

BREAKING THE CIRCLE OF CONFLICTS, ILLICIT TRADE OPPORTUNITIES AND CRIMINAL/TERRORIST GROUPS DYNAMICS

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This presentation

- Explains the vicious circle of insurgence of civil conflicts, illicit trade opportunities, and criminal/terrorist groups
- Analysescase studies illustrating how this vicious circle works
- Suggests a reduction of opportunity approach based on the disruption of illicit trades exploited by criminal/terrorist groups

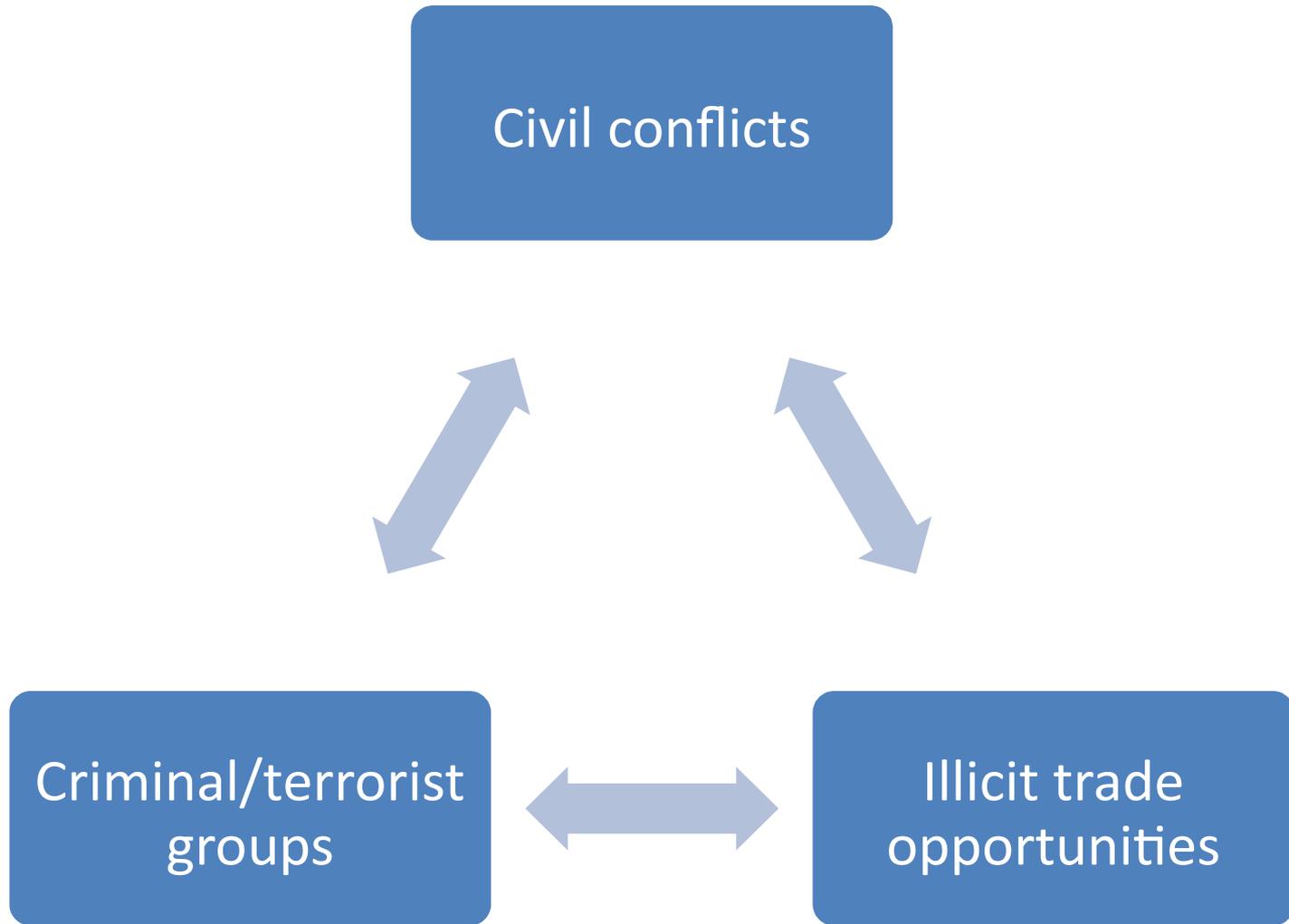


The conceptual framework

- A dialectical interaction exists among **civil conflicts, illicit trade opportunities, and criminal/terrorist groups** and moves in two directions:
 - Civil conflicts cause the emergence of illicit trade opportunities which get exploited by criminal/terrorist groups
 - Criminal/terrorist groups become attracted by illicit trade opportunities whose exploitation creates destabilization and civil conflicts
- **Similarities and differences among criminal and terrorist organisations**



The conceptual framework (2)



Case studies: involvement of criminal groups (1)

1.1 THE RISE OF MARITIME PIRACY AFTER SOMALIA'S STATE FAILURE

The deterioration of the Somali state over the last 20 years has compromised the rule of law to such an extent that today we talk of **Somali state failure**



Unsurveilled maritime routes become easy to intercept and attract pirates



East Africa turns into one of the first areas in the world in terms of concentration of **maritime piracy attacks**, which further undermines Somalia's security

Case studies: involvement of criminal groups (2)

1.2 THE INCREASE OF OPIUM PRODUCTION IN AFGHANISTAN AFTER STATE'S BREAKDOWN

The conflict that broke out in 2002 caused the **distruction of state infrastructure and irrigation**



Afghans are in the conditions of easily exploiting the opportunity of **massively cultivating poppy**



Resulting economic gains enable **warlords to further escalate the conflict**



Case studies: involvement of terrorist groups (1)

1.1 AMPHETAMINE TRADE FUELLING THE SYRIAN CIVIL CONFLICT

The explosion of the **Syrian conflict** in 2011 weakens the rule of
law



Exploiting the **amphetamine trade** becomes easy (due to state
infrastructure breakdown) and profitable (due to the high demand
of drugs), so much so that Syria becomes the regional leader in
its production



Initial destabilization escalates, thereby facilitating **ISIL's
territorial expansion**

Case studies: involvement of terrorist groups (1)

Syria's newly emerged amphetamine trade is the combination of:

- High demand: population traumatized by war, combatants looking for stimulants
- High supply: ease of production of amphetamines due to low skills/equipment required + absence of rule of law



Case studies: involvement of terrorist groups (2)

1.2 OIL TRADE AS ISIL'S PRIMARY SOURCE OF FUNDING

Destabilization of Syria and Iraq weakens the rule of law in territories rich in oil resources



Oil illicit trade (refining and smuggling) turns into an attractive and easily exploitable trade opportunity



ISIL takes control of wells and refineries, and turns oil trade into its main source of economic gain and territorial influence



Case studies: involvement of terrorist groups (2)

However, ISIL's oil-based governance might soon become unsustainable:

- Limited ability of terrorists to efficiently extract and refine oil (they rely on primitive modular refineries)
- Destruction of oil refineries after international coalition airstrikes
- Efforts by Turkish and Iraqi authorities to seize potential ISIL-related oil shipments and products



Case studies: involvement of terrorist groups (3)

1.3 BOKO HARAM AS A SYMPTOM OF NIGERIA'S TURMOIL

Political destabilization since the end of the military dictatorship in 1999: elections become opportunities for criminal groups to compete for resources control (core: Niger Delta region)



Weak state presence allows the spread of a network of **black market trades** (human smuggling, kidnapping for ransom, racketeering, weapons trafficking)



Boko Haram gains control over these activities to consolidate its presence in the North-East of the country

Case studies: involvement of terrorist groups (3)

BOKO HARAM: BASIC FACTS

- Active in Northern Nigeria since 2002
- Twofold objective:
 - ✓ **Religious/ideological goal:** restoring the pre-colonial Muslim empire of Sokoto in the North of the country
 - ✓ **Geopolitical goal:** dismantling the Nigerian federation in order to plunder the country's resources
- It declared its alliance to ISIL in March 2015



Conclusions (1)

- Criminal and terrorist groups can be weakened by the **disruption of illicit trade opportunities** representing their main sources of income
- Interrupting such trades would **limit the ability of criminals/terrorists to carry out their actions** and **undermine their credibility and moral legitimacy** among members and populations subjected to their power
- A **reduction of opportunity approach** is more forward-looking than any short-term military/repressive action against criminal/terrorist groups



Implications

- More **research** on understanding the financial flows (where they start and where they go, together with their dimension), learning more about the organisations operating in the area and focusing on their income.
- UNODC recommends this in target 16.4 of its Post development agenda, which aims at reducing the illicit financial flows. This target has solicited numerous studies on indicators



Implications

- This understanding should be translated in **action**, which means closing and/or reorienting the loopholes that produce illicit trades and developing situational prevention measures to contrast what makes illicit trade profitable and attractive.
- Combining research and action should be the challenge for years to come. This is a joint task linking research and law enforcement action. It means more applied research and more innovative investigation carried out by law enforcement.



Implications

- Both these two components have a challenge in front of them: change how they behave and consequently change their expertise and training. In the future this will allow to reduce the military approach and component in favor of a more civil one. This will produce benefits for all: less economic, social and human costs and higher effectiveness in dismantling criminal and terrorist organisations.



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