



LONDON POLITICA

# Mapping Transnational Organised Crime

A Critical Approach to Organised Crime Risk

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## Executive Summary

*Shyla Robinson*

Notoriously difficult to define, organised crime can be an unwieldy social phenomenon to examine due to its varied and clandestine nature. Conscious of these challenges, this report takes an all-encompassing approach and understands organised crime as a set of profit-seeking illegal activities carried out by a network of individuals who often partake in violence, corruption, or similar predatory practices.

Such a flexible definition has enabled us to cover a range of organised crime phenomena and examine the evolution of both well-established case studies like the transnational drug trade stemming from Afghanistan and more niche, emerging issues like the Italian Mafia's foray into the realm of renewable energy. Notably, this approach affords adaptability as depending on what level of analysis is appropriate to understand underlying incentives in a case, analysts either examined it with a specific criminal group as the point of interest or analysed the market forces shaping the illicit trade as a whole. Beginning with the latter, this report explores some of the most pervasive criminal markets including those of illicit drugs, arms, charcoal, timber, and most devastatingly, humans. Other case studies take a closer look at the actors involved, and once again, we see a varied set of articles ranging from analysis on the Black Axe in Nigeria to the role various actors in Pakistan play in terrorist-financing.

In a world of great power politics and existential threats, risks stemming from the criminal underworld often go under appreciated save for the occasional politician weaponizing an illicit trade for the sake of political clout. Unfortunately, this oversight often extends into political risk circles, and thus, the aim of this report is to familiarise readers with the ways organised crime activities can impact factors that are routinely included in risk assessments like human rights considerations, sustainability, corruption, and conflict. Indeed, there are several ways transnational crimes could directly impact clients, for example, extortion and supply chain mishaps come first to mind, but reputational risks and physical harm can also be triggered by extensive illicit trade in a region. Going the extra mile with due diligence to understand how organised crime operates in a region and in turn how it can affect clients' operations and ESG considerations is critical to ensure sustenance and security.

Given this context, it is worth highlighting two of the most pertinent findings from this report. First, one key risk stands out time and again across all kinds of illicit markets: the infringement of human rights. Be it explicitly through human trafficking or the human cost of drug wars and environmental crimes, the risk is far-reaching and undeniable must be prioritised when assessing and addressing organised crime. A second key trend that emerges is the flagrant complicity from local governments which serves as a fundamental reminder that it takes a system of impunity to enable large-scale criminal activities, and thus the underworld is inextricable from the daily lives of billions.



# Drug Trafficking in the Pacific: The Drug Highway You Did Not Expect to Exist

*Manon Leprince*

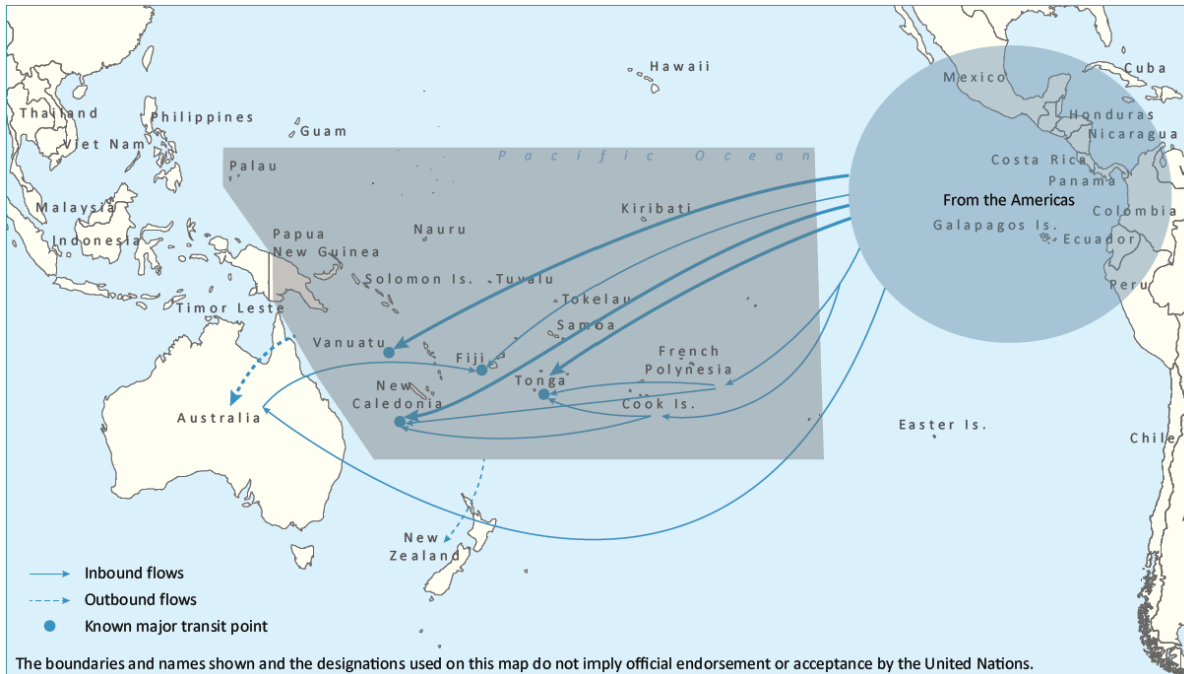
Like many other regions of the world, the Pacific Islands region (hereinafter “the Pacific”) is impacted by transnational crime, including drug trafficking, money laundering, and human trafficking. Although the Pacific’s [overall criminality score is 3.07](#), well below the [global average of 4.88](#), transnational crime has been recognised by Pacific Island leaders, through the 2018 [Boe Declaration on Regional Security](#), as one of the main security challenges in Oceania. Drug production and trafficking, in particular, represent a major security issue in the region. A [UNODC report](#) assessing transnational organised crime in the Pacific found that drug cartels are increasingly targeting Pacific Island Countries and Territories (hereinafter “PICTs”) as transit points for a variety of drugs, including synthetic drugs.

## The new drug highway

Scattered across the Pacific Ocean, PICTs are located along a maritime corridor utilised for trade between the major economic markets in Asia and the Americas. As trade and travel patterns increase the Pacific’s connection with neighbouring regions that are major sources and markets for illicit drugs, PICTs constitute a major hub for drug trans-shipment. They are valuable transit locations and production sites to American and Asian drug cartels targeting the lucrative drug markets of Australia and New Zealand, where drug users have one of the [highest rates per capita rates of cocaine use](#) in the world and are willing to pay up to AU\$300 per gram of cocaine.



Figure 1: Cocaine trafficking routes transiting in or destined to the PICTs as perceived by the Pacific Island Forum Secretariat (PIFS) Member States, 2012 – 2014\*

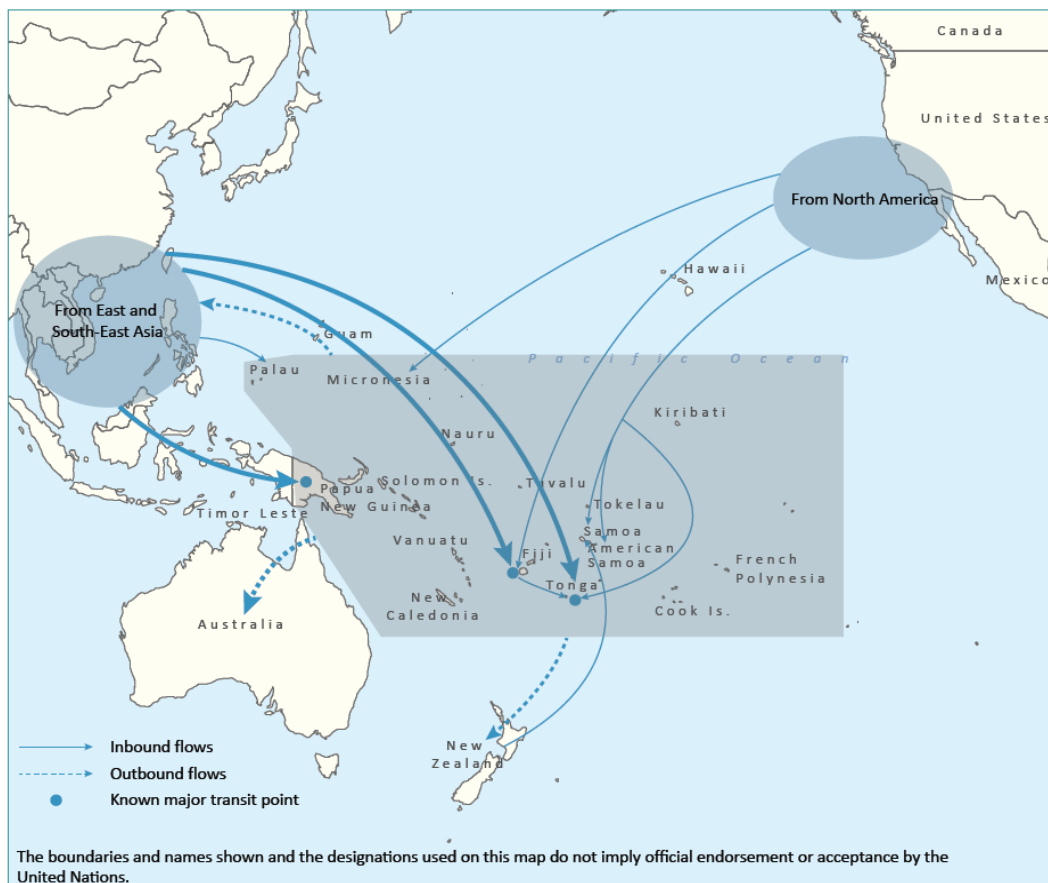


\*Not actual trafficking routes. Perceived origin may not be the region of manufacture.  
Source: UNODC, 2016. Transnational Organised Crime in the Pacific: A Threat Assessment.

The region's extensive and porous maritime jurisdictional boundaries, geographical spread, differences in governance structures, and limited law enforcement capacity resources contribute to Oceania's attractiveness as a transit route for drug trafficking. Local criminal networks collaborating with transnational crime syndicates [facilitate](#) the flow of drugs across the Pacific, while the [deportation of experienced methamphetamine chemists](#) to the PICTs enables methamphetamine production on the islands. Consequently, increased connectivity and the effects of criminal deportees being returned to PICTs have exacerbated Pacific vulnerabilities and led to island nations such as Tonga, Samoa, and Fiji becoming [production sites as well as consumer markets](#).



Figure 2: Methamphetamine trafficking routes transiting in or destined to the PICTs as perceived by the PIFS Member States, 2012 – 2015\*



\*Not actual trafficking routes. Perceived origin may not be the region of manufacture.  
Source: UNODC, 2016. Transnational Organised Crime in the Pacific: A Threat Assessment.

## The role of external crime syndicates

Foreign organised crime groups play a key role in establishing, supplying, and sustaining the drug market in the Pacific and the rise of local drug production and consumption.

Australian and New Zealand organised crime networks [have expanded their operations](#) overseas and in the Pacific. In particular, there has been an increase in the number of outlaw motorcycle gang members, also known as bikies, travelling to the Pacific since 2016. These biker gangs [constitute a bridge](#) between crime syndicates and the Australian and New Zealand drug market, with Pacific nations caught in the middle. In 2014, the Fiji Rebels, the largest Pacific-based biker gang, was suspected by the Australian Crime Commission of [opening a chapter in Fiji](#) to smuggle drug shipments from South America to Australia and other countries in the region. The New Zealand-based Head Hunters gang is particularly



active in the Cook Islands, as a prominent gang member residing in the archipelago maintains close ties both within the gang and in the local community.

Asian syndicates, Mexican, and South American cartels are also significant actors in the Pacific drug trade. Chinese criminal syndicates and triads with links to Chinese commercial interests in the Pacific are prevalent. Accordingly, the US Treasury Department [reported](#) in December 2020 that the 14K Triad, one of the world's largest Chinese criminal organisations, is active in the Pacific. It is primarily involved in drug trafficking, running illegal casinos, racketeering, human trafficking, and corruption in Southeast Asia, but it also engages in such activities in Palau. In the North Pacific, Chinese casinos and companies have been set up by transnational syndicates to launder money and facilitate the flow of drugs. These Asian crime syndicates are now competing with South American and Mexican cartels, although it has been reported that in some cases they collaborate with them. Mexican cartels such as the Sinaloa cartel have been [active in Australia](#) over the last few years, transporting cocaine and methamphetamine across the Pacific.

It is worth stressing that the criminal deportee policies of [Australia](#), [New Zealand](#), and the [United States](#) are major contributors to the growth in transnational crime in the Pacific. The majority of deportees from these countries are male, aged 25-35, who have spent more than 12 years outside their country of citizenship. The arrival of young deportees in PICTs exacerbates the development of local crime syndicates, as local support for their integration into island communities is minimal. Consequently, many of them turn or return to crime and drug trafficking. This is particularly evident in cases where deportees are not accepted or integrated into local communities and are forced to create their own support mechanisms and power structures. A number of them bring their links to the gangs and diaspora from their host countries into the Pacific and often end up [‘professionalising’ local gangs](#).

## **Drug smuggling**

The most popular way of smuggling drugs into the Pacific is [by boat](#). Indeed, with strict security measures for air travel, increased customs controls in several Pacific countries, and few direct flights between Latin America and Australia and New Zealand, the use of boats to transport drugs is becoming increasingly common. More and more sailing boats are being [intercepted](#) by police forces, often carrying more than a tonne of cocaine. Islands' waters and beaches are also being used as [storage grounds](#) for billions of dollars worth of illicit drugs, including Vanuatu, Papua New Guinea, Tonga, and New Caledonia. As a consequence, locals [have discovered](#) huge caches of drugs stored in underwater nets attached to GPS beacons and hundreds of kilograms of cocaine [have washed up](#) on remote Pacific beaches. According to 2019 data, [more than 13.2 tonnes of cocaine](#) have been seized since February 2016, while transiting or having transited the Pacific on sailing vessels.



## Implications for human security

Drug trafficking is having spillover effects on society, including violence, increasing drug use and addiction among the population, especially the youth. Furthermore, PICTs' lack of resources and capacities to mitigate the impact of drug trafficking and production on national security and society facilitates rising addiction.

### *Violence*

Local crime syndicates involved in the smuggling and production of illegal substances and working in collaboration with external actors engage in violence and intimidation. They have created local drug markets and control prostitution and human trafficking.

In May 2019, a fisherman living on the island of Budi Budi in Papua New Guinea [discovered](#) AU\$50 million worth of cocaine in 11 duffel bags buried in the sand. Following his discovery, a gang of seven men came to his island and threatened the locals to retrieve the bags. In Tonga, Ned Cook, a social worker and anti-drug crusader leading the Salvation Army's Alcohol Drug and Awareness Centre in the capital, Nuku'alofa, was [murdered](#) in 2020. Drug use and traffic are also leading to an increase in [drug-related domestic violence](#). In cases where the perpetrator is a drug user or trafficker, survivors and their families were often intimidated into silence by the perpetrators but also their affiliates.

### *Health*

Addiction is rising among Pacific islanders, with a growing number of young people taking drugs. While drug traffickers [encourage](#) young people to use hard drugs such as methamphetamine to secure a lasting clientele, others take advantage of the vulnerability of children as young as 11 to [recruit](#) and train them in drug trafficking. Additionally, an [increasing number](#) of girls and young women prostituting or exchanging sexual favours for drugs has been noted by health officials.

The washing up of bricks of cocaine on Pacific islands represents another health hazard to local communities. Unaware of what these bricks were made of, locals from the Federated States of Micronesia used the cocaine they discovered in a lagoon as [washing powder](#), until they realised it did not lather. Police officers in the Pacific are [concerned](#) that people are potentially using drugs, without knowing what it is. In French Polynesia, in 2017, a burning boat full of cocaine [wrecked](#) on the Faaitee atoll. Local authorities realised a few weeks later that some young people on the island had obtained cocaine from the boat and were using it.

Although there is little to no data to measure drug use or addiction in the Pacific, psychiatric hospitals have witnessed an increase in the number of patients entering their wards with substance use disorders. While [30 to 40%](#) of mental health hospital admissions are related to





substance abuse in Tonga, an estimated [80%](#) of admissions to St. Giles Psychiatric Hospital in Fiji are linked to the use of methamphetamine.

Many Pacific nations' health systems [lack the necessary resources](#) to provide appropriate and qualified treatment to combat addiction and the health complications caused by methamphetamine use. Drug awareness, recovery, and rehabilitation programmes are either non-existent or ill-equipped to respond to the rapid increase in drug addiction.

## **The difficulty of fighting drug trafficking in the PICTs**

As drug trafficking is regarded as a prevalent security issue in the Pacific due to its spillover effects on local markets, and its social and health consequences on the populations, health services and law enforcement agencies should be given the necessary means to fight this problem. Yet, there are very few drug monitoring systems in the region and data from one country to another vary in terms of collection frequency, availability, quantity, quality, and representativeness. It must be noted that there is [low adherence to all three United Nations Drug Control Conventions](#) in the Pacific. Only Fiji, Tonga, the Marshall Islands, and the Federated States of Micronesia are party to the *1961 Single Convention on Narcotic Drugs*, the *1971 Convention on Psychotropic Substances*, and the *1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances*. This situation is thus leading to outdated drug-related legislation and to Pacific nations being ill-equipped to address drug issues. Additionally, no formal drug surveillance systems are operating throughout the Pacific. A general lack of funding, resources, and staff trained in drug-related issues also limit the collection and monitoring of data. This is further hindered by a lack of resources such as drug testing equipment and forensic facilities. Furthermore, the lack of resources significantly hampers the ability of local, regional, and international health and law enforcement agencies to respond to the associated problems in an effective and appropriate manner. Put differently, the trafficking and production of drugs in the PICTs can be difficult to detect and monitor, and available data must be interpreted with caution.



# Opiates & Impunity: Drug Trafficking in Afghanistan

*Ellie Price*

The heroin and synthetic drug trades are the [most pervasive](#) in Afghanistan. The new Taliban regime imposed a [strict ban](#) on narcotics in April 2022 which prohibited the cultivation of opium poppy as well as the use and trade of all types of drugs. This measure, however, has only been partially enforced.

## Supply

Under the former republic, the drug trade [contributed](#) \$2.7 billion to the Afghan economy, representing more than 10% of its national income in 2021. The country accounted for roughly [85% of global illicit opium production](#) in 2020. Both the heroin and synthetic drug trade generate revenue for various criminal groups. However, the most prominent insurgent and terrorist groups, such as the [Taliban and ISIL-Khorasan](#) have much stronger links to opium production than to the relatively newer synthetic drug trade. Indeed, new evidence suggests Afghanistan is becoming a [major methamphetamine production hub](#) which could grow to rival its currently predominant heroin market largely. This shift can be attributed to the discovery of the wild ephedra plant from which ephedrine, a key ingredient for methamphetamine, can be derived.

## Where?

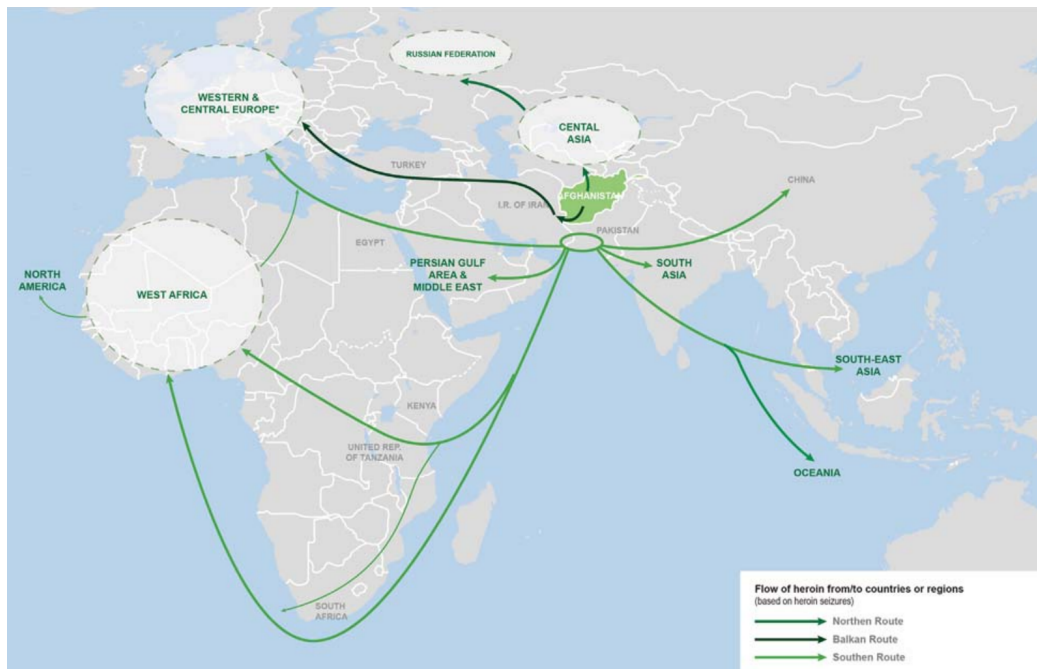
Both heroin and synthetic drugs are [supplied globally](#); heroin is exported to every region except Latin America. Many of the most important transnational crime groups involved in drug trafficking appear to exist in Pakistan which also contains most of the routes for the westward movement of illicit drugs. For instance, there is a [southern route](#) which passes through Pakistan and Iran to Asian, African and western and central European markets. Another Balkan route takes opiates through Iran and Turkey to Europe. Drugs are also trafficked to global markets [by sea](#) off the southern Makran coast and Karachi port.

Poppy cultivation is especially [prominent](#) in southern Afghanistan in regions such as Helmand, whereas methamphetamine production is [concentrated](#) in the western province of Herat. Despite the narcotics ban, however, the drug trade has continued with the help of the Taliban regime itself. Having stored enough opium before imposing the ban to benefit from sales for 10 years, the Taliban continue to have a [large stake](#) in the drug trade and appear to have encouraged the local illicit drug trade to continue in hiding. For instance, a letter by the



Taliban was found to have [advised drug traffickers](#) not to use *main* roads as they would not be able to protect them.

Figure 1: Indicative Afghan Heroin Trafficking Routes



Source: UNODC, 2015. Afghan Opiate Trafficking through the Southern Route

## Why is it pervasive?

Opium is ‘vital’ to the Afghan economy. A resilient crop needing little water, the illegal opiate economy’s gross output made up [9-14% of the country’s GDP](#), employing over half a million people in 2020. The imposition of global sanctions in response to the Taliban takeover in 2021 has therefore incentivised the regime to keep the illicit drug trade going for a much-needed source of income. As one of the most corrupt countries in the world, [ranking](#) 174 out of 180 on the Corruption Perceptions Index, the relative ease for regime commanders in Afghanistan to profit from the illicit drug trade also reduces the political will to enforce countermeasures.

Indeed, even if the regime wanted to thoroughly enforce the ban, [sanctions have made it difficult](#) for the regime to do, as they lack the resources and manpower to fight the drug trade as well as invest in, for instance, fertilisers and irrigation projects required for farmers to transition from growing the opium poppy to other crops such as wheat. Moreover, politically, it is especially difficult for the regime to take away people’s livelihoods when the economy is in a particularly dire situation with [59% of the population needing humanitarian assistance](#). In addition, given that the ban would primarily affect the southwestern provinces of Helmand and Kandahar - both strongholds of poppy cultivation and Taliban support - it makes it unlikely that the regime would properly enforce the narcotics ban.



The political instability of neighbouring countries is also important. In neighbouring Pakistan, the rule of law in many parts of Balochistan province, through which much of Afghanistan's drugs pass through, is '[virtually non-existent](#).' Criminal groups as well as public representatives are able to engage and profit from the drug trade which helps fuel demand for drug production in Afghanistan and makes it difficult to put an end to transnational drug trafficking.

## **Risks**

### *Corruption*

With the heroin market in particular providing a source of revenue to various criminal and insurgent groups, the drug trade is a '[significant driver](#)' of conflict and presents a potential threat to peace negotiations. Since the drug trade is also to a large extent helped by corrupt government officials in Afghanistan, the drug trade thus funds a regime which carries out [human rights violations](#) – from restricting women's rights and press freedoms to forcing the disappearance of activists and carrying out extrajudicial killings of those accused of affiliation with armed groups.

### *Terrorism and conflict*

The Taliban is still considered the [second deadliest](#) terrorist group in the world and '[remains close](#)' with Al-Qaeda. There is thus the risk that Afghanistan will become a safe haven for terrorists, in particular, to launch attacks against the United States and its allies. However, the level of risk at present is [contested](#), with a leaked US assessment concluding that Al-Qaeda had not reconstituted its presence in Afghanistan. Additionally, militants in Pakistan's Balochistan depend on weapons being supplied by organised criminal groups that also traffic narcotics. The drug trade thus risks increasing political instability as well as armed conflict in a region.

### *Physical harm*

There appear to be [rising levels](#) of methamphetamine users in Afghanistan as well as Pakistan. In Afghanistan, Tramadol, an opioid pain medication that can cause severe seizures, has been found in the popular methamphetamine '[Tablet K](#)' and instances of seizures caused by fentanyl, a synthetic opioid, also increased in Pakistan last year. There is a risk of a similar spill-over effect in India which has many opioid users and a poorly regulated industry to supply users with other alternatives. The Taliban's approach is also very [unsympathetic](#) towards drug users, with reports of users being beaten and/or doused in water. Thus the growth of the synthetic drug trade will likely increase the number of substance users and harm as a result of overdose, laced chemicals, and/or regime violence.



# Myanmar's Militias and the Southeast Asian Drug Trade

*Ellie Price*

Myanmar is the second-largest producer of [opium](#) after Afghanistan and one of the world's largest producers of [synthetic drugs](#), especially methamphetamine. Its drug trade makes up to [\\$60 billion](#) per year. The contested upland areas of eastern Myanmar, especially Shan State, have long been a centre for illegal drug production.

## Supply

Both sophisticated transnational criminal groups and individual citizens who do not belong to any kind of crime group and work with family members/trusted contacts are involved in the drug trade. Insurgent groups and non-state armies, of which Myanmar has many, have [reportedly](#) been involved in the heroin trade in Shan State for the past six decades and in methamphetamine manufacture and trafficking for two decades. For instance, the largest rebel army, the [United Wa State Army](#), which operates on Shan's border with China, has been found to be a major drug producer and trafficker. Micro-militias linked to the Myanmar military have also been [linked](#) to methamphetamine production.

Drugs are [exported globally](#), to neighbouring countries like Thailand and then trafficked to Australia, Japan, New Zealand and Korea. Many [precursor chemicals](#) for methamphetamine are also imported from elsewhere, primarily from China and Thailand. However, it seems that such imports are becoming less necessary as drug syndicates in the Golden Triangle region - where the Myanmar, Lao and Thai borders converge - learn how to produce their own precursor chemicals.

## Where?

There are '[very clear](#)', trafficking patterns from Shan state and near (such as bordering Bokeo province) to Thailand and Laos. An [estimated](#) 80% of trafficked drugs go through Thailand and 20% through Lao and Cambodia. Indeed, The Three Pagodas Pass at the Thailand-Myanmar border has been a [particularly active](#) crossing point for drug trafficking, although increased production, greater demand after the pandemic and tighter security along the Myanmar border with Thailand and China has increased trafficking routes through Laos. Drugs are also trafficked along the Mekong River to countries including China. Although to a lesser extent, drugs are also trafficked through the south of Myanmar to southern Thailand, Malaysia, and Indonesia, with some evidence of commercial air flights being used to smuggle abroad, such as the Philippines.



That most drug seizures result from intelligence provided by informants rather than border points suggests that transnational trafficking is carefully planned. However, border patrol is [inadequate](#) on many points on the border where locals can cross the border to engage in local trade without any documents.

Figure 1: Indicative Trafficking Routes Originating from Myanmar



Source: The Economist, 2018. Methamphetamines from Myanmar are causing problems across Asia

## Why is it pervasive?

### *Corruption*

Many military leaders and high-level government officials are [heavily involved](#) in transnational organised crime, especially drug trafficking, such as poppy cultivation in Shan state. Some former and current leaders have indeed been involved in the [illicit jade trade and timber trafficking](#). Government troops also have immunity to judicial punishment which allows for corruption to occur at high levels of politics. This undermines domestic and international law enforcement efforts by organisations like the anti-corruption commission and ASEAN (Association of Southeast Asian Nations).

### *Political instability*

Jeremy Douglas, the UNODC's (United Nations Office on Drugs and Crime) regional representative in South East Asia, pointed out that drugs and conflict remain '[inseparable](#)' in Myanmar. For decades, [the military](#) has made ceasefire deals with armed groups and established pro-government militias across the country, who acting semi-autonomously enjoy



considerable leeway for criminal activities. For instance, law enforcement is [restricted](#) in Shan State, which lies under the de facto control of the United Wa State Army and other pro-government militias, which are effective subcontractors of the Myanmar military.

#### *Lack of economic development*

Many people involved in the drug trade are poorly educated with few other employment options that would generate as much income as drug trafficking. Poverty and economic instability, which have been fueled by the February 2021 military coup, have forced people to engage in poppy cultivation as a '[survival strategy](#).' Moreover, with the majority of the currency held outside the formal banking system, law enforcement is heavily under-resourced, exacerbated by the recent collapse of the formal economy. There is therefore an insufficient number of police officers and security checkpoints, a [lack of equipment](#) to detect drugs and precursor chemicals as well as a [lack of knowledge](#) to prevent money laundering, which are all crucial to cracking down on the drug trade.

## **Risks**

#### *Corruption and financial harm*

Myanmar [ranks](#) 140 out of 180 on the Corruption Perceptions Index. Not only does such a high level of corruption allow for the drug trade to prosper, but it also discourages foreign investment and economic development. Indeed, the drug trade dwarfs the formal sector of Shan State and its political economy. The drug industry thus encourages further corruption and perpetuates political and economic instability.

#### *Human rights violations*

Drug users and small-scale sellers are [prosecuted disproportionately](#). Even if they are uncharged, they can be held without legal counsel for 5 years if they are determined to be a threat to state security. Many human rights violations are also carried out by government troops who benefit from the drug trade which demonstrates how the drug industry helps perpetuate such abuses.

#### *Physical harm*

In addition to the risk of serious illness and death from the use of heroin and synthetic drugs, there is a new risk from precursor chemicals recently manufactured in Myanmar. They are much [less tightly regulated](#) than those brought in from China, which suggests that the number of substance users as well as deaths may increase from the use of unsafe chemicals.

It is important to point out that positive steps are being taken to combat drug trafficking in Myanmar. Specific units have been set up to [tackle transnational crime](#) with greater bilateral and multilateral cooperation with organisations such as the EU and ASEAN than ever before. On the domestic front, police have been increasingly distributed more evenly to conflict



areas. However, with a severely corrupt government and politically fractured nation, it seems unlikely that efforts to crack down on the drug trade will be very effective any time soon.





# Human Trafficking and Forced Labour in China: Complicity or Neglect?

*Ashley Bloedorn*

In China, human trafficking, which frequently takes the form of forced labour, is a significant and prevalent violation of human rights. Human trafficking is defined by the [UN Trafficking Protocol](#) as using the threat or use of force, coercion, abduction, fraud, deception, abuse of power or vulnerability in order to exploit others. Forced labour refers to work which is exacted from a person but that person has not given himself freely; it has been used synonymously with the term ‘modern slavery.’ This article will examine the scope of the trade routes, the methods used to traffick people, the sectors that are at risk of trafficking, and the issues with establishing countermeasures.

Although different forms of slavery still exist in nearly every nation, China has the [second-highest](#) prevalence of contemporary slavery, with a total estimated number of slaves reaching 3.8 million with about [2.9 million individuals](#) working in forced labour. It should be noted that only women and children are officially recognised as trafficking victims under Chinese law, therefore, these figures are probably greater than they appear to be. Alongside this, after nine years of failing to implement policies to combat human trafficking and contemporary slavery while having the capacity to do so, China has been allotted a [tier 3 status](#) by the US Government’s Office to Monitor and Combat Trafficking in Persons. The Chinese government's own corruption is one of the primary causes of this as, recently, law enforcement to combat trafficking and forced labour has been scaled back in certain high-risk areas - an issue that will be discussed further in this article

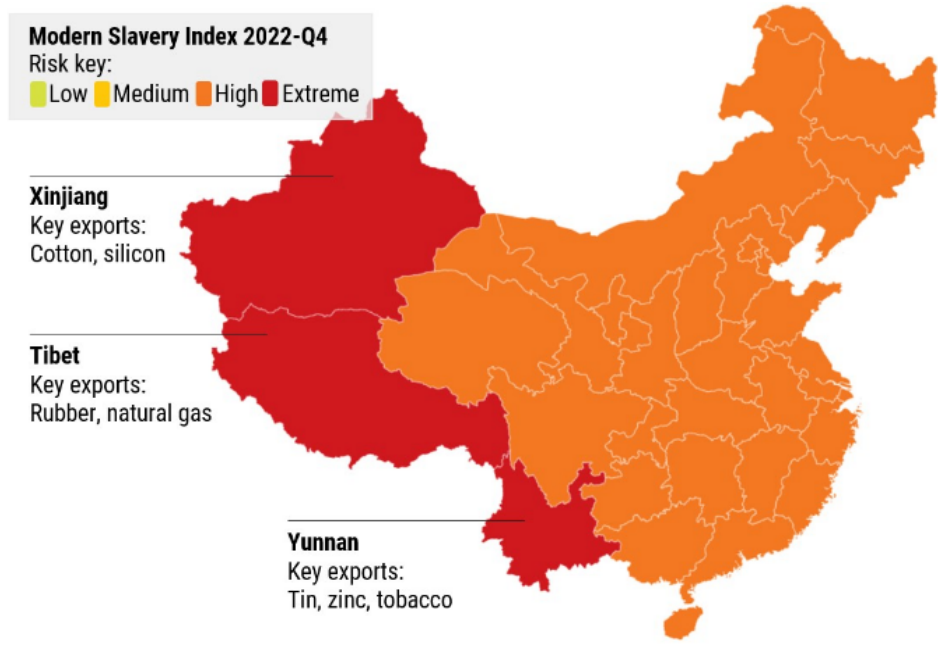
On an international scale, it is more difficult to determine the scope of the trade routes, however, there have been reports of individuals being trafficked from China and detained in [European countries, such as France](#), for forced labour. Three primary methods of smuggling Chinese immigrants over borders and into the labour markets of destination nations have been identified by scholars [Yun Gao and Véronique Poisson](#). First, the intermediary is a service provider that charges exorbitant prices for travel to Europe. Second, an agency plans the journey; the migrants depart with a tourist or business visa and fly to the destination nation. The final method is to smuggle the migrants through a network where the intermediary in China is tangentially connected to intermediaries in destination nations. In these situations, migrants are especially at risk since rape, fatalities, and other acts of violence are often reported. The use of psychological and physical coercion, extortion, debt bondage, incarceration, pay-to-withhold, and passport confiscation are all methods used to entrap Chinese migrants.



Domestically, trade routes tend to be from [areas of low GDP to high GDP](#). Trafficked victims typically come from provinces like Yunnan and Guizhou and end up in cities such as Shandong since there is a need for labourers and resources to meet that need. [In the case of Xinjiang](#), the Chinese government has actively participated in the trafficking and detention of millions of individuals in recent years all under the [guise](#) of combating terrorism. Evidence shows that ethnic and religious minorities are forced to work in order to control the minority population and promote economic growth for the country.

The employment sectors that are at risk of using forced labour from trafficked individuals (inadvertently or not) are the [domestic sectors, fishing, agriculture and mining](#). These all have the factor of “invisibility,” which places employees in solitary conditions; The conditions for establishing exploitative labour practices are best created when there is little to no interaction with the rest of the community. This also holds true for industrial areas with limited freedom of movement, like textile factories. These isolated working environments are a barrier to justice as workers themselves can be unaware that the conditions of their employment are defined as forced labour and therefore do not seek help from authorities.

Figure 1: Modern Slavery Risk in China



[Source](#): Middleton, 2022. 80% of Global Population Live in Areas Rated High or Extreme Risk for Modern Slavery.

Human trafficking for the purpose of forced labour has various direct and indirect impacts, including physical damage, financial damage to the economy and violation of human rights. Intense physical labour, working without the required safety precautions or equipment, or being physically restrained by their traffickers are just a few of the severe physical conditions that victims of trafficking are frequently subjected to. [In children](#), trafficking has a significant negative influence on a child's ability to develop emotionally, physically, and psychologically



in a healthy way. The victims frequently experience severe lifetime trauma, which can make a proportion of a generation incapable of working and functioning on their own and thus dependent on China's [welfare system](#). In addition to the inherent unethical nature of this practice, it has a direct impact on the economy.

In addition to the impact of trafficking on the victims, there could be detrimental repercussions for any organisation acting as an accomplice. Organisations and supply networks that engage in human trafficking, whether intentionally or unintentionally, become [tainted](#) and are at threat of having their supplies detained or blocked internationally. The [Uyghur Forced Labour Prevention Act](#), for instance, was signed by the Biden administration and forbids the sale of any goods produced using forced labour in China's Xinjiang province. This law means the US government will now demand proof of legitimate labour from importers. Additionally, this measure will result in more items being held at the US border, which will slow down the delivery of commodities and, in turn, increase inflation. [Solar goods](#), [textiles](#), and tomato farms are three major supply chains that are likely to be affected since they must completely eradicate any use of forced labour.

Some of the most significant challenges in enforcing countermeasures stem from China itself. Firstly, they have a history of dismissing or rejecting the problem, for example, During a news conference in Washington, Chinese ambassador [Hua Chunying](#) rejected the accusations of slavery, labelling them as "totally based on lies". In contrast, [UN reporter, Obakata](#), found that China's employment programmes in Xinjiang are involuntary which indicates forced labour. The inability to acknowledge the issue highlights that there will be limited help from the Chinese government. Secondly, despite having laws that forbid the abduction, buying, selling, and trafficking of humans, China does not [legally forbid slavery](#). This criminalises trafficking but not forced labour. Lastly, The enforcement of mass detentions and forced labour of Uyghurs and other ethnic and religious minorities has taken precedence [over attempts to prevent human trafficking in recent years](#), indicating serious corruption within the Chinese authorities. Due to these issues, trafficking will have to be tackled by outside forces via sanctions such as the ones being imposed by the US as a way to combat Chinese government corruption and apply pressure.

The covid-19 pandemic possibly increased the overall risk of the threat of human trafficking for forced labour. As the pandemic pushed [millions](#) of people into poverty, desperate employees are more prone to accept dubious employment offers or high-interest loans that culminate in debt bondage. Equally, after experiencing months of revenue loss, organisations may be more eager to hire inexpensive labour, including dishonest recruiters. In light of this, the rising possibility of forced labour should be anticipated and prepared for by policymakers, and businesses should not prioritise output over human rights. Poverty and vulnerability—factors that the pandemic is not short of—are what human trafficking thrives on.



## Exploiting Dreams: Football Trafficking in Italy

*Raadhika Tandon*

Football trafficking is a unique and under researched aspect of human trafficking. It involves moving aspiring football players, who often originate from Africa, over to Europe using people who pose as agents. These young players, who are [lured by dreams](#) of a professional career and competing in the top European football leagues, are taken from their families under the promise of opportunity. Their families will often sell all their valuables in order to raise the funds required to pay the intermediary posing as an agent, believing this opportunity to be their [golden ticket](#). Current estimates are that [15,000](#) children are trafficked annually, with their families scraping together money for passports, visas, and the official documentation needed for the players to travel. That, combined with the ‘agent’ fees, can add up to more than [\\$5,000](#), on a continent where the average monthly salary is less than [\\$800](#).

Once the players have arrived in Europe, there are two routes for their future. Often, the agent will [leave the player](#) in inhumane living conditions, with a fraction of the money their families paid to survive off, and will leave with them there without their documents. As they are on short-term visas, without further support the players cannot remain in their destination countries. They are therefore often reduced to finding menial wage jobs, as that is considered a [preferable option](#) to returning to their home countries. In the rare case that the player is taken to club trials and does succeed, their intermediary takes charge as their new football agent, agreeing to [exploitative contracts](#) that afford them large profits. Many of these young players’ families are unaware of the risks involved and even if they were, the [lure of playing football](#) in the top leagues and becoming the next [Samuel Eto’o](#) or Sadio Mane would make it hard to pass up an opportunity.

The nature of this form of organised crime is difficult to determine, largely due to how little data exists. While the supply comes primarily from [Africa](#), the source of the demand is harder to qualify. While European football clubs are constantly seeking out new talent, the exploitation occurring here is that of the [young players’ dreams](#) and aspirations, not just a demand from Europe. Clubs are often [eager to get the newest and best players](#) from wherever they can, and their lack of due diligence into the origin of their players is a component of the issue. The transnational trade routes are relatively concentrated, moving players from West Africa primarily to Southern Europe or the United Kingdom, where the largest football leagues are located. Due to the origin of the players, however, the sophistication of the trafficking is quite low. Since players are typically taken from [smaller villages](#), they tend to come from [illiterate backgrounds](#), meaning their families have little ability to do any independent fact-checking. There is little convergence with other crime networks, but the pervasiveness is quite deep across the continent. Africa’s [three-tier football academy system](#) lends itself to exploitation, and intermediaries are easily able to pose as agents with claims of



lucrative contracts. The [lack of regulation](#) and enforcement by local and national football associations allows these agents to come in without verified credentials to take advantage of hopeful families.

A crucial issue with addressing football trafficking is the lack of academic research and data. Not only has legislation by governing football bodies, such as FIFA's 2003 [Article 19](#), had little impact, but the scope of the [problem has grown](#), with football clubs in the Middle East, Eastern Europe and East Asia now also taking trafficked African players. A root cause of this exploitation comes from the channels used by European football clubs to recruit players, and the [lack of institutional support](#) for this in Africa. There are several official channels used by big clubs, including inter-club transfers or official scouting, but trials for new players to prove themselves are not common. Young players, however, are not necessarily aware of this and are willing to take their chances anyway. This means that even if they make it to Europe and even if they are the [next Lionel Messi](#), they will not have the opportunity to show this to clubs. They are left to fend for themselves in a new, unfamiliar country where their [hopes of playing football slowly die](#) away as they are forced to do whatever they can to keep themselves alive.

To mitigate the risks of football trafficking in Africa, governments must collaborate with European clubs to set up official channels for transfer on the African continent. This, along with a verified list of agents who may recruit on behalf of these clubs, would be a major step in tackling this issue. As a form of human trafficking, football trafficking is a grave violation of human rights, fuelled by the desire of young players to find opportunities that will let their talent shine. They want to make something of themselves and will take whatever chance they have to do so, regardless of the financial and physical risks. It is therefore the responsibility of international bodies, national governments, and international football federations and associations to ensure that these players have a safe and legitimate way to fulfil their dreams.



# Charcoal, Crime, and Protracted Conflicts in Africa

*Natasha Louis*

[Virunga](#), Africa's oldest national park, is a UNESCO World Heritage Site with its 7,800 square kilometres of land being home to the continent's most bio-diverse area, including endangered gorillas. Yet for over [20 years](#), Virunga has been significantly impacted by a constant armed conflict that is financially fuelled by natural resources. The illegal charcoal trade, primarily controlled by criminal networks, creates a revenue loss to African countries at approximately [\\$1.9 billion](#) per year. While militias operate throughout the region, "Virunga is an especially fertile sanctuary for criminal enterprises, [...] much of it controlled by the [Democratic Forces for the Liberation of Rwanda](#) (FDLR), a rebel group linked to Rwanda's 1994 genocide." Charcoal trafficking has been a [major funding source](#) for the FDLR which has allowed them to commit murder, forced labour, and sex slavery with impunity.

## Actors & Profits

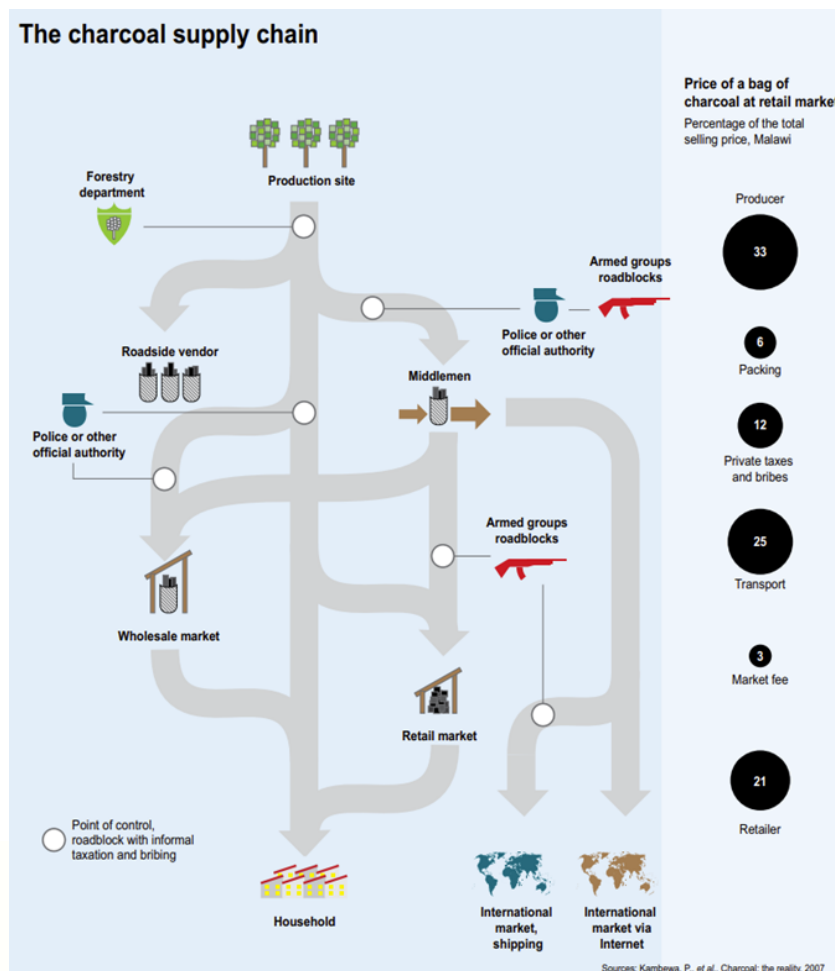
Over the last two decades, clashes over land and between ethnic groups have stoked conflict in the region at the cost of [millions of lives](#). The FDLR forces locals to cut down and burn trees to produce the charcoal with the threat of [killing or enslaving](#) any who resist. The government has primarily focused on tackling other criminal ventures, such as poaching and mineral trafficking, but has [neglected](#) to address the illegal charcoal trade. The net profits for the illegal charcoal trade throughout East, West and Central Africa are an estimated range of [\\$2.4 - 9 billion](#). This is an incredibly lucrative syndicate when compared to the market of heroin and cocaine sales which only comprise [\\$2.65 billion](#) in the east and west of the continent. Rebel groups in the DRC alone are estimated to make an annual profit of [\\$14-50 million](#) on road taxes.

Throughout the region, there is much convergence between criminal activities and the array of environmental crimes. [Ivory poaching](#) is sought after by multiple armed groups in the DRC, including the FDLR, Janjaweed, Mai-Mai Morgan, and the Lord's Resistance Army (LRA). These same groups are involved in the illegal trade of a variety of natural resources and have committed significant [human rights abuses](#) that include mass murder, mass rape, sex slavery, recruitment and use of child soldiers, kidnapping for ransom, forced labour, looting, and displacement.

The illicit charcoal trade and its connection to nefarious groups are not exclusive to the DRC. In African countries that have ongoing conflicts, armed and terrorist groups can earn [\\$111-289 million](#) per year via the illegal charcoal trade. Among taxation and extortion, tolls and port fees, kidnapping, drugs, and external financial support, charcoal was al-Shabaab's [main funding source](#) for years; earning them \$83 million per year between 2012 and 2014. In one [roadblock case](#), al-Shabaab was able to earn \$8-18 million annually from charcoal in a



single district. Illegal charcoal exports from Somalia is an annual profit of an estimated [\\$360-384 million](#).



Source: [The Environmental Crime Crisis](#) – Threats to Sustainable Development from Illegal Exploitation and Trade in Wildlife and Forest Resources. 2014

In recent years, al-Shabaab has been trying to establish itself as a state actor and expand its influence by appearing to care about [environmental issues](#), therefore severely punishing those involved in the charcoal trade who have no other income options. However, it is likely that al-Shabaab is still profiting off of charcoal at least in the form of high [taxation on tolls](#). Despite its faux bureaucratic attempt, Shabaab's motive for pulling back from charcoal trafficking is to [add pressure](#) on its competitors who are also involved in the trade. In 2015, al-Shabaab banned charcoal trafficking after an agreement to [share profits](#) with the government fell apart. According to the [Center on Sanctions & Illicit Finance](#) assessment of al-Shabaab's finances, "If the group reaches an agreement with the semi-autonomous regional government in southern Somalia and lifts its semi-implemented charcoal ban, the group could see its revenues increase sharply."



## Supply & Demand

While charcoal is trafficked to [Uganda and Rwanda](#) due to their forests disappearing, demand for DRC charcoal is primarily concentrated intrastate. In Sub-Saharan countries, charcoal is the main home energy source that is used by over [80% of the population](#). The DRC is one of the lowest-rated countries in the world for electrification with only [19.1%](#) of the population having access. Less than [5%](#) of the population has access to clean cooking. Millions of people suffering in extreme poverty “depend on charcoal as their [only source of fuel](#) for cooking daily meals.”

With the increase in [gas prices](#) and limited access to electricity, urbanisation will significantly increase charcoal demand while contributing to “[pollution](#) and subsequent health problems in slum areas, especially for women.” According to one study, demand for charcoal increases [14 times](#) every per cent of increased urbanisation. The use of inefficient charcoal stoves leads to household pollution that causes [3.8 billion deaths](#) a year.

The charcoal trade is expected to at least [triple](#) in the coming decades due to population increase and rising demand. This demand will lead to further deforestation and impact food security, access to clean water, and overall [human health](#). A rise in demand will also [raise financial funding](#) to armed groups, increasing the threat to human security. “By having networks and shell companies involved in the charcoal trade, [militias or terrorist groups](#) can ensure an income independent of military success on the battlefield, enabling them to regroup and resurface again and again after apparent military defeat.”



Source: [GRID Arendal](#) 2014

DRC President [Felix Tshisekedi](#) is aware of the danger facing the country. He has been attempting to increase access to electricity to [reduce the country's dependency](#) on charcoal. In





2019, Tshisekedi stated, “Given the current rate of population growth and our energy needs, our forests may [disappear](#) by the year 2100.”

## Challenges to mitigation

Over the last 30 years, the United Nations has adopted numerous [sanctions](#) on natural resources linked to militias in armed conflict. Yet these attempts have continually failed and have been “[ad hoc](#), piecemeal and largely technical.” Agencies continually [fail](#) in their ability to coordinate sanctions, peace operations, and political policies in order to obtain and sustain peace in conflict zones. According to the United Nations Environment Programme (UNEP), competition over natural resources is a “[root cause of armed conflict](#),” contributing to 40% of intrastate conflicts since the end of World War II in 1945. Despite being a primary driver of conflict, deforestation-related crimes continue to be addressed as an [environmental problem](#) rather than a security issue. Peace agreements continually fail to include local communities and address issues regarding natural resources, exasperating grievances and increasing the likelihood of “[relapse into conflict](#),” which is twice as likely to happen within the first five years.

Unlike other criminal enterprises, the illegal charcoal trade is a “[safe and convenient source of income](#)” since groups can control areas remotely. This shows that environmental crimes need to be taken more seriously as an international security issue, especially when it is one of the [fastest-growing](#) criminal syndicates.

State leaders can increase success in fighting environmental crimes like illegal charcoal production by implementing strong judicial acts. For example, [Malawi](#) enacted an amendment to their Forestry Act to grant the government authority to issue stronger penalties. The country has been facing significant environmental crises with struggling law enforcement and low conviction rates. Between [2016 and 2020](#), Malawi’s annual rate of environmental crime convictions was an average of 65 with \$75 in fines. After the new law passed and the courts expanded their capacity to handle larger caseloads, convictions significantly increased: “In the first three quarters of 2021 alone, Malawi’s courts recorded [343 convictions](#) and fines averaged [...] \$345 US.”

While other African nations could follow in Malawi’s footsteps, implementation of good practices are difficult to achieve in corrupt nations. Criminal groups are not the only benefactors of the illicit charcoal trade. [The Global Initiative Against Transnational Organized Crime](#) (GI-TOC) found that “political actors at all levels” receive the majority of profits from organised crime. Significant corruption at all levels makes environmental crimes nearly impossible to combat. According to a source for the Enough Project’s [The Mafia in the Park](#) 2016 report, “It’s not just FDLR. It’s police, politicians, and businessmen. It’s a big mafia.”



In order to significantly defund armed groups and corrupt politicians, actors must focus on the demand side of the charcoal trade. Advances in alternative sources of energy can significantly reduce the demand for charcoal, particularly in impoverished populations. The Institut Congolais pour la Conservation de la Nature (ICCN) is working towards alternative energies such as [biomass briquettes](#) which are low cost and provide 70% more energy than charcoal.

While alternative sources to charcoal would significantly help local populations and decrease criminal funding, the production of sustainable sources is not without consequences. [Laura Miller](#) of Mercy Corps fears that briquette presses could be destroyed by rebels for offsetting their charcoal trade. In 2007, a militia retaliated against attempts to obstruct illegal charcoal production and trade by killing seven [endangered gorillas](#) in Virunga. In another case in 2014, the FDLR killed a park ranger and injured two others as [revenge](#) for the heightened patrolling of charcoal areas. With the likelihood of armed groups committing atrocities to revenge for the impingement on their criminal supply chains, alternative fuels sadly pose significant threats to African citizens. This is why a multi-sectoral approach, especially the inclusion of judicial systems like that in Malawi, is so crucial. Yet with much African leadership comprising a “mafia” as it is commonly termed, the continent faces enormous difficulties in battling its illicit charcoal trade and its multitude of negative impacts. It appears that change will be up to future African leaders who will bear the brunt of environmental repercussions. They will face tremendous challenges in fighting such criminal groups and eradicating a dependency on detrimental resources. The fate of Africa to combat continuous armed conflict over natural resources lies in the hands of those elected. Such a struggle against deep corruption is a tumultuous one. Future leaders will either be able to break the vicious conflict cycle or be damned to repeat it.



# Deforestation: Criminal Enterprises with Deadly Consequences

*Natasha Louis*

Since 2015, the world has lost an estimated [10 million hectares](#) (1 hectare = 100 acres) every year. The general population primarily focuses on the beef and timber industries as the cause of deforestation. While true, another major contributor to global deforestation is organised crime, such as drug trafficking and illegal logging. On a global scale, [environmental crimes](#) are increasingly committed by organised crime syndicates that are able to conduct large-scale operations. 90% of tropical deforestation is due to the illicit timber industry run by organised crime groups who earn nearly [\\$152 billion](#) a year. The movement and laundering of money for the [drug trade](#), which often coincides with the timber industry, is also a main driver of deforestation in tropical regions, primarily impacting the Amazon and the Democratic Republic of the Congo.

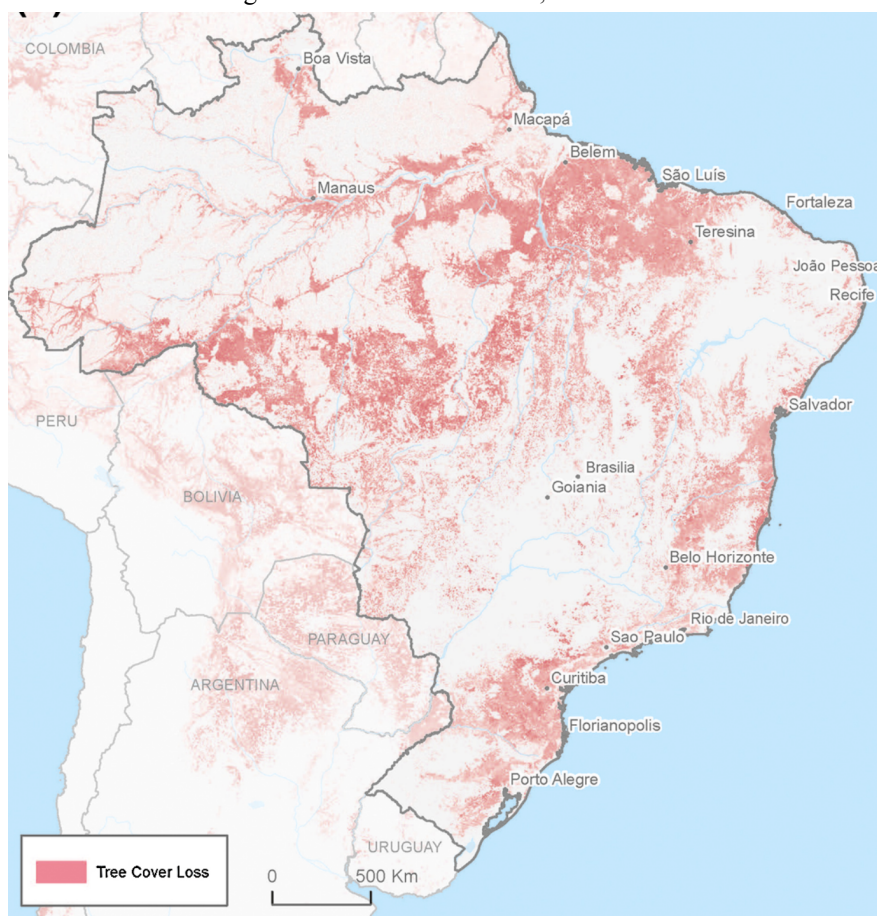
## The Amazon

Central and South America are hotbeds of drug trafficking and deforestation. There have been growing overlaps in routes used by illegal loggers and drug traffickers in the global south, “with [evidence](#) pointing to cargo shipments coming from the rainforest being used to conceal the smuggling of drugs to foreign markets.” Between 2017 and 2021, Agência Pública discovered at least [16 cases](#) of timber shipment seizures concealing cocaine destined for Europe from the Amazon.

Plataforma CIPÓ, a women-led policy institute focusing on climate, governance, and peacebuilding in the Global South, developed the report *Beyond the ‘Scorched Earth’: Paths to prevent and respond to environmental crimes in Brazil* in order to identify environmental agencies’ main challenges. They concluded that [three main factors](#) have produced a “perfect storm” for environmental crimes: regional inequalities amongst organisations that combat environmental crimes, the removal of state environmental agencies, and a skewed view of development, backed by soon-to-be former President Bolsonaro, who considered the Amazon as an “obstacle to infrastructure, and /or as a vast space that must be exploited at the expense of the protection of the environment.”



Figure 1: Forest loss in Brazil, 2000–2014



[Source](#): Nancy L Harris *et al*, 2017. Using Spatial Statistics to Identify Emerging Hot Spots of Forest Loss.

According to Aiala Couto, a professor and researcher at the State University of Pará, since President Bolsonaro came to power, the situation has [further declined](#). Couto believes that those in power diminish focus to only two illicit groups. However, organised crime in the region is composed of [many groups](#) who commit illegal mining, logging, and combat over land and resources while invading indigenous land. There is significant convergence amongst criminal activities with various businesses, money laundering, and drugs and arms trafficking. Because of the government’s inability to see the relationships between the environment and public security, along with the complexities between criminal groups, Couto states that Bolsonaro has permitted the growth of organised crime in the Amazon.

There have been numerous cases where [gangs](#) have illegally purchased rainforest land in order to profit from illegal logging and to set up marijuana plantations. This has become so common that the areas spread across the Amazon and Brazil have been dubbed the “[Marijuana Polygon](#).” Criminals “take a look at the environmental legislation and see that, if they only risk being charged according to that extremely limited piece of legislation, then they [don’t need to worry too much](#),” said Alexandre Saraiva, former superintendent for the Federal Police in the state of Amazonas.



Over the last decade, more than [300 people](#) have been killed due to conflicts over land and natural resources in the Amazon. Of these 300 cases, only [14](#) went to trial. Lack of accountability is primarily due to [inadequate investigations](#) conducted by the police, especially since such crimes occur in remote areas. However, it is clear that police have no incentive to reform or establish more stations when leaders like President Bolsonaro provide impunity for such criminal activity.

Brazil established a programme in 2004 to protect environmental defenders. However, according to [Human Rights Watch](#), officials and environmental defenders stated that there is little protection and the programme only consists of “occasional phone check-ins.” It is clear that the government and such programmes are a failure when these defenders continue to disappear, as British journalist [Dom Phillips and Brazilian Indigenous activist Bruno Pereira](#) did in June 2022 and were later found [murdered](#).

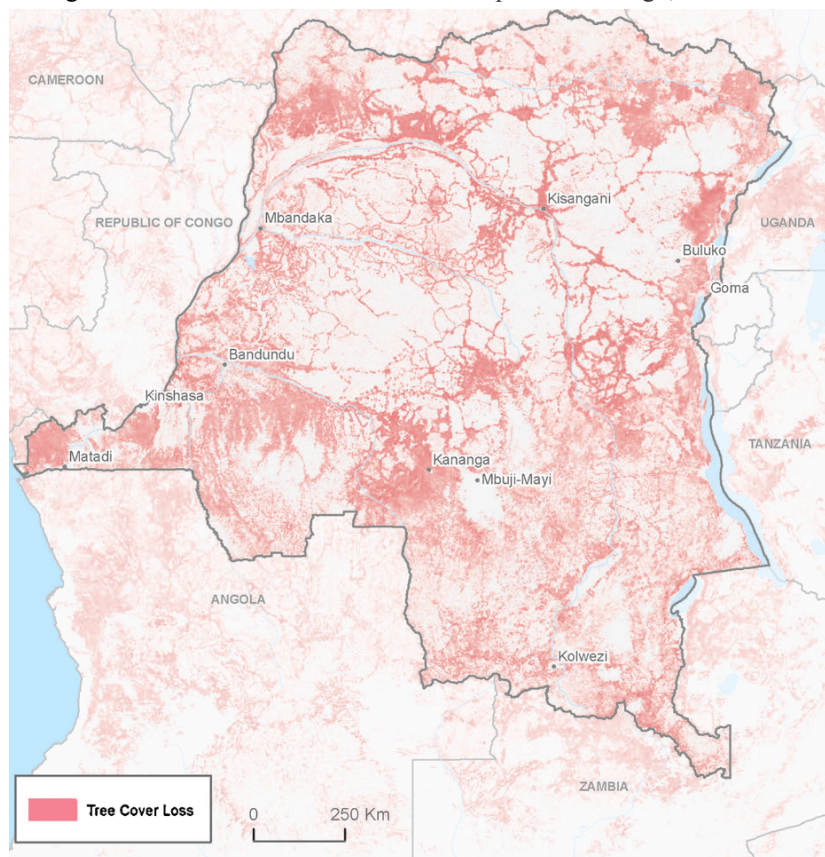
With regard to environmental crimes, President Bolsonaro promised “[zero tolerance](#).” However, “he and his ministers also called international concern over the Amazon an attack on Brazilian sovereignty, rubbished official government data as lies” and focused on developing the Amazon as a way to counter deforestation. The victory of President-elect Luiz Inácio Lula da Silva this October could bring about radical policy changes for the Amazon. Deforestation rates [dropped](#) under Lula’s former presidency, but significantly rose during Bolsonaro’s. While Lula’s record on environmental protection is not perfect, Brazilians consider Lula’s position on the Amazon to be the complete opposite of Bolsonaro’s. Lula’s campaign promises stated he will “establish representation for Indigenous peoples in the Brazilian government, will crack down on illegal deforestation, and rebuild the country’s environmental protection agency.” The future feels promising, however, President-elect Lula will face enormous challenges as he works to unite the country and reverse the devastating destruction of the Amazon left by Bolsonaro.

## **The Democratic Republic of the Congo**

Between 2010 and 2020, [Africa](#) lost the largest area to deforestation [3.9 million ha] in the world. The [Congo Basin](#) is home to the world’s second-largest rainforest that spans across Cameroon, the Central African Republic (CAR), Equatorial Guinea, the Democratic Republic of the Congo (DRC), Gabon, and the Republic of the Congo. Over [60%](#) of the tropical forest lies in the DRC. The Basin has suffered [centuries](#) of timber exploitation for the production of palm oil and continues to host corrupt networks.



Figure 1: Forest loss in the Democratic Republic of Congo, 2000–2014



*Source:* Nancy L Harris *et al*, 2017. Using Spatial Statistics to Identify Emerging Hot Spots of Forest Loss.

Approximately [90%](#) of logging in the DRC is illegal, according to a 2014 report. In 2019, a [Global Witness report](#) stated that a major timber exporter, Industrie Forestière du Congo (IFCO), logged outside of approved areas, committed tax evasion, and breached labour laws and deals made with communities. IFCO continued logging while in [violation](#) of three suspensions.

[Demand for illegal timber](#) from the Congo Basin is primarily driven by China, Europe, and the United States. The Environmental Investigation Agency discovered a Chinese company, Deja Group, worked with two US companies and were complicit in negligently sourcing illegal timber, much of which ended up in stores such as [Home Depot and Menards](#) while being advertised as eco-friendly. Global Witness also [warned](#) of ten European traders violating regulations by knowingly importing illegal timber from IFCO procured from the Congo.

[Deja Group's control](#) of the Basin's timber industry runs deep as its founder, Xu Gong De, is the nephew of one of Africa's most influential diplomats: Jean Ping. Ping is a former African Union Chairman (2008-2012) and was the President of the United Nations General Assembly from (2004-2005). In exchange for Ping's connections and political support, Xu was the primary [financial backer](#) of Ping's 2016 presidential campaign in Gabon. Through these



nefarious connections, Deji Group has been able to gain status at the core of Chinese investment in the timber industry. Deji Group controls over [1.5 million hectares](#) in the Congo Basin and has a record of over-harvesting, including areas where there are vulnerable and endangered species.

“The [absence of viable state authority](#) – and a lack of alternative legal means for survival – has meant that deforestation and illegal timber trade has become a staple in the Congolese economy.” This staple has directly supported multiple armed groups in the DRC, including the [Allied Democratic Forces \(ADF\)](#). Armed groups who maintain control over resources in the country are viewed as an authority through their ability to [gain legitimacy](#).

## Consequences of deforestation

Illegal logging takes root most deeply in countries with a government and security [vacuum](#) while permitting the threatening or elimination of opponents. Corruption and the [lack of political will](#) are considered to be the biggest obstacles to improving security in forested areas. Therefore, the international community and environmental agencies should work together to apply pressure on such governments.

Deforestation has significant economic, environmental, and societal impacts due to criminal activity fuelling conflict in tropical regions where armed groups [compete for available markets](#). Environmental crimes overlap the same routes that are used by “arms and human [trafficking](#), slave work and sexual exploitation.”

While there is a significant need for the presence of conservation groups, such organisations continually inflict [human rights abuses](#) on indigenous populations. Indigenous groups in the DRC and throughout the Basin have reported that conservation groups alienate them, criminalise traditional practices, and use “military-style enforcement.” In an investigative report published this April by the Rainforest Foundation UK, they discovered that the [World Wide Fund for Nature](#) (WWF) “failed to carry out due diligence, and that management were aware of severe allegations and did nothing to investigate them, let alone provide remedy to victims, for fear of upsetting government institutions.” Unfortunately, human rights abuses infect the entire western-led conservation industry. The [Wildlife Conservation Society](#) (WCS) was also complicit in committing mass crimes against the Batwa, a forest-dwelling minority group. WCS, despite knowing of the likelihood of attacks, provided military training and support to park guards who went and committed “mass human rights violations” against the Batwa.



Figure 3: Mapping Transnational Forestry Crime



Source: INTERPOL, 2019. Global Forestry Enforcement Prospectus 2019.

Deforestation caused by illegal logging does not only impact local populations of source countries. As forests recede, human exposure to [deadly infections](#) are increasing. Deforestation pushes disease-carrying species into urban areas and promotes transmission to people. Over the last twenty years, scientific evidence has shown that deforestation creates prime conditions for [deadly pathogens and parasites](#) to spread to humans. The flesh-eating disease [Leishmania](#) is already encroaching into North America due to climate change. Experts fear that our next serious [pandemic](#) could develop from forests. According to disease ecologist at the Earth Research Institute of the University of California, Santa Barbara, [Andy MacDonald](#), “It’s a numbers game: The more we degrade and clear forest habitats, the more likely it is that we’re going to find ourselves in these situations where epidemics of infectious diseases occur.”

Illegal deforestation in the Amazon and the DRC is a combination of both [security and environmental issues](#) which should be addressed with a multi-sectoral approach instead of it being viewed as only an ecological problem. Fighting against deforestation is an incredibly complex endeavour when actors are facing difficulties in accessing remote locations, dangerous criminals, corrupt governments, and conservation groups who commit malpractice. A collaborative approach is needed between government agencies, environmental monitoring agencies, law enforcement, and civil society, especially indigenous populations. It may be challenging or impossible to work with such governments like those in Brazil or the DRC, but this shows that participation by third party environmental and monitoring agencies with a proven track record is crucial. If deforestation caused by criminal activity is not taken more seriously, the consequences are not only dire, but deadly.





# Money Laundering and Terrorist financing in Pakistan

*Imran Khan*

After four years on the Financial Action Task Force's (FATF) grey list, Pakistan was removed from it on 21 October 2022. The FATF, a global money laundering and terrorism financing watchdog, added Pakistan to its list in June 2018 due to [shortcomings](#) in its legal, financial, regulatory, investigations, prosecutions, judicial, and non-government sectors to combat money laundering and terrorist financing. The decision brings huge economic relief to the Pakistani state as being on the FATF grey list can severely [restrict a country's international borrowing capabilities](#). The state's willingness to convict leaders of terrorist organisations, such as the head of the Jamaat-ud-Dawa organisation in Pakistan, which is a [front for the armed group Lashkar-e-Tayyaba](#), was welcomed by the global watchdog. This is not the first time Pakistan has left the FATF list. Already in 2010, the country was removed from the list only to be [added again in 2012](#), due to its weak counter-terrorism policies.

*What is money laundering?*

Money laundering is a [financial crime](#) that involves dealing with illegitimate proceeds and disguising their origin by transferring money from illegal activities to make these funds “[available for future use](#)” as clean money. It is often linked to [corruption, drug trafficking, and cross-border terrorism](#). Money laundering has several [negative implications](#) for a state, including [reduced tax revenues, unequal income distribution, and weakened government control over the economy](#).

*What is terrorist financing?*

Often described as [reverse money laundering](#), terrorist financing focuses is characterised by the clandestine use of legal assets to conduct terrorist activities. While funds used for money laundering are illegitimate, funds used for terrorist financing can be [legitimate, illegitimate](#) or a mixture of both. Both activities [conceal the exact nature of the funds](#). Terror organisations need financial resources that are usually moved and transferred through [stealthy and illegal networks](#).

## Challenges to counter-measure enforcement

**Hundi/Hawala** has become a very important [method of laundering](#) in Pakistan. The Hawala system is an alternative remittance system, which [channels underground banking and supports illicit circles](#) to achieve illegal income. [Foreign exchange companies](#) use this method



to hide their taxable income, but they are not the only ones to do so. Islamic militancy, support for insurgents in neighbouring countries, terrorist wings of political parties, Afghan drug traffickers, non-state actors and local warlords [use the Hawala system for their illegal activities](#). The Hawala system has severe implications for the state of Pakistan, such as “[extreme bloodshed and major economic instability](#).” Hostile terrorist entities effectively use the Hawala system to carry out their anti-state activities. Pakistan intelligence agencies have [revealed](#) that funding of anti-state entities is likely to be channelled through the Hawala system. Terrorists occupying the Pakistan-Afghanistan borders are [likely to be funded through this system](#) to conduct attacks on the Pakistani military. Pakistani also use the system, especially to “[dispose of their corruption-based funds and to promote terrorist attacks](#).”

**Pakistan’s geo-strategic location:** Pakistan has [long, porous, and poorly supervised borders](#) with its neighbours. In some way, this allows Pakistan to remain connected to several different markets. As such, it [simplifies](#) drug trafficking and accelerates the flow of illegitimate goods and funds into and out of Pakistan. The UN Office on Drugs and Crime (UNODC) [has reported](#) that about 43% of all Afghan drugs, worth [\\$27-30 billion](#), are smuggled through Pakistan. In addition to its geostrategic location, the war on terror in the region affects Pakistan's efforts to combat money laundering and terrorist financing.

**Online methods of transactions:** The significant increase in laundered cash figures is due to technological innovation. [Electronic payment methods](#) allow money launderers to transfer funds more easily and ensure the availability of these funds to terrorists for criminal purposes.

**Real estate:** Criminals and terrorist groups frequently [launder their illicit income](#) in Pakistan by buying real estate and abusing legal entities to access the tax sector. For example, in 2017, Pakistanis [invested \\$8 billion](#) in the Dubai real estate market. Similarly, [PKR 7 trillion of black money](#) was injected into the local real estate market; this investment accounts for 20.6% of the total GDP, or \$300 billion.

**Unregulated charities:** Terrorist organisations openly and freely collect donations in Pakistan in the name of religion. Research by the Pakistan Peace Collective claims that Pakistanis [donate](#) PKR 650 billion to charity every year. In contrast, the Pakistani government [allocated](#) only PKR 115 billion to the Benazir Income Support Program (BISP) in its 2016/2017 budget; the programme attempts to provide assistance to the disadvantaged and vulnerable communities of Pakistan. There is [no centralised control mechanism](#) to regulate and conduct financial analyses of charities, madrassas (Islamic seminaries) or similar organisations.



**Cryptocurrency:** Pakistan's Financial Monitoring Unit, which is responsible for [coordinating intelligence with other domestic law enforcement agencies](#) concerning money laundering and financing of terrorism, has highlighted the risk of terrorist financing through cryptocurrency in its strategic analyses provided to the [State Bank of Pakistan](#). It states that cryptocurrency can be [exchanged against fiat currency](#) and that it can give rise to [anonymous online transfers](#), making them potentially vulnerable to terrorist financing.

## **Economic and social implications**

**Economic impacts:** Money laundering and terrorist financing undermine the government's ability to [oversee national economic policy](#) and the government's ability to [implement financial programmes and policies in their entirety](#). These economic impacts are not contained within a country's system; rather, due to globalisation, they have far-reaching consequences that transcend national borders and regions. If massive amounts of money are laundered, [it can damage currencies, monetary systems and economies](#) around the world. A country on the FATF grey list is not subject to sanctions. However the grey list [signals](#) to the international banking system that there may be increased risks associated with transactions with the listed country. In 2021, the Pakistani think tank Tabadlab published a working paper on the economic losses suffered by the state as a result of its greylisting. It notes that Pakistan's presence on the grey list between 2008 and 2019 may have [resulted in cumulative GDP losses worth \\$38 billion](#), with the response due to reduced consumer spending, exports, and foreign direct investment.

**Social impacts:** Money laundering and terrorist financing affect all aspects of society; they not only impact a country's economy, but are also the cause of [many social crises and challenges](#). The [credibility and reputation](#) of financial institutions suffer greatly when the international community learns that a state is unable to implement anti-money laundering procedures. Therefore businesses and investors become reluctant to invest in the country due to vast political and security risks. The social consequences can have [devastating effects](#) on foreign investment, such as smuggling, drug trafficking, and tax evasion. Impunity further motivates criminals involved in illicit activities. Due to terrorist financing, in particular, companies are concerned with the possibility of becoming a target for terrorist groups. Terrorist organisations have a [history of abducting, persecuting, and detaining](#) foreigners who visit Pakistan for personal or business purposes. Statistics show that between 2002 and 2014, at least [19,886 civilians](#) died in or as a result of terrorism and militancy-related incidents.

## **Recommendations for the Pakistani state going forward**

Money laundering regulators, such as the State Bank of Pakistan, should increase awareness of money laundering methods and activities among financial institutions. They should



provide [training for the identification, preparation, and reporting](#) of money laundering cases so that effective monitoring and supervision can reduce the associated risks.

Pakistan should also introduce electronic filing systems in banks to [allow for prompt return](#) of records and files. There is a need for [effective screening of wire transfer transactions](#). These transactions are utilised by criminals for layering funds, in which funds are [transferred](#) to off-shore companies and banks.

Finally, Pakistan needs to continue making efforts to prevent the Hawala system from being abused. Informal banking channels must be [regulated, regularised, and integrated](#) into the formal economy. Organisations such as the National Accountability Bureau, the Anti-Narcotics Force, the Federal Investigative Agency, and the Directorate of Customs Intelligence and Investigations should [monitor money laundering cases](#) throughout the country. These authorities should work together by exchanging information to effectively combat the illicit use of the Hawala system.

With regards to terrorist financing, Pakistan's withdrawal from the FATF list does not mean that terrorist entities or terrorist financing have been eradicated from Pakistani society. There are [three types of structural vulnerabilities](#) for terrorist financing risks in Pakistan. These vulnerabilities include a [long and porous border](#) with conflict-affected Afghanistan, growing [religious and ideological spaces](#) in society with implications for extremist violence and financing, and a largely undocumented, cash-based Pakistani [economy](#). Good diplomatic and working ties with Pakistan's neighbours, followed by efforts to curb cross-border terrorism, will contribute to reducing the risk of this structural weakness.

State law enforcement agencies will need to regulate the collection of charitable donations within the state through a [unified body](#) responsible for registering and monitoring charities and other groups. Pakistan must distinguish between welfare charities and terrorist organisations. The prosecution of individuals complicit in raising funds for terrorist activities will be necessary to contain the spread of terrorist financing and ultimately terrorism.

Lastly, Pakistan needs to start decentralising taxation. Delegating tax collection to the local governments through the [Federal Board of Revenue regulations](#) can help Pakistan address its structural weaknesses that facilitate terrorist financing.



## The Black Axe: A Nigerian Mafia?

*Caleb Adegbola*

Organised crime is an issue that exists in every country worldwide. In the Organized Crime Index, Nigeria [ranks](#) fifth worldwide, and second in Africa, falling only behind the Democratic Republic of Congo. Critical problems include human trafficking and illicit trade. A large number of fraudulent travel documents and consistent border insecurity means Nigeria is a major hub for crime.

The north of Nigeria tends to experience a higher level of conflict, largely due to the influence of non-state actors and tribal bandits. Due to their lucrative nature, everyday crimes include kidnapping for ransom and oil bunkering. Although there are numerous criminal organisations, very few are on the level of the so-called 'Black Axe'.

An investigation by the [BBC discovered the group has links to over 10 countries](#) across the globe. The organisation is often referred to as a cult and is constantly accused of a range of crimes stretching from rape to murder, as well as more systematic crimes in Nigeria such as internet fraud and human trafficking. The group has recently received attention for their operations in Italy where they have made [connections](#) with the local mafia, thus, many consider them to be a Nigerian Mafia. Their main exploits are drug smuggling and human trafficking. In Italy, they are known to have a network of brothels where drugs can be bought and some of the women working there have been [claimed](#) to be smuggled in from Nigeria. The group is so prominent that the Italian judiciary [routinely used statutes developed for the mafia](#) as a means to prosecute them for their crimes.

Also known as the '[Brotherhood of the Black Axe](#)' the gang thought to be a cult by many has some high-profile members. One name which is mentioned on numerous occasions is a [former governor](#). In 2021, an international investigation involving the FBI, Interpol, and the US secret service led to the [arrest of 35 members of the group](#). Origin stories indicate the gang developed from a Nigerian army death squad. However, this viewpoint is unsubstantiated. In addition to Italy, the gang is known to operate in other European countries including [Austria and Slovenia](#). Their international presence is [evidenced](#) by seizures of significant funds in Canada. Their operations have also attracted attention in the UK further supporting the view that the 'Nigerian mafia' is truly a transnational organisation.

Their members are known to be fiercely loyal, with each having gone through a series of [unspoken rituals](#) rumoured to involve blood and killing. The black axe is notorious for horrific violence and very few Nigerians speak out against their atrocities for fear of being killed. Members take an oath of silence, yet some eventually decide to break this and speak



out as a form of repentance for their past sins. A BBC article estimates the group to be as [many as 30,000](#).

Due to Nigeria's numerous porous borders and access to the port of Lagos, drugs such as [Afghan Heroin](#) are transported through the country as part of larger routes, it is common for drugs to pass through the West African nation [on their way to Europe](#), where they can be sold for higher prices. Widespread corruption means that drugs can be transported as far as the Middle East or even the United States. A significant number of the drugs that pass through the country are not taken by the local population, making Nigeria a hub for the international drug trade. [Tramadol from India](#) is just one example of shipments that stop in Nigeria. The port allows for drugs to be transported to Nigeria and then spread through other nations in West Africa which are landlocked. There are [claims](#) that Nigerian gangs have collaborated with those in Pakistan and Mexican drug cartels, amongst other places. Cocaine, methamphetamine, and cannabis frequently travel on their way to southern parts of the continent, Europe and the Middle East. [Nigeria's anti-drug agency \(NDLEA\)](#) just recently seized a record [1.8 tonnes of cocaine](#) valued at \$278 million at a Lagos warehouse in what it described as the biggest single seizure in the country which further confirms Nigeria is a hub for International drug syndicates.

The scale of the Black Axe's activities is such that it threatens both business operations and human rights in Nigeria and West Africa respectively. Their use of violence, which causes injuries and deaths directly conflicts with the right to life. The secrecy within the group also impacts freedom of expression as a result of intense [fear and intimidation](#).

Finally, through common practices like extortion, the criminal group also harms business operations in Nigeria. Demands for large sums and resources produce excess strain on businesses, but due to the widespread fear of violence, businesses often reluctantly cooperate. The group's operations also act as a deterrent for potential investors and customers, particularly within their strongholds.



## North Korea: A Global Force in Underground Arms Trafficking

*Natasha Louis*



Source: Natasha Louis 2016

The Democratic Republic of Korea (DPRK), or North Korea, is a [major source and destination country](#) (or re-exporter) for arms trafficking in the world. According to the Organized Crime Index, the highest-scoring countries in arms trafficking are Libya, Yemen, Turkey, Syria, and DPRK. North Korea has tied with all but Libya, at a rating of 9.0. Attention from the international community has primarily focused on North Korea's nuclear technology efforts. However, this has distracted from the country's other purpose of [proliferating weapons](#) – “conventional, unconventional, and weapons of mass destruction—to desperate and unstable regions around the world in exchange for hard currency.” Global arms trafficking has been a crucial source of revenue for the DPRK. This is why the country has no qualms about violating sanctions in order to support various terrorist organisations and authoritarian governments.

“North Korea is [exporting nuclear weapons and missile technology](#) to one of the most volatile regions in the world: the Middle East.” Additionally, North Korea has proven its global capabilities to proliferate chemical weapons with assassinations via [nerve agents](#) and the production of chemical weapons plants in [Syria](#). In 2018, the United Nations Security Council reported that it was informed that Syria was one of the most [“lucrative markets”](#) for weapons and services provided by the DPRK.



[China](#) is the predominant arms source and provides routes for North Korea's illicit trade, financially supporting Kim Jong-un's nuclear and missile operations. However, there is a plethora of smaller countries that have in the last few years, or currently, receive arms and military support from North Korea:

[Angola](#) - DPRK military advisers.

[DRC](#) - Gold mining investment offer with arms dealer Hussein al-Ali as an intermediary. Military training and provision of 9mm firearms.

[Egypt](#) - 30,000 rocket-propelled grenades, the largest seizure of ammunition from DPRK, purchased by Egyptian business execs for the military.

[Eritrea](#) – Purchased military communications equipment

[Ethiopia](#) – Assistance with weapons manufacturing.

[Iran](#) – Collaborated with Syria and DPRK to manufacture at least five chemical weapons facilities in Syria. Purchases weapons that go to Hezbollah, Houthi rebels, the Syrian government and Hamas. DPRK may receive up to \$2-3 billion annually.

[Libya](#) - Defence systems and ammunition.

[Mozambique](#) - Surface-to-air missiles, radar and anti-tank armaments.

[Namibia](#) - Military weapons, training, and military-related construction projects throughout Africa.

[Sierra Leone](#) - Military camp construction project.

[Somalia](#) – DPRK shipped IEDs and machine guns to the terrorist group al-Shabaab.

[Sudan](#) - Future technology transfers for Fagot anti-tank and man-portable air defence systems for military manufacturing in Sudan. Contracts were signed to develop 122mm weapons and air-to-ground missiles that use satellite guidance systems.

[Syria](#) – Nationals engaged in arms brokering on behalf of DPRK for attempted sales in the Middle East and Africa. This included “conventional arms and, in some cases, ballistic missiles, to armed groups in Yemen and Libya.”

[Uganda](#) - Supplied small arms and light weapons, special forces training and continued KOMID (Korea Mining and Development Trading Corporation – DPRK's primary arms dealer) presence in the country.

[Tanzania](#) – Agreement to repair and upgrade the surface-to-air missile Pechora (S-125) systems and its P-12 air defence radar.

[UAE](#) – Purchased \$100 million worth of weapons to be sent to the Saudi-led coalition in Yemen.





[Yemen](#) - DPRK attempted to supply small arms and a vast array of equipment to Houthi rebels with the assistance of Syrian arms trafficker Hussein al-Ali. This included Kalashnikovs, PKC machine guns, RPG-7, RPG-29, Fagot missiles, Iglu missiles, tanks, air defence systems, and ballistic missiles.

## **Evading sanctions**

A primary tactic that North Korea excels at in order to work around sanctions is through a vast array of company and financial institution fronts. DPRK diplomats and officials evade [asset freezes](#) by putting bank accounts in the name of their family members, using front companies, and creating accounts in various territories. Multiple UN member states have been lax and will not hold North Korea accountable. Many have only closed such accounts but did not freeze balances which allows North Korea to transfer funds to other countries. Additionally, while the UN Security Council did not specify which countries are responsible, it concluded that DPRK representatives of financial institutions were able to illegally operate in over five countries with “[seeming impunity](#).”

One such company of the DPRK is Glocom. North Korea will frequently use a front company, close it and remarket it under a new name once it has been investigated. However, North Korea continues to use Glocom’s branding despite the United Nations informing member states to freeze assets. Glocom uses an “[extensive network](#) of individuals, companies, and offshore bank accounts to procure, market, and sell arms and related material for the Democratic People’s Republic of Korea.”

Despite the nine sanctions on North Korea established by the UN Security Council, they are poorly enforced with violations reportedly committed by [62 countries](#). Each member state is expected to take action against such affairs yet these mandates have proven ineffective as many states are inept and do not even respond to UN inquiries of the previously mentioned incidents. Unsurprisingly, Russia and China [vetoed](#) a resolution this May that would have strengthened the sanctions on North Korea.

## **Ship-to-ship transfers**

A major way that North Korea is able to traffic a variety of goods is through ship-to-ship transfers. According to a 2019 UN Security Council [report](#), the disguising of vessels and “ship identity theft” is not considered by the majority of global trading companies, “whose due diligence efforts fall extremely short.” North Korea [evades detection](#) on the seas by physically modifying tankers, illegally changing the names of ships, using smaller vessels and making transfers at night.

While ship-to-ship transfers are often used to illegally transport coal, petroleum, and methamphetamines from North Korea, it is also a tactic used to traffic arms. [One such case](#) involved Panamanian customs stopping and inspecting a North Korean vessel that was



returning from Cuba. Concealed in a shipment of sugar, officials discovered dozens of containers with disassembled fighter jets, ammunition, and radar systems.

## Global risks

Hugh Griffiths, the coordinator of the U.N. panel monitoring sanctions on North Korea, stated that “North Korea has always pursued its diplomacy in a [twin-track approach](#) that generally has involved military cooperation or ministry aid in the form of advisors, technicians, repair services and, of course, prohibited arms and related material such as rocket launchers, rockets, old Soviet-era tanks. So it’s diplomacy through military cooperation.” As North Korea continues its twin-track approach globally, the United Nations and the international community must take more stringent actions. The Ukrainian war has certainly exacerbated dangerous partnerships and practices as Putin has become desperate for new alliances in order to create a new world order.



Source: Natasha Louis 2016

As countries like Russia and China continue their influence throughout African politics, this is a crucial time for the West to prioritise African relations. With egregious human rights crimes in these countries and North Korea, in addition to their continuous efforts towards [disinformation and media control](#), Africa could become the arena for a new cold war. North Korea’s activities have involved 38 out of 54 African countries; 70% of the continent. “Despite stringent sanctions against the North Korean regime and the rising stigma associated with maintaining links to Pyongyang, North Korea continues to maintain [significant diplomatic and military links](#) with the Horn of Africa.” Africa is and will continue experiencing the brunt of climate change, adding to already expansive migrant and refugee crises and putting further strain on authoritarian governments. This will surmise a disastrous



domino effect globally. North Korea's illicit activities and diplomatic ties impose threats to governments and civilians across the map. North Korea's supplement of arms to governments like those in Syria, Sudan, and Iran have shown their willingness to support regimes that target their own people, as it does at home. These conflicts are proof that North Korea's criminal involvement directly contributes to global conflicts that have exponential human and financial costs. Additionally, this type of criminal practice is only growing since there are few consequences and states act with impunity. The West should not only be concerned about North Korea's nuclear efforts and capabilities that could strike our allies or at home. We should pay equal attention and make legitimate counter-measure efforts in dismantling their stronghold globally and the type of world order that this catastrophic alliance could bring forth.



# New Frontiers: Renewable Energy & the Italian Mafia

*Charles Bauman*

As countries begin to feel the pain of climate change, especially in the last decade, governments have rushed to invest in renewable technologies to produce emissions-free energy. Wind and solar energies, amongst others, have received billions of dollars in funding with the hopes of decarbonising the electricity grids, all while creating a massive market for business.

However, like many markets, nefarious actors have sought to take advantage of the free-flowing funds and businesses in the sector. In the renewables space, one of the most prominent criminal organisations to attempt and benefit is the Italian Mafia, principally the [Cosa Nostra](#) in Sicily.

Cosa Nostra's access to renewable projects is largely due in part to its location in Sicily. Sicily has the [highest level of solar potential](#) and is where [nearly one-fifth of Italy's wind power](#) comes from. Coupled with the 'legitimate' property holdings in and influence over the population of Sicily, the Mafia naturally has played a role in the establishment of large-scale renewable projects in Sicily as well as [in the rest of Italy](#).

The pervasiveness of mafia involvement in renewables stems from the fact that they can make money from investments by governments and private businesses. From 2005 to 2017, investments in the green economy have quadrupled in Italy, with nearly all of it in wind and solar projects. Further, Italy plans to [invest 190 billion Euros by 2031](#) in green energy projects all throughout the country. Similarly, the mafia can sell its lands and other properties for a premium as the government may be limited in where it can install renewable projects.

But generating income is not the only reason the mafia is interested in renewable energy. Renewable energy projects can also be a mechanism to [launder money](#), which they have been found to do [multiple times in the past](#). The mafia also works in trading [green certificates](#), helping some companies 'greenwash' their records.

How the Mafia is making the move into renewable business is a story of change. No longer are mobsters the classic gangster of old, but rather suit-wearing businessmen. Much of the Mafia's operation has gone 'legit', so to speak. Using a mix of shell companies and legitimate businesses, the [Mafia has been able to strong-arm](#) local institutions and private companies into signing favourable contracts and land rights agreements. In turn, the Mafia can then sell



the tenders and rent out the land to renewable energy companies, typically foreign ones who had little understanding of whom they were dealing with.

The Mafia's trade in renewables, however, does not seem to be linked directly to any other illicit activities. In previous decades, the Italian government has cracked down on the Mafia's illegal activities, which have encouraged organisations such as Cosa Nostra to build [empires of legitimate businesses](#), even if only to be 'fronts.' Many of the Mafia's leaders have sought to establish businesses such as supermarkets and shopping malls to build legal sources of income, as well as [launder](#) the money made illegally.

The Mafia does work with other criminal organisations, such as Latin American drug cartels, but their cooperation in renewable energy does not seem to exist, yet. Similarly, while the Mafia has been violent in the past, it takes a more subtle approach in handling its business around renewables, using soft power and diplomacy over violent and coercive actions.

The most vulnerable industries to mafia coercion will be those such as utilities, technology suppliers and governing authorities. Utility companies, mainly those supplying energy will be most vulnerable, as they will be the primary actors interacting with the Mafia's members that own land sought out for its advantages in renewable capacity. Much of the risk faced by utilities may come in the form of physical threats and extortion, as well as reputational stemming from their need to accommodate the mafia.

Tech suppliers will face risks, though not direct physical risks that utilities may face. Much of the risk lies in the loss of reputation. As companies are attempting to become more 'ESG' compliant, they could lose points on the S and G. Working with the Mafia can pose considerable social costs as it could be seen as support for a group that uses violence against the wider population. Further, the issue of corruption could come into play amongst private companies' governance and their involvement with the Mafia.

Governments also face considerable risk, both physical and reputational. Civil servants attempting to crack down on crime may face violent pushback by mafiosos attempting to protect their 'firm'. Similarly, if governments cooperate with, are bribed by or do nothing about the Mafia's business in renewables, there will be a significant reputational loss. Reputational loss can mean a few things such as private investment diverting away from the country, complicated international relations with other states, and potentially a breakdown in their ability to govern if the general population loses confidence in governing authorities.

More generally, legitimate businesses and individuals may put their money and assets at risk. For instance, in 2013 Italian authorities froze [over \\$2 billion](#) in assets of mafia bosses, corrupt officials, and private individuals and companies linked to criminal activity. Thus,



anyone involved in Mafia-like renewable projects may risk their assets being frozen and incur financial penalties.

Overall, the Mafia's involvement in renewable energy poses numerous risks to citizens, corporations and to the state. Principally, though, the threat may undermine Italy's ability to transition into a green economy and cope with a changing climate.

