Terrorism, Organized Crime and Society

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Introduction

- Organized crime is a result of the emergence of the modern state (monopolization of violence, outlawing of private violence and feuding)
- Up to the 18th century (in North-America still in the 20th century) phenomena like
  - Bandits
  - Pirates
  - Poachers
- Point to a category of "crime" that is characterized by
  - Political elements (armed resistance against power perceived to be illegitimate)
  - Private violence
Transformation of organized crime

- In modern societies of the Western world bandits etc. lost their safe havens in terms of territories beyond the reach of the state and central powers
- Organized crime transformed into subcultures of crime in urban areas
- Theoretical approaches:
  - Miller´s subculture of crime
    - Conflicting values and norms
  - Gang theories (for example Cohen)
  - Crime as rebellion in face of anomia (Merton)
Establishing the links

- Links between terrorism and ordinary crime/crime groups are well established already in the 19th century.
- Alliances between revolutionary-political movements and underworlds can be found already in the 19th century; alliances can then be observed in the 20th century in the new terrorist movements in Germany as well as in North-America (Laqueur, W.: Terrorismus. Die globale Herausforderung. Frankfurt, Berlin 1987, pp. 41).
- Recent years saw a growing interest in exploring the relationships between terrorist movements and organized crime, in particular on the basis of network approaches.
- Methodological approach: dense descriptions and the development of analytical frameworks.
A new interest in the relationship between terrorism and organized crime

- The focus has been put on
  - The role of organized crime in financing terrorist groups
  - The role of underworlds and subcultures of crime for recruitment of terrorists
  - The merging of terrorist and organized crime groups

- Descriptions of financing terrorist movements point to the important role illicit markets play for the generation of terrorist funds, in particular drug markets
- The links to illicit markets may pose problems for terrorist groups as such relationships certainly will have an impact on the support of terrorist groups in the general population
- The range of criminal activities that provide for terrorist funds is wide
- Involvement of terrorist groups in bank robberies, extortion and blackmailing, kidnapping for ransom, drug trafficking and credit card fraud demonstrate that it is also conventional property crimes that serve to raise terrorist funds
- The existence of substantial funds and illicit economic opportunities may then provide for an important condition for the survival of terrorist organizations beyond the cessation of terrorist activities if such organizations choose to continue to exploit illicit economic opportunities
- Economic considerations may serve as a trigger for a change from terrorist groups to merely economically active organizations
- The illicit economy thus serves to initiate a transitional process which may be understood also by the concept of markets of violence, where violence constitutes an essential element in economic transactions and where a successful entrepreneur is somebody who is capable to use violence in an efficient way
Parallels between Transnational Organized Crime Legislation and Counter Terrorism Legislation

- Special Offence Statutes: organizational crime, conspiracy
- Terrorist motives as aggravating circumstance
  - increased penalties for „hate crimes“
- Loss of importance of the concept of the political offender, replaced through the concept of the terrorist offender (extradition)
- Money Laundering Control Mechanisms

- New investigative powers

- Immigration law
Parallels: Collection of Intelligence and Risk Profiles

- Data mining based on risk profiles
  » Systematic data collection through electronic surveillance of communication, retention of traffic data
  » Use of data sources from the private and administrative sector (immigration, asylum, telecommunication provider, universities etc.)

- Fishing (net) expeditions

- Ethnic profiling

- Focussing on pre-suspicion fields
  » Merging of prevention and repression
  » Policization of criminal investigations
New forms of terrorism today are essentially based on illicit economies and markets of violence. This is evidently influenced by the disappearance of a configuration of power characterized by two conflicting superpowers. After the transition in the East of Europe the superpowers withdraw widely from financing violent actors and insurgent groups. Only partially funding by the superpowers was replaced by regional powers, for example Hisbollah (Lebanon) and Hamas (Palestine). If states or a willing diaspora are not available as sources of funds necessary to provide for arms etc. then violent groups are dependent on acquisitional activities. Participating in economic activities makes sense only in those areas where violent groups have a competitive advantage. The competitive advantage of violent/terrorist groups lies in their ability to exert effectively violence or to exploit a reputation of effective violence.
Global Shadow Economies

 Trafficking in illicit goods, services and in humans represent the “underside” of the (global) legitimate trade

Shadow Economies are driven
- by laws (setting the structure of political economy and defining the scope and content of trafficking and smuggling) 
- by demand (which emerges from conventional society and eg. established sex markets)

Main Areas of Shadow Economies concern
- Drug Markets
- Trafficking in Women and Immigrants/Labour Force
- Acquisitional crime (ransom, robbery, theft, fraud)
- Illegal Capital (Money Laundering)
Immigration and the development of transnational communities

- Emergence of Transnational Communities and Cross Border Networks of Solidarity
Basic Changes in Terrorism and Organized Crime

- Networks and Swarming
  - Redundance
- Internationalization of networks and conflicts
- New forms of war/violence
  - Asymmetric nature of new wars
  - Privatization of wars/private actors
- Failed and weak states
- Abundant resources in terms of recruitment
- Transnational organized crime are linked to terrorism through shadow economies and transnational networks
Trends in criminal organizations

- From 1st to 3rd generation criminal groups
- Politicization, internationalization and sophistication
  - *Politicization*: most gangs are largely criminal enterprises, but some have begun to adopt varying degrees of political activity. At the low end: domination of neighborhood life (turf). At the high end: active political agendas
  - *Internationalization*: spatial or geographic reach of the gang. Most gangs are extremely local in nature, generally spanning several blocks of turf. Other gangs operate as confederacies of smaller “cliques,” working across entire metropolitan regions and nationally across state boundaries. At the high end, some gangs are crossborder, transnational, or even international
  - *Sophistication*: nature of gang tactics and strategies, the use of weapons and technology, and organizational complexity of the gang
  - Example: Soccer hooligans
Typologies

- From terrorist groups to criminal organizations
- Criminal organizations exerting terrorist violence
  - Narcoterrorism
  - Italian mafia
- Alliances, cooperation and exploitation
  - Taxation of drug trafficking
Convergence through networks and networking

- Both, organized crime and major forms of terrorism operate today through networks (and not through hierarchical organizations with physical infrastructures and large investments)
  - Networks provide criminals with diversity, flexibility, low visibility, durability (in particular through redundancy)

- Cores and peripheries
  - Network cores characterized through strong bonds and trust
    - Shared experiences and narratives (prison and youth gangs), common ethnicity, clan/family ties, shared values (religion)
  - Peripheries
    - feature less dense patterns of interaction and looser relationships than the core. These characteristics play a critical role in networks, exhibiting and exploiting “the strength of weak ties”
    - the periphery allows the network to operate at a great distance - geographically and socially. This facilitates more-extensive operations, more diverse activities, and the capacity to carry out effective intelligence collection
    - It is most probably through these peripheries that contacts are facilitated and common interests are identified
    - Example: Hawallah based financial transactions