

Organised crime and corruption

Query:

What literature/evidence exists on the linkages between organised crime and state corruption (at all levels) in developing countries? For example, is there data on the extent of corruption attributable to organised crime and/or analysis of how far one drives the other? Are there any good country studies?

Purpose:

I am looking into the impact of organised crime on development, with a particular interest in the links between organised crime and corruption, with a view to assessing whether this has donor policy implications.

The enquirer expressed special interest in organised crime and corruption in the Africa/West Africa region.

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Summary:

Instrumental violence, corruption and money laundering are regarded as key defining characteristics of organised crime. Although there is little empirical research specifically focussing on the link between organised crime and corruption, abundant circumstantial evidence indicates frequent collusion between organised criminals and corrupt officials at all levels of government. Through corruption, criminals can obtain protection from public officials, influence political decisions and infiltrate state structures and legitimate businesses. Case studies of Nigeria, Mozambique and South Africa illustrate the specific characteristics of organised criminal groups in Africa and how corruption is used as part of their modus operandi to facilitate their criminal activities, avoid punishment and infiltrate public institutions.

Part 1: Evidence of Linkages between Organised Crime and Corruption

Definitions of Organised Crime

Although there is little empirical research and statistics specifically focussing on the link between corruption and organised crime, most experts emphasise the interdependent nature of these phenomena. The concept of organised crime covers a wide range of illicit activities and criminal structures, making it difficult to reach a consensus on a universally agreed definition. The United Nations Convention against Transnational Organised Crime favours a broad all-encompassing

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definition of organised crime, referring to organised criminal groups as "*structured groups committing serious crime for profit*". Most common types of organised crime include trafficking in drugs, arms, human beings, stolen vehicles or protected species and terrorism.

However, most definitions currently in use include corruption as a key characteristic of organised crime's modus operandi, explicitly or implicitly acknowledging the link between corruption and organised crime. Experts usually agree that criminal organisations typically share a number of common features: they operate with some permanence as a structured group, commit serious crime for profit, using extreme violence and corruption as part of their modus operandi, and launder the proceeds of criminal activities into the legal economy. An example of such definitions refers to organised crime as "*criminal activities for material benefit by groups that engage in extreme violence, corruption of public officials including law enforcement and judicial officers, penetration of the legitimate economy (e.g. through racketeering and money laundering) and interference in the political process.*" (Please see:

http://works.bepress.com/cgi/viewcontent.cgi?article=1007&context=edgardo_buscaglia).

Examples of Linkages between Organised Crime, Politics and Corruption

Given the secretive nature of both corruption and organised criminal activities, there is limited ability to produce data on the extent of corruption attributable to organised crime. However, circumstantial evidence tends to confirm that, in many countries, there are deep interdependent links between organised crime, politics and the public sector, fostering in extreme cases a form of symbiosis between the state and criminal organisations. Criminal organisations need legitimate state structures to sustain and expand their activities. The following cases and examples suggest strong linkages between organised crime and public sector corruption, with criminal networks heavily relying on corruption to ensure the circulation of illicit goods, facilitate money laundering and minimise the risks of successful prosecution.

In most countries, corruption of public officials, including law enforcement and court officers, is a common feature of organised crime that allows criminal organisations to secure survival and minimise the risk of being arrested and prosecuted. Corrupt police officials may turn a blind eye on illicit activities, pass information on police investigations and planned raids or conduct flawed prosecutions. In **Bosnia Herzegovina**, for example, a controversial businessman overseeing the unloading of 164 kilograms of pure cocaine from Panama escaped a police raid after he received strictly confidential information about the operation in 2000. In the same country, a suspect in a human trafficking case showed at a press conference a fax containing authentic police plans of raids in bars. (Please see: <http://www.aimpress.ch/dyn/dos/archive/data/2003/30725-dose-01-03.htm>). Criminals also seek to secure active or passive complicity of state officials to ensure impunity when arrested. In **Ghana**, for example, a smuggling gang that had imported 675 kilograms of cocaine was arrested in January 2004, and soon released on bail of just USD 200,000, causing a great public outcry. (Please see: http://www.unodc.org/pdf/transnational_crime_west-africa-05.pdf).

Bribery of custom officials and border police officers is also a common feature of trans-border organised crime networks. Smuggling of drugs, arms, stolen vehicles, cigarettes and human beings is facilitated by widespread corruption, weak states and governance structures and reliance on political influence. **Mozambique**, for example, has become an international transit-point for narcotics through widespread collusion between criminal groups and state officials. Maputo airport is known to be a low risk exit and entry point for drug smugglers and the state is increasingly perceived to become a "criminalised state". (Please see: <http://www.iss.co.za/pubs/Monographs/No86/Contents.html>). In **South-Eastern Europe**, the development and organisation of smuggling channels took place in the Yugoslav republics in close collaboration between politicians, their security forces and organised crime. These profitable channels have survived the creation of new states and have even been expanded to include other goods such as drugs, vehicles, cigarettes and, more recently, human

beings. (Please see: <http://unpan1.un.org/intradoc/groups/public/documents/UNTC/UNPAN016997.pdf>).

In some cases, political figures themselves are directly linked to criminal activities. In **West Africa**, for example, there are many examples of high ranking personalities close to political power who are directly involved in illicit activities, suggesting strong links with organised crime. In 2005, for example, a member of the Ghanaian parliament was arrested in New York, trying to smuggle 67 Kilograms of heroin. The son of former President Ould Haidally in Mauritania was also arrested on cocaine-trafficking charges in 2007. According to the US department of State's 2006 report on International narcotics Control, there are also several instances of drug-related scandals involving highly placed officers in **Ghana, Nigeria and Guinea-Bissau**. (Please see: <http://www.blackwell-synergy.com/doi/abs/10.1111/j.1468-2346.2007.00674.x>). In **Poland**, police, military as well as senior officials have been involved in a major racket -the so-called fuel mafia- selling hundreds of thousands of black market low-grade fuel to farmers and the Polish Military. (Please see: http://findarticles.com/p/articles/mi_m0QLQ/is_2007_August/ai_n19451050).

In some countries, criminals and public officials go as far as becoming partners in extortion. In **Ukraine** for example, it is not uncommon that bank and tax officials provide criminals with confidential information about businesses' profitability and assets. Criminals use this information to extort money from businesses by threatening to sell the information to the tax police and share the extorted money with the information provider. (Please see: <http://www.worldbank.org/html/prddr/trans/janfeb99/pgs6-7.htm>).

In other cases, criminal figures seek to penetrate the political spheres and openly participate in public life. In **Colombia**, for example, well-known drug trafficker Pablo Escobar didn't hesitate to ground a political party and run for parliamentary elections. (Please see: http://scholar.google.de/scholar?hl=de&lr=&q=info:RYUZlpryYFgJ:scholar.google.com/&output=view_port). In **Ukraine**, the infiltration of the legislature by criminals had become a serious problem in 1999. According to reliable sources, more than 20 members of parliament would have been tried on criminal charges if they had been stripped of their parliamentary immunity and 44 legislators elected to local political bodies also had criminal backgrounds. (Please see: <http://www.worldbank.org/html/prddr/trans/janfeb99/pgs6-7.htm>).

In countries like **Russia**, a complex relationship exists between organised crime, private businesses and state structures, characterised by the penetration of the state apparatus and newly established private sector by criminals. Periods of transition from a state-owned economy to a market economy often tend to create an environment that is conducive to an expansion of organised crime and provides numerous opportunities for misuse of public power. During the Yeltsin era, there were close links between the Kremlin and leading crime figures who had direct access to the highest political spheres. At that time, wiretaps placed by US law enforcement on major organised criminals went straight to the Kremlin. The nature of the privatisation process - with the state retaining 51% of shares- fostered even closer relationships between officials and the crime groups or oligarchs who acquired privatised businesses. Forms of corruption between corrupt businessmen and government officials are not limited to bribery. Crime bosses provide government officials shares of their businesses to ensure the survival of their enterprises, secure public contracts through uncompetitive biddings or influence law making. (Please see: http://www.reec.uiuc.edu/events/Conference/ACConf/lawconf_paper/shelley.pdf).

Correlation Analysis between Organised Crime and Corruption

While most of the above-mentioned examples are rather anecdotal in nature, there have been some attempts to provide empirical verification of the links between organised crime and its social, economic, political, legal and administrative determinants, including corruption.

U4 Expert Answer

In 2003, Edgardo Buscaglia and Jan van Dijk confirmed the link between the growth of organised crime and public sector corruption by analysing qualitative and quantitative information on a large sample of countries with the view to isolating the determinants and linkages between corruption and organised crime. A composite index of organised crime was constructed that included indicators of five core activities (trafficking in persons, arms, stolen vehicles, cigarettes and fraud) and four secondary factors (costs for businesses, extent of the informal economy as a proportion of GDP, violence and money laundering). Based on statistical analysis of a sample of countries, this study indicates that:

- Indicators measuring the degree of economic freedom are negatively correlated with organised crime, as are indicators measuring the effectiveness of the state in fighting monopolistic practices. Consolidation of democracy also appears to impede the growth of organised crime.
- Lack of private sector governance is positively correlated to the growth of organised crime. This study indicates that in countries with low regulatory standards applied to banks (in terms of enactment and implementation of anti-money laundering legislation, regulatory practices and banking supervision), the organised crime index doubles compared to countries with higher standards.
- Indicators measuring the effectiveness of criminal justice systems are negatively correlated to organised crime. The level of organised crime is lower in countries where the conviction rates per crime committed are higher. This tends to demonstrate the deterrent effect of a functioning judicial system with regard to organised crime.
- Buying protection from the state is a necessary condition for the growth of organised crime. Higher levels of political interference in the appointment, dismissal and promotion of civil servants are positively correlated with higher levels of organised criminal activity.
- Independence and integrity of the judiciary is the most important predictor of the extent of organised crime. Independent judges are less vulnerable to corruption and better able to implement repressive action against organised crime, even when the political system has been captured by organised crime.

This study indicated that organised crime is more prevalent in countries where the rule of law is weak, with few exceptions to this rule. Critical determinants of organised crime are the quality, independence and integrity of the institutions safeguarding the rule of law, including police services and the judiciary, at all levels of development. Independently of these institutional determinants, high levels of corruption and organised crime are consistently linked to low levels of human development. (Please see: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=931046).

A further study by Jan van Dijk published in October 2007 confirms and refines these initial findings. A composite index of organised crime prevalence was constructed, combining data on the perceived prevalence of organised crime, unsolved homicides, grand corruption, money laundering and the extent of the black economy as markers of organised crime presence, drawing on the World Economic Forum's annual survey, official crime statistics, World Bank Institute governance indicators and risk assessments made by international consultancy companies. The study indicated:

- Indicators of high level corruption, money laundering and the extent of the black market economy are all strongly correlated to the Organised Crime Perception Index.
- In Africa, Nigeria, Angola and Mozambique stand out with the highest scores of organised crime.
- The relationship between the rule of law, including the independence of the judiciary, as measured by the World Bank governance indicators and prevalence of organised crime was confirmed by this study. Organised crime is more prevalent in countries where the rule of law is less well assured and vice versa.

These findings seem to confirm the interrelations between organised crime, law enforcement, rule of law and economic development. When organised crime is prevalent, law making tends to serve vested interests instead of the general interest, undermining market efficiency and public trust in the legal and regulatory functions of the state. (Please see: <http://www.springerlink.com/content/57876q46x0j0035v/fulltext.pdf>).

Part 2: Forms of Linkages between Organised Crime and Corruption

Criminal Infiltration of the Public Sector

The various examples given above indicate that in many countries, criminals have managed to penetrate the highest spheres of government and business. The nature and extent of public sector infiltration may differ according to the type and profile of criminal groups. Some authors distinguish between traditional and "new" forms of organised crime that show different patterns of behaviours, motivations and attitude to the state. Traditional crime groups such as the Italian mafia need the state and the economy to retain their wealth and continue to prosper. Functioning state institutions make illicit business activities more predictable. As a result, such groups tend to create a collusive relationship with the state using various means to influence state institutions. Corruption is for them an operative tool used to influence the state and they have a vested interest in the state endurance. "New" criminal groups such as those emerging in the former soviet states often originate from post-conflict countries, thrive on chaos and weak governance and have neither interest nor loyalty to the state and its continuity. New groups take advantage of rampant and institutionalised corruption to destabilise the state and its structures and generate profit. (Please see: <http://www.fundforpeace.org/web/images/pdf/shelley.pdf>).

Five levels of criminal infiltration of the public sector have been identified in the literature: (Please see: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=930988)

Sporadic Acts of Bribery

At the first level, a bribe is offered in exchange for a single favour to obtain a passport, a license or information that facilitates criminal activity or help avoid punishment.

Regular Acts of Bribery

This level consists in paying continuous bribes to public officials with the view to securing continuous protection from police investigations and facilitating illegal activities at international borders, for example. In such schemes, low ranking public officials are on the organised crime "pay-roll" in exchange of their services and continuous dedication to the criminal cause.

Infiltration into Government Agencies

At this level, criminal networks may infiltrate the mid-rank of public agencies and gain employment in law enforcement agencies by various means with the view to easing criminal operations.

Infiltration into Higher Levels of Government

This level of infiltration targets higher ranking officers in sensitive government offices who can provide long term benefits and protection to criminal groups. Criminal groups gain systematic and broader access to confidential information and enjoy increased protection.

Infiltration into the Political Arena

This level of infiltration involves high officials such as senators, ministers and sometimes even the presidency of the country, with the view to capturing the state's policies and influencing the law-making and enforcement as well as judicial decisions. This level of infiltration is especially prevalent in the Russian Federation.

As a result, political corruption and state capture by criminal networks are common features of countries affected by high levels of organised crime. This is particularly true in transition and developing countries, where the large profits generated by criminal activities including the drug trade make criminals powerful actors in these countries, allowing them to gain influence on both politics and business. Bribery of top officials may be a relatively straightforward way to penetrate government structures. But contributions to financial campaigns to strategic candidates are also one of the regular methods used by wealthy criminals to gain influence over elected officials.

This last strategy combines the advantage of allowing criminals to influence the political agenda to their advantage and being seen as close to circles of power. This may discourage the police to investigate their activities too thoroughly as well as provide an avenue to influence the appointments and dismissals of judges and chiefs of police. For example, practice shows that proceeds from illegal trafficking serve to finance political parties and election campaigns in South Eastern Europe, as the scale of criminal networks in the region require strong political protection. (Please see: <http://unpan1.un.org/intradoc/groups/public/documents/UNTC/UNPAN016997.pdf>).

The Organised Crime-Corruption Nexus

There is little empirical research measuring the impact of corruption on organised crime and vice versa. In the literature, corruption is understood both as an underlying cause and a facilitating factor of organised crime. There are also good reasons to assume that organised crime has a corrosive impact on corruption.

Corruption as a Catalyst to Organised Crime

Some authors suggest that highly corrupt societies provide few opportunities for legitimate activity while corruption impedes growth and development. In such contexts, organised crime may provide a desirable employment alternative for youth who are excluded from economic and political processes. (Please see: http://www.crime-research.org/articles/Terrorism_Cybercrime/).

At another level, as a strategic complement to crime to avoid punishment, corruption is seen by some authors as a catalyst to organised crime. An article published in 2004 demonstrates that when bribing costs are low due to low-paid and dishonest law enforcers operating in weak governance environments and the rents from criminal activity are sufficiently high in comparison with legitimate activities, increasing policing and sanctions can generate higher corruption and crime rates. The authors conclude that unless corruption is curbed, traditional deterrence measures such as toughening sanctions and policies can have the perverse effect of making crime and corruption strategic complements. (Please see: <http://www.naringslivsforskning.se/Wfiles/wp/WP600.pdf>).

Corruption as a Facilitating Factor of Organised Crime

Widespread corruption in many developing or transition countries also supports the proliferation of organised crime, facilitating its operations and illicit activities and many transnational criminal organisations are based in transition or developing countries with weak governance and state institutions. As illustrated in the above-mentioned examples and discussed in a number of studies, corruption provides criminal groups the opportunity to operate under relatively safe circumstances. (Please see: http://muse.jhu.edu/demo/sais_review/v025/25.1thachuk.pdf).

Corruption in the justice sector affects the state's capacity to effectively detect, prosecute and sanction corruption cases and allows criminal groups to operate with relative impunity. Organised crime can also benefit from the system's weaknesses to carry out illicit activities. For example, criminal groups may use corrupt networks to infiltrate and neutralise government institutions, obtain falsified documents, influence policy making or restrain law enforcement to their advantage. Weak or corrupt financial systems also facilitate financial movements and money laundering transactions to sustain their activities.

Impact of Organised Crime on Corruption

The Helpdesk has found limited empirical research specifically focussing on measuring the links between corruption and organised crime. As corruption tends to be an integral part of organised crime's modus operandi, it is reasonable to assume that a high prevalence of organised crime may result in higher levels of corruption in a given country.

In the above-mentioned study published by Jan van Dijk in October 2007, a proxy indicator of "high level corruption" derived from the World Bank governance indicators was found to be strongly positively correlated to the Organised Crime Perception Index. The study further confirmed that organised crime is more prevalent in countries where the rule of law is weaker and vice versa. The critical factor determining the extent of organised crime was found to be the quality of the institutions responsible for safeguarding the rule of law, including integrity and professionalism of police services and the justice system.

The study further explored the correlation between the composite index of organised crime prevalence and indicators of economic development. The index was found to have a moderately negative correlation to the Human Development Index and an even stronger negative correlation with the GDP per 100,000 population. By carrying out a multiple regressions analysis taking GDP as an independent variable, the author found that corruption was the most significant factor negatively affecting the GDP. Rule of law and police performance were found to contribute to collective wealth, independently of the other factors. Surprisingly, organised crime was found to be positively related to GDP, independently of the other factors. This may be explained by the reinvestment of criminal proceeds in the legal economy through money laundering processes.

The author argues that the combined indirect effects of organised crime on rule of law and corruption may fully explain the negative relationship between organised crime and wealth. This theory would need to be further investigated but tend to indicate that organised crime leads to lesser rule of law, weaker policing and more corruption, all leading to lower collective wealth. (Please see: <http://www.springerlink.com/content/57876q46x0j0035v/fulltext.pdf>)

Policy Implications

State capture has been identified by various analyses of the World Bank Institute as a major cause of institutional failure and obstacle to development. The infiltration of political processes and structures by organised crime yield similar results, with widespread interference of particular interest groups in political and economic decision-making and subordination of the state to private interests. Using drug cartels and organised crime groups as an illustration of this phenomenon, Daniel Kauffman has attributed the negative impact of corruption on development to the intermediary factor of "cronyism" and state capture in a study of cronyism in Latin America¹.

The studies exploring the links between organised crime and corruption draw a series of policy recommendations from their findings. The organised crime-corruption nexus can only be fought by a two pronged approach, involving civil society on the one hand and the promotion of effective law enforcement on the other.

- A functioning justice system is essential to prevent and combat organised crime and corruption, as they both seem to be more susceptible to state intervention. Measures aimed at strengthening the criminal justice system can include improving the legal framework and

¹ Reference to this study was made in "Mafia markers: assessing organized crime and its impact upon societies (<http://www.springerlink.com/content/57876q46x0j0035v/fulltext.pdf>)

investigative tools, establishing specialised anti-mafia units, etc. (Buscaglia, Gonzales Tuiz and Ratliff).

- Measures aiming at enhancing judicial independence and accountability are a necessary condition for effective law enforcement against organised crime, as judicial integrity has been identified as the most important predictor of the extent of organised crime.
- Civil society participation and involvement is critical to promote transparency and accountability mechanisms as well as support justice sector reform through civil society institutions such as bar associations and law schools.
- Given the interdependent nature of corruption and organised crime, traditional measures aiming at increasing policing and sanctions against organised crime are unlikely to yield the expected results unless they are accompanied by a crackdown on corruption.

Part 3: Organised Crime and Corruption in Africa

There is growing concern over transnational organised crime in Africa, with regard to both the extent and range of illicit activities that are engaged in it.

West African Countries

This section is based on a UNODC report on transnational organised crime in the West African region published in 2005. (Please see: http://www.unodc.org/pdf/transnational_crime_west-africa-05.pdf)

Overview

In the case of West Africa, difficult economic circumstances, armed conflicts, state inefficiencies and weak governance have made the region especially vulnerable to organised crime. As a result, the region has emerged as a transit point for major international criminal trade such as drugs trafficking, which remains by far the most lucrative transnational criminal activity. Criminal networks have also extended their activities to arms, stolen vehicles and human trafficking, diamond and cigarette smuggling and other illicit activities such as forgery, advance fee and internet fraud, and money laundering. As in other regions of the world, criminal networks in the region resort to corruption to obtain protection from public officials, influence political decisions and infiltrate state structures and legitimate businesses. However, as no police force in the region publishes comprehensive figures on crime seizures and arrests, it is difficult to evaluate with accuracy the scope and extent of the problem of organised crime as well as its links to corruption.

In addition, the specific mode of operation of organised gangs in West Africa differs from other regions, making it especially challenging for police forces to analyse and combat the structures of organised crime that they, as a result, tend to apprehend as individuals. Rather than highly hierarchical corporation-like types of organisations, organised crime tends to favour a more fluid project-based form of organisation. The standard procedure is for an individual criminal to invite junior relatives or dependents to join him as the business grows, creating very strong family or ethnic associations. Common practice may include having the associate swear an oath of secrecy on a traditional oracle, reinforcing further the connection. Further personnel may be recruited for specific operations but not on a permanent basis. This ad-hoc approach to organisation challenges detection efforts.

The Case of Nigeria

Organised crime in Nigeria has been identified as early as in the 1970s, with practices involving **falsification of imports** in order to transfer funds outside the country but flourished in the 1980s with the generalisation of corruption in the civilian government. Through collusion between government

officials and foreign businesses, imported goods were over-invoiced, resulting in capital flight from the country without supply of goods and services.

Advance fee fraud, including through the Internet, also appears to be a field pioneered by Nigerian "entrepreneurs". Such types of fraud can take many forms, but one of the typical features is that the instigator proposes a service that is clearly illegal, such as the laundering of illicit funds, making the victim of the fraud a knowing accomplice of an illegal transaction. Various criminal cases of this nature suggest strong connections to Nigerian politics. In 2004 for example, in a scam scheme, a Brazilian banker was convinced to transfer USD 240 millions, supposedly for the construction of a new airport in Abuja. The case was closely connected with personalities from the ruling Popular Democratic party.

Other forms of criminal activities such as **human and drug trafficking** are widespread in the country. According to almost all accounts, drug trafficking was pioneered in the region by Nigerians, making of the region a transit zone used by criminals of any nationality. Of couriers intercepted in West Africa in 2000, 92% were West Africans and no less than 56 % were Nigerians.

The scope and nature of fraudulent activity in Nigeria suggests the complicity or active involvement of public officials in organised crime. Although only a small number of cases have demonstrated the direct implication of senior political figures like Maurice Ibekwe in organised criminal activities, the life-style of many high level politicians leaves little doubt about the origins of their wealth. Many illegal activities such as illegal export of oils locally known as "**oil bunkering**" could not reasonably occur at such scale without the active and direct involvement of political authorities at a very high level. According to the federal government, between 100,000 to 300,000 barrels are illegally exported every day. Operations of this scale require the protection or complicity of state officials at a very high level. In a paper presented at a UNODC seminar in 2004, Alex Vines states: "*These networks also enjoy patronage from senior government officials and politicians, who use bunkering as a source for political campaigning*".

Southern African Countries

The Institute for Security Studies conducted studies on organised groups and their activities in seven southern African States, including Namibia, Mozambique, Tanzania, Swaziland, South Africa, Botswana, and Zimbabwe in 2003. The Mozambique and South Africa case studies are especially relevant to understand the ability of organised groups to penetrate key sectors of governments, including the judiciary. (Please see: <http://www.iss.co.za/pubs/Monographs/No86/Contents.html>).

The Case of Mozambique

In Mozambique, the most threatening criminal groups are those involved in transnational criminal activities, extending their activities to countries such as Portugal, Brazil, Pakistan, Dubai and South Africa. The more prominent networks are linked to drug and human organ trafficking, smuggling of stolen vehicles and illegal firearms. The penetration of organised crime to the state and business has been well documented.

Obstruction of justice is a common practice of criminal networks that discredit the entire justice system and contributes to the "criminalisation of the state". Police officers, prosecutors and judges are frequently bribed to dismiss cases and obtain the release of the accused. A famous case relates to the murder investigation of a journalist following his investigation of the disappearance of USD 14 millions from the Commercial Bank of Mozambique in 1996, involving personalities directly linked to state officials. Investigations and prosecutions were allegedly neutralised by bribing judges and prosecutors.

There seems to be a lack of will to fight organised crime and corruption, resulting in the general perception that the political elite is directly involved or connected with criminal organisations.

Organised criminal networks have managed to infiltrate both state and business structures, through bribery and corruption, political patronage and intimidation or coercion. Observers consider that Mozambique couldn't have become an international transit centre for narcotics without widespread collusion between organised criminal groups and state officials. Wealthy organised networks have managed to secure political protection and operate in parallel to the state in relative impunity, undermining the state legitimacy, authority and democratic governance.

The Case of South Africa

The growth of organised crime in the post-apartheid era is also a matter of serious concern in South Africa. Domestic groups are increasingly linked to transnational criminal networks originating from Nigeria, China, Pakistan and Russia. As in other African countries, these groups are involved in a wide range of illicit activities including vehicle theft, drug trafficking, gold and diamond smuggling, dealing in endangered species, arms trade, human trafficking and money laundering.

Increased levels of corruption in the post-94 period have accompanied the expansion of organised crime. There are various sectors of business and government whose involvement in corruption is essential to a number of criminal groups operating in the country. Corruption is one of the major problems of the Department of Home Affairs, which can help provide fraudulent documentation to criminal networks' members. Corruption of police forces is essential to organised crime for investigators to turn a blind eye to specific crimes, destroy evidence, provide information, assist in the registration of stolen vehicles, etc. Groups of warders also cooperate with criminal networks both inside and outside the prisons. Many criminal networks run their activities through import/export companies and rely heavily on corrupt custom officials to mis-declare or undervalue their shipments. The transport industry also plays an important role, with the trucking sector involved in smuggling illegal goods, through corrupt companies or corrupt individuals working for legitimate companies. Many companies involved run legitimate businesses alongside their illegal operations.

In the absence of empirical material on collusion of organised crime and public officials at all levels, one can conclude from these various examples that most organised crime groups rely on corruption and coercion of people in power both in government and in private enterprises to operate successfully. In doing so, criminal networks endanger the stability of democratic institutions, undermine the rule of law and state legitimacy, destabilise market efficiency and act as serious impediment to sustainable growth and development.

These case studies also indicate that the development of organised crime is an alarming trend in the Africa region, which is likely to have a deep and destabilising impact on regional development and security, unless appropriate and urgent action is taken.

Part 4: Further Reading

[Terrorism, Organised Crime and Corruption](#) (2007)

In this book (available for purchase) Leslie Holmes explores the interface between terrorism, organised crime, corruption, legitimate businesses, and local communities. The cases range from Australia, to Russia, to the Netherlands and focus on the complex links between the economic motives of corrupt officials and organised criminals, on the one hand, and terrorists, on the other. It is based on papers presented in 2003 at the annual conference of the Contemporary Europe Research Centre.

<http://www.amazon.com/Terrorism-Organised-Crime-Corruption-Networks/dp/1845425375>

[Mafia Markers: Assessing Organised Crime and its Impact on Societies](#) (2007)

This study explores the interdependent effect of organised crime, rule of law and corruption on national wealth. The study analyses the inevitable deleterious effect of organised crime on law enforcement, justice and political institutions that ultimately impede growth and development.

<http://www.springerlink.com/content/57876q46x0j0035v/fulltext.pdf>

Transnational Organised Crime in West Africa: the Additional Challenge (2007)

This paper provides an overview of transnational organised crime groups in West Africa, outlining the type and nature of illicit activities they are engaged in, the specific profile of criminal networks in the region as well as their potential impact on regional security. (Available for purchase)

<http://www.blackwell-synergy.com/doi/abs/10.1111/j.1468-2346.2007.00674.x>

Transnational Organised Crime in the West African region (2005)

This UNODC report provides an overview of the development of organised crime in five countries of the region – Côte d'Ivoire, Ghana, Nigeria, Senegal and Sierra Leone- tracing both the extent as well as the range of activities that are engaged in this phenomenon. These activities include drug trafficking, advance fee and Internet fraud, human trafficking, diamond smuggling, forgery, cigarette smuggling, arms trafficking, armed robbery and theft and smuggling of oil.

http://www.unodc.org/pdf/transnational_crime_west-africa-05.pdf

The Unholy Trinity: Transnational Crime, Corruption, and Terrorism (2005)

In this article, Louise Shelley, the founder and director of the Transnational Crime and Corruption Centre (TRACC), explores the link between transnational crime, corruption and terrorism. She establishes a distinction between longstanding and more recently formed transnational crime groups who tend to have very different patterns of relations to the state and to terrorism.

(Please see: <http://www.fundforpeace.org/web/images/pdf/shelley.pdf>).

Undermining the Foundations of Organised Crime and Public Sector Corruption (2005)

This paper provides a jurimetric account of the main political, social, criminal justice, and economic factors explaining the growth of organised crime linked to public sector corruption within a sample of 67 countries worldwide. Organised crime is measured through a composite index of objective indicators based on criminal activities. http://media.hoover.org/documents/epp_114a.pdf

Organised Crime, Corruption and Punishment (2004)

This paper analyses the role of corruption not only in diluting deterrence but also as a strategic complement to crime and therefore a catalyst to organised crime. The model indicates that when bribing costs are small relative to crime profitability, beyond a threshold further policing and sanctions lead to higher rather than lower crime. Traditional deterrence measures can only be effective if they are accompanied by a crackdown on corruption.

<http://www.naringslivsforskning.se/Wfiles/wp/WP600.pdf>).

Penetrating State and Business: Organised Crime in Southern Africa (2003)

This monograph provides studies on organised groups and their activities in seven southern African States, including Namibia, Mozambique, Tanzania, Swaziland, South Africa, Botswana, and Zimbabwe. The Mozambique and South Africa case studies are especially relevant to understand the ability of organised groups to penetrate key sectors of governments, including the judiciary.

<http://www.iss.co.za/pubs/Monographs/No86/Contents.html>

Corruption, Contraband and Organised Crime in Southeast Europe (2003)

This paper explores the spread of organised crime and its practices in Southeast Europe. Criminal networks in the region endanger the stability of democratic institutions by capturing government through systematic corruption. This has a negative impact on the public trust in emerging democratic and market institutions. One of the most dangerous forms of corruption is the symbiosis between organised crime and representatives from the security sector in the Balkan countries.

<http://unpan1.un.org/intradoc/groups/public/documents/UNTC/UNPAN016997.pdf>