

## DOES ORGANIZED CRIME EXIST IN AFRICA?

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### ABSTRACT

There is increasing international concern about the growth of organized crime in Africa. Important criminal organizations and professional criminals are present in Africa, but we argue that the term “organized crime” is not a very useful description of their activity, since what we are actually witnessing is a reformulation of politics and crime into networks that transcend the state/non-state boundary in ways that are hardly subsumed in standard concepts of organized crime. Similar processes are taking place in various parts of the world, and thus African countries are not exceptional in this regard. The process, however, does take particular forms in Africa that arise out of the histories of individual countries. The article describes the evolution in countries as diverse as Libya, Guinea-Bissau, and Zimbabwe of a market for protection, as business people – legitimate and otherwise – seek protection for their activities and their personnel. This market for protection is created by making private arrangements, often with state officials working in private capacities. The implications are profound: they could amount to a new mode of governance connecting Africa to international markets and institutions in which the distinctions between licit and illicit economic activity become difficult to detect.

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ON 2 APRIL 2013, agents of the United States’ drugs enforcement administration arrested on the high seas five citizens of Guinea-Bissau whom they

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had entrapped in an elaborate sting operation.<sup>1</sup> One of the five was Admiral José Américo Bubo na Tchuto, chief of the Bissauan navy. A veteran of Guinea-Bissau's liberation war against Portugal and a leading figure in the country's armed forces, he had long been suspected by the US authorities of cocaine trafficking on a massive scale. The five suspects were taken to the US, where Bubo na Tchuto pleaded guilty in court to the charges against him. His trial is currently in progress.

Over the last decade, Guinea-Bissau has become notorious for its participation in the large-scale import of cocaine from Latin America, particularly since the publication in 2007 of a report on the subject by the United Nations Office on Drugs and Crime.<sup>2</sup> Following news of Bubo na Tchuto's arrest, there were reports that many of the Latin American and other international drug traffickers who had based themselves in Guinea-Bissau in previous years had taken fright and moved to the neighbouring Republic of Guinea, also known as Guinea-Conakry. There, the drug trade appears still to be flourishing, as it has done at least since the closing years of the presidency of General Lansana Conte, who died in December 2008. There is evidence from interviews with law-enforcement officers and others that leading military figures in these two neighbouring countries, Guinea and Guinea-Bissau, have conspired to trade drugs internationally for the last decade at least.<sup>3</sup>

In describing activities like these, external law-enforcement officials often refer to them as 'organized crime'. This, however, is a term rarely used by Africans themselves, with only a few exceptions, such as in South Africa where it is generally used to describe external rather than domestically rooted networks. The lack of agreement on vocabulary raises an interesting set of questions about what organized crime is recognized to be in the African context, by some observers at least, and whether the term is ever useful to describe African realities. Our approach is to study the characteristics of some of the activities in Africa that would be included in almost any definition of the term, with a view to identifying its specific features in African contexts.<sup>4</sup> We then proceed to analyse the features of the markets for criminal protection that have emerged in recent years in Africa and that

1. Richard Valdmanis, 'U.S. agents seize suspected Bissau drug kingpin at sea' (Reuters US edition), <<http://www.reuters.com/article/2013/04/05/us-bissau-traffickers-idUSBRE93400H20130405>> (25 November 2014).

2. United Nations Office on Drugs and Crime (UNODC), *Cocaine trafficking in West Africa: The threat to stability and development (with special reference to Guinea-Bissau)* (UNODC, Vienna, 2001).

3. The authors have made repeated research trips to both countries.

4. We are well aware of the difficulties in researching activities that are essentially clandestine, but we are able to make use of a wide range of publications on comparative crime, for example in regard to the Sicilian mafia, as well as personal interviews with actors on various points of the spectrum from law breaking to law enforcement.

have been the subject of study in other contexts.<sup>5</sup> We conclude with some remarks on how this is contributing to the continuing formation of African states.

The intertwining of crime and state politics in Africa has a genealogy that can be traced back for at least half a century. Some African countries had already developed a characteristic style of rule that the sociologist Stanislaw Andreski in 1968 dubbed 'kleptocracy', in reference to the systematic use of fraud, bribery, and similar illegality as instruments of governance.<sup>6</sup> Andreski made clear some of the deep social and political roots of this mode of rule, which can be found in at least some African countries. However, the emergence of nationalist governments on the continent was from the outset associated not just with domestic corruption but also with a distinctive globalized form of rent seeking. In West Africa, for example, as politicians in search of funds formed alliances with foreign businessmen in search of contracts, the safeguards that prevented politicians and civil servants from doing corrupt deals with foreign contractors 'evaporated in some instances'<sup>7</sup> at an early date. The United Kingdom's first High Commissioner to Nigeria had 'no doubt ... that foreign firms are largely to blame' in regard to corruption of this sort, just one year after independence.<sup>8</sup> African politicians who took bribes from foreign firms became vulnerable to blackmail, with the result that 'corruption, foreign influence, and domestic politics became hopelessly entangled'.<sup>9</sup>

As a result of these processes, economies became politicized in a new and very specific sense. Also in Nigeria, a young American businessman who took up a job in 1962 discovered that foreign companies were writing inflated invoices in respect of imported goods as a systematic means of expatriating their profits. 'Most foreign-owned companies', he recalled, 'were doing largely the same thing.'<sup>10</sup> A different model emerged in Africa's French-speaking countries, where the development from late colonial times of a close relationship between foreign businesses and African politicians formed part of the relationship dubbed 'Françafrique' by Côte d'Ivoire's long-serving president Félix Houphouët-Boigny—who intended this term to be understood positively. An evolving feature of Françafrique, which has transformed it into a pejorative term, has been a complex of Franco-African

5. Federico Varese, *Mafias on the move: How organized crime conquers new territories* (Princeton University Press, Princeton, NJ, 2011).

6. Stanislaw Andreski, *The African predicament: A study in the pathology of modernisation* (Michael Joseph, London, 1968), p. 109.

7. Henry L. Bretton, *Power and politics in Africa* (Longman, London, 1973), p. 128.

8. National Archives of the United Kingdom, London, DO 186/10, fol. 37: Head to Clutterbuck, 5 May 1961; and fol. 56, Head to Clutterbuck, 8 November 1961.

9. Bretton, *Power and politics in Africa*, p. 129.

10. Raymond Baker, *Capitalism's Achilles heel: Dirty money and how to renew the free-market system* (John Wiley and Sons, Hoboken, NJ, 2005), p. 12.

corruption overseen by a small and durable circle of officials whose centre of power is in the Elysée palace. A significant part of the rents generated has reportedly been channelled to French politicians and their parties.<sup>11</sup> What these experiences suggest is a complex interweaving of criminal networks and everyday politics that revolves around the provision of political protection for illicit activities, a development that we refer to as ‘markets for protection’.

In this article, we aim to determine whether it is accurate to speak of organized crime in Africa. We investigate how the concept could be made operational and suggest how else we might describe recent patterns of organized criminal activity in Africa if it is not appropriate. We believe that the concept of markets for protection provides a useful analytical grille for studying the intersection of politics, business, and crime in Africa – one that we hope will be of use to other researchers in this area.

### *Understanding crime in Africa*

The concept of organized crime emerged in the USA, where it originally reflected the government’s interpretation of traditional patronage networks among Italian immigrants involved in crime. Since then, the phrases “organized crime” and “mafia” have gained a greater or lesser degree of acceptance in many countries, always in circumstances that differ slightly or not so slightly from one place to another.

The original mafia, rooted in Sicily, has been described as ‘a shadow state, a political body that sometimes opposes, sometimes subverts, and sometimes dwells within the body of the legal government’.<sup>12</sup> Historically, it developed by supplying protection in situations where the enforcement of law by the state was inadequate.<sup>13</sup> In recent decades the spread of southern Italian crime networks to new locations has been facilitated by their ability to exploit a lack of effective law enforcement in parts of northern Italy and elsewhere in the world where new labour forces have come into existence, suggesting that a rise in organized criminal activity may be related to the emergence of new markets.<sup>14</sup> In Russia, organized crime groups were relatively unimportant during the heyday of Soviet government but gained political purchase during the upheavals of the 1980s as enforcers of contracts in new markets.<sup>15</sup> ‘What was organized crime in the Soviet Union?’

11. There is no fully satisfactory summary of *la Françafrique*, but see Antoine Glaser and Stephen Smith, *Ces Messieurs Afrique* (Calmann-Lévy, Paris, 2005).

12. John Dickie, *Cosa Nostra: A history of the Sicilian mafia* (Palgrave Macmillan, London, 2005), p. 291.

13. Diego Gambetta, *The Sicilian mafia: The business of private protection* (Harvard University Press, Cambridge, MA, 1993).

14. Varese, *Mafias on the move*.

15. Vadim Volkov, *Violent entrepreneurs: The use of force in the making of Russian capitalism* (Cornell University Press, Ithaca, NY, 2002).

asks a leading Russian commentator. 'At least after Andropov's time [1984], it began to be part of the system, under the control of the KGB. The only people who the bandits were afraid of were the state security officers. And this evolved into its present-day form.'<sup>16</sup> In Colombia, by contrast, organized crime has developed from a strong sense of local and provincial identity in a historically weak state.<sup>17</sup>

If we accept that something that can reasonably be called "organized crime" exists in many places, it is nevertheless apparent that this existence takes particular forms in various countries. Similar diversity should be expected in Africa, where patterns of organized criminal activity emerge from the continent's own circumstances and history, as indeed they do everywhere. Arguably these problems emerge from continuities in Africa's history, including in the many cases where corruption is embedded, incorporating older practices of gift giving and honour.<sup>18</sup> It is also important to note the consequences of the structural adjustment policies of the 1980s in forming a new political and economic climate.

We therefore think it advisable not to begin by adopting one of the many definitions of organized crime offered by the relevant literature, which is mainly based on the study of Europe and North America,<sup>19</sup> and then testing its relevance to Africa. While there is no globally agreed definition of organized crime, most extant definitions include reference to the scale of activities, the degree of permanence and cohesiveness of those involved, and their propensity to violence. To take one or other definition as our point of departure, we believe, will show simply that in almost any African context there is a wide variety of illicit or "grey" activities that conceivably could be described as organized crime, without gaining much explanatory power from our use of that term. We find it more productive to study relevant empirical data with a view to ascertaining what the phenomenon under scrutiny may look like in a variety of locations on the African continent, to see how it has evolved in recent decades, and to consider how it links to a wider set of global developments.

Organized criminal activity in African countries has specific features that make it possible to situate such activity on a spectrum extending from

16. Kirill Kabanov, head of the National Anti-Corruption Committee, as quoted in Charles Clover, 'A death retold', *Financial Times*, 19 February 2009, <<http://www.ft.com/intl/cms/s/0/41f7ac0c-fe26-11dd-932e-000077b07658.html#axzz3Yht9Gibk>> (29 April 2015).

17. Manuel Castells, *End of millennium*, Vol. 3 of *The information age: Economy, society, and culture* (Blackwell, Malden, MA, 2000), pp. 202–6.

18. Giorgio Blundo, 'La corruption et l'état en Afrique vus par les sciences sociales', in Giorgio Blundo and Jean-Pierre Olivier de Sardan (eds), *État et corruption en Afrique: une anthropologie comparative des relations entre fonctionnaires et usagers (Bénin, Niger, Sénégal)* (Karthala, Paris, 2007), pp. 39–43.

19. Nikos Passas, 'Introduction', *Organized Crime* (Dartmouth Publishing Co., Aldershot, 1995), pp. xiii–xix. The negotiators of the one global United Nations instrument on the subject could only agree a rather loose definition of what constitutes an organized crime group.

state-legitimated to purely private. Many African countries have weak law enforcement and have experienced a rapid growth of a wide variety of globalized markets in recent years. Organized criminal activity was a late starter in Africa, for example in the arrival of Russian organized crime groups in Sierra Leone in the 1980s<sup>20</sup> and the transformation of youth gangs in Cape Town into organized crime groups via their entry into the drugs trade and their linkages with the apartheid state.<sup>21</sup> In all but a handful of cases, the rise of organized crime in Africa became perceptible at a time of extensive political and economic change. These particularities make African countries rather different from many other places where the concept of organized crime is longer established.

Patterns of law breaking in Africa that reasonably may be considered as organized crime are not confined to so-called 'weak' or 'failed' states, but are readily apparent in some of the continent's middle-income states as well.<sup>22</sup> An example that has been the subject of recent attention is the extent of operations in Africa by the Sicilian mafia, notably in South Africa, Angola, and Kenya, generally regarded as some of the continent's most important countries.<sup>23</sup> For the purposes of a macro-analysis, it is legitimate to consider major criminal activities from a wide variety of African states together, or at least to compare and contrast them. Some habitual distinctions seem to lose their incisiveness in the African context, such as that between organized crime and corruption. As Etannibi Alemika has pointed out, corruption is simply the objective of the most serious organized criminal groups in Africa, not a facilitating activity as it is often held to be in the literature on organized crime elsewhere.<sup>24</sup> Even the terms 'illegal' or 'illicit' may present problems, as there may be no laws in place to regulate activity that outsiders consider criminal, or alternatively, the state (or actors within it) may have provided the requisite paperwork to make a specific activity legal for bureaucratic purposes. A good example is high-level oil smuggling in Nigeria, which may make use of genuine official documents procured from senior state officials who are party to a smuggling operation.

20. Robert I. Friedman, *Red mafia: How the Russian mob has invaded America* (Little, Brown, and Co., New York, NY, 2000), pp. 57–8.

21. Don Pinnock, *The brotherhoods: Street gangs and state control in Cape Town* (David Philip, Cape Town, 1984); Irvin Kinnes, *From urban street gangs to criminal empires: The changing face of gangs in the Western Cape* (Institute for Security Studies, Pretoria, Monograph No. 48, 2000).

22. Mark Shaw, 'Transnational organized crime in Africa', in Jay Albanese and Philip Reichel (eds), *Transnational organized crime: An overview from six continents* (Sage, Los Angeles, CA, 2014), pp. 93–115.

23. See the investigations listed at <<http://www.journalismfund.eu/MafiaInAfrica>> (4 May 2015).

24. This point is made in the opening chapter of Etannibi Alemika (ed.), *The impact of organized crime on governance in West Africa* (Friedrich Ebert Stiftung, Abuja, 2013), p. 25, and also in personal communications.

In many parts of Africa where organized criminal activity can be identified, it is associated with a set of relationships generally involving senior figures within the state or important local power brokers, as well as professional criminals. Organized criminal activity is often concerned with channelling or directing resource flows from or to African countries over a period and in an organized way for the purpose of illicit gain. Drug trading, kidnapping, embezzlement, the large-scale theft of minerals, or other plainly criminal activities exist on a sustained basis in many parts of Africa, in both “weaker” and “stronger” states. In the case of fragile states, such criminal activities seem to be most important if they concern high-value natural resources – such as in the Democratic Republic of Congo (DRC) – or occur on major trafficking routes. In cases like these, trafficking flows tend to shape politics, as in Libya since 2011.<sup>25</sup>

Some important elements of organized criminal activity in Africa could better be subsumed under the term ‘criminal enterprise’,<sup>26</sup> as a good deal of such activity is the work of networks of entrepreneurs who traverse the boundaries of the public and private and of the legal and illegal sectors. In the absence of a clear legal framework that is enforced consistently, enterprise crime may be considered to entail any activities that commonly would be considered illegal, and – although we realize that this is a subjective judgement in itself – that are contrary to what might be considered the public good. But ‘enterprise crime’ is not an accurate label, either.

In the end, we can find no generally accepted term that does justice to the characteristic ways in which organized criminal activity takes place in Africa, involving as it does professional criminals, local or foreign, doing business regularly with state officials and politicians and legitimate businesses, the latter very often headquartered overseas. While an erosion of the frontiers between politics, crime, and business is detectable in many parts of the world, the process has at least three specific features in African countries. First, their state bureaucracies are often weak. Second, there are strikingly different outcomes depending on whether the key alliances with organized crime are made at the level of central government (for example in Zimbabwe) or at provincial level, as in Libya since 2011. Third, the rise of organized crime in Africa occurred at a relatively late date, towards the end of the last century, at a time when financial globalization was resulting in vastly increased flows of money and resources.

The question of understanding what organized crime may mean in Africa is more than an academic exercise. Interventions by the United Nations

25. Mark Shaw and Fiona Mangan, *Illicit trafficking and Libya's transition: Profits and losses* (United States Institute of Peace, Washington, DC, 2014).

26. R. T. Naylor, ‘From underworld to underground: Enterprise crime, “informal sector” business and the public policy response’, *Crime, Law and Social Change* 24, 2 (1995–6), pp. 79–150.

Security Council in regard to what it calls 'organized crime in Africa' have increased significantly in the past decade,<sup>27</sup> going from four statements or resolutions on organized crime in Africa in 2004 to 15 in 2014.<sup>28</sup> These resolutions use the term 'organized crime' or 'illicit trafficking' to refer to a diverse array of activities, including drug trafficking, the illicit movement of natural resources, different forms of environmental crime, and maritime piracy. If there is one thing all these UN statements have in common it is that they concern states in conflict, or emerging from it. However, since issues of peace and security are the very reason the Security Council is examining crime in a specific country or region, it cannot therefore be assumed that armed conflict is a necessary accompaniment to organized crime. Nevertheless, it is apparent that the issue of what the United Nations itself often terms 'organized crime' in Africa is of growing interest to international policy makers, particularly when it concerns 'weak' or 'failed' states.

International concern is understandable inasmuch as each of the world's nearly 200 sovereign states is responsible for promulgating and implementing law within its own territory, and each one enjoys privileges, including the right to mint currency and to sign treaties or make other legally binding agreements with other states. State failure, therefore, is a matter of concern to the international community in its own right – as the Security Council resolutions demonstrate. State failure is all the more concerning if it has a relationship, even a weak one, with criminal activity that promotes regional instability and funds armed conflict.<sup>29</sup>

For their part, the rulers of African states, whether such polities are considered strong or weak, generally understand very well the importance of being seen to uphold the rule of law, since this is essential to continuing international recognition of their sovereignty. This was well articulated by a Nigerian police chief who in 2004 stated that 'Nigeria is a distinguished member of the international community and as such we must, at all times, conform and be seen to conform with all norms, conventions and rules that are sine qua non to peaceful living and respectable human co-existence.'<sup>30</sup>

27. See Ministry of Foreign Affairs of the Netherlands and Global Initiative Against Organized Crime, 'Development responses to organized crime' (Background paper for the Development Dialogue, hosted by the Ministry of Foreign Affairs of the Netherlands and the Global Initiative against Transnational Organized Crime, The Hague, 8–9 April 2014).

28. On conflict and organized crime in Africa, an important contribution is William Reno, 'Understanding criminality in West African conflicts', in James Cockayne and Adam Lupel (eds), *Peace operations and organized crime: Enemies or allies?* (Routledge, New York, NY, 2011), pp. 68–83.

29. A review of the evidence finds that 'patterns of transnational crime are imperfectly correlated with state weakness'. See Stewart Patrick, *Weak links: Fragile states, global threats and international security* (Oxford University Press, Oxford, 2011), p. 12.

30. Interview, Inspector-General of Police Tafa Balogun, *Tell* magazine, Lagos, 6 September 2004.

(Ironically, the same police chief was later jailed for embezzlement.) In many cases, the theoretical primacy of the rule of law is purely formal, for political and social reality may actually be formed by patterns of illicit activity that include smuggling, the formation of militias, and so on. It is therefore essential for an understanding of crime in Africa to appreciate the distinction between the principle of the rule of law and its actual substance, as only then is it possible to identify the space between the letter of the law and the reality of political and economic life where people go about their business.<sup>31</sup> As the West Africa Commission on Drugs that was convened by Kofi Annan and chaired by Nigeria's former president Olusegun Obasanjo recently concluded: 'traffickers can reshape relationships between and among political and security actors, the citizenry, and the business community within and beyond borders'.<sup>32</sup>

If this is indeed so, it is inappropriate to use the traditional state-versus-crime distinction in situations where the state may itself be a major player in organized crime or may have been extensively infiltrated by those with a criminal purpose. Of course, standard definitions of organized crime do recognize connections between state and criminal actors, but this is usually in regard to facilitating activities, as in the case of corruption. While the term 'captured states' has now become more widely used (not least in the case of Guinea-Bissau, but also globally),<sup>33</sup> it is analytically blunt in so far as it implies that a state is either 'captured' or not, whereas in the vast majority of cases in Africa the reality lies somewhere in-between. That is not to say that crime does not undercut state capacity, or is not changing the nature of the state itself – as we argue below – but we nonetheless find that the notion of 'criminal capture' implies a set of relationships that is too simplistic to represent what we believe to be occurring. This speaks to the conceptual challenges of drawing a linkage between the phenomena associated with organized crime in different contexts, and by so doing identifying what we mean by 'enterprise crime' and the protection economies it spawns.

An appreciation of the distinction to be made between the juridical nature of sovereignty and the frequent absence of effective law enforcement in social reality<sup>34</sup> makes it easier to discern an important feature of organized criminal activity in Africa, namely the requirement of criminal

31. Jean-François Bayart, Stephen Ellis, and Béatrice Hibou, *The criminalization of the state in Africa* (James Currey, Oxford, 1999), pp. 19–22.

32. West Africa Commission on Drugs, *Not just in transit: Drugs, the state and society in West Africa* (West Africa Commission on Drugs, 2014), p. 22.

33. Moisés Naim, 'Mafia states: Organized crime takes office', *Foreign Affairs* 91, 3 (May–June 2012).

34. Cf. Robert H. Jackson and Carl G. Rosberg, 'Sovereignty and underdevelopment: Juridical statehood in the African crisis', *Journal of Modern African Studies* 24, 1 (1986), pp. 1–31; Robert H. Jackson, *Quasi-states: Sovereignty, international relations, and the third world* (Cambridge University Press, Cambridge, 1990).

entrepreneurs to receive ‘protection’ in a variety of forms and from a variety of actors. Since the use of protection has always been a defining feature of mafia-type organizations,<sup>35</sup> it seems imperative to understand how mafia-style protection is acquired and applied in African contexts today if we are to analyse correctly the evolving forms of criminal enterprise that blur the boundary between politics, the state, business, and society. Any business, whether dealing in licit or illicit goods, requires protection – but in a state that has lost its monopoly of violence, this cannot be offered as a free public service by state law-enforcement agencies. The provision of protection in return for payment may easily become an interface between something that may be recognizable as ‘traditional’ organized crime (associated with the ability to inflict violence) and activities more easily recognizable as politics and business. The state, no matter what its strength or form, plays a key role in regulating and channelling illicit financial flows to foreign jurisdictions. In that respect, the state remains influential even in countries where the influence of criminal groups is evident and where the state itself may be weak institutionally, or have limited control over its territory.

*International linkages and global changes*

Activities that reasonably could be considered as enterprise crime in Africa usually have important international linkages. These range from the collusion of major international companies in bribery and corruption<sup>36</sup> to the cooperation of mining companies with unofficial militias in the exploitation of minerals in the eastern DRC<sup>37</sup> and the role of foreign banks – sometimes major ones – in aiding illicit financial flows.<sup>38</sup> Given the important role of foreign companies, as well as of clearly criminal groups such as Latin American drug trafficking organizations, it is necessary to situate activities that could be considered as organized crime in Africa within a global context, especially as there appears to have been a rise in organized crime

35. Gambetta, *The Sicilian mafia*.

36. One example among many is the *prima facie* collusion of European arms manufacturers in South Africa’s 1998 arms scandal: Paul Holden and Hennie van Vuuren, *The devil in the detail: How the arms deal changed everything* (Jonathan Ball, Cape Town, 2011).

37. This has been documented by UN expert reports on the DRC, such as ‘Letter dated 2009/11/23 from the Chairman of the Security Council Committee Established Pursuant to Resolution 1533 (2004) Concerning the Democratic Republic of the Congo ...’ (S/2009/603, United Nations, New York), <<http://www.un.org/Docs/journal/asp/ws.asp?m=s/2009/603>> (7 June 2014).

38. See, for example, reports on Riggs Bank and Citibank by the US Senate Permanent Subcommittee on Investigations, Committee on Governmental Affairs, <<http://www.levin.senate.gov/imo/media/doc/supporting/2004/0924psireport.pdf>> (6 January 2015); United States Senate, ‘Role of US correspondent banking in international money laundering’ (Paper S. Hrg. 107–84, *Hearings before the Permanent Subcommittee on Investigations of the Committee of Governmental Affairs, first session*, Vol. 1 of 5, Washington, DC, 2001).

worldwide,<sup>39</sup> or what might be termed a blurring of distinctions between politics, organized crime, and business.<sup>40</sup>

The mingling of state politics, crime, and legitimate business in recent decades is not a uniquely African development, and some of the causes of enterprise crime in Africa can be attributed to global changes that have had comparable effects elsewhere.<sup>41</sup> In 1996, the sociologist Stanley Cohen published an article with the provocative title 'Crime and politics: Spot the difference' that was inspired partly by events in the Balkans at that time.<sup>42</sup> Cohen argued that new patterns of wealth seeking allied to political power were making it more difficult to apply conventional definitions of crime, and that politics and crime, rather than being two fairly distinct fields of activity, were becoming inextricably mixed. Not the least of the analytical problems such situations cause is in knowing how to think about state institutions in cases where they are themselves deeply implicated in crime, for, as Cohen wrote elsewhere, the rules of the international system require that crime and the state be officially regarded as distinct and opposed entities. 'Governments and their agencies do not commit crimes,' he noted, 'but only because the criminal law does not take cognisance of them as criminal actors.'<sup>43</sup>

Accordingly, it is helpful to list some of the changes in global conditions that have resulted in some fields of legitimate activity becoming associated with crime. An evident starting point is the effect of the end of the Cold War. At that time, political elites and secret services in the former Soviet bloc with no ingrained respect for law made common cause with existing crime barons in a profound reconfiguration of power.<sup>44</sup> The establishment of markets where none previously existed created opportunities for well-placed individuals to make huge fortunes overnight.<sup>45</sup> Criminal groups are generally more nimble than government regulators in exploiting new markets, but in African cases the growth of organized crime is not primarily because of deficiencies in regulation so much as in the willingness of politicians to envisage relationships with professional criminals. However, even in Western democracies, where respect for law is comparatively stronger,

39. Misha Glenny, *McMafia: Crime without frontiers* (Bodley Head, London, 2008).

40. Eva Joly, *Est-ce dans ce monde-là que nous voulons vivre?* (Les Arènes, Paris, 2003), especially p. 190.

41. See for example, H. Richard Friman and Peter Andreas (eds), *The illicit global economy and state power* (Rowman and Littlefield, London, 1999); Josiah McC. Heyman (ed.), *States and illegal practices* (Berg, Oxford, 1999).

42. Stanley Cohen, 'Crime and politics: Spot the difference', *The British Journal of Sociology* 47, 1 (1996), pp. 1–21.

43. Quoted in David O. Friedrichs (ed.), *State crime*, Vol. 1: *Defining, delineating and explaining state crime* (Ashgate, Aldershot and Brookfield, VT, 1998), p. 51.

44. Stephen Handelman, *Comrade criminal: Russia's new mafia* (Yale University Press, New Haven, CT, 1995).

45. Castells, *End of millennium*, pp. 183–90.

the relationship between politics and crime has changed. This is partly because of the burgeoning cost of political campaigning, which requires politicians to raise colossal sums of money, thereby causing them to have recourse to contributions from people or businesses engaged in illegal activity that are prepared to make large campaign contributions because they require political protection. Scandals of this sort have occurred in the United States and other democracies. A technique available to incumbent politicians especially is to make arrangements with companies that provide them with slush funds in return for political favours, as has happened in France, Germany, Italy, Spain, the United Kingdom, and some other European countries.<sup>46</sup>

Multinational corporations play a key role in the corruption of state officials in many countries. As the European colonial empires disappeared from the map in the mid-twentieth century, prominent national companies reorganized themselves to do business in the world then emerging. They lobbied the governments of new states with a view to creating a legal environment favourable to the requirements of the companies themselves. Multinational companies or even individual businesspeople could request a government to formulate laws in return for money or other favours, while politicians discovered that the legal principle of sovereignty itself could be used to generate cash. A spectacular example was the Seychelles, where in 1995 the National Assembly amended the constitution in order to open the way for legislation guaranteeing immunity from criminal prosecution for any foreign business operator investing a minimum of \$10 million in the islands. The Economic Development Bill proposed immunity from prosecution for all investors meeting these requirements 'for all criminal proceedings whatsoever except criminal proceedings in respect of offences involving acts of violence and drug trafficking in Seychelles'.<sup>47</sup>

New forms of financial globalization have affected commercial and political relationships of all descriptions. Measures that have contributed to this process include market reforms undertaken by the Chinese government from 1978, the abolition of foreign exchange control in the United Kingdom in 1979, deregulation and tax cuts enacted by the first Reagan administration in the USA, the European commitment to creating a single European market, the collapse of the Soviet Union in 1991, and India's move away from protectionism in the same year. Beginning in the 1980s, leading financial powers advocated the light regulation of financial institutions, and, in this environment, banks in the world's most developed countries found methods of marketing debt that were dependent on new

46. A partial list of funding scandals in European countries can be found in Perry Anderson, 'The Italian disaster', *London Review of Books* 36, 10 (2014), pp. 3–5.

47. *Indian Ocean Newsletter* (Paris, Indigo Publications, 18 November 1995).

information technology and that were often without legal precedent, placing them in a grey zone between legal and illegal.<sup>48</sup>

Major companies developed systems of accounting designed to hide the extent of their debts. The cumulative impact has been to create vast quantities of debt beyond the oversight of official regulators. Lack of stringent regulation of the huge international transfers of money facilitated by financial globalization 'has enormously increased the scope and profitability of transnational organized crime', one specialist writer has noted.<sup>49</sup> Another has pointed out how criminal markets that were formerly 'small and isolated'<sup>50</sup> have become integrated into the legal economy. Legitimate business and criminal enterprise have become difficult to distinguish from each other as they meet in a legal grey zone.

This exists above all in regard to banking, as both legitimate businesses and criminal syndicates use similar techniques to move their money around the world, whether the purpose is primarily to avoid taxes or to hide the profits of criminal activity. It appears that most of the 'dirty' money moved in this way originates with multinational companies that arrange corporate locations and business transactions in such a way as to record profits in low-tax jurisdictions, although these actions may not on the face of it be illegal. According to the research organization Global Financial Integrity, 'about 80 per cent of illicit outflows' in recent years have been 'channe[l]led through the deliberate misinvoicing of trade', effectively a process in which volumes of trade being transacted are falsified in official documentation.<sup>51</sup> Smaller amounts are deposited by crime barons or corrupt politicians hiding their loot. It is estimated that, between 2002 and 2011, developing countries lost no less than US\$5.9 trillion to illicit financial flows,<sup>52</sup> while the figure now stands at a massive one trillion dollars per year.<sup>53</sup> One group of just 33 sub-Saharan countries is estimated to have lost a total of \$814 billion dollars from 1970 to 2010.<sup>54</sup>

48. Frank Partnoy, *Infectious greed: How deceit and risk corrupted the financial markets* (PublicAffairs, New York, NY, 2009).

49. David Beetham, 'Foreword', in Felia Allum and Renate Siebert (eds), *Organized crime and the challenge to democracy* (Routledge, London and New York, NY, 2003), p. x.

50. R. T. Naylor, *Wages of crime: Black markets, illegal finance, and the underworld economy* (Cornell University Press, Ithaca, NY, and London, 2004), p. 3.

51. Dev Kar and Sarah Freitas, *Illicit financial flows from developing countries: 2001–2010* (Global Financial Integrity, Washington, DC, 2012), p. j.

52. *Ibid.*, p. 13.

53. Raymond Baker, 'The impact of organized crime on finance, development, business and democracy', workshop on organized crime in Africa held at the Rosa Luxemburg Foundation, Johannesburg, 14 November 2014.

54. James K. Boyce and Léonce Ndikumana, *Capital flight from sub-Saharan African countries: Updated estimates, 1970–2010* (Political Economy Research Institute, University of Massachusetts, Amherst, MA, 2012).

It is in this global context that the contours of states all over the world have been reshaped, and nowhere has this been more evident than in Africa, which underwent such extensive economic and political reforms in the last years of the twentieth century. When political tensions have contributed to armed conflict in Africa, this too has been within a global context that has changed greatly in recent decades as conventional wars have become largely obsolete, to be replaced by war among the people.<sup>55</sup> In the 1970s, Africa received large quantities of weapons, provided notably by the Soviet Union as it struggled for control of the Third World, which it hoped would give it the upper hand in the Cold War.<sup>56</sup> The first Ronald Reagan administration (1981–5) contributed to the privatization of war by instigating a global attack on governments that it considered pro-Soviet, most famously in Afghanistan and Nicaragua but also in Southern Africa, especially Angola. Senior officials in the USA coordinated an extensive semi-official network of private funding for arms deliveries to anti-Soviet groups, arranging for one US ally to help another, such as by encouraging wealthy and pious Saudi citizens to support the *mujahideen* in Afghanistan.

Arrangements of this nature brought intelligence agencies closer than ever before to major unofficial or even criminal networks in the arms trade and its associated financial circuits, at the same time putting weapons into the hands of non-official groups in a number of regions. These changes stimulated the emergence of civilian combatant groups funded by illicit trades, often sponsored by the intelligence services of allied states. As the Soviet Union disintegrated, governments in Eastern Europe and Central Asia transformed the international arms market by selling off surplus Warsaw Pact arsenals at rock-bottom prices.

As a consequence of changes such as these, there now exists a connection between the types of crime characteristic of a diversity of African states, on the one hand, and high finance and big business in rich countries, on the other hand. Both are associated with the offshore world, used by multinational businesses to avoid taxes and to make the payments necessary to secure contracts as well as by crime bosses laundering their money.<sup>57</sup> In fact, a successful crime boss who has grown wealthy from a criminal trade in the global South, such as in drugs, may wish to access the facilities of a developed state on a permanent basis. This is because today's biggest fortunes are made less often from the manufacture or production of physical

55. Rupert Smith, *The utility of force: The art of war in the modern world* (Penguin, London, 2006).

56. Christopher Andrew and Vasili Mitrokhin, *The world was going our way: The KGB and the battle for the Third World* (Basic Books, New York, NY, 2005), pp. 455–81.

57. Ronen Palan, 'Crime, sovereignty, and the offshore world', in H. Richard Friman (ed.), *Crime and the global political economy* (Lynne Rienner, Boulder, CO and London, 2009), pp. 35–48.

commodities than from the promise of future profits, obtained by shaping markets in such a way as to become a magnet for investors. This is possible only in an environment where confidence in the future is sustained by durable institutions, including organs of state, banks, and insurance companies, which permit the infinite generation of credit. African criminal enterprises – at least those that really count, in terms of either political influence or scale of profits – almost always have significant global linkages, in respect both to how they conduct illegal commercial activities and how they invest their money.

Centuries ago plunder and piracy were central to the formation of capitalism in Europe.<sup>58</sup> In more recent times, non-violent free trade has typically been confined to the centre of the capitalist system, with violence being more common on its geographical margins. Illegal markets governed by private violence raise huge sums for legal investment, and legitimate public violence and illegitimate private violence often blend into one another.<sup>59</sup> With regard to Africa today, this might imply that enterprise crime represents both a new form of governance and a new style of integration into the global economy.

#### *State criminal enterprises and organized crime*

Changes associated with financial globalization put African states under intense financial pressure from the late 1970s onward, to the extent that many of them turned to the International Monetary Fund (IMF) for emergency loans. The response of the IMF and the World Bank was to require far-reaching economic reforms in the form of structural adjustment programmes. The expression ‘Washington consensus’ was coined to designate a range of liberal reforms on which Washington-based financial institutions were broadly agreed,<sup>60</sup> with the support of reformers in some other parts of the world. The hallmark of the Washington consensus was a deliberate strategy of loosening the control of states over national economies, including by eliminating some of the techniques by which states, or those who governed them, had previously extracted rents from economies that were often state-run, including by manipulating currencies that were overvalued. At more or less the same moment, Africa’s dozens of one-party

58. Janice E. Thompson, *Mercenaries, pirates, and sovereigns: State-building and extraterritorial violence in early modern Europe* (Princeton University Press, Princeton, NJ, 1994).

59. Wolfgang Streeck, ‘How will capitalism end?’, *New Left Review*, 87 (2014), pp. 35–64.

60. John Williamson, ‘What Washington means by policy reform’, in John Williamson (ed.), *Latin American adjustment: How much has happened?* (Institute for International Economics, Washington, DC, 1990), Ch. 2; Joseph E. Stiglitz, *Globalization and its discontents* (W. W. Norton, New York, NY, 2002).

states found themselves under enormous pressure from within and without to liberalize their constitutions in order to allow multi-party elections.

Incumbent elites, struggling to preserve their grip on power, were desperate for new sources of income to replace their lost rents, and this became a powerful stimulus for the coming-together of politicians and state officials with some highly professional criminals. In the 1980s, a number of sovereign states came to rely on criminal networks in this way, taking the form of so-called 'fusion regimes',<sup>61</sup> and this decade witnessed the configuration of a nexus of crime and politics in some countries that has existed ever since. Strong evidence of this process emerged from Sierra Leone, where diamonds became a vital source of political finance,<sup>62</sup> but perhaps the most notorious case in which professional criminals became a source of funding for politicians is that of Guinea-Bissau. The evidence suggests that key members of Bissau's tiny elite sought illicit sources of funding at a time when established licit forms of accumulation were drying up as structural adjustment began to bite, and old forms of aid transfer weakened.<sup>63</sup> This was during the years when 'Nino' Vieira, the former president who had gone into exile after losing the civil war of 1998–9, was preparing a comeback that saw him regain the presidency in 2005. It appears to have been in this period that he made the acquaintance of some of the Latin American drug traders who were to enjoy the use of the country's military facilities when Vieira duly regained the presidency.<sup>64</sup>

National and international decision makers were aware of some of these tendencies and in several countries in the late 1990s and early 2000s they developed policies intended to counter illicit activities. These efforts, however, were largely unsuccessful, entailing further implications for the relationship between criminal and state actors. For example, the failure to stem the cocaine trade in West Africa at a relatively early stage led to a very rapid expansion of cocaine trafficking in Africa's coastal states, which in turn had a wider impact in the Sahel. In Mali, patterns of state protection for the illicit trade in cocaine (and wider patterns of corruption) comparable to the experience of Sierra Leone and Guinea-Bissau occurred in the context of a decentralization of power in the north. A 'hollowing out' of the

61. William Reno, 'Illicit commerce in peripheral states', in H. Richard Friman (ed.), *Crime and the global political economy* (Lynne Rienner, Boulder, CO and London, 2009), pp. 67–84.

62. William Reno, *Corruption and state politics in Sierra Leone* (Cambridge University Press, Cambridge, 1995). On the Russian mafiya in Sierra Leone, see Friedman, *Red mafiya*, pp. 57–8.

63. See the chapter on Guinea-Bissau in Walter Kemp, Mark Shaw, and Arthur Boutellis, *The Elephant in the room: How can peace operations deal with organized crime?* (International Peace Institute, New York, NY, 2013), pp. 17–31.

64. Interview, former senior official of the *Partido Africano da Independência da Guiné e Cabo Verde*, Accra, 30 October 2013. This was confirmed in interviews in Bissau. See Mark Shaw, 'Drug trafficking in Guinea-Bissau, 1998–2014: The evolution of an elite protection network', *Journal of Modern African Studies* 53, 3 (2015) (forthcoming).

Malian state precipitated the coup of 2012 and a prolonged crisis that has yet to be resolved.<sup>65</sup> In some cases, states have effectively lost or renounced their sovereign monopoly over the use of force and their ability to enforce contracts, which has then encouraged the emergence of a market for protection and contract enforcement.

It has been suggested that criminal violence in post-colonial societies typically ‘does not so much repudiate the rule of law or the licit operations of the market as appropriate their forms ... Its perpetrators create parallel modes of production and profiteering’, thus creating a possibility for ‘vastly lucrative returns’ in the zone of ambiguity between the presence and the absence of law.<sup>66</sup> This description fits such cases as the warlord militias of eastern DRC and various other armed groups, which often negotiate with multinational mining companies for the sale of minerals.<sup>67</sup> In this region, economic activity has been accompanied by violence for decades. If a strict definition is applied, we may even describe successive governments of the DRC as being in effect organized crime groups, with little claim to define legality.<sup>68</sup> In some cases criminalized militias connected to illicit mining might have a high degree of support in specific communities, not least because they represent the main form of economic activity.

The organization of large-scale violence is not, however, leading to the emergence of new civic forms of authority that are able to call warlords or other controllers of military power to account in ways that might parallel the emergence of accountable states in European history.<sup>69</sup> In Nigeria, state corruption is so extensive that some of the large-scale theft of oil appears to be the work of state officials, or is at least facilitated by them.<sup>70</sup> As with other cases in which the object of criminal activity is to obtain minerals, oil theft requires the collusion of foreign businesses, including oil shippers and

65. Morten Boås, ‘Castles in the sand: Informal networks and power brokers in the northern Mali periphery’, in Mats Utas (ed.), *African conflicts and informal power: Big men and networks* (Zed Books, London, 2012), pp. 119–34. The French intervention known as Operation Serval may have had only a limited impact on trafficking. See Global Initiative Against Transnational Organized Crime, ‘Illicit trafficking and instability in Mali: Past, present and future’ (Global Initiative Against Transnational Organized Crime, Geneva, January 2014).

66. John L. Comaroff and Jean Comaroff, ‘Law and disorder in the postcolony: An introduction’, in Jean Comaroff and John L. Comaroff (eds), *Law and disorder in the postcolony* (University of Chicago Press, Chicago, IL, 2006), p. 5.

67. On the DRC, see Ertuğrul Apakan, ‘Letter dated 2009/11/23 from the Chairman of the Security Council Committee Established Pursuant to Resolution 1533 (2004) Concerning the Democratic Republic of the Congo ...’ (S/2009/603, United Nations, New York), <<http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N09/601/43/PDF/N0960143.pdf?>> (4 May 2015).

68. Thierry Vircoulon, personal correspondence, 17 November 2014.

69. As argued famously by Charles Tilly, ‘War making and state making as organized crime’, in Peter B. Evans, Dietrich Rueschmeyer, and Theda Skocpol (eds), *Bringing the state back in* (Cambridge University Press, Cambridge, 1985), pp. 169–91.

70. Christina Katsouris and Aaron Sayne, *Nigeria’s criminal crude: International options to combat the export of stolen oil* (Chatham House, London, 2013).

traders and others in the oil business.<sup>71</sup> In Kenya, large-scale professional drug traders have infiltrated politics to the extent of forming a distinct bloc in the national parliament.<sup>72</sup>

It is evident that crime develops in relation to the state and society with which it coexists. Thus, South Africa, with a deeply institutionalized state, is home to crime groups that bear a fairly close resemblance to what a European or US police officer might recognize as organized crime, and indeed some such groups in South Africa are of foreign origin, although almost all have developed close relations with some elements of the state. But in South Africa, too, networked criminal activity occurs over a wide spectrum, and some aspects of the development of organized crime in this comparatively advanced economy, such as a growing overlap between the state, business, and the criminal underworld in the last decade in particular, already exist elsewhere. A country with a less robust state, such as the DRC, thus may exhibit a different form of crime, but with some characteristics common to other countries on the continent.

It seems that in some African countries local groups and networks have developed into organized crime. Conversely, foreign groups have sometimes been attracted to the continent and have settled there. These two developments are often interconnected. In both cases the cause is the rapid emergence of new, global markets that law enforcement agencies have been unwilling to police, not least because African police forces seldom have the skills to respond effectively to complex crimes, and in many cases may be prevented politically from doing so.

#### *The emergence of protection markets*

If we are to consider such a wide range of activities as we have mentioned as constituting the same phenomenon, we need to specify the features they have in common. Perhaps their most obvious shared feature is the existence of markets for protection and, hence, of economies of protection. In this section we develop a sketch of how we might conceptualize markets for protection, which we believe provides a useful tool for analysing new formations of politics and crime. The protection economy may be considered as the set of transactions entered into for the purpose of ensuring the facilitation, sustainability and safety of a set of activities, licit or illicit, undertaken by a criminal enterprise. In almost all cases, some elements of the state are involved, and indeed in African countries, the state (no matter how weak) is often the defining element in protection markets, either as a direct participant, facilitator, or

71. *Ibid.*

72. Peter Gastrow, *Termites at work: Transnational organized crime and state erosion in Kenya* (International Peace Institute, New York, NY, 2011).

regulator. In some cases, businesses may buy the political protection of one or more senior official and also pay the police directly, in effect turning the police into a privatized service. In other cases, a criminal enterprise may hire a legally constituted private security company. In still other cases, an unofficial militia, whose roots might be in organized crime or in a militarized insurgency, provides protection. In every case there exists a market for protection whose contours can be analysed. It might even be possible to establish market prices for protection in specific locations. New entrants into African markets, particularly if they are illicit ones, usually need to buy protection at very senior levels of the state in order to ensure their ability to operate without impediment and to avoid prosecution. Or, if they are operating on a largely regional level in a situation where the reach of the central authorities is limited, they may need to secure the alliance of the pre-eminent local powerbroker. The higher up the scale of political power new entrants go, the greater the transaction costs. Single payments to key powerbrokers are easier to manage than payments to multiple local gatekeepers and facilitators, and reduce the overall chance of an effective response from the state.

It must be emphasized that the protection economy is not limited to the provision of violence or the threat thereof but also includes the ‘ability to manipulate and exploit social relationships’. In other words, criminal groups or networks ‘accumulate and employ social capital. Therefore, they are specialists in violence and, at the same time, experts in social relationships: it means that they are capable of constructing a system grounded on constraint and of structuring a system of relationships based on variable forms of social consensus.’<sup>73</sup>

Thus, transactions to secure the protection of illicit activities by criminal enterprises fall into three categories along a spectrum, as shown in Figure 1. The first set of transactions in a market for protection concerns the use or threat of violence, as recruiting people or networks with a capacity for violence is perhaps the most obvious way of ensuring protection. This is particularly so when moving illegal goods through contested territory. The actors involved range from street thugs to agents of the state such as military, police, or intelligence units. In the latter case, buying protection from state security institutions has important implications, as it leads to internal competition within the security apparatus and strengthens some parts over others.

An excellent example is provided by the role of the Zimbabwean military and intelligence service in diamond mining.<sup>74</sup> In some cases, when illicit

73. Rocco Sciarrone, ‘The business of the grey area: Relationships of complicity and collusion in the economic field’, in Claudio La Camera (ed.), *The grey area of the Ndrangheta* (Aracne, Rome, 2014), p. 81.

74. Global Witness, *Financing a parallel government? The involvement of the secret police and military in Zimbabwe’s diamond, cotton and property sectors* (Global Witness, London, 2012).

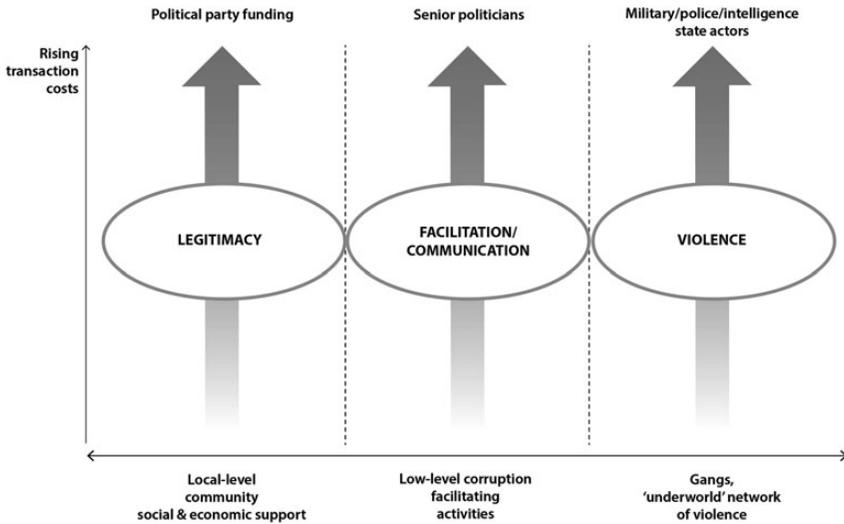


Figure 1 The political economy of criminal enterprise protection

accumulation becomes central to the existence of security institutions, in a state with a declining ability to raise the taxes with which to fund them, security actors become resistant to cutting themselves off from these sources. This process seems well under way in Zimbabwe, where the military increasingly relies on illicit sources of funds and is thus less responsive to calls from political leadership to withdraw from them.<sup>75</sup>

It has been suggested that what is emerging in such states is a bargain between political and security/military elites: incumbent politicians close their eyes to the illicit activities that the security establishment uses to fund itself, while the security establishment agrees to limit its political interventions in the shape of coups and the like.<sup>76</sup> While this may be a sweeping statement, the general point is that patterns of illicit accumulation by the military and the security establishment may have a more decisive long-term impact on civil–military and civil–security relations in African countries than is currently understood. The role that different African intelligence services play in respect of the nexus between government, business, and criminal relationships is in urgent need of analysis.

75. In a recent example, senior military commanders have resisted withdrawing from a large game concession they had seized, despite a direct request from President Mugabe for them to do so. Interviews, civil society representatives, Harare, May 2014.

76. Thierry Vircoulon, 'International Crisis Group presentation to the Development Dialogue' (The Hague, International Crisis Group, 9 April 2014).

The second set of transactions in a market for protection is in the field of facilitation and communication. A criminal entrepreneur seeking protection may enter into a market transaction for services in this field because corrupting elements of the state in order to ensure the facilitation of illicit activities is a time-honoured way for people involved in illicit activities to secure protection. Corruption for this purpose may extend from low-level pay-offs of police constables and customs officers to the bribery of senior politicians. At the senior level, the relationship between the political leadership and criminal enterprises is often more complex than may be recognized in much of the literature concerning 'state capture'. It may not require a politician to engage directly in a criminal enterprise, but simply to provide the space for such activities to occur in return for payment. Importantly too, a transaction may involve communicating those connections to others. For example, in an important Southern African country that we prefer not to name, a particular private business venture (which could equally be labelled in relation to some of its activities as a criminal enterprise) usually invites the president to its premises once a week for drinks and entertainment.<sup>77</sup> The presidential motorcade arrives and things proceed. At the same time, other guests or business partners are invited, not to meet the president but to see that he is present. It is a kind of indirect transaction to ensure space or protection for the criminal enterprise.<sup>78</sup>

The third set of transactions that must be taken into account concerns legitimacy. Criminal entrepreneurs may seek legitimacy for their activities by measures extending from the provision of low-level social and economic support to families and communities in order to ensure an ability to operate locally, right up to political party funding. If so, an important implication is that an investment in investigative journalism or civil society responsiveness may increase the costs of political facilitation or communication by exposing such links to public scrutiny. In Figure 1, as one moves up the vertical axis, transaction costs increase, as does the level of engagement with the state. As suggested here, if a criminal group finds it necessary to intervene at the local or community level (for example, to secure local legitimacy), this may provide an incentive for local communities themselves to engage in illicit activities.

We believe that studying the market for protection constitutes a simple but effective analytical tool for four reasons. First, it can be applied to almost all activities in a diverse range of African states and includes the role of state actors. It therefore has a wide ambit, providing many points of entry

77. Personal communication, investigative journalists working on the story, April 2014.

78. Important work conducted outside of Africa is helpful to understanding these forms of communication and facilitation. See Diego Gambetta, *Codes of the underworld: How criminals communicate* (Princeton University Press, Princeton, NJ, 2011).

for journalists or other investigators. Second, it takes into account the role of diverse internal and external actors, and seeks to understand the often complex nature of the interface between them, including the role of state and security institutions as key gatekeepers for some forms of criminal activity. Third, analytical work on the protection economy can provide price indications for protection as an essential good or commodity in its own right. Fourth, it means that if the price for protection can be raised, it may improve the prospects for changing the calculus for criminal enterprises.

### *Organized crime and state formation*

The development of protection economies is a much more complex arrangement than the seeking of rents by political or security elites to allow illegal activities. Any cogent analysis requires taking into account the totality of any given network and the associated transactions for protection need to be analysed with due regard for the political, economic and social context in which they occur. It is arguable that some such networks could in time become stable and develop an ability to reproduce themselves, making them possible precursors of state formations of the future.<sup>79</sup> This brings to mind a well-known argument made by the sociologist Charles Tilly, who, describing the precursors of Europe's modern states in early modern times, famously described how war making came to require larger and more efficient armies in an age when wars were generally associated with the urge to capture treasure, booty, and territory from a rival. The necessity to organize larger, better-armed, and more effective armies in turn created a need for princes to acquire a regular income in the form of taxation, which then required a higher degree of bureaucratic efficiency than had previously existed. This created a self-reinforcing logic that drove state development. In his own formulation, 'war made the state and the state made war'.<sup>80</sup>

However, the differences between twenty-first century Africa and early modern Europe are more striking than the similarities. Every major European country had a long tradition of centralized government accompanied by some degree of bureaucratic capacity even before the military developments associated with the age of gunpowder. In some countries, such as England, medieval kings had developed a quite extensive machinery of government and taxation. It is true that some African countries, such as Rwanda, also have a history of centralized government that makes a comparison with early modern Europe viable, and it is possible that in such cases the type of militarized and systematic plunder that the Rwandan

79. Volkov, *Violent entrepreneurs*.

80. Charles Tilly, *The formation of national states in Western Europe* (Princeton University Press, Princeton, NJ, 1975), pp. 299–300.

government has sponsored in DRC could indeed lead over time to the formation of a stronger and more formidable Rwandan state. But in the majority of cases this seems unlikely as the logic of war and the financing of war are leading not to the development of more extensive and better organized civil services, but rather to an informalization of power whereby rulers prefer personal client systems to impersonal bureaucracies. In other words, capturing the resource flows generated or conveyed by organized crime is leading to the formation of what have memorably been called ‘successful failed states’.<sup>81</sup>

Thus, the speculation that organized crime “buys power” in a simple transactional arrangement – with the implication that this may destroy certain states in Africa, as sometimes suggested by the United Nations<sup>82</sup> – is open to doubt. Whether the presence of organized crime is a stimulus to violent conflict seems to vary from case to case, according to whether the resulting flows of money and influence are retained by the head of state or the group in power (for example, in Zimbabwe) or whether they are captured by provincial warlords or militias, as in Mali and Libya.

### Conclusion

How then can we answer the question posed by the title of this article? Organized crime exists in Africa, but it is increasingly taking a form that disqualifies the term ‘organized crime’, which generally does not take into account the degree to which criminal activities constitute a nexus between a fluid state and political, economic, and social actors. In our view these interactions are themselves redefining the nature of the state,<sup>83</sup> and the terminology of organized crime seems inappropriate to signify this, originating as this vocabulary does in a more limited Western discussion of law breaking. The notion of criminal enterprises captures more accurately (although still imperfectly) a set of interactions between key members of elites in a specific location. It implies a focus on the nexus of exchanges at the very heights of the state, society, and economy, rather than a narrower discussion around organized gangs in any African city engaged in more minor crimes like car theft or low-level fraud. The latter may be organized crime,

81. Ricardo Soares de Oliveira, *Oil and politics in the Gulf of Guinea* (Hurst and Co., London, 2007), pp. 20–1. The phrase ‘successful failed state’ seems to have been invented by Gérard Prunier and Rachel Gisselquist.

82. United Nations Office on Drugs and Crime, ‘Organized crime and its threat to security: Tackling a disturbing consequence of drug control’ (Commission on Narcotic Drugs, 11–20 March 2008, Vienna; and Commission on Crime Prevention, 16–24 April 2009, Vienna), p. 4.

83. For recent observations along lines similar to these, see Louise I. Shelley, *Dirty entanglements: Corruption, crime, and terrorism* (Cambridge University Press, New York, NY, 2014); and Francesco Strazzari, ‘Captured or capturing? Narcotics and political instability along the “African route” to Europe’, *European Review of Organised Crime* 1, 2 (2014), pp. 5–34.

and indeed often has some lower-level linkage to official actors, but it is not an enterprise we consider to be at the heart of the changing nature of the African state. The role of the state in a specific criminal enterprise and the degree to which resources for the public good are syphoned off into private hands or to meet private objectives are defining aspects of enterprise crime. Enterprise crime therefore often has elements of corruption, another term that does scant justice to the complex economic, political, and social transactions involved.

Understanding the meaning in African contexts of the type of large-scale, political-criminal entrepreneurship that we have evoked will increasingly drive both internal and external policy discussions, as these become directed to finding remedies. What is clear, given the complex phenomenon that we have outlined, is that law enforcement interventions alone will do little to make a difference. A discussion is emerging as to how to develop more effective political responses in this sector, the best example being the high-profile West African Commission on Drugs, but also how initiatives aimed at development can have greater impact on high-level criminality.

While there is still a long way to go on this score, understanding in detail the transaction costs of protection is a key analytical tool that can aid policy makers to understand where development interventions may take place and how they may be aligned with other interventions in a more strategic way than occurs at present. In this regard, the key function of development interventions must be to change the incentive structures that make these transactions possible. Indeed, this may be all that development interventions are able to do.

As we have tried to demonstrate, markets for protection are the nexus between business, crime, and politics. The existence of a high-level agreement on protection that draws in actors from all three sectors – business, crime, politics – at the apex of societies is often connected to lower-level entrepreneurs of violence, who constitute the foot soldiers of protection enforcers. Analysis of protection economies, as well as helping us trace the contours of the politics/business/crime nexus in individual countries and regions, may also have the advantage of allowing comparison between different African cases.