

# The Crime–Terror Continuum: Tracing the Interplay between Transnational Organised Crime and Terrorism

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*Increasingly since the end of the Cold War and the subsequent decline of state sponsorship for terrorism, organised criminal activities have become a major revenue source for terrorist groups worldwide. Building on the precedent set by narco-terrorism, as it emerged in Latin America in the 1980s, the use of crime has become an important factor in the evolution of terrorism. As such, the 1990s can be described as the decade in which the crime–terror nexus was consolidated: the rise of transnational organised crime and the changing nature of terrorism mean that two traditionally separate phenomena have begun to reveal many operational and organisational similarities. Indeed, criminal and terrorist groups appear to be learning from one another, and adapting to each other's successes and failures, meaning that it is necessary to acknowledge, and to understand the crime–terror continuum to formulate effective state responses to these evolving, and periodically converging, threats.*

*Keywords: Organised Crime; Terrorism; Crime–Terror Nexus; Terrorist Financing; Narco-Terrorism; Convergence*

The September 11th 2001 terrorist attacks in New York and Washington DC unleashed unprecedented academic, corporate, and government interest in uncovering the contemporary dynamics of international terrorism. As a result, a plethora of post-9/11 literature has emerged, seeking to provide explanations of various issues related to the terrorist threat. In addition to specific accounts of Al Qaeda, the role of ideology, recruitment, state relations, group organisation, and target selection, have also elicited

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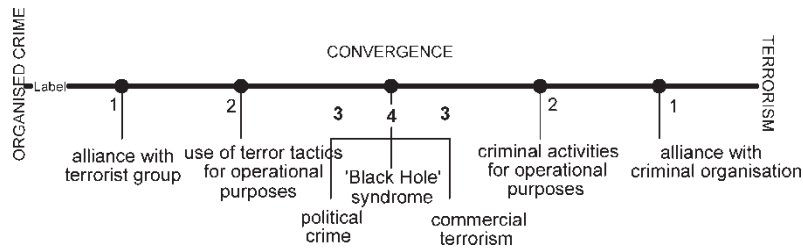
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growing analytical attention. One topic, however, that has received comparatively limited analytical interest is the financing of terrorism. Although the immediate post-9/11 environment—with a concentrated focus on Al Qaeda—has provoked the need to understand hawala banking [1], the abuse of charities and donations from diaspora communities, and the use of legitimate business by terrorist groups, few comprehensive accounts of terrorist financing exist [2]. Furthermore, despite sporadic media coverage and official references to the use of criminal activities by terrorist groups, the relationship between organised crime and terrorism remains under-investigated in the public domain.

Increasingly since the end of the Cold War and the subsequent decline of state sponsorship for terrorism, organised criminal activities have become a major revenue source for terrorist groups worldwide. Building on the precedent set by narco-terrorism, as it emerged in Latin America in the 1980s, the use of crime has become an important factor in the evolution of terrorism. As such, the 1990s can be described as the decade in which the crime–terror nexus was consolidated. Generally referring to the relationship between organised crime and terrorism, the nexus most commonly applies to the straightforward use of crime by terrorist groups as a source of funding—such as taxing the drug trade, or engaging in credit-card fraud. The nexus has also been used to relate to the formation of alliances between criminal and terrorist organisations. These two types of relationship constitute the major components of the nexus, as it currently exists; however, the relationship between organised crime and terrorism has evolved into something more complex. Taking advantage of the immediate post-Cold War environment—which offered relatively unrestricted access to technological advancements, financial and global market structures, diaspora communities worldwide, weak states faced with civil war, and numerous geographical safe-havens—the distinction between political and criminal motivated violence is often blurred. In many respects, the rise of transnational organised crime in the 1990s, and the changing nature of terrorism, have produced two traditionally separate phenomena that have begun to reveal many operational and organisational similarities [3]. Security, as a result, should now be viewed as a cauldron of traditional and emerging threats that interact with one another, and at times, converge. It is in this context that the crime–terror continuum exists.

#### **Outlining the Crime–Terror Continuum [4]**

Relations that have developed between transnational organised crime and terrorism are not static, but have evolved over the past decade into a continuum that inherently seeks to trace how organisational dynamics and the operational nature of both phenomena changes over time. The crime–terror nexus is placed on a continuum (Figure 1) precisely because it illustrates the fact that a single group can slide up and down the scale—between what is traditionally referred to as organised crime and terrorism—depending on the environment in which it operates.



**Figure 1** The Crime Terror Continuum

As depicted in Figure 1, organised crime and terrorism exist on the same plane, and thus are theoretically capable of converging at a central point. Organised crime is situated on the far left, with traditional terrorism situated on the far right—each holding distinct and separate positions. At the fulcrum of the continuum lies the point of ‘convergence’, where a single entity simultaneously exhibits criminal and terrorist characteristics. In assessing the various relationships that have developed between criminally and politically motivated groups, seven categories are discernible—each of which are illustrated as distinct points along the continuum. These seven points, however, can be divided into four general groups: alliances (1), operational motivations (2), convergence (3), and the ‘black hole’ (4).

### Alliances [5]

The first level of relationship that exists between organised crime and terrorism is the alliance. Alliances exist at both ends of the continuum: criminal groups forming alliances with terrorist organisations, and terrorist groups seeking alliances with criminal organisations. The nature of alliances between groups varies, and can include one-off, short-term and long-term relationships. Furthermore, alliances include ties established for a variety of reasons such as seeking expert knowledge (i.e. money-laundering, counterfeiting, or bomb-making) or operational support (i.e. access to smuggling routes). In many respects alliance formations are akin to relationships that develop within legitimate business settings. As Louise Shelley succinctly notes with specific reference to organised crime, ‘cooperation with terrorists may have significant benefits for organised criminals by destabilising the political structure, undermining law enforcement and limiting the possibilities for international cooperation.’ [6]

The most commonly cited alliances exist in the realm of the international drug trade. For example, Colombian authorities have reported that the Medellin cocaine cartel hired the ELN to plant car bombs in 1993 because they did not have the capabilities to conduct terrorist acts themselves [7]. Furthermore, FARC has entered into alliances with criminal groups outside of Colombia, including Mexican drug-trafficking groups. Although FARC has denied this relationship, US government officials have reported that FARC sends cocaine to Mexico in return for arms

shipments [8]. A similar relationship was established with Russian criminal groups who sent arms to Colombia in exchange for cocaine shipments [9].

In addition to relatively straightforward alliances based on the provision of specific services, more sophisticated relationships have emerged between criminal and terrorist groups. This is best exemplified in international smuggling operations that move various commodities from illicit narcotics, weapons and human cargo, between countries and continents. For example the Islamic Movement of Uzbekistan entered into a strategic relationship with the Afghan drug mafia and Central Asian criminal groups to ensure that shipments of heroin could be safely transported between Afghanistan and the Russian Federation and the Caucasus [10]. There are also numerous allegations suggesting that militants linked to Al Qaeda established connections with Bosnian criminal organisations to establish a route for trafficking Afghan heroin into Europe via the Balkans [11]. The Pakistan-based Indian criminal organisation, D-Company (led by Dawood Ibrahim) has established relations to numerous terrorist groups, including Al Qaeda, the LTTE, and Lashkar e-Tayyaba. Furthermore, it is also believed that criminal networks in southern Thailand have smuggled small arms into Sri Lanka and the Indonesian conflict zones of Aceh, Sulawesi and Maluku [12]—with the specific intent of arming terrorist groups.

The most illustrative nexus between a criminal and terrorist group—one in which a mutual relationship has proven integral to the operations of both entities—is the relationship between the Albanian mafia and the Kosovo Liberation Army (KLA) during the Kosovo conflict. After the fall of the Albanian government in 1997, the Albanian mafia secured its authority over heroin-trafficking routes through the Balkans. At approximately the same time, the KLA was established to seek an independent state from Serbia. As noted in a report published in the *Washington Times*, a very specific relationship developed between the political wing of the KLA—the Kosovo National Front (KLF)—and Albanian criminal groups to smuggle heroin. These ties thus ‘provided a well-oiled arrangement: the profits from the Pristina cartel, estimated to be in the ‘high tens of millions’, were funnelled to the KLA, where they were used primarily to buy weapons, often in ‘drugs-for-arms’ arrangements’ [13]. This relationship, however, is significantly more complex than the straightforward alliance discussed here, and in fact, both the Albanian mafia and KLA could be considered hybrid groups based on the nature of their activities throughout the 1990s.

As illustrated in the examples cited above, in most instances the ties that have developed between organised crime and terrorism have been isolated in specific geographic regions. This indicates that it is in the interest of criminal and terrorist groups—invariably within unstable regions—to form alliances to ensure that an environment conducive to both their needs is sustained. Instability is in the interest of terrorists because it diminishes the legitimacy of governments in the eyes of the mass populations—the very people terrorists seek to gain support from; and it is in the interest of criminal groups seeking to maximise criminal operations. This is especially true for groups engaged in wide-scale smuggling of licit or illicit commodities. For this

reason, crime–terrorist alliances have been especially common in Latin America, Southeast Asia, the Middle East, and Eurasia.

### **Operational Motivations**

Despite the existence of alliances between organised crime and terrorist groups, groups have increasingly sought to forgo creating alliances if they can. As the 1990s progressed, it became apparent that criminal and terrorist groups were seeking to ‘mutate their own structure and organisation to take on a non-traditional, financial, or political role, rather than cooperate with groups who are already effective in those activities’ [14]. The primary reason for acquiring in-house capabilities is to ensure organisational security, and to secure organisational operations. In doing so criminal and terrorist groups have sought to avoid the inherent problems present in all alliances, including: differences over priorities and strategies, distrust, the danger of defections, and the threat that alliances could create competitors [15]. Thus most criminal and terrorist groups operational in the 1990s and into the twenty-first century have developed the capacity to engage in both criminal and terrorist activities.

Criminal groups using terrorism as an operational tool, and terrorist groups taking part in criminal activities as an operational tool, constitute the second component of the crime–terror continuum. Although the use of terror tactics can be traced back into the history of organised crime [16], terrorist engagement in organised crime to secure profits for future operations did not emerge as a serious problem until the early 1990s. In both cases, however, the post-Cold War era exacerbated conditions and drove many criminal and terrorist groups to shift their operational focus. As a result, criminal groups have increasingly engaged in political activity in an effort to manipulate operational conditions present in the rising numbers of weak states; whereas terrorist groups have increasingly focused on criminal activities to replace lost financial support from state sponsors.

Organised criminal groups have regularly used terror tactics in order to fulfil specific operational aims. Although these groups have, at times, apparently engaged the political, it is important to clarify that their intention was not to change the status quo, but merely to secure their operational environment. As Dishman notes, criminal organisations use ‘selective and calibrated violence to destroy competitors or threaten counternarcotic authorities. As such, a violent attack directed by a TCO [transnational criminal organisation] is intended for a specific ‘anti-constituency’ rather than a national or international audience, and it is not laced with political rhetoric’ [17]. Despite utilising terror tactics, such as bombings and assassinations, the primary motivation of these groups often remains illicit profit-maximisation. For example, terror tactics were utilised by the Italian Mafia in the 1990s in response to a relatively successful government drive to counter the influence of the Italian Mafia in the country [18]. As early as 1990, the Italian government’s Anti-Mafia Commission reported that because the Mafia controlled political, institutional and economic powers and had a monopoly over the use of violence, it was evident that the Mafia had

moved from a strategy of cohabitation with the legal power to one of confrontation. Further illustrating this point, Alison Jamieson has argued that bombing against tourist attractions by the Italian Mafia in the early 1990s revealed a distinct deviation from the understanding that organised crime sought to remain unnoticed by the majority of the population. Instead:

The traditional Mafia groups have learned to use the magnifying glass of symbolic violence to reach a wider audience: in 1993 the Sicilian Mafia carried out a series of car bomb attacks in the Italian mainland near historic sites such as the Uffizi Galleries in Florence and the church of St. John Lateran in Rome; plans were laid to blow up the Leaning Tower of Pisa. The aim was not to eliminate an enemy, but to intimidate public opinion and Parliament into abrogating recently passed antimafia legislation [19].

Terror tactics were thus used by the Mafia to ‘subvert anti-Mafia actions and legislative moves, these bombings were meant to openly challenge the political elite and send a message to the ‘powers-that-be’ [20]. Comparable with any traditional terrorist group, the Mafia engaged in terrorism as a tactical tool to force the government into negotiation and compromise.

More recently, criminal groups in Brazil have also realised the potential effectiveness of using terror tactics to force political demands on the government, especially when their illicit operations are threatened by the state. Following the inauguration of a new Brazilian administration in April 2002, and the rising power of indigenous drug traffickers, authorities were immediately tasked with cracking down on criminal groups—especially those operating from Rio de Janeiro. Imposing tougher restrictions on group leaders in the prison system—including *Comando Vermelho*, *Amigos dos Amigos*, and *Terceiro Comando*—the government provoked these groups into ‘launching a campaign of political violence’ [21]. During this time members of the aforementioned groups bombed buses, fired shots at government buildings, and targeted police officers. This wave of violence dissipated only after the state appeared to grant the criminal group leaders immunity in order to continue conducting their criminal operations with limited obstacles.

Comparable to criminal groups engaging in terrorism; many terrorist groups have become well versed in the conduct of criminal operations. In response to the virtual elimination of state support after the end of the Cold War, criminality was the most pragmatic avenue to secure finances for future terrorist operations. Equally important to note is that terrorists who engage in criminal activities ‘ostensibly retain paramount political objectives, and as such, ill-gotten monies serve only as a means to effectively reach their political ends’ [22]. The most common criminal activity terrorist groups have been involved in is the illicit drug trade. Since the 1970s groups such as FARC, Basque Homeland and Freedom movement (ETA), the Kurdistan Workers Party (PKK), and Sendero Luminoso have all been linked to the drugs trade [23]. Taking advantage of its geographic co-location with the Balkan Route, which is used to smuggle heroin from Asia to Europe, the PKK has garnered the majority of its profits from illicit drug operations. Its position within the drug trade also ‘links members of

the PKK to high-ranking members of the Turkish government, and major organised crime groups in Istanbul' [24]. Since the early 1990s additional groups, including Hizbullah, have also realised the financial gains of participating in the illicit drugs trade. It is alleged that Hizbullah protects heroin and cocaine laboratories in the Bekaa Valley [25].

Although terrorist groups have commonly been associated with trafficking in illicit narcotics, they have also engaged in a wide variety of other crimes such as fraud, counterfeiting and human smuggling. According to Rohan Gunaratna, Al Qaeda's financial network in Europe, dominated by Algerians, is largely reliant on credit-card fraud [26]. Gunaratna quotes that nearly US\$1 million a month has been raised from these alternative criminal avenues. Furthermore, European security agencies have admitted that prosecuting terrorists engaged in credit-card fraud has been a daunting task because 'al-Qaeda's cadres are continually learning new techniques to evade detection' [27]—illustrating the extent to which Al Qaeda has manipulated processes of globalisation and its networked organisation. Terrorist groups have similarly used the trade in counterfeit products as a source of profit. According to Ronald Noble, Secretary General of Interpol, paramilitary groups in Northern Ireland, and Albanian extremist groups are heavily engaged in moving counterfeit products, from cigarettes to computer software [28].

As the 1990s progressed and both criminal and terrorist groups incorporated economic and political capabilities into their remit, many groups lost sight of their original motivations and aims. Thus at the start of the twenty-first century a growing number of groups have simultaneously displayed characteristics of organised crime and terrorism. Furthermore, in assessing the development of these hybrid organisations, it is evident that the motivations, organisation, and operations of criminal and terrorist groups have also converged—thus making it analytically difficult to make a distinction between the two phenomena.

### **Convergence**

The final point occupying the crime–terror continuum is the 'convergence thesis', which refers explicitly to the idea that criminal and terrorist organisations could converge into a single entity that initially displays characteristics of both groups simultaneously; but has the potential to transform itself into an entity situated at the opposite end of the continuum from which it began. Transformation thus occurs to such a degree 'that the ultimate aims and motivations of the organisation have actually changed. In these cases, the groups no longer retain the defining points that had hitherto made them a political or criminal group' [29].

In its most basic form, the convergence thesis includes two independent, yet related, components. First, it incorporates criminal groups that display political motivations; and second, it refers to terrorist groups who are equally interested in criminal profits, but ultimately begin to use their political rhetoric as a façade solely for perpetrating criminal activities. The first category can be further subdivided into two parts. First, it includes



groups who have used terror tactics to gain political leverage beyond the disruption of judicial processes or attempts to block anti-crime legislation (which is a common tactic utilised by organised crime in order to secure their operations). Instead they are interested in attaining political control via direct involvement in the political processes and institutions of a state. Second, it includes criminal organisations that initially use terrorism to establish a monopoly over lucrative economic sectors of a state. In controlling economic sectors—including strategic natural resources—and financial institutions, these entities proceed to ultimately gain political control over the state itself. This is based on the premise that in a contemporary world dominated by the dynamics of the free market economy, economic strength is the obvious prerequisite for political power; and political power subsequently sustains both the life of the organisation and its activities—be they criminal and/or political. As Xavier Raufer notes, ‘Grabbing control of financial institutions can both bring home the cash and advance political ambitions. Many groups, of course, will retain narrow portfolios of objectives, targets, and methods; others are becoming conglomerates of causes’ [30].

Russian and Albanian criminal organisations provide such examples of ‘conglomerates of causes’ as both groups seek to produce an environment once only associated with terrorism: to ‘break or ruin the sense of social and political calm in a country’ [31]. In several regions of the Russian Federation—including the Maritime Province of the Russian Far East—and in Albania, organised criminals have found that ‘in order to mobilise sufficient power to resist the state, they must move their organisations beyond pure criminalism with its limited appeal to most citizens and add elements of political protest’ [32]. Commenting specifically on the rise of the Albanian Mafia, Ralf Mutschke of Interpol has called it a ‘hybrid’ group because its activities indicate that its ‘political and criminal activities are deeply intertwined’ [33]. Mutschke further notes that the Albanian mafia is intrinsically linked to ‘Panalbanian ideals, politics, military activities and terrorism,’ explaining why Albanian criminal organisations used their criminal profits to purchase arms and military equipment for the Kosovo Liberation Army from 1993 [34]. Contributing to the convergence between crime and politics in Albania is the fact that Albanian criminal and terrorist groups have an interchangeable membership and recruitment base—essentially posing as terrorists by day and criminals by night.

The second component of the convergence thesis addresses terrorist groups that become so engaged with their involvement in criminal activities (as discussed in the previous section) that they merely maintain their political rhetoric as a façade for perpetrating criminal activities on a wider scale. There is growing evidence indicating that despite increasingly focusing on criminal activities, terrorist groups ‘maintain a public façade, supported by rhetoric and statements, but underneath, they have transformed into a different type of group with a different end game’ [35]. No longer driven by a political agenda, but by the proceeds of crime, these formerly traditional terrorist groups continue to engage in the use of terror tactics for two primary reasons. First, to keep the government and law enforcement authorities focused on political issues and problems, as opposed to initiating criminal investigations. Second, terror



tactics continue to be used as a tool for these groups to assert themselves amongst rival criminal groups. Added to this, by continuing to portray their political component to the public domain, these terrorist groups are able to manipulate the terrorist support network that had previously been put in place. For example, they continue to focus on political grievances (combined with financial rewards) to attract recruits—giving justification to what would normally be regarded as purely criminal acts. Thus by simultaneously focusing on criminal and political goals, these groups are able to use two sets of networks which allow them to ‘shift focus from one application of terrorism to another, or to pursue multiple applications simultaneously’ [36].

Groups that are illustrative of a terrorist entity evolving into a group primarily engaged in criminal activities include Abu Sayyaf, the Islamic Movement of Uzbekistan [37], and the Revolutionary Armed Forces of Colombia (FARC). For example, since 2000, Abu Sayyaf has been primarily engaged in criminal activities such as kidnapping operations, and most recently, operating marijuana plantations in the Philippines. It has been estimated that in 2000 alone, kidnapping deals garnered Abu Sayyaf \$20 million [38]. In light of Abu Sayyaf’s operations, which are focused on criminal activities, there is little indication that the group remains driven by its original political aim, which was to establish an independent Islamic republic in territory currently comprising Mindanao, surrounding islands, and the Sulu Archipelago.

By the mid-1990s, following the death of Jacobo Arenas—the ideological leader of FARC—FARC, as subsequently happened with Abu Sayyaf—deepened its involvement in criminal activities. More specifically, several FARC units shifted their involvement in the regional drugs trade from that of protector of crops and laboratories, to ‘middlemen’ between farmers and illicit drug cartels. This shift directly resulted in the group acquiring more profits from the drugs trade, and subsequently more power within Colombia. Thus, by 2000, it was believed that FARC controlled 40 percent of Colombian territory, and received revenues of \$500 million annually from illicit narcotics [39]. Supplementing its bankroll from drugs, FARC also engages in other criminal activities, including kidnapping and extortion. Referring to both FARC and the ELN, Paul Wilkinson concludes that because of the level of their involvement in organised crime,

...it is clear that this has made them, both in reality and popular perception, little more than a branch of organised crime, decadent guerrillas rather than genuine revolutionaries, irredeemably corrupted by their intimate involvement with narco-traffickers and their cynical pursuits of huge profits from kidnapping and from their ‘protection’ of coca and opium production, processing and shipping facilities [40].

Thus, in the Colombian context groups such as FARC, once ‘impassioned and ideological’, have ‘lost their old revolutionary “purity” and turned their terrorism in a new direction—development as criminal cartels’ [41].

Although the entire crime–terror continuum poses a threat to international security, arguably the single greatest threat emanating from the convergence of

transnational organised crime and terrorism is that which is exhibited at the fulcrum point.

### **‘Black Hole’ Thesis**

This section of the crime–terror continuum specifically refers to the situations in which weak or failed states foster the convergence between transnational organised crime and terrorism, and ultimately create a safe haven for the continued operations of convergent groups. The ‘black hole’ syndrome encompasses two situations: first, where the primary motivations of groups engaged in a civil war evolves from a focus on political aims to a focus on criminal aims; second, it refers to the emergence of a ‘black hole’ state—a state successfully taken over by a hybrid group as outlined in the previous section. What these two scenarios have in common, and the reason why they perfectly illustrate the most extreme point along the continuum, is that they reveal the ultimate danger of the convergence between these two threats: the creation or promotion of a condition of civil (or regional) war to secure economic and political power. States that fall within this category, as a result of current or past experiences, include Afghanistan, Angola, Myanmar, North Korea, Sierra Leone, and Tajikistan. Furthermore, areas in Pakistan (the Northwest Frontier Province), Indonesia and Thailand—where government control is extremely weak—are also in danger of succumbing to the ‘black hole’ syndrome.

To begin with, evidence suggests that the dynamics of civil wars, just like the dynamics of traditional organised crime and terrorism, have changed. They have evolved from wars fought for ideological or religious motivations to wars hijacked by criminal interests and secured by terror tactics. As David Keen comments, ‘Increasingly, civil wars that appear to have begun with political aims have mutated into conflicts in which short-term economic benefits are paramount. While ideology and identity remain important in understanding conflict, they may not tell the whole story’ [42]. The end of the Cold War, coupled with the decline of superpower support (proxy wars) indirectly caused a decline in the strength of revolutionary political ideologies in groups such as the Khmer Rouge and UNITA. All of these groups thus ‘gravitated from a strong ideological agenda to one dominated by economic aims’ [43]. Comparable to terrorist groups who lost sight of their political ideology as a result of having to depend on criminal activity for their survival, these groups also appear to have betrayed their ideological ideals in the interest of holding on to power at whatever cost [44]. Two examples that illustrate this aspect of the ‘black hole’ syndrome are Afghanistan and North Korea.

Afghanistan could be considered a ‘black hole state’ since the 1989 withdrawal of Soviet troops, for several reasons. First, although factions fighting in the Afghan civil war (notably the Northern Alliance) officially articulated ideological goals, their involvement in criminal activities, and frequent changes in group allegiances and alliances, indicate that group survival was their paramount concern. In the absence of any central authority capable of establishing widespread stability and order, warlords

were able to divide the country into local fiefdoms to secure territorial control in order to sustain activities such as the production and trafficking of opiates and the smuggling of weapons and a variety of licit commodities (specifically pharmaceuticals) across the border with Pakistan. Second, as a result of incessant instability sustained by rival warlord factions, Afghanistan became an important safe haven, congregation, and training point for a number of terrorist groups, and transnational criminal organisations. The cauldron of terrorist and criminal interests converging and cooperating in Afghanistan therefore illustrates the dangers inherent in the ‘black hole’ syndrome. Not only was Afghanistan destroyed by incessant domestic instability, its very essence as a ‘black hole state’ meant that it directly threatened the security of the wider region. Furthermore, Afghanistan proved to be a direct security threat to the United States, Southeast Asia, and the rest of the world, primarily because it fostered the rise and global reach of Al Qaeda.

While it exhibits some characteristics of a weak state, the Democratic People’s Republic of Korea (DPRK) is most illustrative of a criminal state. Officials of the DPRK have allegedly been directly engaging in criminal activities since the 1970s. For example, in 1976 the Norwegian government expelled all the staff of the North Korean embassy, suggesting they were involved in the smuggling of narcotics and unlicensed goods [45]. The DPRK has intensified its criminal activities over the last decade—arguably because the leadership in North Korea has been replaced ‘by a younger group, less committed to the dogma of socialism and seemingly more eager to experience the good life’ [46]. An indication of this development is the government’s establishment of ‘Bureau 39’, an official government department tasked with generating hard currency by any means, including drug trafficking, counterfeiting, money laundering and piracy [47].

The second scenario, on the other hand, refers to the situation where politically motivated criminal organisations or commercial terrorist groups perpetuate their existence and activities by promoting domestic and/or regional instability. Although political goals may have played a role in the initial emergence of instability, after a time it became evident that economic motivations took precedence. Terror tactics are utilised to sustain criminal activities, and it may be concluded that many ongoing civil wars are merely draped in ideological rhetoric to gain legitimacy and to ensure a steady supply of new recruits. There is growing evidence that these non-state actors are producing alternative economic and political structures in the absence of a strong state. In fact, criminal and terrorist groups in weak states have already constituted *de facto* governments who imitate the characteristics of formal state activities, despite perpetuating their involvement in activities considered illegal by formal state structures.

It may be suggested that this aspect of the ‘black hole’ syndrome is the natural progression of political criminal organisations or commercial terrorist groups gaining economic and political control over a parcel of territory or an entire state. In an effort to secure an environment conducive to their criminality, these entities may seek to wreak havoc and instability in the areas of their main operations. A successful criminal organisation with political interests or a commercial terrorist group, however, will

effectively challenge the legitimacy of a state, and ultimately replace the state in many (if not all) of its functions. The basic characteristics of this predicament are evident in numerous examples, including ongoing instability in the Balkans [48], Caucasus [49], southern Thailand [50] and Sierra Leone.

Taking Sierra Leone as an illustrative example, the descent into state terrorism was not accompanied by an exclusive ‘logic of political violence,’ but it was intertwined with the ‘logics of banditry, hedonism and brutality’ and was intrinsically linked to the illicit trade in diamonds [51]. Crime was an integral component of the Revolutionary United Forces (RUF) that took precedence over any political aim. Any belief in the existence of a political component to the violence that penetrated Sierra Leone throughout the 1990s is amply eradicated once the following points are considered:

The ‘rebellion’ has had no known spokesmen or political program; it does not seem to have the goal of gaining political power. It has no reason to appeal politically to the population in the areas in which it is active; its ‘strategy’ is marauding terror of the subject population and denying control to the government so that the government cannot suppress its lawlessness. The fact that government forces have been known to act as atrociously as the rebels does not improve matters [52].

In both contexts of the ‘black hole’ syndrome, it may be concluded that war has provided ‘legitimation for various criminal forms of private aggrandisement while at the same time these are necessary sources of revenue in order to sustain the war. The warring parties need more or less permanent conflict both to reproduce their positions of power and for access to resources’ [53]. Thus, regardless of whether these civil wars began with an ideological agenda and transformed into a criminal struggle, or emerged because of the successful operations of politically motivated criminal organisations or commercial terrorist groups, they share several common characteristics.

To begin with, conflict that besets the ‘black hole’ syndrome has no clear military objective and lacks political purpose. Instead, military units constitute ‘little more than marauding bands acting quite independently of any order and showing no discipline whatsoever in the actions they were committing’ [54]. Furthermore, where political motivations do follow the criminal activities of belligerents in violent conflicts, it is evident that the perpetuation of conflict, as opposed to victory, becomes a priority in order to create ideal conditions for transnational criminal activities to flourish [55]. Groups that thrive within ‘black hole’ environments are all equally motivated by the ‘accumulation of wealth, control of territory and people, freedom of movement and action, and legitimacy. Together, these elements represent usable power—power to allocate values and resources in society’ [56].

### **Future Dynamics**

As outlined in this article, the relationship between transnational organised crime and terrorism encompasses several distinct facets—each of which may be placed along a continuum that traces the evolution of groups depending on the predominant

operational environment. During the Cold War, concerns about a crime–terror nexus were relatively insignificant, as nexus was almost entirely precluded to the relationship between insurgent groups in Latin America and regional drug cartels. However, the international environment that emerged at the end of the Cold War, and subsequently as a result of the fall of the Soviet Union, created conditions that supported the development of criminal and terrorist organisations into increasingly sophisticated and international entities. The result being the emergence of transnational organised crime, and international networked terrorist groups as exemplified by Al Qaeda. Each of these groups created a state of heightened insecurity within the world as governments accustomed to military threats posed by state-actors were forced to react to the economic and societal destruction increasingly perpetrated by non-state actors.

Growing reliance on cross-border criminal activities—facilitated by open borders, weak states, immigration flows, financial technology, and a highly intricate and accessible global transportation infrastructure—and an associated interest in establishing political control in order to consolidate and secure future operations, have all contributed to the rise of the crime–terror nexus. As a result, non-state actors, in the guise of transnational organised crime and terrorism, are directly challenging the security of the state—arguably for the first time in history. The realisation that economic and political power enhance one another, suggests that more and more groups will become hybrid organisations by nature [57]. This is enhanced by the fact that criminal and terrorist groups appear to be learning from one another, and adapting to each other’s successes and failures. Furthermore, given the unrelenting existence of territory that is not adequately under state control—such as the Northwest Frontier Province of Pakistan, areas within Tajikistan, and the Triborder Region—environments that provoke and promote strengthened ties between organised crime and terrorism endure.

Considering the various components of the crime–terror continuum, one consistent and relatively easily identifiable factor is criminality. Regardless of where a group sits along the continuum (apart for each extreme end), every point necessitates some degree of involvement with criminal activities. As a result, the continuum inherently implies that focusing on criminal activity, as opposed to political aims and motivations, in formulating policy responses to—especially to terrorism—has been under-utilised. Thus, for example, although it is important to understand the political motivations of terrorist groups, on a practical level counter-terrorist policy and initiatives would likely meet with greater initial success in locating group weaknesses and vulnerabilities if they focused on criminal aspects. Furthermore, limiting access to lucrative profits from illicit activities simultaneously eliminates the operational capacity, and subsequent political influence, of both criminal and terrorist groups. Thus, it is essential that greater attention and resources are given to cutting off funds acquired through crime (in particular credit-card and insurance fraud, money laundering, smuggling), or on criminal services that terrorist groups depend on (such as document and identity fraud).

Understanding the crime–terror continuum expands the security tools that a state can employ in order to respond to the ever-evolving threats of transnational organised crime and terrorism. Acknowledging, and continuously tracing, the crime–terror continuum as it pertains to the evolving dynamics of transnational organised crime and terrorism will therefore have an explicit impact on the formation of counter-terrorist and anti-crime policies. The crime–terror continuum thus seeks to highlight the importance of overlapping counter-terrorist and anti-crime policies as a way of formulating an effective state response to both evolving, and periodically converging, threats.

## Notes

- [1] An informal transnational financial exchange system relying on informal contacts.
- [2] A few surveys of terrorist financing have been published, including Ehrenfeld, *Funding Evil: how terrorism is financed and how to stop it* and Napoleoni, L., *Modern Jihad: Tracing the Dollars Behind the Terror Networks*.
- [3] For example, both transnational organised crime and terrorism are often cell- and network-based, require safe havens and the support of diaspora communities, conduct intelligence and counter-intelligence operations, depend on similar deployment techniques (such as the use of counterfeit documentation), and conduct cross-border operations.
- [4] This section is, in part, based on a similar section—albeit with different examples—published in Makarenko, ‘The Ties That Bind: Uncovering the Relationship Between Organised Crime and Terrorism’.
- [5] The view that a nexus exists between organised crime and terrorism has received some negative attention, primarily because of the persistent perception that organised crime and terrorist groups have no interest in cooperating because they are intrinsically different. For example, Phil Williams has argued that although terrorists use crime to finance themselves, and may work with organised crime, there is ‘no nexus’. Williams, ‘The Changed Landscape: from Slime Molds to Terrorism’.
- [6] Shelley, ‘Identifying, Counting and Categorizing Transnational Organised Crime’.
- [7] Clawson & Lee, *The Andean Cocaine Industry* p. 53.
- [8] ‘Colombian Rebel Connections to Mexican Drug Cartel,’ Statement by Richard Boucher, Spokesman for the US Department of State, (29 November 2000), <http://www.fas.org/irp/news/2000/11/irp-001129-col.htm> (Downloaded 3 November 2002); Gutierrez Esparza, ‘La Mafia Rusa en Mexico’; and *Organized Crime and Terrorist Activity in Mexico, 1999–2002*, a report prepared under an Interagency Agreement by the Federal Research Division, Library of Congress.
- [9] *The Washington Times* 20 August 2001; ‘Peru: a spy story replete with arms, drugs-dealers and bears,’ *CNN* 8 September 2000; and, ‘Farclandia,’ a discussion of narco-states cited in the transnational crime section of the Centre for the Study of International Security website (Washington, DC): <http://www.csis.org>
- [10] This conclusion is based on confidential discussions conducted with analysts in European Customs & Excise departments, and with various European intelligence agents.
- [11] *The New York Times*, 10 December 2001.
- [12] Davis, ‘The Complexities of Unrest in Southern Thailand’.
- [13] *The Washington Times*, 4 June 1999.
- [14] Dishman, ‘Terrorism, Crime and Transformation’.

- [15] Williams, 'Criminal Cooperation: trends and patterns'.
- [16] For example, the rise of the Sicilian Mafia in the early twentieth century was completely intertwined with a political agenda that included attaining territorial control over much of the region of Sicily, and subsequently Neopolitana by the Camorra.
- [17] Dishman, 'Terrorism, Crime and Transformation', 45.
- [18] For an excellent account of Italy's fight against organised crime, see Jamieson, *The Antimafia*.
- [19] Jamieson, 'Transnational Organised Crime: A European Perspective'.
- [20] Gorka, 'The New Threat of Organised Crime and Terrorism'.
- [21] Day, 'Crime Groups Turn to Terrorism in Rio de Janeiro'.
- [22] Dishman, 'Terrorism, Crime and Transformation', 47.
- [23] For a good overview of the pre-1991 involvement of terrorist groups in the drug trade see Steinitz, 'Insurgents, Terrorists and the Drug Trade'.
- [24] Roule, 'The Terrorist Financial Network of the PKK'.
- [25] *The Jerusalem Post*, 17 June 1997; and US State Department, *International Narcotics Control Strategy Report*, 1996.
- [26] Gunaratna, *Inside al-Qaeda: Global Networks of Terror*. This is also discussed by Radu, 'Terrorism After the Cold War: Trends and Challenges'.
- [27] Gunaratna (2002), 65.
- [28] *The New York Times*, 16 July 2003.
- [29] Dishman (2001), 48.
- [30] Raufer, 'New World Disorder, New Terrorisms: New Threats for Europe and the Western World', 35. Raufer first introduced his thoughts about grey area threats in: 'Grey Areas: a New Security Threat'.
- [31] Harmon, *Terrorism Today*, 54.
- [32] Metz, *The Future of Insurgency*.
- [33] Mutschke, Ralf, Assistant Director, Criminal Intelligence Directorate, International Criminal Police Organisation, 'The Threat Posed by Organised Crime, International Drug Trafficking and Terrorism'.
- [34] Ibid.
- [35] Dishman (1999), 48.
- [36] Lesser et al. (eds) *Countering the New Terrorism*, 98.
- [37] For a detailed account of the IMU as a terrorist group that exemplifies the convergence between organised crime and terrorism, see: Makarenko, 'Drugs in Central Asia: Security Implications and Political Manipulations', and 'Crime, Terror and the Central Asian Drugs Trade'.
- [38] Joyce, 'Terrorist Financing in Southeast Asia'.
- [39] McDermott, 'Financing Insurgents in Colombia'.
- [40] Wilkinson, *Terrorism Versus Democracy: The Liberal State Response*, 15.
- [41] Harmon (2000), xvii.
- [42] Keen, *The Economic Functions of Violence in Civil Wars*, 11.
- [43] Keen (1998), 34.
- [44] It is accepted that the betrayal of revolutionary ideals is not a new phenomenon in and of itself. The leaders of many revolutionary movements throughout history (French, Russian) had betrayed their ideals in order to hold on to the power they had acquired. What is being argued here, however, is that an apparently new dynamic has been added to the equation—one that sees ideological groups not only engage in state terrorism to hold on to power, but use the state monopoly over the legitimate use of violence in order to privately profit from illicit activities, such as drug trafficking and arms smuggling.
- [45] Galeotti, 'Criminalisation of the DPRK', 10.
- [46] Ibid.
- [47] *The Washington Post*, reprinted in *Guardian Weekly*, 4 April 1999.



- [48] Kaldor, *New and Old Wars* provides a detailed accounts of the criminal–political nexus in Sarajevo.
- [49] On the political nature of organised crime in Chechnya, or conversely the criminal nature of Chechen politics, see: Lieven, *Chechnya: Tombstone of Russian Power* and Kulikov, ‘Trouble in North Caucasus’.
- [50] For an excellent analysis of the convergence of terrorism and organised crime in southern Thailand, see Davis, ‘The Complexities of Unrest in Southern Thailand’, 16–19.
- [51] Bangura, ‘Understanding the Political and Cultural Dynamics of the Sierra Leone War’, 130–3.
- [52] Snow, *Uncivil Wars*, 78.
- [53] Kaldor (1999), 110.
- [54] Snow (1999), 109–11.
- [55] Berdal & Serrano (eds), *Transnational Organized Crime and International Security*, 199.
- [56] Manwaring (ed), *Grey Area Phenomena*, 7–8.
- [57] For an overview of over 70 terrorist groups plotted on the crime–terror continuum, see: Makarenko, ‘A Model of Terrorist–Criminal Relations’.

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