

Development in Brief



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Transnational Organised Crime (TOC): A challenge for development cooperation

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We usually understand organised crime to refer to long-running criminal enterprises with the aim of systematically profiting from illegal activities which are secured by use of force, threat, monopoly control and/or corruption. When this takes place across borders, we speak of transnational organised crime (TOC). TOC is a collective term for a range of activities that are related to different illegal markets and supply chains. Prominent guises include drug and arms smuggling, human trafficking, smuggling of migrants, illegal trading of natural resources, maritime piracy, poaching, illegal fishing, illegal trade in organs or drug trafficking.

Why is TOC relevant for development cooperation?

TOC is relevant for development cooperation mainly for two reasons: firstly, TOC is an important development constraint which directly affects the developing countries themselves and indirectly affects industrialised countries. On the other hand, development cooperation must ensure that TOC is not unintentionally fostered by development projects ("do no crime").

TOC as a development constraint

In countries where TOC is prevalent, criminal figures reap high profits. Although part of the population often benefits from this, in the long term TOC acts as a barrier to development. The actual effects depend on the given form of the phenomenon: the state loses significant revenues through money laundering. Criminal figures influence the prevailing government apparatus in their favour through corruption, or undermine it completely (state capture). Growth declines, for example, in regions that lose tourism revenues due to the consequences of poaching. For illegal logging, illegal trafficking of medicines or mineral

resources, the connection to the damage of the formal economy is obvious. Many crises and armed conflicts are partly TOC funded or motivated by TOC profits. The consequences affect the international community as a whole, and thus industrialised countries like Germany too. Transnational drug trafficking, for example, not only increases violence in the supplier countries, but also leads to high costs for the health systems in the countries where the demand originates.

TOC-sensitivity of development cooperation

Development projects must be designed so they do not contribute to TOC. Many donors and implementing organisations have worked on the conflict sensitivity of their projects in recent years. However, the "Do No Crime" principle is often not systematically applied. Sometimes there is a lack of awareness about TOC and the problems, an absence of analytical tools, or there are no experts who are sufficiently familiar with the issues in the relevant contexts.

What can development cooperation do?

If development cooperation wants to fight organised crime, the causes must be known so that the result is not just geographical displacement ("balloon effect"). Promoting good governance and anti-corruption measures are essential, especially in fragile and conflict-prone environments, as is increasing transparency and accountability. Raising public awareness about the negative effects of TOC is another issue. Supporting outspoken journalists, strengthening the rule of law, protecting judges and prosecutors as well as creating alternatives (livelihoods, education, health, work) for those who would otherwise migrate towards criminal activities are all vital. It is also conceivable to encour-

age the establishment of certification systems to promote the legal segments of the economy. Where it is estimated that the phenomenon cannot be controlled, measures to reduce the resulting damage ("Harm Reduction") are important.

To increase awareness of the problem by DC stakeholders, TOC should be factored into Peace and Conflict Assessments more systematically than before, enabling the derivation of recommendations for TOC-sensitive project designs.

At the same time, a sensitive way of working is required in the context of illicit economies: commitment against TOC is a challenge encompassing sectors and policy areas, and needs political will as well as a diplomatic approach. Often it makes more sense for DC to strengthen the legal segments of affected economies and not to intervene directly in the illicit markets, to avoid market distortions. In conflict-prone, fragile environments the state should be strengthened on the one hand, but cooperation with civil society is sometimes the only option for DC on the other. However, this cooperation must be examined critically too. Furthermore, the protection and safety of employees is of utmost priority in selecting project activities against TOC, or for DC in general when implemented in a TOC context.

Literature

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