

# Organised crime and terrorism: Observations from Southern Africa

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## INTRODUCTION<sup>1</sup>

The prevailing global counter-terrorism strategy envisages a two-pronged approach. One prong supports the decapitation of perceived terrorist groupings. This is to be accomplished by eliminating those involved (the George W. Bush options—bringing them to justice or bringing justice to them!). The second prong aims to deprive them of resources, either in the form of material resources or financial support, hence the recurrent emphasis on asset freezing and confiscation.

Whether the strategy will succeed depends in part on whether it is based on a comprehensive appreciation of the root causes of terrorism. It has been suggested that in combating terrorism, the impact of factors such as organised crime and war is often overlooked, which diminishes the prospects for success of well-intentioned plans.

The tragic, well publicised events of September 11, 2001 in the United States (US) have precipitated dramatic consequences. One of them is a conceptualisation of terrorism that is weighed down by subjective, perhaps transient, concerns. There is a growing view in Southern Africa that the dominant global strategy against terrorism is premised on a notion of terrorism preoccupied with extremist ideological or religious anti-Western atrocities. As a result, the sources of equally pernicious forms of terrorism may be able not only to secure impunity for their acts of terrorism (just as some did during the Cold War), but even to take advantage of opportunities presented by global anti-terrorism initiatives to entrench their positions.<sup>2</sup> Southern Africa has a long acquaintance with violent atrocities from various sources. The processes of decolonisation and struggles for democratisation have, in many cases, been violent, yielding polarisation and militancy at both local and international levels.

## SCOPE OF THIS PAPER

The title of this paper suggests that a connection has been established between organised crime and terrorism. Even though anecdotal evidence that this is so has been found in other places, whether such a linkage exists in Southern Africa is yet to be established.

The concept of terrorism is laden with emotional controversy. As a result it tends to be defined rather subjectively. In determining a point of departure, it is convenient to rely on nodal points of putative consensus. In the absence of a universal definition of terrorism, one is guided by the normative list in the Organisation of African Unity Convention Against Terrorism (1999), referred to hereafter as the Algiers Convention. In terms of clause 3 of the Algiers Convention, terrorist acts are:

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acts which violate the criminal laws of a State Party and which may endanger the life, physical integrity or freedom of, or cause serious injury or death to, any person, any number or group of persons or cause or may cause damage to public or private property, natural resources, environmental or cultural heritage and are calculated or intended to:

- (i) intimidate, put in fear, force, coerce or induce any government, body, institution, the general public or any segment thereof, to do or abstain from doing any act, or to adopt or abandon a particular standpoint, or to act according to certain principles; or
- (ii) disrupt any public service, the delivery of any essential service to the public or to create a public emergency; or
- (iii) create general insurrection in a State.

Terrorist acts are also committed by promoting, sponsoring, contributing to, commanding, aiding, inciting, encouraging, attempting, threatening, conspiring, organizing, or procuring any person, to commit any act described above.

The closest one can get to a universal definition, albeit one which has not necessarily found favour in all parts of Southern Africa, is the formulation by the United Nations (UN) General Assembly in Resolution 54/110 of 9 December 1999, in terms of which terrorism comprises:

criminal acts intended or calculated to provoke a state of terror in the general public, a group of persons or particular persons for political purposes.

Southern Africa is defined in this paper to include the Southern African Development Community (SADC) countries. Occasional reference is made to states afflicted by organised crime and war beyond SADC, in East and West Africa. The SADC is familiar with terrorism as conceived in the Algiers Convention, from both non-state and state actors. It has experienced war in Angola and the Democratic Republic of the Congo (DRC) in the last decade. While it has diminished in intensity, the conflict in the DRC continues to smoulder.

This paper gives an overview of the main characteristics of organised crime in Southern Africa and highlights the features that predispose the sub-region to terrorism. It also draws upon lessons from the conflicts in the two areas cited above.

## PATTERNS OF ORGANISED CRIME IN SOUTHERN AFRICA

Organised crime takes many forms in Southern Africa but some of them are more significant in relation to terrorism than others. The sub-region provided arenas in which Cold War conflicts were played out. These conflicts invariably became sub-themes of the liberation struggles of the 1970s and 1980s. One of the legacies bequeathed to the new states was the abundance of firearms, predominantly light weapons. A black market in arms continues to thrive and firearms smuggling is a prominent type of syndicated crime. The trade reached its high water mark during the terrorist activities of Unita in Angola, particularly in the 1990s, in the wake of Unita's election defeat in 1992. It is an established fact that after the UN imposed sanctions on Unita, weapons continued to flow to the areas under its control. Some of them came from the Central Intelligence Agency (CIA), having been diverted from supplies ostensibly destined to arm the *mujahedeen* in Afghanistan.<sup>3</sup> Other

weapons were sourced through arms brokers and transhipped through third territories, such as Togo and the DRC. Fraudulent end-user certificates were invariably used in a process which was fraught with corruption.

It is evident that the trade in smuggled weapons spread beyond Angola to other parts of the sub-region and that the weapons smuggled to that country have found their way to countries such as the DRC, the Republic of Congo, Malawi, Zambia, Namibia, Rwanda, Burundi and Tanzania. In the DRC their availability continues to adversely affect prospects for a durable settlement of the conflict in that country. In Malawi, Zambia and Namibia, weapons derived from Angola have been linked to armed robberies involving cash and motor vehicles. This type of offence remains one of the most prevalent in the sub-region, fuelled in no small manner by criminals' access to small arms.

Narcotics trafficking is well established in Southern Africa. Internally, the most readily available drug is *cannabis* (*marijuana*, Indian hemp, *gandia*) but others are introduced from outside the sub-region. The most prominent *cannabis* production areas are Malawi, Swaziland, Mozambique, South Africa and Zimbabwe. Quantities of heroin, cocaine, ecstasy and mandrax are smuggled into the sub-region. South Africa tends to be the main destination of these 'foreign' narcotics. In terms of origin, a general pattern seems to have emerged: narcotics come into the eastern seaboard countries (Tanzania, Mozambique and South Africa) from the south-east Asian sub-continent, while the western seaboard countries (Angola, the DRC, Namibia and South Africa) get the lion's share of the narcotics from South and Central America.

Narcotics may be connected to terrorism in three ways. Narcotics are known to have been supplied for consumption to some of the perpetrators of terrorism

in the sub-region. They have certainly been used by elements of the militia in the terror campaigns mounted by the ruling party in Zimbabwe, ZANU(PF).<sup>4</sup> They are also known to have been used in the massacres in Rwanda and Burundi. At a transnational level, narcotics are important for their economic value. Like precious extractive resources, discussed below, narcotics provide a relatively anonymous source of revenue to be used to fund terrorist or related activities. The sub-region will be useful to transnational terrorism if it can be used as a source, transit zone or market for high value narcotics.

There is no doubt about the significance of Southern Africa as a source of *cannabis*. The drug has been transported from the sub-region to European countries at least since the 1970s. There is also a local market for *cannabis* in Southern Africa, although it is not as lucra-

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tive as the foreign market.<sup>5</sup> There is scope for abuse of the trade in *cannabis* to fund transnational terrorism. It is, however, incomparable to the possibilities for using the trade in 'foreign sourced' narcotics for funding terrorism. In this regard, Southern Africa should not be seen so much as a market, but rather as a transit route. Traffickers take advantage of certain routes to smuggle contraband undetected. South African and Namibian airports have been used in this way. Narcotics have been transported on airlines flying from these countries to Europe and Asia to get narcotics out of the sub-region for marketing there. It is believed that proceeds eventually follow the reverse path from abroad into Southern Africa in a money laundering cycle.

The link of narcotics to vigilantism has been observed in two countries in Southern Africa, namely Mauritius and South Africa. Vigilante groupings, ostensibly inspired by religious fanaticism, have been able to mobilise around opposition to narcotics trafficking and mount a campaign of violent acts against those perceived to be involved. In Mauritius the Hezbollah party took a tough line against drugs (as well as gambling and non-Islamic practices), committing acts of murder and lawlessness.<sup>6</sup> The leadership of the party has since been apprehended and jailed, ending the spate of atrocities committed during its tenure. The activities of an outfit called People Against Gangsterism and Drugs (Pagad) in South Africa were premised on certain religious principles. They resulted in many deaths and much destruction of property, until the authorities stepped in decisively. Since the demise of Hezbollah and Pagad, it has emerged that their actions were not always motivated by an aversion to narcotics trafficking or organised crime in general. To the extent that some of them were, however, these counter-crime activities constituted terrorism related to organised crime.

Southern Africa is endowed with very valuable and strategic minerals, in particular diamonds,<sup>7</sup> gold, uranium and coltan (used in the manufacture of high-tech electronic products). The role played by diamonds in reviving and sustaining Unita in Angola is well documented. The prospect of gainful extraction of precious resources has lured foreign intervention into theatres of pre-existing conflict and precipitated the opening up of fresh conflicts in both Angola and the DRC. A virtual war economy has been nurtured. Beneficiaries of this economy include political leaders, multinational corporations, intermediary networks, local military commanders, warlords and organised crime syndicates. The intricacies of the war economy are portrayed by Tshitereke, who observes:

For some actors, the existence of war guarantees their continuous existence and it in fact gives them a new lease of life.

### The link of narcotics to vigilantism has been observed in South Africa and Mauritius.

The intricacies of war rest mainly on: who fights, who pays for the costs, who suffers and who wins. On the economic front, the chaos and confusion created by war give rise to the emergence of a parallel economy, which largely serves to fuel the war. In the context of Africa, which is the subject of this analysis, warlords have seized the opportunity to wage war, sometimes against their own government for largely self-enriching outcomes. By far, the Cold War with its profligate subsidies for movements of suitable political leanings provided the necessary ingredients for internecine strife and much of inhumane activities. After the end of the Cold War, in some instances, peaceful means were sought to bring an end to hostilities and countries that took this conciliatory route became models for others to emulate. Where this did not happen, wars continued and new ones emerged as western interests shifted and ideological considerations became less important.

For those countries where wars continue, sustaining a war effort has become an expensive undertaking. In the absence of external finance, most wars have shifted from the genuine concerns of grievance that initially set the stage for war. Inevitably, apart from the genuine desire for self-determination, most wars in the south now seem to revolve around the desire to control resources whose possession bequeaths power on their custodians. Where the government in power lacked the military capability to deal with the rebels effectively, the possession of natural resources attracted foreign help in exchange, regardless of ideological differences.

The true definition of belligerents' activities may not evade the scope of organized crime, at least in the eyes of the government as it does not bestow any form of legitimacy apart from recognition. This is because, for a country technically at war, the normal rules and norms that govern a society are suspended. This in itself allows criminal syndicates to trail under the shadow of confusion and uncertainties for ends that often serve to energize the very same war. In essence, this analysis stems from the premise that contemporary wars and organized crime in Africa are inseparable.<sup>8</sup>

The conflicts around extractive resources have impacted on the fortunes of civilians in both the host countries and the exploiting countries.<sup>9</sup> In some cases, the effect has been to yield secondary conflict in the form of terrorism against the civilians. This has been so in every case where civilians or civilian structures were perceived to be a hindrance to resource exploitation. In other

cases, the local environment, economy and public welfare have been neglected as the focus is placed exclusively on resource exploitation. In a sense, the plight of the Ogoni people in Nigeria illustrates both eventualities. So, too, do developments in the diamond fields of Sierra Leone in the heyday of the Revolutionary United Front. In Southern Africa these scenarios find parallels in the coltan-rich Kivu region of the eastern DRC. In the north-eastern region around Bunia a proxy conflict rages between two ethnic groups, under the shadow of Uganda and Rwanda, the erstwhile beneficiaries of the conflict resources located there.

In the exploiting countries, extraction activities have spawned corruption and smuggling in order to circumvent systems of accountability and provenance regimes in respect of diamonds, epitomised by the Kimberley Process.<sup>10</sup>

At the same time, organisations involved in transnational terrorism have taken a commercial interest in precious extractive resources since the mid-1970s. Lebanese groups have been active in diamond exploitation, or rather extortion of proceeds from diamond sales, derived from the West African states of Liberia and Sierra Leone and from Cote d'Ivoire.<sup>11</sup> Several studies have linked al-Qaeda with the trade in gold and diamonds from the DRC, Tanzania, and South Africa.<sup>12</sup> As the Financial Action Task Force (FATF) points out:

The advantages that gold provides are also attractive to the money launderer, that is, the high intrinsic value, convertibility, and potential anonymity in transfers. It is used, according to the FATF experts, both as a source of illegal funds to be laundered (through smuggling or illegal trade in gold) and as an actual vehicle for laundering (through the outright purchase of gold with illegal funds).<sup>13</sup>

The same can be said of diamonds. The bluish precious stone tanzanite has also been linked to illicit dealings for terrorist funding. An organisation which is believed to front for al-Qaeda has made huge profits from sales of tanzanite and used them to finance acts of terrorism. (In fact, the man who used to be Bin Laden's personal secretary, Wadhi El Hage, used the code name 'Tanzanite'.)<sup>14</sup> Fund transfers may have been processed through the ubiquitous *bureaux de change*, retail and wholesale businesses and import/export outlets.

It has only emerged at the beginning of this century that until recently, nearly 90% of Tanzanite was sold through the parallel markets. It is no wonder that many different people and groups, including smugglers and terrorists, have attempted to exploit the situation.

A recent study has revealed the nature and, to some extent, the scale of money laundering activities to which

the entire sub-region is exposed.<sup>15</sup> Three dimensions of laundering are evident: internal, outgoing and incoming. Transnational terrorism is unlikely to be interested in internal money laundering, except insofar as it reveals possible avenues for laundering, but it is bound to find outgoing and incoming money laundering potentially valuable. In this regard, the channels for laundering funds between countries in the sub-region deserve attention. There is evidence of the growth of these channels between Tanzania and Malawi, as well as South Africa and Zimbabwe. Added to this is the spectre of off-shore financial centres, as established in Botswana and Mauritius, which bristle with opportunities to infiltrate illicit proceeds.

The inherent risks of cross-border money laundering and illicit asset transfer are aggravated by dysfunctional systems for mutual sharing of intelligence within and between many sub-regional states. Furthermore, delinquent governmental systems and structures as well as dysfunctional economies that worsen poverty levels exert an unbearable pressure on financial regulatory structures such as central banks.

The discussion above does not account for the sporadic, localised acts of terrorism by groups such as the Boeremafia or Boeremag in South Africa. Such an explanation needs to rely on the conceptualisation of organised crime in the Prevention of Organised Crime Act (2000) in South Africa. Their activities can be described as organised criminal acts, notwithstanding the proclaimed political motivations.

## MODES OF TERRORIST FUNDING

Effective combating of terrorist funding invariably requires an accurate profile of the typologies of support. In turn, such typologies entail an analysis of the constituent elements of the terrorist budget. What items account for the cost of mounting and sustaining terrorist activities, as defined in international law? Impressions gained from observations around the world show that the costs usually comprise:

- recruitment costs (including an initial financial payment to each recruit);
- monthly stipends;
- cost of accommodation;
- food;
- weapons;
- training expenses;
- administrative expenses (of running the organisation);
- medical costs;

## The channels for laundering funds between countries in the sub-region deserve attention.

- media expenses;
- *ex gratia* payments to kith and kin of deceased members; and
- expenses incurred in gaining the goodwill of the local population, or key sections of it.<sup>16</sup>

Even a cursory survey of the budget items shows that some of the support required is indirect, while some is direct, in the form of cash or tangible commodities. The concept of funding envisages all forms of support. What is not clear is whether, in tracing sources of funding, proximate and remote sources may all be included. Inconsistencies evident in the conduct of some influential state actors add to the confusion in this sphere.

A significant proportion of financial transactions occur in the informal commodities and currency markets in Southern Africa. The informal economy is a prominent, and probably essential, feature of many countries in the region. The relative proportion of the economy handled in the informal sector remains undetermined. The magnitude of financial transactions conducted in that sector is also yet to be determined, yet it would be important to designing an effective response to the terrorist funding out of or through it. In existing circumstances the volume of financial transactions occurring in any economy in which there is a substantial informal economy cannot be accurately determined. It follows that the relationship between the scale of such transactions and the size of the economy is an unknown factor. Detection of suspicious financial transactions is consequently very problematic. In some countries, the authorities responsible perform a virtually passive role, and often have to rely on anonymous 'whistleblowers'. This compromises the capacity to detect funds destined to support terrorist activity.

## TERRORISM: THE STATE AS A VICTIM

An analysis of the impact of terrorism committed by non-state actors on good governance, the economy and political stability should start by considering the kinds of activities committed by terrorists that have a bearing on these phenomena. In a useful exposition, Naylor (2002) has traced the multi-phased evolution of insurgencies. Depending on the fate of the particular group involved, a terrorist group may go through three phases in the development of its strategy against the state. He notes that:

Like the formally constituted governments they challenge, insurgent groups have political programs, even if simplistic; they have control over armed forces, even if sometimes makeshift; and they directly compete with the state for terri-

tory, population and resources. An insurgent group, unlike a criminal one, but like the government it combats, undertakes a wide range of expenditures on everything from warfare to welfare, while striving to prevent financial corruption among militants and to overcome fiscal resistance from the general population.<sup>17</sup>

The aspirations of the insurgent group takes it through various stages that are distinguishable by the type of activity dominant in each, as follows:

*Phase 1: the initial contention stage*—in which the group operates in highly contested zones. At this stage the preoccupation of the terrorist group is to discredit government politically by carrying out assassinations, hit and run operations and attacks on state establishments, such as police and military barracks.

*Phase 2: the territorial expansion stage*—characterised by classic low-intensity warfare, with the main target being no longer just political, but economic structures as well, such as plantations, roads, rail networks, bridges, schools and industrial infrastructure. The aim in this phase is to destroy infrastructure, thereby disrupting industry and commerce and precipitating a shrinking of investment. This is soon followed (if not preceded), by capital flight and a general fall in production, which increases inflation and unemployment. Tourism is also a common target in this phase of an insurgency.

*Phase 3: the territorial control phase*—In this phase the State is excluded as a parallel economy takes shape under the rule of the insurgent group. The group increasingly funds its activities by levying taxes on the host population and even engages in a certain level of social redistribution of income.

Insurgent groups' aspirations take them through stages that are distinguishable by the type of activity dominant in each.

## STATE SANCTIONED TERROR: A PROFILE OF SOME PRACTICAL LIMITATIONS

Reference was made earlier to the problematic issue of terrorist acts committed either by organs of the state or with their collusion. Southern Africa is familiar with state involvement in terrorism. Apart from the proven instances in apartheid-era South Africa and in Malawi under President Kamuzu Banda, there are indications of active involvement by government agencies and proxy groups in Zimbabwe. The ethnic strife in Kenya in the late 1990s is also pertinent. Certain common threads run through these occurrences. One is the use of public resources to fund terrorism, often by tapping into allocations to state security agencies, presidential slush funds and front companies. Another is that immunity from legal repercussions is guaranteed to per-

petrators, at least during the tenure of the sponsoring regime. Any recourse to law, even through international bodies, is nullified through non-enforcement.

The question which arises is: since international instruments to combat terrorism derive from, and are, agreements among state structures, can they effectively deal with state sponsored terrorism? Is Security Council Resolution 1373/2001 of any value against the abuse of public resources to fund terrorism by organs of state against their own citizens? The motivation for engagement in terrorism by all of these regimes stems from the importance attached to retaining political power as a key to economic power. Granted, there have been condemnations of miscreants, such as Charles Taylor of Liberia and Robert Mugabe of Zimbabwe and there have been sanctions of uneven effect, yet these have had a marginal impact on the text of anti-terrorism international law. The exponential growth in international initiatives against terrorism is unlikely to produce greater international acceptability in oppressed communities unless they take account of what appears to be a glaring gap, and address it.

## IMPACT ON THE ECONOMY

In paragraph 4 of Resolution 1373 (2001) the UN Security Council noted what it characterised as “the close connection between **international terrorism and transnational organised crime**, illicit drugs, **money laundering**, illegal arms trafficking, and illegal movement of nuclear, chemical, biological and other potentially deadly materials”. (The emphasis is not in the original text.)

The connection has not been conclusively or systematically proved. What is known is that terrorist groups have been involved in occasional acts of organised crime and money laundering in order to fund their continued existence and some of their activities. The extent to which a terrorist group will engage in crime depends on the abundance of resources available to it, as well as the phase of its campaign. The funds required increase as progression is made between the three phases outlined above: expenditure is at its lowest in phase 1 and at its highest in phase 3.

During phase 1, a terrorist group may engage in predatory acts of crime, such as armed robbery of banks, fraud and kidnapping of corporate representatives. Involvement in more market-based crimes, such as drug trafficking, is rare, partly on account of the time and effort required. It is in the interests of the terrorists to minimise exposure to the state authorities.

In the second phase, crimes such as drug trafficking come to the fore, since the group will have established a measure of territorial control. A greater rate of fraud

and general commercial crime, such as counterfeiting currency, may also occur. If, as is likely to be the case, the terrorist organisation has not achieved overt recognition as a government, one can expect a certain amount of smuggling of resources from the controlled territory to other countries. Examples of this development include Angola (late 1980s and 1990s) and the DRC (late 1990s). In both countries the UN has found that precious minerals and other resources were smuggled on a large scale from areas under ‘rebel’ control. It is also in this phase that maximum damage can be done to the economy in the territory not yet under control by an assault on the pillars of the economy, such as commercial and industrial infrastructure, tourism, and business confidence in general. Unemployment and inflation are objectives of the insurgency and not just incidental consequences.

The scale of terrorist damage to commercial and industrial infrastructure can be observed in the aftermath of the atrocities of September 11, 2001 in the US. The destruction of physical assets was estimated at US\$14 billion for private business, US\$1.5 billion for State and local government enterprises and US\$0.7 billion for the Federal government. This excludes the cost to insurance companies across the world and the cost in terms of business and domestic confidence.<sup>18</sup> Companies that had been encountering budgetary difficulties ended up in even more precarious circumstances. Job loss estimates in the US have since been tallied in the hundreds of thousands.

On account of the globalisation of world trade, the effect of destabilisation of economies in the major resource-producing countries reverberate throughout the rest of the world in the form of increased prices of essential commodities, such as oil. Adverse changes in the price of oil affect the fortunes of so many countries.

In the developing world, the impact is devastating, even to oil-producing countries such as Nigeria.

The major loss in the third phase of the insurgency is felt by the State, through the unavailability of resources that had hitherto been accruing to it as taxes. The insurgents now appropriate this. The emergence of a parallel economy is accompanied by, and indeed results in, a significant diminution of legitimacy of the incumbent government.

## CONCLUSION

The need for regional security in Southern Africa is as great today as it has ever been, given the size of the sub-region and the strategic position it occupies geographically and in terms of resources. It is equally attractive to legitimate entrepreneurs and terrorist groups

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and money launderers. The contemporary reality is that it is characterised by little policing, inadequate legislation and understaffed and under-resourced law-enforcement agencies. Numerous countries in the sub-region have set up counter-terrorist units of one sort or another, but they are not yet all structured to collect, analyse and be able to share intelligence on terrorism so that pre-emptive or preventive measures can be taken. A counter-terrorism desk is proposed at the Interpol sub-regional bureau in Harare to rectify this deficiency. Recent initiatives by the US government have increased funds allocated for training police personnel from the sub-region in uncovering terrorist networks. Many police officers from countries such as Tan-

zania, South Africa, Botswana and Kenya have attended specialised courses on money laundering and anti-terrorism in the US or at the International Law Enforcement Academy in Botswana.

The strides made by South Africa in restructuring its law enforcement structures provide a useful model, even though the country has yet to put in place a counter-terrorism law acceptable to the new constitutional dispensation. Mauritius and Botswana also offer workable prototypes. The bottom line is that an effective campaign against terrorism should be underpinned by a co-ordinated approach that takes account of the type of terrorism in issue and the factors that sustain it.

## Notes

- 1 This is an edited version of a paper read at the International Experts meeting on root causes of terrorism, Radisson SAS Hotel, Oslo, Norway, 9-10 June 2003.
- 2 This view came across quite clearly in general discussion at a workshop on anti-terrorism legislation hosted by the Commonwealth Secretariat in Gaborone, Botswana in November 2002.
- 3 R T Naylor, The rise of the modern arms black market and the fall of supply-side control, in P Williams & D Vlassis (eds) *Combating transnational crime: Concepts, activities and responses*, Frank Cass, London, 2001, pp. 209-236, at 219.
- 4 See A P Reeler, The Role of militia groups in Maintaining ZANU(PF)'s power, unpublished paper, March 2003.
- 5 T Leggett, *Drugs and Crime in South Africa*, ISS Monograph Series, number 69, Institute for Security Studies (ISS), Pretoria, 2002.
- 6 See H Marimootoo, Organised crime in Mauritius, unpublished paper.
- 7 It is an established fact that 55% of the annual production of rough diamonds emanates from the sub-region and that five of the top ten producers are in Southern Africa.
- 8 C Tshitereke, On the origins of war: Dissecting the African conflict predicament, *African Security Review* 12(2), 2003.
- 9 C Goredema, *Diamonds and other precious stones in armed conflicts and law enforcement co-operation in Southern Africa*, ISS Paper 57, ISS, Pretoria, May 2002, pp. 2-3.
- 10 Ibid.
- 11 A more detailed account is set out in a report by Global Witness, *For a few dollars more: How al Qaeda moved into the diamond trade*, April 2003.
- 12 Global Witness report, *ibid*; P Bagenda, Money laundering in Southern Africa: The case of Tanzania (forthcoming ISS publication).
- 13 Quoted in the Global Witness report, *ibid*.
- 14 Wadil el Hage is currently serving a lengthy term of imprisonment in the US for his part in the embassy atrocities in east Africa in 1998.
- 15 C Goredema, *Money laundering in eastern and southern Africa: an overview of the threat*, ISS Paper 69, ISS, Pretoria, June 2003.
- 16 Jyoti Trehan, Terrorism and the funding of terrorism in Kashmir, *Journal of Financial Crime* 9(3), 2002, pp. 201-211.
- 17 R T Naylor *Wages of crime: Black markets, illegal finance, and the underworld economy*, Cornell University, 2002, p. 45.
- 18 P Lenain, M Bonturi, V Koen, The economic consequences of terrorism, written for the OECD, accessible at <http://www.oecd.org/eco> The distinguished authors work for the OECD. It should be noted that they did not argue that the financial sector should shoulder part of the responsibility for national and international security. This is a deduction of the present author.

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## About this paper

The prevailing global counter-terrorism strategies and initiatives continue to have a profound effect on many parts of the world. Whether the measures that have been adopted and in some cases implemented will succeed in eliminating or reducing terrorist activities depends in part on whether they are based on a comprehensive appreciation of the causes and catalysts of terrorism. It has been suggested that in combating terrorism, the impact of organised crime and war is often overlooked.

This paper presents an overview of key characteristics of organised crime in Southern Africa and highlights the features that might predispose the sub-region to terrorism. Drawing on lessons from other regions, it analyses the relationship between different phases of terrorism and typologies of organised crime.

## About the author

Charles Goredema is a senior research fellow in the Organised Crime and Corruption Programme at the ISS. He has been conducting research into forms of organised crime in Southern Africa and appropriate criminal and civil justice responses since mid-2000. Charles holds qualifications in law from the universities of Zimbabwe and London.

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