opportunities and engaging with the private sector to secure the oil trade in the south.

### Key recommendations on the impact of global illicit flows on local conflict dynamics

Referring to the connection between criminal flows and conflicts is not necessarily new, yet effective solutions remain elusive. As the thematic paper summarizing key findings from the case studies points out, to effectively understand and mitigate against the impact of global illicit flows on conflict, policy makers need to be cognizant of the following factors:

1. **There is a need to shift the focus from counting illicit flows to tracking illicit transactions that influence conflict actors.** The preoccupation with quantifying the scale of the flow based on elusive numbers and “evidence” has often obscured the political economy driving the link between global illicit flows and conflict. Policy makers should shift focus from attempting to quantify the problem and prioritizing flows that seem largest to identifying transactions that influence the power and actions of conflict actors most.
2. **Move from a ‘snapshot’ based understanding of illicit flows to one that assesses these flows based on historical trajectories.** Required is a longer-term understanding of the historical trajectory of the actors and their motivations to control and profit from illicit flows. These are often associated with social, economic and political factors that enable crime and conflict to intersect – namely insecurity; social, economic and political marginalization; and a lack of adequate livelihood opportunities.
3. **Understand how illicit flows combine with legitimate ones.** Illegal flows are often closely intertwined with legal ones. Analysts must seek to disentangle these in order to explain the crime-conflict nexus. Illicit flows need to be analysed holistically rather than singularly by taking into account the entire economy (both illicit and licit). Special attention should be placed on how and when they intertwine.
4. **Don’t forget geography.** The interconnection between illicit flows and conflict zones is often a feature of geography. The point seems an obvious one, but it is often underestimated. Zones exhibiting a strong link between illicit trafficking and conflict tend to have at least one of the following three features: (a) they are small states with weak governance or large states with limited state reach to their peripheries; (b) they are countries located along important trafficking routes that link producer and destination countries or are countries that are the source of the particular illegal commodities; and (c) are countries characterized by deep political divisions, corruption and weak governance where certain groups are systematically excluded from decision-making.

5. **Understand the actors and their modes of control over illicit markets:** The control of global illicit flows is best understood along a spectrum, from state-sponsored through to criminal control. Understanding the spectrum is critical for two reasons: first, the degree of state control will shape the nature of the violence, and second, it will have implications for interventions designed to undercut protection economies and end illicit flows. For example, where central state control is entrenched, external investment in strengthening state institutions can further solidify their ability to protect and control illicit flows.

To tackle this issue effectively, international actors must first recognize the link between conflict and crime in particular contexts. They must then act quickly to address this linkage. Illicit markets tend to solidify and entrench overtime, as such early intervention is critical. Effective engagement needs to rely on building partnerships at local, national and global levels between a range of actors spanning trade, development, law enforcement, diplomacy, health and the environment.

### STREAM 2: ASSESSING THE IMPACT OF CRIMINAL AGENDAS ON NEGOTIATING AN END TO VIOLENCE AND CONFLICT

Our understanding of what works to effectively end violence and conflicts in contexts where organised crime and illicit activity is rife remains rudimentary. What we do know is that organised crime groups can be both spoilers (i.e. actors who use violence to oppose, undermine or manipulate peace negotiations<sup>14</sup>) and partners in peace.<sup>15</sup> We also know that deciding who to include and who to exclude in the negotiation process can be one of the most crucial challenges for effective violence reduction, ceasefire deals and conflict resolution.<sup>16</sup>

The common view is to regard criminal groups as spoilers to peace. Yet, a more accurate understanding, based on situations as varied as Guatemala, Kosovo, Libya, Sierra Leone, Haiti, Nigeria, and even post-War Sicily<sup>17</sup>, is that rather than openly attack or block peace, criminal spoilers often adjust their strategies to achieve the best possible quid-pro-quo for giving up their criminal agendas. In many cases, this tends to *subvert* the peace from within. The peace process between the Government of Colombia and the Revolutionary Armed Forces of Colombia (FARC) is the most recent example of a negotiation process that has had to take into account criminal agendas.<sup>18</sup> And criminal agendas have also been at the centre of efforts to negotiate truces between influential gangs in places such as El Salvador, Honduras and Jamaica<sup>19</sup>

Given the interaction between, and in some cases blending of, criminal and conflict actors, the need to take into consideration criminal agendas at the negotiating table

seems more pressing than ever. Yet, we do not have any clear understanding of what strategies and incentives are required to bring and keep such actors at the negotiating table? What kinds of inducement options and tools should mediators have access to in order to address key political and social enablers for organized crime? Finally, how can international actors most helpfully facilitate this process and what risks do they need to be cognisant of when designing peace support programs?

## SUMMARY OF KEY FINDINGS FROM RESEARCH

### Colombia (read the case study report here)

As John de Boer, Juan Carlos Garzón-Vergara and Louise Bosetti illustrate in their study on Colombia, illicit and criminal economies, ranging from drug trafficking, illegal mining, kidnapping and extortion have shaped the nature, dynamics and duration of the 52-year long conflict in Colombia. As FARC leadership and representatives from the Colombian Government entered the peace talks in 2012, there was no escaping the need to take into account criminal agendas on the prospects of peace in the country. Negotiators recognized that criminal agendas were a threat to the process but also to the very social fabric of the country and developed key innovations to tackle them.

These included:

- The provision of credible security guarantees to FARC's membership, particularly from criminal organizations. This was key to convincing the FARC to lay down their arms and commit to the peace process;
- A paradigm shift in the strategy to combat illicit economies. The negotiators agreed to adopt a public health based approach to dealing with the problem of illicit drugs and agreed to work together to combat organised crime. The FARC agreed to leverage its criminal insight to combat illicit economies and the government agreed to create viable alternatives to illicit economies for FARC members and local communities;
- A shift away from criminal to restorative justice creating alternative sentencing models that privileged reconciliation over incarceration. The process also found practical ways to distinguish between politically motivated crimes and those committed for profit-driven motives. This helped persuade the FARC to open up about its hidden criminal agendas.

### Challenges and unintended consequences:

Despite these innovations, a series of challenges and unintended consequences threatened the viability of the negotiation process and the ultimate agreement:

- The threat of dissidence and recidivism among FARC members remained a constant threat throughout the

negotiations and continues to be a primary source of pre-occupation for public authorities. Criminal groups continue to lure FARC members into their fold by offering double the stipend that they will receive through disarmament and demobilization;

- The lack of State capacity to guarantee the security of FARC members, their families and the communities in which they operated is becoming evident. A worrying number of social leaders have been assassinated and criminal organisation are moving into FARC controlled territory leaving populations vulnerable to criminal control;
- Since the beginning of the negotiations, coca production has risen dramatically, causing many opposition leaders to question the effectiveness of the peace process and provoking serious questions about the capacity of the State to contain illicit economies.

### Key recommendations:

To tackle these challenges, this paper identifies a series of policy recommendations for both national and international actors supporting the peace process and its implementation.

- Cultivate a robust knowledge of criminal agendas today and assess how they will evolve tomorrow: the link between peace negotiations and criminal agendas is a two-way interaction. Criminal actors are great entrepreneurs and have a tremendous capacity to adapt to changing circumstances on the ground. It is essential that public authorities understand the types of new opportunities and governance vacuums that will be created by removing key actors from the criminal market.
- Devise new and inclusive strategies to deal with pervasive illicit economies: including providing credible economic opportunities and alternative sources of livelihood, recovering criminal assets and developing options for criminal organizations to transition into the lawful order
- Place emphasis on the social dimensions of re-integration by developing longer-term strategies that go beyond economic incentives and include psycho-social support, the development of non-violent networks, and tailored incentives that speak to each profile and category of the population that is being re-inserted.
- Target capacity building to enable State authorities to bring the most pernicious criminal actors to justice: In Colombia, this means strengthening the capacity of the Attorney's General Office, identifying and supporting rule of law reformers (especially in the security sector) and localizing anti-corruption efforts.

### Going Straight: Criminal Spoilers, Gang Truces and Negotiated Transitions (read the thematic paper here)

Drawing from relevant peace negotiation processes in contexts as varied as Afghanistan, Belize, Bosnia, Colombia, Ecuador, El Salvador, Guatemala, Iraq, Myanmar, Nigeria, Scotland, Sierra Leone, Sicily as well as gang desistance literature in the US, this study written by James Cockayne, John de Boer and Louise Bosetti analysed how armed groups with criminal agendas can be a specialized form of “spoilers” who seek to expand their power and influence within the context of peace negotiations.

Some of the key lessons highlighted in this study include the notion that dealing with criminal agendas may need to start with a focus on a truce or ceasefire – a reduction of violence – then move on later to a broader discussion of socio-economic transformation, as confidence builds between the parties. A sequential approach also provides opportunities to build consent at each stage within criminal groups, the government and the population at large. The use of ‘insider’ mediators (local authorities, former members of the criminal group, and other insiders) is recommended as they are uniquely positioned to speak credibly to the group in question and the local community.

The success of peace negotiations frequently also depends on negotiators creating a safe, neutral space for negotiation, and on ensuring that participation in negotiation does not otherwise jeopardize the safety of participants, or the community. This is particularly so for armed groups with criminal agendas who have a deep distrust in government. Evidence from the Colombian case for instance suggests that the security guarantees given to ex-combatants, their families and affected communities was essential to continued talks and the eventual peace agreement between the FARC and the Government. These guarantees are important because many of these members and their families possess intimate knowledge of trafficking routes and illicit networks making them targets for violence from rival criminal groups.

This study highlights a number of immediate inducement strategies that can help negotiators deal with criminal spoilers. However, over the medium to long term, reintegrating these actors into a legitimate and lawful order will require an engaged process of re-socialization. These usually involve four programming strategies.

1. **Building and keeping community support:** the controversial nature of negotiations with armed groups possessing criminal agendas highlights the need to manage the community's understanding and expectations of the process through sequenced and inclusive trust-building and localized interventions that rely on the influence of insider mediators. Providing credible security guarantees and safe space for actors participating in negotiations and managing community perceptions through strategic messaging is important.

2. **Targeted socio-economic programming:** from cognitive behavioral therapy (CBT) to vocational training, to school-based and family-based mentoring programmes as well as after-care programming, evidence points to a series of intervention packages that are effective, especially when they are combined with careful data gathering and monitoring.
3. **Deterrence and truth-telling:** while coercion is not a sufficient solution, evidence shows that it is a necessary component of larger socialization efforts and are most likely to succeed when combined with amnesties and negotiated settlements conditioned on criminal truth-telling.
4. **A coherent and capable institutional framework:** successful socialization efforts are usually characterized by coherent and capable institutional frameworks, such as multi-stakeholder steering groups, which create legitimacy and help build trust between former armed actors and communities.

### STREAM 3: MITIGATING THE IMPACT OF POLITICAL-CRIMINAL ALLIANCES ON POLITICAL TRANSITIONS

Research increasingly points to a disturbing trend related to the growth of organised crime in settings of political transition. Ceasefires, peace agreements, and the transition process that follows can present governments and the international community with an opportunity to rupture pre-existing criminal networks through the introduction of meaningful political, social and economic reforms. Yet, recent evidence has also demonstrated the ability of criminal groups to flourish in periods of political transition. Researchers and practitioners alike have observed extensive illicit economies compromising emerging political systems through corruption and penetration by criminal entities. In some cases the state deliberately allows, tolerates, and even sets up the conditions that enable these criminal-political systems to thrive. This often undermines economic development, weakens judicial and law enforcement capacity and can also lead to an escalation in crime related violence.<sup>20</sup>

As Christine Cheng has observed, statebuilding efforts do not necessarily weaken informal actors but actually often strengthen them.<sup>21</sup> Trust networks forged through war are often well positioned to serve as a platform for the development of criminal organization after conflict.<sup>22</sup> In countries where the economic, social and political infrastructure has been decimated by war, dependence on smuggling, criminal networks and illicit economies is often the only means for survival. Furthermore, in contexts of transition, when the government's capacity to provide formal avenues for regulation, financing, contract enforcement, and property ownership are weak – organised criminal groups often emerge as alternative providers of these services.<sup>23</sup>

Economic power gained in the context of transition, can quickly translate into political influence, not only through the direct provision of jobs and delivery of basic commodities to local populations but also through the financing of election campaigns, purchasing of privatized state assets, large-scale corruption of public procurement processes, and regulatory capture.<sup>24</sup> This can be understood as part of a larger criminal strategy to maintain control over protection economies and illicit markets, however, it can also be linked to a larger political strategy backed by patronage networks of the state.<sup>25</sup> This entrenchment is often reinforced by the rush-to-elections in transition contexts where illicit groups finance political parties and presidential campaigns,<sup>26</sup> or even run their own candidates for office.<sup>27</sup>

However, the nature of the links between criminal groups, illicit networks and the state varies from setting to setting and in some cases criminal networks are completely independent of the state. The complexity of these arrangements is vividly evident in Afghanistan where, the Taliban is intermeshed in all kinds of criminal rackets in which the state and power-brokers who are part of the system are also deeply involved. Yet, the Taliban and the Government of Afghanistan remain in a vicious state of war. This complexity illustrates the difficulty of developing approaches that are effective at tackling political-criminal alliances in transition contexts.

Confronted by such complex transition contexts, international actors must contend with a dilemma: any effort to tackle criminal influence often risks creating more instability and violence; but the failure to confront such influence risks its entrenchment, and the subversion not only of the recovery process, but of social, economic and democratic development.<sup>28</sup> Conversely, there are cases when political-criminal alliances actually enhance political stability (i.e. Myanmar). While this may not be optimal from a variety of perspectives international actors are often faced with difficult trade-offs in contexts of political transition. As Eric Schaye notes, 'stability is a political calculation', which requires considering the costs and benefits of taking action against powerful actors connected to organised crime.<sup>29</sup>

This line of inquiry, therefore, sought to advance our knowledge of the patterns and variations of political-criminal alliances in transition contexts, looking at Afghanistan and Myanmar as illustrative case studies. Not only did we want to better understand how criminality and the lack of rule of law undermined successful transitions, but we also wanted to understand the how international actors should prioritize their interventions to help sever the links between politics, the state and crime.

#### **Key findings from research: Afghanistan and Myanmar**

Vanda Felbab-Brown's work on Afghanistan and Myanmar, shows how conflict and illicit economies, such as drug trafficking and illegal logging and mining as well as land grabbing and predatory criminality, have crucially shaped

conflict dynamics and political transitions. In both cases, the post-conflict transitions have witnessed weakening state-building efforts and democratization because predatory criminality also exploded. In both cases, violent conflict has significantly escalated over the past decade and a half.

Afghanistan is a case of one of the most intense and long-lasting international counterinsurgency and stabilization efforts over the past three decades. Extensive international military, economic, and expert resources have been poured into the country since 2001. Although the international community became cognizant of how criminality and the lack of rule of law undermines effective transition and stabilization, it failed to implement successful mitigation strategies. In fact, the scale and debilitating nature of predatory criminality and the captured state that emerged during the transition period were strongly a function of policy choices made by Afghan powerbrokers and elites and the international community, to prefer stabilization over important economic, political and social reforms. This ultimately created the conditions for illicit economies and actors to flourish.

Myanmar represents a case where ending (or more precisely, suspending) violent conflict in the 1990s was enabled by a quid-pro-quo where organized crime and militant groups agreed to a ceasefire in exchange to a share of the national crime pie with the military junta. Myanmar's military continues to retain privileged access to the spoils of the country's illicit economies. The new democratic government, which has identified ethnic peace as its top priority, has thus, inherited a complex crime-peace-conflict nexus. Acting against illicit economies and against predatory criminality, thus, needs to be understood as profoundly political.

In the cases of Afghanistan and Myanmar, countering criminal agendas are not merely technical interventions that can succeed by strengthen the rule of law, state institutions and civil society. Rather, they entail projects that reorganize local political arrangements. In her thematic paper, Vanda Felbab-Brown's therefore makes a series of policy recommendations, including:

1. **Prioritize measures against predatory criminality and non-labor-intensive illicit economies.** The priority for the international community should be to focus on tackling the most disruptive and dangerous networks. These include those with the greatest links or potential links to international terrorist groups with global reach, those that are most rapacious and detrimental to society and the development of an equitable state, and those that most concentrate rents from illicit economies to a narrow clique of people.
2. **Taking advantage of early windows of opportunity:** In the early post-intervention or post-transition period, the local population is most willing to work with the new regimes and outside interveners in setting up a new

political dispensation. Under the best of circumstances, the local population will have disliked the previous political regime and will now be hopeful about the future. At such times, local powerbrokers have the least certainty about the future and show the greatest restraint in directly or covertly challenging the intervener, since their networks of power will have been weakened by the collapse of the previous order and they will not have had time to reconsolidate and reconstitute their new power networks. The longer the intervention forces wait to set up capable state structures, the harder the state-building effort becomes

today and their evolution tomorrow. Policy makers will need to develop inducement strategies that adapt to these new realities. Understandably, negotiating with criminal actors and reshaping local law-and-order requires a detailed understanding of local political systems, including criminal and illicit arrangements. As development agencies increase their investments in fragile and conflict affected contexts, understanding how criminal economies impact conflict, peace and transitions will become ever more important.

3. **Limiting the role of warlords and their militias and criminal powerbrokers:** The international community should limit and ideally altogether avoid relying on problematic powerbrokers for the sake of short-term military goals or counterterrorism objectives or other short-term imperatives. Supporting these problematic but available actors against more dangerous and vicious enemies should be the last resort since the odds are very high that they will turn rogue and predatory and ultimately contradict stabilization interests.
4. **Cultivate robust local knowledge and intelligence** on the intricacies of the local political systems, cleavages, and economic arrangements and systems and their connections to the area's violent conflict and to its political and socio-economic structures. Anti-corruption initiatives should be build on this intimate knowledge and focus on limiting corruption that systematically excludes entire communities from access to jobs, particularly in the national security and police structures, or from the country's economic markets.

## CONCLUSION

The overriding message emerging from this project is that criminal agendas simply cannot be ignored in contexts of conflict, peace-making or transition. Dealing with criminal agendas is not a technical exercise, rather it is a profoundly political undertaking that can generate significant second and third order effects. Policy makers need to be mindful of how criminal actors and illicit economies will adapt to new policy environments and ask themselves the following questions when planning interventions: Will targeting a particular criminal powerbroker unleash destabilizing violence? What illicit economy will replace the one being suppressed? Will suppression of particular illicit economies result in their displacement to areas where they will cause greater systemic damage? Without considering these questions, anti-crime and anti-corruption efforts will be limited in their effectiveness and can turn out to be counterproductive.

Successful attempts to mitigate against the impact of criminal agendas will require understanding criminal dynamics

## APPENDIX A: GLOSSARY OF KEY TERMS

**Protection economies** refers to the set of implicit rules that govern relationships between criminal actors, non-state armed groups, state agents and local populations to enable illicit goods to flow through transit zones to their place of consumption. They are prevalent in contexts where the state is unable or unwilling to effectively fulfill its governance functions. In such contexts, this governance space is often ceded to, shared with or claimed by, criminal actors who are eager to control these spaces to garner resources and exercise power, and often benefit from local populations' support (and, at times, the state's) by providing paid protection from various threats.<sup>30</sup>

**Illicit flows** refer to both the movement of illegal commodities (such as prohibited drugs) from their production source to the point of consumption and the movement of licit commodities (such as oil, cigarettes or money) through illicit means.<sup>31</sup> The continued flow of these illegal commodities depends on both illicit and licit supply chains that link entities responsible for production, transport, distribution and protection across borders. Illicit flows are therefore often embedded in licit markets, which further complicate interventions.

**Armed conflict** has traditionally been defined as a "contested incompatibility that concerns government and/or territory where the use of armed force between two parties, of which at least one is the government of a state, results in at least 25 battle-related deaths in one calendar year".<sup>32</sup> An armed conflict can be interstate (a conflict involving one state against another state) or an internal conflict (a government versus a rebel movement). By this definition, in order to be considered an armed conflict, associated violence has to be a product of political design or strategy.

Beyond the traditional notion mentioned above, armed conflicts can also include non-state conflicts (such as gang-related violence which might not be motivated by political goals) and episodes of one-sided violence (e.g. acts of terrorism or genocide, which can be ideologically and/or politically motivated). Given the increasing diversity of actors involved in violent conflict today and the multiplicity of motives driving these actors, there are instances when it is increasingly difficult to draw a clear line between organized criminal violence, banditry, political violence and terrorism. This project will aim to be as sensitive as possible in distinguishing between these various forms of violence, however, it also recognizes that in some cases these distinctions can be impossible to make.

**Patronage networks** are deeply rooted systems of power, governance and decision-making that rule society, often along ethnic, tribal or religious lines. In conflict settings characterized by diffused and fragmented authority,

patronage networks often function as providers of discipline, decision-making, coordination and bargaining. Patronage networks generally present a challenge to state authority and legitimacy, but not always.<sup>33</sup> In some instances the state works with patronage networks to facilitate the extension of its authority, legitimacy, business interests and even protection. In many cases, governments are closely intertwined with patronage networks. These networks can present an important entry point for criminal actors to access power and influence the state through personal relationships. These relationships are often used by criminal groups to expand their interests, exert power, influence decision-making and capture state resources.

**Criminal agendas** in this project refers to an underlying program or plan that is criminal in nature held by actors that are competing for government and governance over resources of the state. Criminal agendas can be adopted by a wide range of actors, from criminal groups to insurgents, businesses, public officials and political leaders. Indeed, evidence shows that individuals and groups can take on both criminal and political roles and "strategies" depending on the context and situations at play. Failure to recognize the criminal agendas of actors poses challenges in terms of the legitimacy of the peace agreement or its eventual breakdown. In other scenarios, it could also lead to the emergence of criminal governance and potentially even "mafia states" where criminal agendas are fully entrenched within state structures.<sup>34</sup>

**Peace negotiations, ceasefires and truces** are all understood in this study as a variety of efforts aimed at bringing an end to ongoing violence and/or conflict between different parties (e.g. armed groups, gangs etc.) through dialogue and non-violent means. Their objectives and forms can vary, from the negotiation of a bilateral ceasefires, to the interruption of homicidal violence (as in the case of gang truces) and, in some cases, the signature of a comprehensive peace agreement (for example the 2006 Comprehensive Peace Accord between the Government of Nepal and the Unified Communist Party of Nepal). Such negotiations are part of a political settlement representing bargaining over access to resources of the state and political, social, economic and often judicial concessions in exchange for an end to violence and hostilities. In many cases, negotiations are mediated by third parties, including international actors, non-governmental organizations and faith-based organizations.

One of the main challenges when negotiating an end to violence or conflict is to identify who to include in the process while limiting the negative influence of spoilers who might use violence to defend their interests and undermine the agreement, or take advantage of a ceasefire to re-group and re-arm. Evidence shows that spoilers have greater incentives to defect or spoil negotiations when they have access to independent sources of revenues that allow them to make profit out of war and violence. For example, in

Colombia there is a fear that paramilitary organizations and *bandas criminales*, not formally part of the negotiations, might act as important spoilers to the peace agreement, as they have done in the past. A careful assessment of their motivations and the system of power, profit and protection that they rely on is critical. There are also moral hazards associated with negotiating with criminal actors that need to be taken into consideration.

**Political-Criminal Alliances** refer to collaborative relationships between criminal actors, elites and state authorities. For criminal actors these relationships can help them gain access to the political, economic and social resources of the state. For state authorities cooperative relationships with criminal actors can be motivated by personal benefit through corruption but can also be linked to consolidating control over resources and power. In some cases these relationships become so intertwined that a symbiosis occurs making it difficult or even impossible to distinguish between the two. In some cases this leads to criminal governance where state actors are directly involved in criminal acts.

**Political Transition** refers to the period of political changeover or shift that takes place after a peace or ceasefire agreement has been signed ending war and the move from one type of political rule/government to another (i.e. authoritarian to democratic). During this period, the institutions, structures and practices of government are redefined. Transitions often involve complex tasks that begin with the dissolution of one regime and the installation of another. In other instances they involve the creation of hybrid regimes that combine parts of the old with the new (such as in the case of Myanmar). These processes are non-linear and can be characterized as periods of political, social and economic instability and upheaval. In contexts where there is a pervasive presence of criminal actors and illicit economies, corruption can be a major factor that can undermine the legitimacy, effectiveness and integrity of emerging institutions and reforms.

## ENDNOTES

1. This paper draws heavily from other papers authored by James Cockayne, Mark Shaw, Tuesday Reitano, Vanda Felbab-Brown and Sasha Jespersen in the context of this Crime-Conflict Nexus Series.
2. See Scheye, E. (2015). *Organised Crime in Stabilisation Contexts*, UK Stabilisation Unit, London; UK Stabilisation Unit (2015). *Countering Organised Crime in Fragile and Conflict Affected States*. London.
3. *Ibid.*, p. 10. Also see: Department for International Development (2010), *Building Peaceful States: A DFID Practice Paper*.
4. The importance of promoting stability overseas and combatting organised crime was reinforced in the UK Government's latest National Security Strategy and Strategic Defence and Security Review and the Building Stability Overseas Strategy. For data on the UN see Kemp, W., Shaw, M. & Boutellis, A. (2013). *The Elephant in the Room: How Can Peace Operations Deal with Organised Crime?* International Peace Institute.
5. See de Boer, J. & Bosetti, L. . (2015) The Crime-Conflict "Nexus": State of the Evidence. United Nations University Centre for Policy Research. Occasional Paper 5.
6. Throughout this project we use "transition" to refer to context of transitions from war to peace or from one political regime to another.
7. Cockayne, J. (2016). *Hidden Power: The Strategic Logic of Organised Crime*. London/New York: Hurst/Oxford University Press.
8. For a comprehensive review of the impact of organised crime on conflict dynamics see: de Boer, J. & Bosetti, L. (2015), *op. cit.*
9. Reitano, T. & Shaw, M. (2015). *Fixing a fractured state? Breaking the cycles of crime, conflict and corruption in Mali and Sahel*. Global Initiative on Transnational Organized Crime, Geneva. This approach builds on Gambetta, D. (1993). *The Sicilian Mafia: The Business of Private Protection*. Cambridge, MA: Harvard University Press. And see Varese, F. (2001). *The Russian Mafia: Private Protection in a New Market Economy*. Oxford: Oxford University Press; Skaperdas, S. (2001). *The political economy of organized crime: providing protection when the state does not*. *Economics of Governance*, 2.
10. Von Lampe, K. (2016). *Organised Crime, Analyzing Illegal Activities, Criminal Structures and Extra-Legal Governance*. Thousand Oaks, CA: Sage.
11. See Shaw, M., Reitano, T. & Hunter, M. (2016)., "Development Responses to Organised Crime: An analysis and programme framework. Geneva: The Global Initiative against Transnational Organized Crime.
12. In many conflict-affected settings, the divide between licit and illicit activity is blurred. Criminal groups are merely engaged in any activity that is profitable. The potential to transform these groups into legitimate economic actors is often overlooked however. With a shift towards stability, criminal groups may have the entrepreneurial skills to boost the legitimate economy. See Shaw, Reitano and Hunter, *op cit.*
13. See: SAR Consultancy, Security Information Bulletin: Nigeria, January 2017.
14. Stedman, S. J. (1997). *Spoiler problems in peace processes*. *International Security*, 22 (2), 5-53.
15. See for example Cockayne, J. & Lupel, A. (2011). *Rethinking the Relationship between Peace Operations and Organised Crime*. In Cockayne, J, & Lupel, A. (eds). *Peace Operations and Organized Crime: Enemies or Allies?* London, New York: Routledge.
16. See for instance the decision to exclude Colombia's neo-paramilitary criminal gangs (*bandas criminales emergentes* – BACRIM) from peace negotiations in Colombia <http://www.insightcrime.org/news-analysis/colombia-s-bacrim-common-criminals-or-actors-in-armed-conflict>
17. Cockayne, *Hidden Power*, 2016.
18. See the final agreement between the Government of Colombia and FARC. See also: Bello: "Peace, at Last, in Colombia". *The Economist*, 25 June 2016.
19. See: Bargent, J. (2014). "Jamaica Gangs in Talks to Halt West Kingston Bloodshed," *InSight Crime*, 27 February.
20. Berdal, M (2009). Building Peace after War. The Adelphi Series. International Institute for Security Studies. See also UNODC's Global Study on Homicide 2013, Vienna, Austria: March 2014. The World Bank's 2011 World Development Report, Facts and Figures is also instructive. Also see Felbab-Brown, V. (2010). Conceptualizing Crime as Competition in State-Making and Designing an Effective Response. *Security and Defense Studies Review*, 10, 155-162.
21. Cheng, C. (2012). Private and Public Interests: Informal Actors, Informal Influence, and Economic Order After War. In Berdal, M. & Zaum, D. *The Political Economy of Post Conflict Statebuilding*. London: Routledge.
22. Christine Cheng, for examples, talks about the "stickiness" of social bonds created out of war and underscored how relationships forged around violence were likely to persist beyond the end of war. Christine Cheng, "Private and Public Interests," *op cit.*
23. See Peter Andreas' account of the role organised crime in the former Yugoslavia where he documents how organised crime fulfills important functions in the context of post-conflict reconstruction. Andreas, P. (2008). *Blue Helmets and Black Markets: The Business of Survival in the Siege of Sarajevo*. Cornell University Press.

24. Hellman, J. S. (1998). Winners Take All: The Politics of Partial Reform in Postcommunist Transitions. *World Politics*, 50(2), 203-234; Cheng, C., op. cit.
25. See Giustozzi A. & Orsini, D. (2009). Centre-periphery relations in Afghanistan: Badakshan between patrimonialism and institution-building. *Central Asian Survey*, 28 (1), p. 15; and Cheng, C. op. cit.
26. See especially Bayart, J. F. et al. (1999). *The Criminalization of the State in Africa*. Bloomington: Indiana University Press; Reno, W. (1998). *Warlord Politics and African States*. Boulder CO/London: Lynne Rienner. Haiti has exhibited similar tendencies: see Schuberth, M. (2015). A transformation from political to criminal violence? Politics, organised crime and the shifting functions of Haiti's urban armed groups. *Conflict, Security and Development*, 15 (2), 169-196.
27. Grillo, I. (2016) 'Why Cartels Are Killing Mexico's Mayors', *New York Times*, 15 January; Cockayne, J. *Hidden Power*, op. cit. Also see [this list of candidates](#) in the last Colombian election with alleged links with paramilitary groups and criminal entities.
28. See Bojicic-Dzelilovic et al.; and see Miraglia et al. For other such dilemmas see Anna K. Jarstad and Timothy D. Sisk, eds., *From War to Democracy: Dilemmas of Peacebuilding*, Cambridge, Cambridge University Press, 2008.
29. Scheye, E. (2015). *Organised Crime in Stabilisation Contexts*. UK Stabilisation Unit: London.
30. Ellis S, Shaw M (2015). *Does organized Crime in Africa Exist? African Affairs*, 114 (457), 505-528. <http://www.ascleiden.nl/news/does-organized-crime-exist-africa>; See Reitano and Shaw (2015), op cit. Also see Shaw, M., Reitano, T. (2014). *The political economy of trafficking and trade in the Sahara: Instability and opportunities*. World Bank: Washington D.C.
31. See Shaw, Reitano and Hunter, op cit.
32. This definition is adopted from the Uppsala Conflict Data Program (UCDP). For more on the definition see the UCDP website here: [http://www.pcr.uu.se/research/ucdp/definitions/definition\\_of\\_armed\\_conflict/](http://www.pcr.uu.se/research/ucdp/definitions/definition_of_armed_conflict/)
33. Menza, M. F. (2012). *Patronage Politics in Egypt: The National Democratic Party and Muslim Brotherhood in Cairo*. Routledge; Cherotich, L. (2016) *The influence of patronage networks on Kenya's experience of corruption*. EOC; Ratnam, G. (2016). *Patronage and Peace in the Horn of Africa*. United States Institute of Peace.
34. Guatemala and Bosnia could be cases in point. See Gavigan, P. (2009). *Organized Crime, Illicit Power Structures and Guatemala's Threatened Peace Process*. *International Peacekeeping*, 16 (1), 62-76; Amnesty International (2002). *Guatemala's Lethal Legacy: Past Impunity and Renewed Human Rights Violations*. London; Andreas, P. (2008), op. cit.