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Beyond Mafia Stereotypes: Organized Crime's Impact on Security

The potential for organized criminal networks to foment intra-state violence and terrorism represents a major challenge to security establishments. Yet, as Philip Gounev points out, these networks do not necessarily need to safeguard their activities and maintain their influence by relying on such violence.

By Philip Gounev for ISN

While most European countries and the United States see organized crime as posing an asymmetric threat to the rule of law, in other parts of the world criminal networks are perceived as providers of services and livelihoods that far surpass those offered by the state. This in turn reflects that the term 'organized crime' is perceived differently throughout the international system. In many Western countries, for example, organized crime is widely regarded as 'groups' or 'networks' involved in the provision of illicit goods (drugs, prostitution, pirated products) or other common criminal activities. There is also a neat separation between 'organized' and 'white collar' crime, with the latter considered a less dangerous form of illicit activity.

However, such distinctions are far less clear in countries where economic elites often oversee grey economies and the market for illicit goods and services. For example, should the Chinese owners of a company which manufactures pirated products despite also supplying material to multinational corporations be classified as organized criminals? Is the Russian factory owner of one of the most popular (but illicit) brand of cigarettes in Germany – [Jin Ling](#) – guilty of running a criminal enterprise? Providing definitive answers to these questions becomes all the more challenging because in the eyes of many (predominantly) Western commentators, criminal networks are also intimately linked to a host of challenges to national and international security.

A global phenomenon

Indeed, such commentators would undoubtedly point to Latin America to support their arguments that organized crime fuels intra-state conflict and civil unrest. The sight of [49 decapitated bodies](#) on a highway would certainly shake any country's sense of security, especially when it comes a week after [18 bodies](#) were also found near a popular tourist area. The dead were among the most recent casualties of Mexico's drug wars. Over the past six years, conflict between the country's rival drug cartels has claimed 30,000 victims – a number comparable to many conventional wars. Two years ago, Brazilian police officers attempted to bring down the drug lords of Rio de Janeiro's favelas. The use of armoured personnel carriers and special forces, as well as the [dozens of casualties](#), made the

operation feel more like a scene from a low-scale civil war.

Yet while parts of Latin America appear to confirm the suggestion that criminal networks pose an increasingly significant threat to security, the rest of the international system is by no means immune to this phenomenon. Over the past few years parts of Southeast Europe have also been destabilized by the growing threat posed by organized crime. In 2008, for example, special forces and an AC-130 military plane stormed a village on the Greek island of Crete where [a week earlier](#) 40 police officers attempting to search for evidence of drugs production were ambushed by 20 gunmen. Between 2000 and 2005 a spate of [contract killings in the center of Sofia](#) shook many Bulgarians' confidence in the government's ability to deal with organized crime. More recently, the deaths of a [businessman and his bodyguards](#) in an alleged gangland hit shocked Cyprus, an island with relatively low levels of homicide. And, of course, places like Naples and Corsica periodically continue to suffer from extremely high levels of crime-related violence.

War profiteers

The violence associated with organized crime also reflects the reality that criminal networks are often ideally placed to overcome international sanctions or economic embargoes in order to procure weapons. This allows criminals not only to act as middlemen for illicit arms transfers, but also provides them with enough flexibility to act on behalf of intelligence and security services involved in intra-state conflicts. Viktor Bout, the Russian arms dealer [recently sentenced](#) to 25 years in prison for terrorist offences, was used by militaries across the world to supply weapons whenever and wherever they were needed.

Bout's activities further reflect arguments that organized crime provides the distance needed to make it difficult for states to officially blame each other for fuelling conflict. However, criminal networks also expand in size and influence in the aftermath of war and political violence. The modern history of organized crime in Southeast Europe is deeply rooted in the Balkan conflicts of the 1990s. Many 'oligarchs' or 'tycoons' of the former Yugoslav republics and other Balkan countries built their business empires with profits from the smuggling of oil, arms, cigarettes and other consumer goods. In many cases they were former security services personnel who used their ties to supply the military as well as the population with provisions. Once conflict ceased many continued to be involved in other forms of smuggling (cigarettes, alcohol). They had already developed the smuggling channels (corrupt border guards and customs officers who ensure trouble and duty free border crossing) or relations to high-level law-enforcement or judicial authorities to continue covering their activities. Accordingly, conflict helps to create criminalized profiteering economic elites who often remain in place to abuse development, war-reconstruction and other public funds.

The Crime-Terror Nexus

Finally, criminal networks provide a number of important services to terrorists and separatist movements. The most serious and investigated aspect of the crime-terror nexus are criminal enterprises that help finance terrorist activities. These include, for example, the racketeering activities of terrorist groups in Northern Ireland and Corsica as well as the trade in illicit cigarettes or drugs by groups like the Kurdistan Worker's Party (PKK). The Kosovo Liberation Army was also regularly accused of funding its activities by securing heroin trafficking routes.

Indeed, the illicit cross-border activities associated with the crime-terror nexus arguably represent the most serious challenge to national and international security. Just as criminal networks are inextricably linked with the smuggling of illicit goods, they have often been accused of trafficking

materials used in the production of weapons of mass destruction (WMD), providing counterfeit travel documents and smuggling terrorist operatives across international borders. No one can guarantee, for example, that the [700-meter tunnel](#) recently discovered on the Slovak-Ukrainian border was only a smuggling route for illicit goods and migrant workers and not terrorist organizations. Similarly, dozens of [narco-tunnels have been uncovered](#) in recent years that further complicate the United States' attempts to prevent illicit cross-border activities originating from Mexico.

Accordingly, the corrupting influence that criminal organizations have on border guards is of particular concern. A [recent study](#) commissioned by Frontex on corruption along the European Union's external borders shows that tobacco smugglers are increasingly targeting underpaid border guards. It has also been suggested that Mexican drugs cartels have [attempted to corrupt](#) United States Customs and Border Protection personnel, forcing Congress to adopt special measures to prevent cross-border corruption. Despite such measures, Washington nevertheless remains concerned that terrorists may also find ways to take advantage of corrupt border staff.

Beyond violence

Crucially, the problems posed by illicit cross-border activities demonstrates that even in the absence of more overt forms of violence, criminal organizations can have a profound impact upon issues deemed important to national security. Instead of safeguarding illicit activities via shows of force, many criminal networks simply turn to more sophisticated forms of corruption. The book *Corruption and Organised Crime in Europe* outlines how organized and white collar criminals use corruption in many parts of Europe to undermine the criminal justice process, divert public funds, rig elections and weaken the democratic foundations of the state. Indeed, some of the causal factors of Greece's economic woes can be attributed to the corrupting role of white-collar criminals who avoided taxes or smuggled billions of Euros worth of oil and cigarettes every year.

It has been estimated that the illicit activities of organized criminals account for only 1.5% of the world's annual Gross Domestic Product (GDP) (or \$870 billion [according to UNODC figures](#)). However, as the involvement of white-collar criminals in Greece's economic decline demonstrates, organized crime networks are particularly influential in small, developing or fragile states and are often integral to national economies. As a result, large informal economies, in developing or economically fragile countries provide criminal organizations with opportunities transform their influence into political power. In such countries, the asymmetric influence of criminal networks and grey economic actors therefore maintains a situation of '[state capture](#)' whereby the social and economic security of the state is held hostage to criminal activities.

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