

SWP Research Paper

Stiftung Wissenschaft und Politik
German Institute for International
and Security Affairs

Judith Vorrath

From War to Illicit Economies

Organized Crime and State-building
in Liberia and Sierra Leone

RP 13
November 2014
Berlin

All rights reserved.

© Stiftung Wissenschaft
und Politik, 2014

SWP Research Papers are
peer reviewed by senior
researchers and the execu-
tive board of the Institute.
They express exclusively
the personal views of the
author(s).

SWP

Stiftung Wissenschaft
und Politik
German Institute
for International
and Security Affairs

Ludwigkirchplatz 3-4
10719 Berlin
Germany
Phone +49 30 880 07-0
Fax +49 30 880 07-100
www.swp-berlin.org
swp@swp-berlin.org

ISSN 1863-1053

This paper was prepared
as part of the project
“Organized Crime:
A Challenge for German
Development Cooperation
in Fragile States,”
funded by the German
Federal Ministry for Eco-
nomic Cooperation and
Development.

Table of Contents

5	Problems and Recommendations
7	Introduction: Conflict, Organized Crime, and State-building
8	The Shadow of Warlord Politics: Understanding State Fragility in Liberia and Sierra Leone
8	Continuity and Change in Two (War) Economies
11	State-building and the Transformation of Warlord Politics
15	Illicit Economies and Organized Crime in Liberia and Sierra Leone
15	Illegal Extraction and Trade of Legal Goods: Natural Resources
15	<i>From Conflict to Crime Minerals? Exploitation and Trade of Diamonds and Gold</i>
18	<i>Shifting between the Light and the Grey Zone: The Logging Industry</i>
19	Trafficking of Illegal Goods: The Drug Trade
19	<i>The Global Stress Factor: Cocaine Trafficking</i>
22	<i>Planting, Trading, Using: The Regional Cannabis Market</i>
23	How Is Crime Organized?
23	<i>Flows, Producers, and Traders</i>
25	<i>Protection and Facilitation</i>
27	Conclusion: Threats and Possible Responses
30	Abbreviations

Dr. Judith Vorrath is an Associate in SWP's International Security Division

**From War to Illicit Economies:
Organized Crime and State-building
in Liberia and Sierra Leone**

Liberia and Sierra Leone are commonly categorized as fragile and conflict-affected states. They are seen as being particularly vulnerable to organized crime due to an insufficient management of borders, weak regulation, and ineffective law enforcement. But they also have emerged from peace processes combining state-building with the transformation of war economies. These were based on the competing control of natural resources such as diamonds, gold, and timber by armed groups and state agents. Illicit economies in the two countries today are largely the product of the legacy of these war economies and shifts in global illegal flows that led to West Africa becoming a transit zone for South American cocaine destined for Europe. Although the organization of crime differs for these sectors, the way it is tied to state-building and affiliated with power structures is quite similar.

On a global scale, Liberia and Sierra Leone are hardly core nodes of the shadow economy, just as they hold a marginal position in the legal economy. But from a regional and country perspective, their illicit economies are highly relevant. Moreover, the trade in natural resources and drugs has important repercussions beyond West Africa. But efforts to better control related activities in the post-war periods in Liberia and Sierra Leone have only been partially successful. In fact, the persistence of illicit economies is an expression of the difficult balancing act of including criminal actors into the post-war setting to secure stability while also pursuing credible reforms in the state apparatus. In both countries, state authority might have formally been reestablished, but hybrid forms of governance persist. Although violent actors facilitated illicit business during the civil wars, organized criminal actors today rely on patronage networks that are part of the state-building project. Usually a lack of capacities is seen as the core challenge of fragile states in tackling organized crime. These deficiencies are real in Liberia and Sierra Leone, but they are not necessarily the expression of an absent state or “ungoverned spaces.” Rather state actors are frequently involved in organized criminal activities, mostly as “protection racketeers.”

Simply increasing the level of state coercion in this context is risky. As the organization of criminal actors is still very fragmented in Liberia and Sierra Leone, the danger is to erase the less coherent, smaller groups and trigger the reorganization of stronger networks. There also might be violent reactions if lower-level criminal activities such as illicit mining are inhibited, as these are an important source of income for marginalized groups, including many former combatants. Different international actors such as the United Nations (UN) and European Union (EU) as well as bilateral cooperation programs have focused on curbing the trafficking in hard drugs through West Africa. As the UN Peacebuilding Office in Sierra Leone was closed in March 2014 and the UN Mission in Liberia (UNMIL) is gradually withdrawing, there is the fear of a gap in the security architecture. Therefore, the establishment of functioning local institutions has become a major concern. In both countries, Transnational Crime Units (TCUs) have been set up by the West Africa Coast Initiative. However, various opportunities remain for committing and facilitating organized crime due to conflicts of competence between various existing agencies, the vulnerability of the political process – including the intransparent funding of political parties and election campaigns – as well as the general deficiencies of the criminal justice systems, which still make it easy to “buy justice.”

So far, serious instability, such as in transit zones of Latin America, has not occurred in Liberia and Sierra Leone. The incomplete state-building process might have given some criminal actors a relatively easy environment for operations. But the political uncertainty of post-war transitions and the strong international presence might also have prevented a more significant entry of foreign networks, particularly in cocaine trafficking. However, there are potential sources of violence, among others a political process that is increasingly reliant on criminal assets and a possible connection of criminal networks with armed groups. Therefore, it is important to apply selective law enforcement measures combined with broader governance reforms and development-related initiatives addressing livelihood, health, and environmental issues.

Introduction: Conflict, Organized Crime, and State-building

Organized crime in fragile and conflict-affected states is increasingly seen as a threat for security and development alike. The Human Security Report 2011 refers to organized crime as an external stress factor penetrating already vulnerable states and contributing to repeated cycles of violence.¹ Previously, crime got more attention as a factor that prolonged ongoing civil wars by fuelling war economies. From this perspective, threats emanate from criminal networks undermining peacebuilding due to incentives for continuing shadowy business. In many post-conflict countries, both dynamics are at play, as peace processes involve efforts to (re)build states that are characterized by weak authority, capacity, and legitimacy as well as to transform war economies.²

These parallel processes have also taken place in Liberia and Sierra Leone since the end of their civil wars.³ The two neighboring countries not only experienced severe armed conflict and extensive war economies, but their conflicts were also strongly linked. Finally, the international engagement to keep peace based on two large UN missions involved far-reaching efforts of state-building in both cases. A core focus of these activities was strengthening the rule of law and reforming the security sector. However, the common assessment is that Liberia and Sierra Leone remain fragile states.⁴ Aspects of fragility such as insufficient management of borders, weak regulation, and ineffective law enforcement are seen as invitations to

organized criminal networks. But how exactly does organized crime occur in these contexts?

Clearly, Liberia and Sierra Leone show quite a few similarities to other fragile states. Furthermore, factors such as their locations at the coastline can also be pull factors for certain illicit activities. Within the West African region, however, neither country is a particular hot spot for organized crime. Attention tends to be focused on rather extreme cases linked to the international drug trade, such as the so called narco-state Guinea-Bissau or Mali, where cocaine trafficking is usually seen as one important factor in the destabilization of the North. As relevant as these cases are, they only provide snapshots of illicit economies in West Africa. In fact, the organized crime link to state fragility and instability might not be as straightforward as these examples suggest. A whole set of recent case studies show the diversity of organized crime and its impact on fragile states.⁵ Against this background, analyzing illicit economies⁶ in Liberia and Sierra Leone in greater detail over time is illuminating, as both represent a specific type of fragility. It stems from a mix of the legacy of war economies and new dynamics that have emerged in the post-conflict period as parts of incomplete and internationally driven state-building. Quite a few countries in the region have been, or are undergoing, similar transitions. Thus, the way organized crime in Liberia and Sierra Leone has become affiliated with local power structures can be instructive beyond those two cases.

¹ World Bank, *Human Development Report 2011: Conflict, Security, and Development* (Washington, D.C., 2011).

² See for example Michael Pugh and Neil Cooper with Jonathan Goodhand, *War Economies in a Regional Context: Challenges of Transformation* (Boulder: Lynne Rienner, 2004).

³ The paper is based on field research in Liberia from November 10 to December 9, 2013, and in Sierra Leone from January 11 to February 9, 2014. Interviews conducted during these trips are anonymized and cited by codes indicating the country (LIB = Liberia; SL = Sierra Leone), the sequence number of the interview, and the date of the interview. I would like to thank all respondents for taking the time to talk to me and providing essential information for this paper.

⁴ Despite many similarities, there are naturally differences between the two countries, which will be mentioned where relevant for the focus of the study. Overall, however, the way organized crime and illicit economies have evolved and become entangled with the state(building) are quite similar in both countries.

⁵ See case studies in: Camino Kavanagh, ed., *Getting Smart and Scaling Up: Responding to the Impact of Organized Crime on Governance in Developing Countries* (New York: New York University, Center on International Cooperation, June 2013), and Etannibi E. O. Alemika, ed., *The Impact of Organised Crime on Governance in West Africa* (Friedrich-Ebert-Stiftung, Regional Office Abuja, August 2013).

⁶ The approach of illicit economies has been chosen, as it is more suitable for looking into illegal activities over time than the more narrow term organized crime. Illicit economies comprise transactions and commodities that are legally prohibited in production and/or trade unless they comply with respective regulations. "Organized criminal groups are generally (but not exclusively) the key operators of illicit economies, given the requirement for high levels of organization to facilitate and protect repeated transactions," see Mark Shaw and Fiona Mangan, *Illicit Trafficking and Libya's Transition: Profits and Losses* (Washington, D.C.: United States Institute of Peace, 2014), 7.

The Shadow of Warlord Politics: Understanding State Fragility in Liberia and Sierra Leone

Apart from “flying under the radar,” organized crime usually relies on two main tools to secure profits: violence and corruption. Violence indeed was prevalent in Liberia and Sierra Leone in the 1990s, and illicit activities were at the heart of the war economies at the time. However, this link came about through armed groups acting as violent entrepreneurs and protectors of different business outlets rather than through criminal actors turning violent in response to competition or prosecution by the state. But the legacy of war economies is nonetheless important for understanding illicit economies in these two countries today. First, some direct consequences of the war led to greater vulnerabilities that could be exploited by criminal businesses, namely a (further) decline in economic opportunities and an increase in a young workforce with little education but traumatic experiences in the wars. The still significant amount of weapons circulating in the region further adds to this explosive mix. Second, the war economies entrenched a system of “warlord politics” that relies on the domination of markets, rather than the state bureaucracy, to establish authority and political networks.⁷

Liberia and Sierra Leone in the 1990s have often been cited as examples of state failure with an almost total breakdown in authority. Although the central state was clearly in ruins at times, a kind of new order was emerging as well. In addition, at least the Liberian civil war has changed the arrangements between West African entrepreneurs and overseas partners in the global trade of commodities such as timber, diamonds, and drugs.⁸ Beyond factors such as patronage systems that date back to pre-war times, these aspects of war economies had a specific impact even after the official end of the civil wars. Therefore, looking at the evolution of war economies in the 1990s and their transformation after the conflict settlements helps in

understanding the types of fragility of both states and their vulnerabilities to organized crime today.

Continuity and Change in Two (War) Economies

Clearly much of the trade in West Africa was informal and smuggling was common practice across the region before the wars in Liberia and Sierra Leone. Moreover, a political-criminal nexus had already emerged in both countries. In Liberia President William Tolbert apparently had links to international drug traffickers, and under the leadership of his successor, Samuel Doe, “a networked and decentralized system based on connections to illicit commerce”⁹ started to emerge. This system comprised shadowy deals with major international criminals.¹⁰ In fact, Doe had already been trading timber for guns before the war; Taylor simply changed allies and the route for timber exports later. Similarly, the governments of Siaka Stevens and Joseph Momoh in Sierra Leone entrenched illicit networks and practices related to the mineral sector in the 1970s and 1980s. Momoh was actually ousted from power by Valentine Strasser in 1991, allegedly because the latter unit’s illicit mining operation had been disrupted by rebel attacks.¹¹

But with the outbreak of conflict, warlords such as Charles Taylor in Liberia surfaced and set out “to create a new kind of political authority based on the private control of resources.”¹² Commercial activities provided much-needed income for weapons and other materials, but they also manifested power and state-like authority. In fact, this mode of governing did not replace “the state,” but actually mimicked its methods and institutions. For example, Taylor installed a “Forestry Development Authority” in the territory under his control and introduced minimum wages in the

⁷ William Reno, “Liberia: The LURDs of the New Church,” in *African Guerrillas: Raging against the Machine*, ed. Morten Bøås and Kevin C. Dunn (Boulder and London: Lynne Rienner Publishers, 2007), 69–80 (71).

⁸ Stephen Ellis, *The Mask of Anarchy: The Destruction of Liberia and the Religious Dimension of an African Civil War* (London: Hurst & Company, 1999), 27.

⁹ Louise Andersen, “Outsiders Inside the State. Post-Conflict Liberia between Trusteeship and Partnership,” *Journal of Intervention and Statebuilding* 4, no. 2 (2010): 129–52 (137).

¹⁰ Ellis, *Mask of Anarchy* (see note 8), 154–56.

¹¹ William Reno, *Warlord Politics and African States* (Boulder and London: Lynne Rienner 1998), 123.

¹² *Ibid.*, 91.

Map West Africa



logging industry as well as for the largest rubber plantation.¹³ The public space in Liberia and Sierra Leone not only became militarized but increasingly fragmented into different zones of authority. The most important resources to maintain these were gold and diamonds as well as timber and rubber.¹⁴

Even though a plethora of armed actors engaged in different economic activities in Liberia and Sierra Leone between 1989 and 2003, the core of the war economy was the “criminal empire” of Charles Taylor. In the process of establishing his authority, he and his armed group – the National Patriotic Front of Liberia (NPFL) – disrupted some existing commercial channels, for example through attacks on minority groups and foreign traders who were replaced as intermedi-

aries,¹⁵ while others were simply taken over and maintained. Already by late 1990, the NPFL controlled almost all of the country outside the capital, including important trade nodes such as the port in Buchanan. Larger mining companies such as Liberian Minerals Company with their iron ore mines in Nimba County or the rubber company Firestone now had to rely on Taylor’s protection for their operations.¹⁶ As part of a deal 70,000 tons of iron ore per month were exported via Buchanan, accompanied by payments of \$80,000 per month to Taylor between 1991 and 1993 when his forces lost control of the port.¹⁷

But there were newcomers to the scene as well such as Ivorian, French, and Lebanese business people based in Abidjan whom Taylor had met there before the

¹³ Ellis, *Mask of Anarchy* (see note 8), 92; Colin M. Waugh, *Charles Taylor and Liberia: Ambition and Atrocity in Africa's Lone Star State* (London and New York: Zed Books, 2011), 193.

¹⁴ Reno, *Warlord Politics* (see note 11), 79.

¹⁵ *Ibid.*, 98.

¹⁶ Ellis, *Mask of Anarchy* (see note 8), 89–90.

¹⁷ *Ibid.*, 164. Ellis.

war.¹⁸ The logging business became a central part of the economy of “Greater Liberia,” as the NPFL-controlled territory was called. Even though it was not formally recognized, these activities gave some unofficial international recognition to the “quasi-state.” Ivorian-based logging firms were allowed to operate in Nimba county and the southeast of Liberia and export timber, mostly to European states through Cote d’Ivoire.¹⁹ In 1992, foreign companies traded up to 200,000 cubic meters of logs worth about \$20 million.²⁰ Overall, income for the NPFL was mostly derived by taxes, fees, payments of salaries to port managers or other bodies, as well as material support in the form of fuel, oil, or vehicles.²¹ Taxation systems – including for diamond and gold exports – could have brought Taylor’s group about \$75 million a year, according to estimates.²² The trade in looted items such as cars or zinc added millions to what was exported from Greater Liberia.²³

It was particularly the access to the diamond fields that led to Taylor’s involvement in Sierra Leone. He supported the Revolutionary United Front (RUF) – a Libyan-trained group of Sierra Leoneans led by former army corporal Foday Sankoh that invaded the area from Liberian territory in 1991.²⁴ The diamond mining areas fell to the RUF in November 1992, changed hands several times, and remained the center of war and the war economy in Sierra Leone until 2002. Overall, there was a break in established patterns of commerce when the RUF attacked Lebanese diamond traders and established its own marketing links to Liberia. The neighboring country became the official export source for diamonds from Sierra Leone as well as Guinea and even Angola, so that by 1994 Liberia was the third-largest supplier of

diamonds to Antwerp.²⁵ Despite Sierra Leone’s war economy being more fragmented – even government soldiers continued to engage in mining, sometimes collaborating with the RUF²⁶ – the core rationale for the use of force became making profits.

But the war economy was not limited to NPFL and RUF activities. When Taylor’s forces lost the northwest of Liberia to the “United Liberation Movement of Liberia for Democracy” (ULIMO) and the ECOWAS²⁷ Cease-Fire Monitoring Group (ECOMOG) took over the port of Buchanan in 1993, these actors continued the business previously undertaken or sustained by their rivals. ULIMO supporters, for example, mined diamonds on both sides of the border to Guinea.²⁸ In doing so, the group followed the scheme of the NPFL by distributing opportunities for the alluvial mining of diamonds and gold in order to maintain control over fighters. A splinter group of ULIMO sold weapons for stones to fighters who, in turn, had the right to set up roadblocks, loot, or engage in the diamond trade. In fact, both ULIMO and the NPFL became “like a marketing franchise” for smaller groups of fighters controlling territory and resources.²⁹

ECOMOG officers were also active in the protection business and some local commanders became engaged in mining. Moreover, ECOMOG units traded looted goods or resources, such as rubber, with ULIMO and other armed factions.³⁰ The initially strong Ivorian presence was challenged by Nigerians, who were dominant among the ranks of ECOMOG and partially took over Liberian businesses.³¹ This might have played a role in the drug trade as well. Initially, marijuana grown in northern Liberia was exported by the NPFL via Buchanan and San Pedro in Cote d’Ivoire, where Ivorian, French, Lebanese, and other crime syndicates operated.³² But Nigerian officials might have seized the opportunities Liberia offered for the narcotics trade as well.³³

In general, the control over resources by different armed groups changed over time, but the practices and affiliates often remained the same. The remnants

18 Ibid., 89–90.

19 Waugh, *Charles Taylor and Liberia* (see note 13), 187; Ellis, *Mask of Anarchy* (see note 8), 165.

20 Mollai Reeves and Michel Moulard, *Postwar Strategy for Forestry Development and Environmental Management in Liberia* (Monrovia: Ministry of Planning and Economic Affairs, 1993), cited in Reno, *Warlord Politics* (see note 11), 97.

21 Reno, *Warlord Politics* (see note 11), p. 96.

22 William H. Twaddell, “Testimony to Africa Sub-committee of the U.S. House of Representatives,” 1996, *The Inquirer*, Monrovia 5, no. 55 (August 13, 1996), cited in Ellis, *Mask of Anarchy* (see note 8), 90–91.

23 Waugh, *Charles Taylor and Liberia* (see note 13), 188.

24 Daniel Byman, Peter Chalk, Bruce Hoffman, William Rosenau and David Brannan, *Trends in Outside Support for Insurgent Movements* (RAND: National Security Research Division, 2001), 76; Ellis, *Mask of Anarchy* (see note 8), 71.

25 Waugh, *Charles Taylor and Liberia* (see note 13), 188.

26 Reno, *Warlord Politics* (see note 11), 56 and 127–28.

27 Economic Community of West African States.

28 Reno, *Warlord Politics* (see note 11), 103.

29 Ellis, *Mask of Anarchy* (see note 8), 104.

30 Reno, *Warlord Politics* (see note 11), 105; Ellis, *Mask of Anarchy* (see note 8), 104.

31 Waugh, *Charles Taylor and Liberia* (see note 13), 186.

32 Ellis, *Mask of Anarchy* (see note 8), 90–91.

33 Ibid., 171.

of the central states had little influence outside the capital cities. But governments also used links to foreign businesses in order to regain some force. For example, the South African security company Executive Outcomes was brought in by the Sierra Leonean government in 1995 to recapture the eastern diamond mining areas. Apart from initial payments for its services, the deal later reportedly included favored commercial arrangements in conquered territory for the company if it was going to undertake exploitation of and trade in resources.³⁴ In fact, it was around this time that the diamond mining areas in Kono and Tongo Field became the prime focus of the RUF for fundraising.³⁵

Clearly, the wars had made categories of state and non-state actors – and similarly “licit” or “illicit” – undistinguishable. An embodiment of this development was the phenomenon of “sobels” in Sierra Leone, a term blending “soldier” and “rebel” to refer to those involved in military operations who increasingly engaged in acts of banditry. The peace process, however, added a new dimension to this. Several peace settlements were negotiated over the course of the 1990s in Liberia and Sierra Leone. Based on these agreements, armed actors who engaged in illicit economic activities became part of official state institutions. In Liberia the 1993 Cotonou Agreement and the 1995 Abuja Agreement led to the inclusion of various armed factions into government, giving them access to state facilities.³⁶ Finally, in 1997, Charles Taylor himself became elected president of Liberia,³⁷ just as the 1999 Lomé Peace Accord in neighboring Sierra Leone made RUF leader Sankoh Vice-President and left him in charge of the diamond mines. Even though none of the settlements lasted, they marked the beginning of a longer transition period. The initial arrangements mostly led to a redistribution of positions and the integration of “warlords” into state institutions without curbing the core of war economies. When this setup largely failed to secure peace, international actors sought to (re)establish a framework of legality.

³⁴ Reno, *Warlord Politics* (see note 11), 131.

³⁵ United Nations Security Council (UNSC), *Report of the Panel of Experts appointed pursuant to Security Council resolution 1306 (2000), paragraph 19, in relation to Sierra Leone*, December 20, 2000, S/2000/1195, 16.

³⁶ Ellis, *Mask of Anarchy* (see note 8), 101–02, and 107.

³⁷ Later UN investigations showed that the transshipment of diamonds involved about \$70 million annually (UNSC, Panel of Experts, December 20, 2000).

State-building and the Transformation of Warlord Politics

The initial peace agreements provided incentives for other violent entrepreneurs to seek their “share of the cake.” At the heart of this struggle still was the export of natural resources, particularly minerals, “which required little or no investment in plant, infrastructure or machinery.”³⁸ Therefore, a set of UN sanctions was installed to deprive state and non-state actors of this source such as the ban of direct or indirect import of all rough diamonds from Sierra Leone through Security Council resolution 1306 (2000) and from Liberia based on resolution 1343 (2001) as well as the embargo on Liberian timber and timber products through resolution 1521 (2003). Although the distinction between legal and illegal economic activities in Liberia and Sierra Leone had become completely blurred by warlord politics and their inclusion in official state structures, now there was an outside mechanism defining legality. It was no coincidence that the civil wars ended relatively soon after, in 2003 and 2002,³⁹ respectively. Even though the resolutions were not the only relevant factors, they were the prime means for removing access to sources of income for those who continued fighting.

The economies had slipped into shadowy terrain at best. Very few employment opportunities in the already weak licit private sector remained. At the same time, a large group of former fighters from the different armed factions had to be (re)integrated. Ex-combatants often developed physical and psychological problems and had gotten used to the abuse of alcohol and drugs such as marihuana, amphetamines, and crack cocaine.⁴⁰ Many of them were engaged in illicit activities – particularly diamond mining in the Liberia-Sierra Leone border areas – during and in some cases already before the war.⁴¹ Furthermore, parts of the

³⁸ Ellis, *Mask of Anarchy* (see note 8), 184–85.

³⁹ Armed conflict in Liberia lasted from 1989 to 2003, with an interruption between 1996 and 1999 when Charles Taylor became elected president of Liberia. These two periods are often referred to as the first and second Liberian civil wars. In Sierra Leone, armed conflict started in March 1991 and basically continued until early 2002.

⁴⁰ Ellis, *Mask of Anarchy* (see note 8), 127; Ibrahim Abdullah and Patrick Muana, “The Revolutionary United Front of Sierra Leone: A Revolt of the Lumpenproletariat,” in *African Guerillas*, ed. Christopher Clapham (Oxford and Bloomington: James Currey, 1998), 172–93 (190).

⁴¹ Abdullah and Muana, “The Revolutionary United Front of Sierra Leone” (see note 40), 179.

Timeline: civil wars and peace processes*

Liberia

- 1989** – National Patriotic Front of Liberia, led by Charles Taylor, starts fight against government.
- 1990** – ECOWAS sends intervention force (ECOMOG) under Nigerian leadership. President Samuel Doe is executed by a splinter group of the NPFL.
- 1993** – Cotonou Agreement signed by main armed factions giving NPFL and ULIMO representation in government; establishment of UN Observer Mission in Liberia, but fighting continues within months.
- 1995** – Abuja Agreement establishes Transitional Government; allocation of ministries, corporations, and agencies as agreed in the agreement.
- 1996** – Heavy fighting and destruction of Monrovia only ends in August with another deal brokered at an ECOWAS meeting in Abuja.
- 1997** – Charles Taylor wins presidential election.
- 1999** – Liberia accused of supporting RUF rebels in Sierra Leone; start of second Liberian civil war with invasion of a rebel group called Liberians United for Reconciliation and Democracy (LURD).
- 2001 May** – UN Security Council reimposes arms embargo as Taylor has been trading weapons for diamonds from rebels in Sierra Leone.
- 2002 February** – Rebels approach Monrovia and Taylor declares state of emergency.
- 2003** – Another rebel group, called Movement for Democracy in Liberia (MODEL), emerges and fighting intensifies.
- 2003 August** – Nigerian peacekeepers arrive. Charles Taylor leaves Liberia after handing power to his deputy. Interim government and rebels sign peace accord.
- 2003 September–October** – UN launches major peacekeeping mission.
- 2005 November** – Ellen Johnson Sirleaf is elected as new head of state.

Sierra Leone

- 1991** – Revolutionary United Front under Foday Sankoh starts campaign against President Momoh on border with Liberia.
- 1992** – President Momoh ousted in military coup led by Captain Strasser.
- 1996 January** – Strasser ousted in military coup, followed by elections in February, making Ahmad Tejan Kabbah new president; in November signature of peace accord with the RUF.
- 1997** – Peace deal unravels. Army deposes President Kabbah, who flees to Guinea.
- 1997 October** – UN Security Council imposes army embargo on Sierra Leone.
- 1998 February** – ECOMOG drives rebels out of Freetown and Kabbah returns.
- 1999 January** – Rebels reinvade Freetown and seize parts of the city from ECOMOG, but are driven out again after weeks of fierce fighting.
- 1999 July** – Lomé Peace Agreement gives rebels posts in government and grants them amnesty. UN troops arrive to monitor peace agreement in November/December.
- 2000 April/May** – UN forces come under attack and some are abducted. Rebels close in on Freetown; British paratroopers help secure the airport for UN peacekeepers.
- 2001 May** – Start of disarmament of rebels and deployment of British-trained Sierra Leone army in rebel-held areas.
- 2002 January** – War declared over; UN agrees to set up the Special Court for Sierra Leone.
- 2002 May** – Kabbah clearly wins elections.
- 2005 December** – Last UN peacekeeping troops leave Sierra Leone; opening of UN assistance mission.
- 2006 March** – Liberian ex-president Charles Taylor is arrested in Nigeria and handed over to the Special Court for Sierra Leone.
- 2007 August** – Presidential and parliamentary elections lead to a change in power with Ernest Bai Koroma as new president.

* These timelines are extracted from the cited literature on the civil wars as well as the BBC Country Profiles for Liberia: <http://www.bbc.com/news/world-africa-13732188>

And Sierra Leone: <http://www.bbc.com/news/world-africa-14094419> (accessed on November 6, 2014).

command-and-control chains of armed factions remained intact. In fact, vigilante groups and other schemes providing protection along former rebel structures became a common occurrence.⁴² In combination with a lack of income opportunities for the youth in general, this clearly had the potential to be easily mobilized by violent or criminal entrepreneurs.⁴³

The other important heritage from the armed conflicts was the structure and the functioning logic of war economies. These were neither entirely illicit nor were illicit activities a product of the civil wars. In fact, before the outbreak of armed conflict, both countries had barely formalized economies and strongly entrenched patronage systems. However, emerging “warlord politics” added a special flavor to this. First of all, the room for “nodes” of organized criminals connected with governance structures and formal private enterprises increased.⁴⁴ With competing violent actors having control over different areas, natural resources in these zones in particular were a critical source of income and influence. Furthermore, the already unclear line between licit and illicit became completely blurred, as rebel groups and government actors engaged in “do it yourself” forms of organized crime,⁴⁵ but also collaborated with or provided protection for criminal networks, formal foreign companies, as well as obscure businessmen and middlemen. The ultimate aim of international engagement, therefore, was to (re)build the state and, in doing so, the line between legal and illegal activities.

But naturally, the first concern of international engagement in Liberia and Sierra Leone was to keep the peace and prevent a relapse into warfare. The processes of demobilizing and reintegrating fighters and security sector reform were core components of

the UN missions from the start.⁴⁶ Apart from the sanctions mentioned, as well as others that included travel bans and asset-freezing, the Special Court for Sierra Leone was set up in 2002. Ultimately, it indicted 13 persons, including Charles Taylor, who was sentenced to 50 years of imprisonment in May 2012. Despite these efforts, central actors of the war economies moved into new positions of authority as part of the state-building project. Some remain(ed) under scrutiny of the UN sanctions regime for Liberia, but other violent entrepreneurs certainly managed to “use post-conflict privatization programmes and elections as opportunities to launder their looted assets and their coerced legitimacy”⁴⁷ – as in peace processes elsewhere.

Specific practices and business partnerships were maintained as well. It has been observed in the context of other post-war transitions, for example in Bosnia, that experiences in illegal activities as well as networks between state and criminal actors established during wartime are difficult to dismantle.⁴⁸ Indeed, the illegal trade in natural resources during the wars in Liberia and Sierra Leone cannot be reduced to armed groups in search of financing arms and operations; it was grounded in a business network comprising heads of state, international companies, organized criminals, and patronage networks.⁴⁹ Although the core of war economies was sanctioned and armed conflicts ultimately stopped, existing practices and networks did not simply go away with the demobilization and (re)integration of armed groups. In this context, international actors such as the UN missions in both countries engaged in the complex undertaking of state-building. The initial mandate of UNMIL already included the task of assisting the transitional government in restoring the

⁴² Mariam Persson, “Demobilized or Remobilized? Lingered Rebel Structures in Post-war Liberia,” in *African Conflicts and Informal Power: Big Men and Networks*, ed. Mats Utas (The Nordic Africa Institute & London and New York: Zed Books, 2012), 101–18 (106–08).

⁴³ Maya Mynster Christensen, “Big Man Business in the Borderland of Sierra Leone,” in *African Conflicts and Informal Power*, ed. Utas (see note 42), 60–77 (64–65).

⁴⁴ Mats Utas, “Introduction: Bigmanity and Network Governance in African Conflicts,” in *African Conflicts and Informal Power*, ed. Utas (see note 42), 1–31 (5).

⁴⁵ Phil Williams and John T. Picarelli, “Combating Organized Crime in Armed Conflict,” in *Profiting from Peace: Managing the Resource Dimensions of Civil War*, ed. Karen Ballentine and Heiko Nitzschke (Boulder and London: Lynne Rienner, 2005), 123–52 (125).

⁴⁶ The former Special Representative of the UN Secretary-General in Liberia, Alan Doss, attributes this particular approach to the bilateral support of the United Kingdom and the United States, respectively, for the reforms, see Alan Doss, “In the Footsteps of Dr. Bunche: The Congo, UN Peacekeeping and the Use of Force,” *Journal of Strategic Studies* 37, no. 5 (2014): 703–35 (732).

⁴⁷ James Cockayne, “Crime, Corruption and Violent Economies,” in *Ending Wars, Consolidating Peace: Economic Perspectives*, ed. Mats Berdal and Achim Wennmann (London: The International Institute for Strategic Studies, 2010), 189–218 (202).

⁴⁸ Williams and Picarelli, “Combating Organized Crime” (see note 45), 134.

⁴⁹ Wibke Hansen, *Mehr Interaktion als geplant: Friedenseinsätze und Organisierte Kriminalität in fragile Staaten*, Wissenschaftliche Schriften der WWU Münster, Series VII, Vol. 12 (2013), 187.

proper governance of natural resources.⁵⁰ In both countries, a whole set of reform programs tried to address the weak regulation and institutional set-up, for example of the security sector. These efforts created a new framework of legality that, however, was strongly driven from the outside. The remaining networks and practices from the civil wars often continued to operate within this framework, but also readjusted to it. Moreover, with a more stable – if still fragile – security environment and shifts in global markets, new illicit activities emerged in both countries, most notably ones linked to the international drug trade.

50 Resolution 1509 (2003), adopted by the Security Council at its 4830th meeting, on September 19, 2003, S/RES/1509 (2003), 4.

Illicit Economies and Organized Crime in Liberia and Sierra Leone

In the global shadow economy, Liberia and Sierra Leone are not of major importance as markets. There is a demand for illegal goods produced in the region (marihuana or hunting weapons) and lower-priced goods that are smuggled (rice, fuel, faked medicines). But, as in the case of natural resources, the key markets for hard drugs are outside the region. So cocaine and heroin are mostly passing through West Africa. Fragile and conflict-affected states such as Liberia and Sierra Leone are seen as being particularly vulnerable to the activities of criminal networks. But what do the illicit economies really look like today and what do they tell us about the vulnerabilities of the two countries to organized crime? Where does the legacy of war (economies) play a role, and where can new dynamics be identified?

By now, crimes related to natural resources and drugs – more precisely, cocaine – are rated the most dangerous for the stability of West African states by the UN Office on Drugs and Crime.⁵¹ Moreover, the illicit activities linked to those goods, including cannabis, have important implications for livelihood and economic development.⁵² This holds particularly true for Liberia and Sierra Leone, where the peace processes were accompanied by a transformation of the state, and thus of illicit economies.

Illegal Extraction and Trade of Legal Goods: Natural Resources

The post-war periods have been marked by efforts to regulate and control activities that previously were at the core of war economies. However, continuing illicit activities in the trade with gold, diamonds and timber show that these measures have been partially effective at best. Both Liberia and Sierra Leone have been par-

⁵¹ United Office on Drugs and Crime, *Crime and Instability: Case Studies of Transnational Threats* (Vienna: UNODC, February 2010), 16.

⁵² Naturally, there are other forms of crime such as human trafficking or the trade in counterfeit goods that clearly play a role in Liberia and Sierra Leone. However, due to the complex nature of each of these sectors and the difficulty in accessing information, the focus here is on the core part of illicit economies.

ties to the Kimberley Process Certification Scheme since 2007 and 2003, respectively. The scheme regulates the commerce with precious stones in order to prevent “conflict diamonds”⁵³ from entering the world market. In short, the scheme is about traceability: from production to export by certification. Therefore, all related activities – from mining and dealing to exporting – require licenses. The market for gold is much less formalized, though in Liberia and Sierra Leone artisanal miners and dealers theoretically need to acquire a license as well and exporters also have to pay taxes.

From Conflict to Crime Minerals? Exploitation and Trade of Diamonds and Gold

Industrial mining in diamonds and gold beyond exploration is still at low levels in both countries.⁵⁴ Most companies with licenses are still in the exploration phase; only Octea in the Kono District of Sierra Leone has engaged in larger-scale mining of diamonds over a longer period, though under changing names. The remaining mining activities are small-scale and include the use of light machinery or artisanal mining, which is central to the livelihoods of young men who do the physically challenging job of digging and are often said to be ex-combatants.⁵⁵ Usually, they are working in groups under a “miner” who supports them with equipment, food, etc., and who can be the license holder or merely a facilitator. Diamond brokers or dealers in both countries are often of Lebanese origin but also come from different West African countries. The gold trade similarly works through middlemen or

⁵³ These are “rough diamonds used by rebel movements to finance wars against legitimate governments” according to the Kimberley Process; see: <http://www.kimberleyprocess.com> (accessed August 11, 2014).

⁵⁴ However, there have been a lot of non-performing licenses, see: Richard Fanthorpe and Christopher Gabelle, *Political Economy of Extractives Governance in Sierra Leone* (Washington, D.C.: World Bank, July 2013), 43. Moreover, there is industrial exploitation of other resources such as iron ore that has risen to significant levels in both countries.

⁵⁵ Interview LIB-27_26-11-13.

companies buying from miners, including European, Indian, and Chinese companies.⁵⁶

Illicit activities remain common at different interfaces in the commercial chain of the mineral sectors in Liberia and Sierra Leone. The most recent review mission of the Kimberley Process to Liberia in March 2013 found “evidence of routine smuggling of Sierra Leonean diamonds and their certification by Liberia, evidence of illicit diamond mining in many parts of Liberia and a high likelihood that conflict diamonds from Côte d’Ivoire, under a United Nations embargo at the time of the mission, were being processed through the Liberian system.”⁵⁷

Even for Sierra Leone, more recent estimates of the value of diamonds lost to smuggling are between 50 percent and 90 percent of total production.⁵⁸ As the regulatory regime for gold is weak in both countries, the assumption usually is that much of it bypasses the system of certification.⁵⁹ In 2013, the UN Panel of Experts on Liberia noted that illicit mining and trafficking of gold in the country “continues almost entirely unhindered.”⁶⁰

Illicit mining in gold and diamonds usually is artisanal.⁶¹ The UN Panel of Experts on Liberia concluded in June 2014 that thousands of ex-combatants who are often still tied to their former commanders are engaged in illicit mining in Liberia.⁶² For alluvial gold mining, there are even estimates that only about 20 percent of those engaged have a license.⁶³ In Sierra Leone, the system for legalizing artisanal mining in diamonds is stronger and incentives to attain a license are relatively high.⁶⁴ There, illicit artisanal mining has also decreased due to a reduction in the amount of

stones that lie close to the surface and can be easily exploited.⁶⁵

There is no consistent data on illicit mining, partly because there are few arrests, or those caught are released after paying a fine or a bribe.⁶⁶ But there are clear indications that illicit mining of diamonds and gold in both countries is still widespread. The arrangements of these activities can differ. Some diamond brokers or dealers have young men mining for them,⁶⁷ in other cases these “patrons” are local officials or other persons with power. Some of these operations might be legal, but others are certainly undertaken without a license.⁶⁸ Some illicit miners have the backing of landowners or traditional authorities who are custodians of the land in parts of Sierra Leone.⁶⁹ Frequently, people also “share” one license, or someone engaged in illicit mining legalizes the findings by selling them to a claim holder.⁷⁰

What all these arrangements have in common is that ultimately their products are either legalized by being sold to a licensed dealer inside the country or smuggled abroad. In both practices, illegal diamond dealers or brokers can be involved. For example, in Sierra Leone the “Open Yai” (Open Eye) markets are well-established places for the illegal trade in diamonds.⁷¹ When illicitly mined and traded stones or gold are infused in the legal market before export, the state receives at least some revenue. Different rates of taxation and systems of certification in the region, however, also provide incentives for smuggling. Sierra Leone’s Mines and Minerals Act of 2009 raised the tax for precious stones to 6.5 percent, and to 15 percent for special stones above a market value of \$500,000.⁷² When the tax was enacted, there were no official exports whatsoever the following six months, whereas exports of Guinea and Liberia increased.⁷³ Similarly, there was a clear drop in exports for gold after the Act raised the tax to 5 percent.⁷⁴ When the government

⁵⁶ Interviews LIB-3_13-11-2013; SL-26_29-1-14; LIB-14_20-11-13; SL-8_20-1-14; SL-29_30-1-14.

⁵⁷ Cited in United Nations Security Council, *Midterm report of the Panel of Experts on Liberia submitted pursuant to paragraph 5 (b) of Security Council resolution 2128 (2013)*, May 23, 2014, S/2014/363, 18.

⁵⁸ Fanthorpe and Gabelle, *Political Economy of Extractives Governance* (see note 54), 22.

⁵⁹ Interviews LIB-33_28-11-13; LIB-3_13-11-2013; SL-24_28-1-14.

⁶⁰ United Nations Security Council, *Final report of the Panel of Experts on Liberia submitted pursuant to paragraph 5 (f) of Security Council resolution 2079 (2012)*, November 25, 2013, S/2013/683, 33.

⁶¹ This does not rule out irregularities in the small-scale and industrial sectors, but generally these forms of mining are difficult or impossible to pursue entirely clandestinely. At least in Sierra Leone, however, illicit small-scale operations supported by local officials have been mentioned occasionally (Interviews SL-26_29-1-14; SL-35_3-2-14).

⁶² UN Panel of Experts, *Midterm report*, May 2014 (see note 57), 19.

⁶³ Interview LIB-1_12-11-2013.

⁶⁴ Interview SL-30_30-1-14.

⁶⁵ Interview SL-8_20-1-14.

⁶⁶ Nina Engwicht, *Illegal Markets in Post-conflict Societies: The Sierra Leonean Diamond Market*, Max-Planck-Institut für Gesellschaftsforschung, MPIFG Discussion Paper, forthcoming, 8.

⁶⁷ Interviews LIB-37_2-12-13; SL-39_4-2-14.

⁶⁸ Interviews SL-35_3-2-14; SL-35_3-2-14; LIB-14_20-11-13.

⁶⁹ Interviews SL-38_4-2-14; SL-45_7-2-14.

⁷⁰ Interviews SL-40_4-2-14; SL-39_4-2-14.

⁷¹ Engwicht, *Illegal Markets* (see note 66), 4.

⁷² Government Printing Department of Sierra Leone, *The Mines and Minerals Act 2009*, Supplement to the *Sierra Leone Gazette* Vol. CXXI, No. 3, dated January 7, 2010, 116.

⁷³ Interviews SL-30_30-1-14; SC, SL-20_27-1-14.

⁷⁴ Interview SL-20_27-1-14.

subsequently lowered taxes for normal diamonds to 3 percent again, it led to a partial recovery in export numbers. However, trafficking from Sierra Leone continues, not least because the 15 percent tax for special stones remains in place. The Government Gold and Diamond Office noted a significant decrease in the trade of special stones from Sierra Leone, with not even a single diamond of that kind exported in 2012 at all. In fact, only two such stones have been exported in total since 2009 – one apparently “accidentally” because the exporter did not know about the tax.⁷⁵ Whereas these stones seem to go to Liberia mostly, lower-value diamonds are usually smuggled from Liberia to buyers in Sierra Leone.⁷⁶ But Guinea remains a destination as well due to a very weak Kimberley Process and partly due to lower taxes.⁷⁷ Diamonds are also smuggled into Sierra Leone from diamond-producing countries outside the region.⁷⁸ Gold from Liberia seems to go mostly to Côte d’Ivoire and Guinea, “where it is smelted into bullion and then trafficked on to the United Arab Emirates; there, it is sold on the international market.”⁷⁹

All kinds of actors are involved in smuggling, including licensed and illicit dealers or middlemen who buy up gold or diamonds and bring them abroad.⁸⁰ Such a trafficker from Sierra Leone reveals why very few cases of smuggling are ever exposed: “It is very easy to smuggle a diamond. You can put it in your [shirt] hem or on your body. They [the police] try to catch smugglers but they can’t. Many border crossings are unmanned. I just take my motorbike.”⁸¹ Gold and diamonds bought by foreign investors, for example from Europe or the Middle East, also exit illegally through airports or ports to faraway destinations such as Dubai.⁸²

Such investors occasionally fall victim to another criminal phenomenon: “419 scams”⁸³ with faked gold

or diamonds, particularly in Sierra Leone. Usually façade businesses are set up to attract foreign investors who initially receive real stones or gold, which are replaced by faked ones after the investor has paid an advance fee or tax.⁸⁴ Records on the exact proceedings of such scams differ, some stating that fraudsters provide faked certificates and parcels for export to investors;⁸⁵ others asserting that there are payments to officials who provide original documents and protection;⁸⁶ and yet others who claim that the whole process for getting the export papers is done properly before the minerals are replaced at the last moment, for example at the airport when investors are leaving.⁸⁷ In May 2014, the US State Department published a warning on fraud and fake Kimberley Process certificates for Sierra Leone, referring to a scheme with individuals “invited to Sierra Leone to view rough diamonds that were later evaluated as fake stones and were also provided with a fake Kimberley Process certificate numbered Sierra Leone 004199, issued in either April or May 2014.”⁸⁸

More cases, however, seem to occur with faked gold.⁸⁹ Apparently, fraudsters mostly come from Liberia, Sierra Leone, or the surrounding region and operate in small groups. However, in order to set up offices and a credible façade for investors, they need to have some capital and a certain degree of organization.⁹⁰ Allegedly, the police have also been implicated in some cases involving faked diamonds in Sierra Leone and arrested investors, but not the sellers, who were able to escape.⁹¹ There are no insights on how frequent these scams are, but most likely many are not reported.⁹² Sometimes this might be due to the dubious backgrounds of the investors themselves. Certainly, the purchase of minerals with cash is common and is believed to be used to launder money, for example by Eastern European mafias,⁹³ even though these are likely to represent limited investments in

⁷⁵ Interview SL-20_27-1-14.

⁷⁶ UN Panel of Experts, *Final report*, November 25, 2013 (see note 60), 32.

⁷⁷ Interviews SL-2_16-1-14; SL-30_30-1-14.

⁷⁸ Engwicht, *Illegal Markets* (see note 66), 16.

⁷⁹ UN Panel of Experts, *Final report*, November 25, 2013 (see note 60), 33.

⁸⁰ Interviews SL-44_6-2-14; SL-24_28-1-14; SL-49_3-2-14.

⁸¹ “Sierra Leone: Diamond Smuggler, ‘It Is Worth It to Steal,’” *IRIN News*, July 28, 2009.

⁸² Interview LIB-3_13-11-2013.

⁸³ This term refers to advance fee fraud. The respective article of the Nigerian Criminal Code dealing with fraud “419” has given it its name because this is a common type of cybercrime in Nigeria.

⁸⁴ Interview SL-1_15-1-14.

⁸⁵ Interview SL-5_17-1-14.

⁸⁶ Interviews SL-27_29-1-14; SL-5_17-1-14.

⁸⁷ Interview SL-11_21-1-14.

⁸⁸ Department of State, Bureau of Economic and Business Affairs, *Fraud Warning and Fake Kimberley Process Certificates for Sierra Leone and Guinea* (Washington, D.C., May 9, 2014), <http://www.state.gov/r/pa/prs/ps/2014/05/225925.htm> (accessed August 13, 2014).

⁸⁹ Interview SL-5_17-1-14.

⁹⁰ Interview SL-27_29-1-14.

⁹¹ Interview SL-1_15-1-14.

⁹² Interview SL-49_3-2-14.

⁹³ Interview SL-8_20-1-14.

relation to the sums laundered in countries with better financial infrastructures.⁹⁴

Shifting between the Light and the Grey Zone: The Logging Industry

The illicit economy around minerals is a good example of how remnants of previous networks and practices persist while state-building also infuses doses of change. This also holds true for another core component of previous war economies: the logging industry. However, operations in this sector differ significantly. A large part of the timber business is conducted by or linked to bigger companies. Locals are doing the labor-intensive work of cutting trees; there also is a local market, mostly for charcoal made from timber, but the “big business” is in international exports.

Because illegally traded timber requires a higher level of logistics compared to diamonds and gold and demand is strongest in Asia, practices and actors differ as well.

Furthermore, both countries saw bans on logging after the end of the civil wars, rendering the trade in timber illegal. In Liberia, the international embargo remained effective until 2006. Although it was central to pacifying the country, the industry did not fundamentally change. The forest sector was reformed and new logging licenses were granted, but some returning companies are said to have been operating earlier under different names.⁹⁵ At the very least, some prominent figures from Taylor’s time remain linked to specific companies. Finally, seven large Forest Management Contracts and ten small Timber Sale Contracts were issued by the Liberian government, but the process was marred by violations. More importantly, private-use permits (PUPs) emerged as a new legal loophole.⁹⁶ A PUP is one category of commercial forestry licenses that was introduced to allow private landowners to utilize forest assets situated on their property.⁹⁷ By 2012, there were 66 such licenses designed for small-scale use, which did not require

the payment of any taxes. There was increasing evidence that the process lacked any formal standards and that “Liberian landowners were cajoled into signing PUPs under false pretenses.”⁹⁸

An audit revealed that none of the PUPs had complied with national forest laws and regulations.⁹⁹ Moreover, despite a moratorium placed on the issuance of new PUPs in February 2012 and the use of existing PUPs (with the exception of four that were already operating), the shipment of timber continued unabated. The moratorium was briefly lifted in September and October 2012, but an investigative report revealed that operations had never really stopped.¹⁰⁰ Among those continuously engaged was Atlantic Resources, a company linked to the Malaysian logging giant Samling, which shipped out illegal timber in breach of the ban.¹⁰¹ The investigating body recommended barring the company from any commercial forestry in Liberia due to its engagement in fraud and illegal activities. In the end, 61 PUPs are undergoing review, but as the Forest Development Agency decided to allow already felled logs to be sold, “the risk remains that the Government will sell illegally harvested timber on the international market.”¹⁰²

Similarly, Sierra Leone placed a ban on timber exports and suspended all concession operations by January 2008 due to allegations that foreign companies had engaged in illicit activities.¹⁰³ Again it became clear that exports continued illegally when

⁹⁴ Interviews SL-8_20-1-14; SL-30_30-1-14.

⁹⁵ Interview LIB-38_2-12-13.

⁹⁶ Global Witness, Save My Future Foundation and Sustainable Development Initiative, *Signing Their Lives Away: Liberia’s Private Use Permits and the Destruction of Community-Owned Rainforest* (September 2012), 2.

⁹⁷ Special Independent Investigating Body, *Report on the Issuance of Private Use Permits (PUPs)*, (December 19, 2012), vii.

⁹⁸ Jacey Fortin, “Liberian Timber Wars Pit Poverty-Stricken Communities against Secretive Big Loggers Given an Opening by the Government,” *International Business Times*, September 8, 2012, <http://www.ibtimes.com/liberian-timber-wars-pit-poverty-stricken-communities-against-secretive-big-loggers-given-opening> (accessed August 19, 2014).

⁹⁹ Patrick Hettinger and Janice James, *African Economic Outlook, Liberia 2014* (African Development Bank, OECD Development Centre and United Nations Development Programme 2014), 9, http://www.africaneconomicoutlook.org/fileadmin/uploads/aeo/2014/PDF/CN_Long_EN/Liberia_EN.pdf (accessed August 25, 2014).

¹⁰⁰ Special Independent Investigating Body, December 19, 2012, 8.

¹⁰¹ “Logging Company Flouts Liberian President’s Timber Export Ban and Drives Breakdown in Rule of Law,” *Global Witness*, December 21, 2012, <http://www.globalwitness.org/library/logging-company-flouts-liberian-president%E2%80%99s-timber-export-ban-and-drives-breakdown-rule-law> (accessed August 2, 2014).

¹⁰² UN Panel of Experts, *Final report*, November 25, 2013 (see note 60), 36.

¹⁰³ Summer Walker and Elisa Burchert, “A Desk Study of Sierra Leone,” in *Getting Smart and Scaling Up* (see note 5), (New York: Center on International Cooperation, 2013), 161–96 (178).

containers destined for East Asia and labeled as scrap metals were intercepted by the Anti-Corruption Commission at the Freetown port in 2011.¹⁰⁴ Overall, it turned out that there were 33 containers of timber with three exporting companies from Sierra Leone and Guinea involved. Finally, out of 25 people charged in the cases, 18 were convicted. Interestingly, some of these were also linked to the “Timbergate” affair.¹⁰⁵ This scandal was triggered by an Al-Jazeera undercover story allegedly implicating two associates of Vice-President Sam Sumana, who accepted bribes in return for the promise that the vice president would back an illegal logging project.¹⁰⁶ Although Sumana himself was not charged and remained in office, a trial was opened against the associates.¹⁰⁷ The paramount chief of the area foreseen for the fictitious logging deal seemed to be involved as well but was not prosecuted.

It is a general assumption in Sierra Leone that paramount chiefs tend to be implicated in illegal logging, as it can barely take place without their knowledge.¹⁰⁸ They are the first entry point for any activity in an area, and by law they receive surface rents from companies operating legally on land in their chiefdom.¹⁰⁹ A paper by the EU Commission concludes that after the ban “illegal logging is often managed by Lebanese from Guinea Conakry and Liberia, who obtain agreements with chiefs and employ local people.”¹¹⁰ With demand highest in East Asian countries, particularly Chinese organizations are believed to be behind logging operations, whether as financiers or with a more prominent role in shipping out the wood from Sierra Leone, Liberia, or another country in the region.¹¹¹

104 “S. Leone Anti-graft Agency Stops Illegal Timber Exports,” *Mano Daily and AFP*, February 10, 2011, http://www.nanodaily.com/reports/SLeone_anti-graft_agency_stops_illegal_timber_exports_999.html (accessed August 22, 2014).

105 Interview SL-2_16-1-14.

106 “Sierra Leone Charges Two in ‘Timbergate’ Graft Case,” *Reuters*, April 17, 2012, <http://www.reuters.com/article/2012/04/17/sierraleone-corruption-idUSL6E8FHBPO20120417> (accessed August 22, 2014).

107 Walker and Burchert, “A Desk Study of Sierra Leone” (see note 103), 168.

108 Interviews SL-26_29-1-14; SL-33_3-2-14.

109 Felix Marco Conteh, “Chiefs, NGOs and Alternative Conflict Resolution Mechanisms in Post-conflict Sierra Leone,” *Review of African Political Economy* (online), (2014), 1–14 (7).

110 European Commission, *Cross-border Flows of Timber and Wood Products in West Africa*, Final Report by Hugh Blackett & Dr. Eric Gardette, Contract Reference: 2007/146818, October 20, 2008, 59.

111 Interviews SL-27_29-1-14; SL-29_30-1-14; SL-47_8-2-14. This also holds true for another sector with substantive illicit exploitation of an increasingly scarce resource: fishery. Mostly boats

Generally, the illicit economy around natural resources in both countries has persisted, despite new regulations and institution-building after the civil wars. But it has also adapted to the new state framework and changes in demand. The latter factor was also a strong driver of a more recent phenomenon: cocaine trafficking through the region.

Trafficking of Illegal Goods: The Drug Trade

Since about 2005 UNODC noticed a strong increase in the number of seizures of cocaine on route to Europe via West Africa.¹¹² With a rising market in Europe, a decline in demand in the United States, and a better controlled Caribbean route, South American cocaine traffickers started to make extensive use of West African countries as transit zones.¹¹³ Contrary to neighboring Guinea, Liberia and Sierra Leone were not identified as important hubs in the trade at the time. However, in 2008 two events served as eye-openers to international as well as local officials concerning the vulnerabilities of the two countries.

The Global Stress Factor: Cocaine Trafficking

Both Liberia and Sierra Leone had been connected with the trafficking of cocaine and heroin before, notably in the 1980s, and the cultivation, trafficking, and consumption of cannabis are very common. But the discovery of about 700 kg of cocaine on a Cessna plane from Venezuela that had landed at Lungi Airport in Sierra Leone’s capital, Freetown, in 2008 still came as a shock. Apart from seven foreign nationals – three Colombians, two Mexicans, a Venezuelan, and an American – eleven Sierra Leoneans were arrested in the affair.¹¹⁴ Before, in July 2007, another plane had

from Asia, namely China and Korea, are engaged in these activities off the coast of West Africa (LIB-24_25-11-13; LIB-31_27-11-13; SL-12_23-1-14; SL-17_24-1-14).

112 UNODC, *Drug Trafficking As a Security Threat in West Africa* (Vienna: UNODC, November 2008), 3.

113 Numbers have to be taken with a pinch of salt, but for 2010 UNODC estimated that 10 percent of European seizures – meaning 18 tons of pure cocaine worth about \$1.25 billion – might have passed through West Africa, see UNODC, *Transnational Organized Crime in West Africa: A Threat Assessment* (Vienna: UNODC, February 2013), 17.

114 Lansana Gberie, *State Officials and Their Involvement in Drug Trafficking in West Africa: Preliminary Findings*, West Africa Com-

been intercepted in Venezuela with 2.5 tons of cocaine destined for Sierra Leone.¹¹⁵

This time, the seizure was on Sierra Leonean soil, and the system proved quite unprepared to deal with it. First, no adequate legal basis existed, so a retroactive new law had to be passed in 2008. In the end, 16 of the 18 arrested were found guilty,¹¹⁶ which so far represents the only convictions in a higher-end cocaine case in Sierra Leone.¹¹⁷ Second, apart from weak regulation, state officials had apparently been implicated. Among the convicted was Ahmed Sesay, national football team manager and the cousin of the Minister of Transport and Aviation; he was fined 300 million Leones and sentenced to five years of imprisonment. Even though evidence emerged in the trial that the minister himself had knowledge of the incoming plane and gave permission for its landing, he was appointed again to high-ranking official positions after an initial suspension by the president.¹¹⁸

Liberia was directly confronted with cocaine being trafficked through the region the same year. The French Navy caught the ship “Blue Atlantic” 100 miles offshore loaded with 2.5 tons of cocaine in 92 barrels with a value of about \$500 million. Even though the vessel was apparently not destined for Liberia, it was brought to Monrovia, where the Ghanaian crew was arrested.¹¹⁹ The case revealed the shortfalls of the criminal justice system in Liberia, where possession and trafficking of drugs is tried under a public health act with insignificant fines.¹²⁰ A special drug law making drug trafficking a non-bailable offense was drafted, but has not yet entered into force.¹²¹ Even under the very weak legal basis, the “Blue Atlantic” case was finally dropped, as the Supreme Court denied to confirm the convictions of the crew, as the arresting French officer was not present as a witness.¹²²

mission on Drugs (WACD) Background Paper no. 5 (Kofi Annan Foundation, 2013), 14.

115 UNODC, *Cocaine Trafficking in West Africa: The Threat to Stability and Development (with Special Reference to Guinea-Bissau)*, (Vienna: UNODC, December 2007), 19.

116 Walker and Burchert, “A Desk Study of Sierra Leone” (see note 103), 175.

117 Status in February 2014: Interview SI-45_7-2-14.

118 Gberie, *State Officials* (see note 114), 14–15.

119 Interviews LIB-3_13-11-2013; LIB-51_5-12-13.

120 UN Panel of Experts, *Midterm report*, May 2014 (see note 57), 21.

121 “Liberia: Call for Tougher Drug Laws,” *IRIN News*, Monrovia, December 7, 2012.

122 Interview LIB-26_26-11-13.

Another high-level incident demonstrated that Liberia itself was at risk of becoming a transit zone for South American cocaine as well. When a Sierra Leonean drug kingpin called Gibrilla Kamara and seven others were arrested in Liberia through a sting operation of the US Drug Enforcement Administration (DEA) and Liberian agents in 2010 and transferred to the United States, the trial revealed that “the defendants attempted to bribe high-level officials in the Liberian Government in order to protect shipments of vast quantities of cocaine, and to use Liberia as a transshipment point for further distribution of the cocaine in Africa and Europe.”¹²³ This case is enlightening in several respects. First, larger drug seizures in West Africa have usually involved Western security or law enforcement agencies, as in this case with the US DEA. Second, while the head and deputy head of the Liberian National Security Agency, who had been approached by the network, cooperated with US authorities, leading to the joint operation, it is quite likely that traffickers have been more successful in securing complicity in other circumstances. In fact, the US Department of State concluded in 2011 that trafficking rings were increasingly active in Sierra Leone, “often relying on corrupted government officials, police and intelligence officers, who have accepted bribes to turn a blind eye to the traffickers’ illegal activities.”¹²⁴ Third, the operating networks comprised people inside and outside the region – in this case “a Russian pilot, a Nigerian narcotics broker, a Colombian cocaine supplier and a Ghanaian maritime expert.”¹²⁵ This seems to be indicative of the modes of operation at the time. More recently, West African traffickers are not merely providing logistical services anymore, but play an increasingly independent role in bringing cocaine into the region.¹²⁶

The events in 2008 in Liberia and Sierra Leone mark a period of large and frequent cocaine seizure in West Africa before total quantities discovered began decreasing. Very likely, this is not simply due to a decline in

123 United States Attorney Southern District of New York, “Sierra Leone Man Pleads Guilty in Manhattan Federal Court to International Narcotics Distribution Conspiracy,” *Sierra Herald*, March 1, 2011, <http://www.sierraherald.com/cocaine-us-trial-sesay.htm> (accessed August 22, 2014).

124 United States Department of State, *International Narcotics Control Strategy Report. Drug and Chemical Control*, Report, Vol. I (March 2011), 480.

125 Gberie, *State Officials* (see note 114), 22.

126 UNODC, *Transnational Organized Crime in West Africa* (see note 113), 4.

drugs trafficked, but to a change in operations. In any case, such a change seems to have taken place after the Lungi affair in Sierra Leone. Apparently, some Nigerians engaged in the trade there had to move underground, and there were no major cases at the airport following the Cessna incident.¹²⁷ The number of mules on international flights also seems to have been reduced. But a common assumption is that cocaine trafficking through Sierra Leone continues through the use of containerized cargo. Vessels coming from South America might bring in hard drugs through Freetown port or load their cargo onto smaller boats off the coast before being sent by car to Guinea or on boats to Europe.¹²⁸ In line with this trend, a container coming from Ecuador belonging to a Nigerian-run business was intercepted at the port of Freetown in 2011. Apparently, cocaine had been hidden in the regular cargo containing baby diapers,¹²⁹ but it was gone when the container was opened.¹³⁰ Despite some improvements in the capacities and management of the port at Freetown, the general assessment is that it remains highly vulnerable for trafficking of all kinds, since scanner operations are not consistent in the container area and basically non-existent in the general cargo area.¹³¹ Moreover, the coastline remains almost unmonitored.¹³²

The seaport in Liberia's capital, Monrovia, is even more vulnerable to drug trafficking. There is very little control since the Freeport of Monrovia maintains its own police force and seems to object to deployments by the Liberian DEA.¹³³ Frequent seizures at Roberts International Airport in 2013 and 2014, including of

heroin, indicate that it remains an important entry into Liberia as well.¹³⁴ For example, a Nigerian who had been tracked for a month was intercepted in November 2013 with 50 tubes of cocaine at the airport by the Liberian DEA.¹³⁵ Another important case occurred there in February 2014, leading to the arrest of a resident of Brazil carrying 47 tubes of cocaine valued at \$352,000.¹³⁶ However, mules might also be using the smaller Spriggs Payne Airport in Monrovia, which links Liberia with South America via regional flights and lacks any real systematic control.¹³⁷ Cocaine has also been found at Liberia's borders with Guinea and Côte d'Ivoire.¹³⁸ Apparently, former combatants and serving personnel of the military and police forces of the region are involved as couriers in the trafficking of cocaine, heroin, and marijuana to and through Liberia.¹³⁹ There also are indications of corruption facilitating the drug trade at the airport.¹⁴⁰ In December 2013, security officials who had just been deployed there arrested two national police officers and an officer of the Bureau of Immigration and Naturalization when they tried to facilitate the entry of a smuggler with 3.5 kg of heroin.¹⁴¹

Naturally, identifying trends in the drug trade based on seizures has its limitations. For example, it is difficult to say whether the mentioned cases indicate changes in the activities of smugglers or changes in the effectiveness of law enforcement. In both countries, TCUs¹⁴² were established in 2010 and 2011, respectively, as part of the West Africa Coast Initiative run by UNODC, Interpol, and the United Nations Office for West Africa (UNOWA). These units have engaged in intelligence gathering and various operations to combat different kinds of transnational crime, some of it linked to – or part of – the drug trade. Most of the mentioned seizures and arrests came about through the work of these units and/or increased international efforts to fight the drug trade in West Africa.

Despite the difficulty in identifying trends, some aspects are quite clearly illustrated by those cases. Liberia and Sierra Leone remain very vulnerable to

127 Interviews SL-11_21-1-14; SL-5_17-1-14.

128 Interviews SL-6_17-1-14; SL-5_17-1-14; SL-13_23-1-14; SL-1_15-1-14.

129 "Sierra Leone Seizes Drugs from Ecuador in Nappies," *BBC News*, December 22, 2011, <http://www.bbc.co.uk/news/world-africa-16300086> (accessed August 22, 2014).

130 There is divergent information on the exact evidence. Most respondents stated that there only was an empty space in the container when it was opened and the seal had been removed or replaced (Interviews SL-12_23-1-14; SL-5_17-1-14; SL-1_15-1-14; SL-13_23-1-14).

131 Interviews SL-29_30-1-14; SL-15_24-1-14; SL-12_23-1-14.

132 Illegal fishing is another prevalent illicit activity in West Africa. Cases off the Sierra Leonean coast have, for example, been revealed by an Al Jazeera investigation, see "Pirate Fishing. People & Power Takes to the Seas off Sierra Leone to Investigate the Multi-million Dollar Illegal Fishing Trade," *Al Jazeera*, February 2, 2012: <http://www.aljazeera.com/programmes/peopleandpower/2012/01/201212554311540797.html> (accessed August 22, 2014).

133 UN Panel of Experts, *Midterm report*, May 2014 (see note 57), 21.

134 Interview LIB-11_19-11-13.

135 Interview LIB-10_19-11-13.

136 UN Panel of Experts, *Midterm report*, May 2014 (see note 57), 20.

137 Interviews LIB-14_20-11-13; LIB-11_19-11-13.

138 Interview LIB-10_19-11-13.

139 UN Panel of Experts, *Midterm report*, May 2014 (see note 57), 20.

140 Interview LIB-3_13-11-2013.

141 UN Panel of Experts, *Midterm report*, May 2014 (see note 57), 21.

142 In Sierra Leone, the unit is called "Transnational Organized Crime Unit" (TOCU).

operations by international drug traffickers. Apart from the relatively easy entry, if people are caught, challenges remain in prosecuting them. Apart from the weak legal foundation in Liberia, convictions for trafficking are also rare in Sierra Leone. In both countries, it is very easy to be released after an arrest without due process by paying a “fine” or a bribe. In Liberia, the police and the courts have been rated as the most corrupt institutions in the country, indicating the common perception “that wealth, not guilt, determines the outcome of a case.”¹⁴³ The situation might be slightly, but not fundamentally, better in Sierra Leone, particularly for drug cases where large profits are involved.¹⁴⁴ Furthermore, for a long time there was no feeling of urgency, as the transit of cocaine and heroin was not seen to be particularly dangerous for West Africa. Indeed, there is little doubt that hard drugs are still mainly passing through Sierra Leone and Liberia as well as other countries of the region. But the recently published report of the West Africa Commission on Drugs (WACD) has pointed out the severe negative consequences of the drug trade for West Africa, among others an increase in drug consumption.¹⁴⁵

Planting, Trading, Using: The Regional Cannabis Market

Beyond these newer developments driven by shifts in international markets, there is a relevant local and regional drug market in cannabis. In fact, both Sierra Leone and Liberia are production, transit, and destination countries. Initially, cannabis was introduced to West Africa in the 20th century and spread particularly by Sierra Leonean traders along the coast in the 1920s and 1930s.¹⁴⁶ During wartime, marijuana became entangled with the war economies, and combatants in both Liberia and Sierra Leone were heavy consumers.

In Liberia, the center of cultivation is in Bong, Nimba, and Lofa counties; in Sierra Leone it seems to be in the north and western areas, even close to

Freetown.¹⁴⁷ But growing cannabis is not limited to these zones, particularly as it brings high returns in comparison to crops such as rice, and it is an important source of income in areas with few opportunities.¹⁴⁸ Occasionally, plantations are discovered and destroyed by law enforcement, for example in lower Montserrado county in Liberia¹⁴⁹ or in the Kambia District north of Freetown in Sierra Leone in 2012, where the police were attacked by youths who tried to protect the site.¹⁵⁰ However, destroyed plantations usually represent a fraction of what is planted in the same area. There are also frequent allegations of protection of the cultivation by politicians, chiefs, or the police.¹⁵¹

The trafficking of cannabis links the whole region. What is planted in Liberia and Sierra Leone partly goes to Guinea or Côte d’Ivoire, but trade seems to be particularly active between the two countries. Drugs are transported from Liberia to Sierra Leone and vice-versa,¹⁵² and consumption in both countries is significant. In the process of trafficking, security officers are clearly involved, not just as distant protectors, but in transporting the drugs themselves.¹⁵³ Often official vehicles are used, as in the case of a Liberian police officer who was arrested in November 2013 at Bo border crossing in a joint operation of the national police, the Liberian DEA, and the TCU. The car carrying cannabis with a street value of more than \$36,000 was marked as being part of the presidential escort and had been observed repeatedly crossing the border unchecked. The operation led to the arrests of a superintendent, the head of the presidential escort, and four others, including a member of the Sierra Leonean armed forces.¹⁵⁴ In January 2014 another officer from the Police Support Unit who transported 145 kg of cannabis valued at \$11,500 in his vehicle was caught.¹⁵⁵

¹⁴³ Human Rights Watch, “No Money, No Justice”: *Police Corruption and Abuse in Liberia* (August 2013), 21.

¹⁴⁴ Interview SL-45_7-2-14.

¹⁴⁵ West Africa Commission on Drugs, *Not Just in Transit: Drugs, the State and Society in West Africa*, An Independent Report of the West Africa Commission on Drugs (June 2014), 9.

¹⁴⁶ Neil Carrier and Gernot Klantschnig, *Africa and the War on Drugs* (London and New York: Zed Books, 2012), 35.

¹⁴⁷ Interviews LIB-3_13-11-2013; LIB-24_25-11-13; SL-1_15-1-14; SL-17_24-1-14; SL-13_23-1-14.

¹⁴⁸ Walker and Burchert, “A Desk Study of Sierra Leone” (see note 103), 176; Interview LIB-38_2-12-13.

¹⁴⁹ Interview LIB-20_22-11-13.

¹⁵⁰ Walker and Burchert, “A Desk Study of Sierra Leone” (see note 103), 176

¹⁵¹ Interviews LIB-24_25-11-13; SL-47_8-2-14; SL-6_17-1-14; SL-17_24-1-14.

¹⁵² Interviews LIB-20_22-11-13; SL-4_17-1-14; SL-6_17-1-14; SL-13_23-1-14; LIB-10_19-11-13.

¹⁵³ Interview LIB-38_2-12-13.

¹⁵⁴ UN Panel of Experts, *Midterm report*, May 2014 (see note 57), 21; Interviews LIB-11_19-11-13; LIB-51_5-12-13; LIB-6_15-11-2013.

¹⁵⁵ UN Panel of Experts, *Midterm report*, May 2014 (see note 57), 21.

There is no clear indication of systematic links between the trade in cannabis and the trafficking of cocaine or heroin, unless it is at the level of smaller couriers or through the exchange of smaller quantities. It is well established that facilitators of cocaine smuggling are often paid in substance, which at least partly remains in the transit countries.¹⁵⁶ Even though there are no reliable numbers for consumption in Liberia and Sierra Leone, there are indications that cocaine and heroin are used beyond the very small upper class of wealthy, who can easily afford pure hard drugs. Cocaine seems to be quite easily available in the streets, mostly in very small quantities, for example as “magic sticks” or as crack. Furthermore, there are other mixed substances labeled as “brown-brown” or “Italian White.”¹⁵⁷ These substances as well as more significant quantities of cannabis are said to be consumed by young people in the “ghettos,”¹⁵⁸ particularly among the “boys” in mining areas.¹⁵⁹ Theft and robberies related to drug abuse are reported,¹⁶⁰ and quite a few members of vigilante groups or those involved in mob violence are drug users, even though the link to aggression is far from straightforward, particularly for cannabis. In any case, the problem of drug consumption seems to be growing rather than disappearing. This might partly be a result of having very few initiatives to tackle the issue following the massive abuse of drugs by combatants during the civil wars. But it also seems to be an indication of a slightly rising supply of hard drugs to the region in general.

How Is Crime Organized?

Liberia and Sierra Leone might be largely negligible as markets for illegal goods or trafficked legal goods on a global scale. But from a regional and country per-

¹⁵⁶ Both Liberia and Sierra Leone are also markets for counterfeit medicine, usually produced in Asia and entering the countries from Guinea (Interviews LIB-51_5-12-13; SL-2_16-1-14; LIB-6_15-11-2013; LIB-20_22-11-13).

¹⁵⁷ Interviews SL-5_17-1-14; SL-43_6-2-14; SL-13_23-1-14; LIB-3_13-11-2013; LIB-10_19-11-13; LIB-34_28-11-13; LIB-40_2-12-13. The exact meaning of these terms is difficult to establish, but most often they are used for mixtures including cocaine. All types of medical drugs such as Diazepam are used as well and, of course, strong locally produced alcohol (Interviews SL-43_6-2-14; LIB-34_28-11-13).

¹⁵⁸ The term “ghetto” refers to a place where drugs are sold and consumed, not to a neighborhood.

¹⁵⁹ Interviews LIB-3_13-11-2013; LIB-37_2-12-13; LIB-24_25-11-13.

¹⁶⁰ Interviews LIB-48_4-12-13; LIB-40_2-12-13.

spective, their illicit economies are highly relevant. In addition, the activities around natural resources and drugs outlined in the previous section have important repercussions beyond West Africa. However, not all aspects and practices of illicit economies outlined in the previous section qualify as organized crime. Surely, the artisanal gold digger without a license or an individual market-woman smuggling small portions of cannabis are not the primary concern. Organized crime is marked by the “continuity, structure and criminality for financial or material gain.”¹⁶¹ But there is a general trend that organized crime is pursued by increasingly flexible and heterogeneous networks.¹⁶² Taking this and the relatively broad definition introduced earlier¹⁶³ into account, core components of the activities mentioned can actually be categorized as organized crime. However, there are important differences in how these crimes are organized.

Flows, Producers, and Traders

Surely, commodities of a very different nature travel along the same routes, and the same network might switch from smuggling one good to another if it is more profitable. But looking at the universe of illicit activities in Liberia and Sierra Leone, some important differences are visible due, among other things, to the goods involved and the international markets for them. Naturally, for legal goods such as gold, diamonds, and timber, the line between licit and illicit is much less

¹⁶¹ Joseph Wheatley, “Transnational Organized Crime: A Survey of Laws, Policies and International Conventions,” in *Routledge Handbook of Transnational Organized Crime*, ed. Felicia Allum and Stan Gilmour (Abingdon and New York, 2012), 65–79 (67).

¹⁶² See, for example, the following assessment: Europol, *SOCTA 2013, Serious and Organised Crime Threat Assessment-Public Version* (Den Haag: Europol, March 2013), 8.

¹⁶³ This is largely in line with the Palermo Convention referring to an organized criminal group as “a structured group of three or more persons, existing for a period of time and acting in concert with the aim of committing one or more serious crimes or offences established in accordance with this Convention, in order to obtain, directly or indirectly, a financial or other material benefit,” see Article 2 (a), United Nations Convention against Transnational Organized Crime, in: *United Nations Convention against Transnational Organized Crime and the Protocols thereto* (New York: United Nations, 2004), 5. Liberia and Sierra Leone are both parties to the Convention and its Protocols. However, some details of the Convention’s definition are difficult to apply in the context of fragile states, namely the reference to “serious crimes and offenses” in a context where the legal basis might be weak or non-existent.

clear-cut, particularly if laws and regulating institutions undergo constant change, as in post-war Liberia and Sierra Leone. For example, licensed as well as unlicensed dealers are involved in the illicit trade of diamonds, and often non-licensed miners or dealers seek to legalize their possession by selling to a licenseholder. Generally, most activities in gold- and diamond mining and trade rely on established relationships and informal rules.¹⁶⁴ In fact, foreign investors who cannot rely on rule-of-law principles enforced by the state nor on such long-standing personalized networks frequently become victims of fraud. The advance-fee fraud with minerals clearly falls into the illegal sphere. The criminal groups involved are quite sophisticated, since they set up the fraud using the internet and need the financial means to set up offices for duping investors.¹⁶⁵ Apart from that, however, the illicit and licit markets in gold and diamonds in Sierra Leone and Liberia are basically organized along the same lines, or at least deeply entrenched. Not surprisingly, the continuity with the time of war economies is quite high in terms of actors and practices. But with the new legal and institutional framework, particularly for diamonds, changes have occurred, most notably in who can provide local protection.

The organization of illegal logging is different in so far as timber requires another level of logistics. Furthermore, demand has shifted significantly – from Europe during the time of war economies to Asia. Larger companies need to establish links with local transport businesses as well as secure access to ports for shipping their containers. But as with gold and diamonds, timber is often “legalized” at some point in the trade chain. In fact, the PUP saga in Liberia shows how foreign companies acquire licenses using fraudulent means or use legal loopholes for their operations. Dubious arrangements between international businesses and the central state have been common since pre-war times. Thus, in both Liberia and Sierra Leone, citizens are often suspicious of larger operations today. Frequent conflicts occur with regard to land rights, for example when people have traditionally used land that is then assigned to a foreign company for exploitation without involvement of the community. Much debate is also steered by the often intransparent way concessions are negotiated and “corporate

social responsibility” projects are implemented in the area where a company is operating.¹⁶⁶

Similar to the gold and diamond business, the line between licit and illicit activities in logging is particularly blurred and also moving due to changing regulations and export bans. Furthermore, China and India are now the largest importers of timber. At the same time, the United States, the EU, and Australia have raised barriers for the import of illegal timber and products made from illegal timber through new laws.¹⁶⁷ Beyond an increasing role for Asian financiers and companies, the operations in illegal logging might have remained at the level of middlemen, as during the wars. But long-term networks of mutual trust are also less important in logging, as cheating in the actual business is not as easy as with gold and diamonds. On the other hand, it needs a stronger facilitation network for the trafficking because transport by trucks and ships is essential.

Finally, the trade in drugs as an illegal good has its own organizational elements. Surely, cultivation and trafficking of cannabis is mostly locally driven in Liberia and Sierra Leone but with a regional reach in markets. It is probably the least organized segment of the illicit economies analyzed here. The act of smuggling cannabis across borders, even in larger quantities, seems to be often pursued by individuals, including increasing numbers of women. However, there is also more organized trade in cannabis using transnational networks, which tend to involve security agents. In fact, a frequent allegation in Liberia and Sierra Leone is that the police in particular are engaged in transporting and/or trading cannabis. Moreover, plantations can be vast and involve a network of people, as two operations of the TOCU in Sierra Leone demonstrated when cannabis sativa worth \$11,000 was seized and several persons were arrested in the Port Loko District.¹⁶⁸ There are also frequent reports of young men guarding and defending cultivation areas.

However, the profits and the degree of organization are nowhere near those in cocaine trafficking through Liberia and Sierra Leone. The two countries have not yet been rated as major hubs, but displacement effects from neighboring Guinea or Guinea-Bissau are possible, as both have been undergoing political transitions.

¹⁶⁴ Interview SL-30_30-1-14; Engwicht, *Illegal Markets* (see note 66), 17.

¹⁶⁵ Interview SL-27_29-1-14.

¹⁶⁶ This is not specific for the logging sector, but often occurs in relation to mining licenses of larger companies in Liberia and Sierra Leone as well.

¹⁶⁷ “Logging Company Flouts Liberian President’s Timber Export Ban” (see note 101), 2.

¹⁶⁸ SL-21_27-1-14.

The general trend for West Africa is that it has moved from being an area of transit into a place of transaction, giving more influence to local participants in the market.¹⁶⁹ Thus, the networks have become more grounded in the region. In Liberia and Sierra Leone, there surely are upfront businesses, people involved in logistics such as transport of drugs and also in the small retail market. As the private sector in both countries is traditionally dominated by people of Lebanese origin, some very likely play a role in these activities,¹⁷⁰ but clearly so do Liberians and Sierra Leoneans. The common assumption is that Nigerians mostly run the trafficking, also using façade businesses and Nigerian bank branches at times.¹⁷¹ But it is possible that Colombians and Brazilians are still driving operations in Sierra Leone.¹⁷² Obviously, such generalizations should be treated with caution, but they are in line with what has been revealed through exposed trafficking cases. In contrast to the cannabis trade, there apparently is no systematic connection between trafficking operations in Sierra Leone and Liberia.

Protection and Facilitation

In general, “commodity traders” and “protection racketeers” are the two basic types of criminal syndicates. The latter are usually confined to a single state’s borders but frequently take control of the local retail market for drugs or other goods.¹⁷³ In Liberia and Sierra Leone, this role was taken on by armed groups during the civil wars. These groups, among other things, made profits by demanding money, material, or transport from businesses in areas under their control. In the post-war transitions, state authority was at least formally reestablished. But since hybrid forms of governance emerged, protection in Liberia and Sierra Leone has depended on access to patronage networks – preferably those that are core parts of the state-building process. Such personalized systems

provide easy entry points for organized crime. Therefore, it is hardly surprising that criminal actors in Liberia and Sierra Leone largely rely on securing protection from state actors today. In fact, when asking whether crime tends to be organized, respondents in Liberia and Sierra Leone frequently refer to the involvement of politicians or security agents as indicators of the level of organization.¹⁷⁴

Again the setup differs depending on product and market, but within the different sectors it seems to be quite similar for both countries. Generally, three basic setups exist. In the first, officials facilitate illicit activities with certificates or licenses, for example to engage in mining or the export of natural resources. Naturally, this only works for legal goods. The second option is the classic “paying somebody off” for protection. Either criminal actors arrange a cover-up in advance or they engage in negotiations with officials when caught. But the line between the two is not clear-cut and the two can be combined, for example when a general facilitator interferes ad hoc with the work of law enforcement agencies. The latter happened in Liberia with the deputy director of the Liberian DEA, Albert Chelley, who was dismissed in August 2013 because he had conspired with Nigerian drug traffickers and on two occasions prevented the arrest of heroin smugglers.¹⁷⁵ In Sierra Leone, it has been reported that there is also interference by paramount chiefs and politicians on behalf of people in cannabis cultivation.¹⁷⁶ Despite reforms of the legal and institutional frameworks, many transactions still depend on personal relations – for legal and illegal businesses alike. These are not easy to circumvent, as one official in a Liberian border town stressed: “People buy their way out, it is fishy. People are reluctant to enforce the law. When you take it to the bosses, there is another bargain up there. And it is a matter of social relationship, you compromise.”¹⁷⁷ Ultimately, the fear of falling out with the patronage system keeps it together.

In the third scheme, officials are actually commodity traders themselves, or illicit traders gain public office (“state capture”). For example, it is said that government officials are behind “cartels” in Freetown – places where the more expensive drugs are sold¹⁷⁸ or

169 Mark Shaw, *Leadership Required: Drug Trafficking and the Crisis of Statehood in West Africa*, ISS Policy Brief no. 37 (Pretoria: Institute for Security Studies, October 2012), 3.

170 Interview SL-35_3-2-14.

171 Interviews LIB-23_25-11-13; LIB-20_22-11-13; LIB-31_27-11-13; LIB-46_3-12-13; SL-12_23-1-14; Nigerians are also said to dominate organized armed robbery operations in Monrovia (Interview LIB-35_30-11-13).

172 Interview SL-5_17-1-14.

173 Misha Glenny, *McMafia: Seriously Organised Crime* (London: Vintage Books, 2009), 205.

174 Interviews SL-45_7-2-14; SL-31_30-1-14; LIB-11_19-11-13; LIB-19_22-11-13.

175 Gberie, *State Officials* (see note 114), 22.

176 Interview SL-1_15-1-14.

177 Interview LIB-50_5-12-13.

178 Interview SL-43_6-2-14.

where politicians engage in illicit mining operations.¹⁷⁹ The majority of cases of state complicity, however, seem to be in the first two categories. It is difficult to define if such networks of protection – or parts of them – stem from the time of the war economies. But as representatives of former armed groups have often been integrated into the state-building process and/or have set up their own businesses after the conflict, some continuity is very likely with regard to illicit activities around natural resources, and possibly the cannabis trade.

Contrary to parts of Latin America, there is little violence in the organized segments of illicit economies in Liberia and Sierra Leone. When the extent of cocaine trafficking through West Africa became visible, there was the fear that the trade could “turn the region into an epicentre of lawlessness and instability.”¹⁸⁰ Other transit areas such as Central America’s Northern Triangle have indeed experienced high levels of criminal violence. In Guatemala and El Salvador, for example, murder rates have even exceeded those that occurred during the civil wars.¹⁸¹ This level of instability has not (yet) materialized in Liberia or Sierra Leone, most likely because criminal networks can secure their operations and profits by other means. Currently, there do not seem to be any links between organized crime and armed or terrorist groups that could challenge state authority.¹⁸²

Yet, pockets of violence exist and can become quite intense at times. Apart from mob violence – often related to petty crime – there are violent armed robberies and land-related conflicts.¹⁸³ There also have been protests and riots against industrial mining companies – such as Octea and London Mining in Sierra Leone¹⁸⁴ and China Union in Liberia¹⁸⁵ – that turned

violent. The violence has usually been related to accusations that companies extract resources without there being enough opportunities generated for communities. Occasional clashes have occurred in Sierra Leone when marijuana plantations have been raided by law enforcement.¹⁸⁶ Furthermore, there has been small-scale violence allegedly linked to illicit gold mining in the Gola Forest region bordering Sierra Leone and Liberia. The former combatants in this area, who are also involved in the trafficking of drugs and artisanal shotguns, are described as individuals who “live in semi-organized autonomous groups outside of any state authority, often under the direct influence of former ‘generals’ who commanded rebel factions during the Liberian civil conflict.”¹⁸⁷ The influx of such artisanal guns, produced mostly in Guinea, is a general concern in Liberia and Sierra Leone.¹⁸⁸ In addition, there are still arms caches from the different wars that are occasionally discovered.¹⁸⁹ Whether this potential for violence will link more closely with organized crime remains to be seen. But there clearly are different threats related to the core illicit activities in both countries.

179 Interview SL-45_7-2-14.

180 Antonio Maria Costa, Executive Director, UNODC, in UNODC, *Drug Trafficking As a Security Threat in West Africa* (see note 112), 1.

181 Liza Ten Velde, *The Northern Triangle’s Drugs-violence Nexus: The Role of the Drugs Trade in Criminal Violence and Policy Responses in Guatemala, El Salvador and Honduras*, TNI Briefing Series no. 2012/1, *Drugs & Conflict Debate Papers* (Amsterdam: Transnational Institute, November 2012), 2.

182 A connection of the diamond trade in Sierra Leone to Hezbollah and allegedly al-Qaeda has been detected in the past. Taking the central role of Lebanese businesspeople in the Liberian and Sierra Leonean economies into account, the flow of some money into the coffers of Hezbollah is probably still happening, but most likely not at a significant level.

183 Small Arms Survey, *Reading between the Lines: Crime and Victimization in Liberia*, Issue Brief No. 2, September 2011, p. 1.

184 Interview SL-47_8-2-14.

185 Interview LIB-37_2-12-13.

186 Interview SL-17_24-1-14.

187 UN Panel of Experts, *Final report*, November 25, 2013 (see note 60), 12; UN Panel of Experts, *Midterm report*, May 2014 (see note 57), 18.

188 Interviews LIB-3_13-11-2013; SL-11_21-1-14.

189 Interview LIB-20_22-11-13.

Conclusion: Threats and Possible Responses

The vulnerability of fragile states to organized crime is commonly explained by porous borders and a lack of regulation and effective law enforcement. All of these aspects are also cited by agencies in Liberia and Sierra Leone, which usually refer to weak capacities and insufficient resources as being the main challenges in fighting organized crime. These deficiencies are real, but they mask an ultimate dilemma in tackling organized crime in cases such as Liberia and Sierra Leone: criminal activities are often tied to the very state that is supposed to build and defend the (reformed) framework of legality. As demonstrated in the previous section, illicit economies are not simply an expression of areas beyond state control or “ungoverned spaces.” Although one aspect of weak state authority concerns remote regions that have rarely seen the presence of state agents (or where state agents are pushed out by competing authorities), the more common theme in illicit economies in Liberia and Sierra Leone today is the involvement of such state actors. This phenomenon occurs all over the world, but it has been identified as a main challenge linked to organized crime in West Africa.

In Liberia and Sierra Leone, this challenge has been exacerbated by the inclusion of existing networks and practices into politics and the economies of both countries since the civil wars. It is a well-known dilemma in post-conflict situations that organized crime figures are powerful actors, and thus, “[i]gnoring or excluding them can threaten political stability. Including them undermines reform plans.”¹⁹⁰ Indeed, disrupting any form of organized crime can have severe negative consequences in its own right. As the organization of criminal actors is still highly fragmented in Liberia and Sierra Leone, the danger is in erasing the less coherent, smaller groups and triggering the reorganization of stronger networks, which might ultimately increase competition and the likelihood of violence. Thus, a selective approach focusing on the most damaging practices and criminal networks might be promising.¹⁹¹

¹⁹⁰ William Reno, “Understanding Criminality in West African Conflicts,” *International Peacekeeping* 16, no. 1 (2009): 47–61 (55).

¹⁹¹ *Ibid.*: 49.

International actors have mostly pursued the approach of building up law enforcement in general when cocaine trafficking through West Africa emerged as an increasing threat. Apart from the mentioned West Africa Coast Initiative of UNODC, Interpol, and UNOWA, the EU has set up the Cocaine Route Program. It comprises several projects in West Africa, for example the Seaport Cooperation Programme, which aims at better cooperation in the fight against maritime trafficking and capacity-building in the fight against international criminal networks, which includes Sierra Leone as a target country.¹⁹² A whole set of bilateral efforts are being undertaken as well, particularly by the United States, France, and the United Kingdom.¹⁹³ In Liberia and Sierra Leone, the UN missions’ mandates have also been adapted over time to include the fight against organized crime and drug trafficking.¹⁹⁴ However, the UN Integrated Peacebuilding Office in Sierra Leone was closed earlier in 2014, and the UN Mission in Liberia started its draw-down in 2012 by reducing primarily its military strength, with the third phase ending in July 2015.¹⁹⁵

Even though the UN presence remains quite strong in both countries, there is the fear that the withdrawals will leave a gap in the security architecture. Therefore, the setup of functioning local institutions has become a major concern. Since existing bodies in Liberia and Sierra Leone have often been dysfunctional in fulfilling their assigned mandates, new institutions such as the Transnational Crime Units and Anti-Cor-

¹⁹² For details see the website of the EU Cocaine Route Programme: http://corms.esteri.it/?id=16&log_user=0 (accessed August 22, 2014).

¹⁹³ For a comprehensive list of programs, see Camino Kavanagh and Summer Walker, *International and Regional Responses to Drug Trafficking in West Africa: A Preliminary Overview*, WACD Background Paper no. 6 (Kofi Annan Foundation, September 2013).

¹⁹⁴ The mandate of the UN Integrated Peacebuilding Office in Sierra Leone (UNIPSIL), established in 2008, explicitly refers to “efforts to counter transnational organized crime and drug trafficking” (Final Report of the SG on UNIPSIL, March 2014, 1), whereas UNMIL had been including measures for fighting the drug trade in the implementation of the existing mandate since about 2008, see Hansen, *Mehr Interaktion als geplant* (see note 49), 206.

¹⁹⁵ See UNMIL website: <http://unmil.unmissions.org/Default.aspx?tabid=5361&language=en-US>.

ruption Commissions have been set up. Even though some of these bodies have clearly contributed to identifying serious vulnerabilities, they have also run into several problems. First, new agencies add to the already confusing – and at times overcrowded – set of institutions engaged in fighting crime and corruption, which not only leads to conflicts of competence, but also allows criminal networks to choose the most convenient partner. Moreover, the political process remains highly vulnerable. On the one hand, official positions are one of the very few ways to make money fast in both countries, and on the other hand, financial resources are needed to actually get into such a position. Thus, money from illicit business continues to buy protection and political capital, for example by financing election campaigns. Finally, new institutions still operate in a context where money can buy “justice.” Those with the highest criminal profits might be targeted and arrested, but they are also the ones most likely to walk free due to the (mal)functioning criminal justice system. So, various options remain for facilitating and protecting organized crime.

It can be argued that as long as the most disruptive activities are contained, this might sustain the precarious balance between reform and political stability in Liberia and Sierra Leone. Indeed, serious instability, such as that experienced in the transit zones of Latin America, has not occurred. On the one hand, the incomplete state-building process and personalized power relationships provided a relatively easy operating environment for some criminal actors. On the other hand, the uncertainties due to political transitions and the strong international presence since the installation of UN missions might have prevented both countries from becoming major hubs of the international drug trade, despite existing vulnerabilities.

However, there are potential sources of violence. The mix of patronage and corruption linked to illicit criminal activity has been proven to breed violence in Liberia and Sierra Leone in the 1990s.¹⁹⁶ To put it differently, criminal profits in politics could, like in Mali, ultimately lead to a scenario that “[creates] an impenetrable barrier to entry for legitimate democratic processes.”¹⁹⁷ Indeed, if political competition becomes increasingly reliant on criminal assets, this will reinforce the tendency of elites to rely on external rents. But such an evolution can also be a “game-changer” in

existing power relations, since organized crime is not like any other source of (external) income. Increasingly, politics can be held hostage to the interests of relatively small networks. This might spur violent discontent among the population, particularly if profits do not trickle down and public services decline further. Moreover, criminal entrepreneurs might also link up to, or make use of, local groups with a high potential for violence, such as remnants of ex-combatant groups still linked to their former commanders in remote mining areas or youth gangs in the capital cities. Both kinds of groups are already engaged in drug trafficking and, with rising consumption, might also become increasingly engaged in the distribution of hard drugs.¹⁹⁸ Thus, leaving things as they are is also not an option.

Some fear that the withdrawal of the UN missions could actually tip the balance in favor of organized crime. However, even with a reduced international presence, there are ways to support a selective response. Some points are particularly relevant in this regard. First, it is important to not (primarily) disrupt the lower echelons of organized crime, as depriving people of their illicit sources of income, for example artisanal mining or cannabis cultivation, might have negative repercussions and make the scenario of violent groups moving into other criminal activities more likely. In fact, officials in Liberia have frequently justified the tolerance of illicit activities in mining by pointing to the danger that former combatants might respond violently or end up seeking income through armed robbery instead.¹⁹⁹

Second, tailored responses can be effective in meeting an urgent need to curb the most dangerous forms of organized crime. But ultimately, they can only be successful if the general system is functional. Thus, further long-term international engagement in the fields of rule of law and criminal justice is essential. Reforms in these fields are also crucial in order to ensure that exploitation of natural resources is undertaken in a more transparent and accountable way. The main focus should be on the larger operations in logging and the industrial and small-scale sectors in gold and diamond mining. As tensions related to concessions – also for the exploitation of iron ore –

¹⁹⁶ Walker and Burchert, “A Desk Study of Sierra Leone” (see note 103), 164.

¹⁹⁷ Shaw, *Leadership Required* (see note 169), 2.

¹⁹⁸ Walker and Burchert, “A Desk Study of Sierra Leone” (see note 103), 170.

¹⁹⁹ UN Panel of Experts, *Midterm report*, May 2014 (see note 57), 19; UN Panel of Experts, *Final report*, November 25, 2013 (see note 60), 19.

**Community responses to drug abuse:
Two stories from Liberia**

**Liberians United Against Drug Abuse,
Logan Town/Monrovia**

This local non-governmental organization was created in 1992 and engages in a broad set of activities – from the provision of education on drug abuse and school lectures to counseling, advocacy, and relapse prevention programs as well as the formation of community clubs. The small group of employees and volunteers is confronted with the negative effects of the abuse of all kinds of drugs, including heroin and cocaine, as well as locally produced alcohol. The most pressing concerns are the disintegration of families, school dropouts, and drug-related prostitution and robbery. As there is a general lack of social services and the organization receives very little support, it is struggling to keep its programs running.

Collective Action Committee, Sergeant Kollie Town

The 12 people on this community committee came together under the chairmanship of the local reverend due to increasing problems with drug abuse and its consequences, including burglary, sexual abuse, and school dropouts. The committee's response was to request that the national police establish a presence in the area. After the community set up a temporary place for a depot themselves, the Quick Impact Project of UNMIL constructed a new police station. This has hardly curbed the problem, however, due to deficiencies in the functioning of the police force known from other places in Liberia. Thus, the committee that was setup as a volunteer service started to engage in the monitoring of the police itself, but is increasingly struggling to keep up with its activities.

Many donors and non-governmental organizations are already active in this field, setting up a more accountable and transparent system for mining and logging. But specific components of crime in these sectors – such as smuggling done by international investors through airports, as well as fraud schemes – need to be tackled by law enforcement approaches, as these are more organized, and potentially linked to other crimes such as money-laundering.

Finally, in line with the report of the WACD published in June 2014, a lot needs to be done in Liberia and Sierra Leone in order to decriminalize drug consumption and low-level offenses and increase public health efforts for drug users. The current state of affairs in this regard is not very encouraging. In Liberia, the newly drafted law awaiting adoption is moving in the direction of draconian measures against all kinds of drug-related offenses.²⁰¹ Furthermore, currently there is little help for drug users in both countries, either through treatment and counseling or harm-reduction. These are not merely health and social issues – they are also strongly related to state-building. The recent Ebola outbreak has not just underlined the poor state of the health systems in both countries, but it also highlights the low levels of trust by citizens in state institutions. In this context, a mere law enforcement response to drug abuse is even more problematic than elsewhere. So far, communities affected by problems related to drug abuse are mostly left to themselves, and those trying to find a response easily become overstrained (see box for examples).

Overall, what is needed is an approach to organized crime that combines the concerns of international and state security with human security. Clearly, the impacts of organized crime on governance and the political process need to be tackled. But state-building also needs to respond to issues of livelihood, health, and the environment linked to illicit economies.

have frequently led to violent demonstrations in Sierra Leone and Liberia, even requiring the intervention of UNMIL,²⁰⁰ there is a clear need to find more effective ways of including local communities into the deal-making between companies and the central state.

Third, incentives for the smuggling of gold and diamonds can (further) be removed through the harmonization of taxation and certification schemes.

²⁰⁰ Twenty-seventh progress report of the Secretary-General on the United Nations Mission in Liberia (February 2014), 4.

²⁰¹ Camino Kavanagh, ed., *Harmonizing Drug Legislation in West Africa – A Call for Minimum Standards*, WACD Background paper no. 9 (Kofi Annan Foundation, 2014), 12.

Abbreviations

DEA	Drug Enforcement Agency
ECOMOG	ECOWAS Cease-Fire Monitoring Group
ECOWAS	Economic Community of West African States
EU	European Union
NPFL	National Patriotic Front of Liberia
PUP	Private-use Permit
RUF	Revolutionary United Front (Sierra Leone)
TCU	Transnational Crime Unit
TOCU	Transnational Organized Crime Unit
ULIMO	United Liberation Movement of Liberia for Democracy
UN	United Nations
UNIPSIL	United Nations Integrated Peacebuilding Office in Sierra Leone
UNMIL	United Nations Mission in Liberia
UNODC	United Office on Drugs and Crime
UNOWA	United Nations Office for West Africa
UNSC	United Nations Security Council
WACD	West Africa Commission on Drugs