



Balkan Expert Network on Good Governance (BENGG)

Organised Crime – Challenges and Evidence

Summary of Findings, 22 June 2018

This roundtable, organised by *Aktis Strategy* and *Research in South Eastern Europe at the London School of Economics (LSEE)*, explored how poor governance has assisted the growth of organised crime in the Western Balkans. This follows a previous roundtable about security issues in the region that highlighted the link between governance and security. Participants – who included policy practitioners, experts and academics – stressed that **poor governance and corruption are key contributors to organised crime** in the region. The roundtable developed a range of ideas for workable solutions to improve the situation and offered examples of best practice from elsewhere.

Background and Objectives

Aktis and LSEE launched the *Balkan Expert Network on Good Governance (BENGG)* in June 2018 with the aim of regularly bringing together experts, academics, policymakers and practitioners to discuss how poor governance affects the way in which external parties work in the Western Balkans and identify strategies to address some of the most intractable problems in the region.

This meeting considered how to confront organised crime, trafficking and modern slavery. Exchanging findings drawn from field experience and research, it concluded that the Western Balkans should no longer be considered as a post-conflict environment. Instead, the region's transitional and war economies have morphed into criminal economies that thrive on poor economic development.

The discussion focused on:

- **Actors** that drive and influence organised crime (both in and outside of the Western Balkans);
- **Incentives** that encourage society at large to engage with organised-crime networks and opportunities;
- **Strategies** to tackle the link between governance and organised crime from a short, mid and long-term perspective.

This summary report presents some of the suggestions proposed, identifies potential ways forward in designing interventions with measurable impacts and offers a set of policy recommendations.

Poor Governance Enables Organised Crime

The emergence of organised crime in the Western Balkans is closely linked to the 1990s war economies and the preceding communist period when black markets offered lucrative business opportunities. **Subsequent state capture has facilitated the phenomenon of *criminalised peace*.** Weak governance and economic underdevelopment allow organised crime (be it trafficking or modern slavery) to thrive and, in some cases, take on seemingly positive social roles. In some cases, organised crime has provided services to local citizens that the state had failed to deliver (e.g. waste management, education, employment). Incentives for organised crime are thus often linked to a poorly functioning state, **meaning that organised crime and failed governance occur together.**

Different Views of Organised Crime

Local perceptions of crime differ depending on their type. For instance, **arms and drug trafficking is often seen 'positively'**. In Albania, the drug trade is sometimes viewed as 'genuine' business rather than a criminal activity. In many instances organised crime is really an issue of livelihoods. Responses will thus naturally be varied. In most cases, it is important to provide other economic opportunities if the key criminal employment sources are to be eradicated, which needs careful consideration. For example, in Colombia, the USAID programme substituted coca for bananas and rubber which were not lucrative enough. At the same time, engagement with ordinary citizens is needed as perceptions about crimes such as drug trafficking must change. **Experience from elsewhere suggests that criminalising a sector that livelihoods depend on will divert people to another source of revenue,** which may be just as problematic (e.g. from sex trade to migrant smuggling). This approach also damages relationships between communities and authorities.

Looking Beyond Law Enforcement

The traditional approach to addressing bad governance has been through training and monitoring the police, judges and prosecutors. In the Western Balkans, this approach delivered mixed results as political interference, coupled with the vested economic interests of politicians, has prevented professionals from doing their jobs freely and effectively.

A constant problem is that low level officials cannot do their job without relying on a network of additional institutions that can support them. For example, prosecutors in Bosnia can choose which cases to take on, leading to the more difficult ones being put on hold. Similarly, in the capital of Serbia, Belgrade, only two prosecutors have skills to process cyber-crimes. Many cyber-crime cases are thus still pending. Limited human resources are an issue; however, another pitfall is **the lack of coordination between investigative agencies, the police, and the judiciary in how cases are picked up and investigated.** Importantly, **law enforcement approaches organised crime as a political issue, rather than a structural issue** that requires societal transformation. By targeting one region or sector, criminal networks adjust and move across the border or to another sector. For example, in Bosnia or Albania, a focus on law enforcement, has resulted in organised crime being pushed to other areas.

Nonetheless, law enforcement interventions are needed. But it needs to be one part of a more responsive and accountable approach. Law-enforcement officials and the judiciary need a strategic and coordinated direction. There also needs to be a more systemic approach to working with several institutions at once. **Increasingly, international development agencies have started to look at factors which facilitate crime, such as underperforming local economies and addressing youth unemployment.**

Technology as Part of the Solution?

Technology can play a positive role in minimising corruption. E-services and e-governance can increase transparency in service provision and administration. Its introduction could make people's lives easier and encourage greater societal buy in. However, technology is not always user friendly and intermediaries are needed to teach officials and implementers how to use the products. Such intermediaries can range from civil society organisations to the private sector. Rapid modernisation of society in technology runs the risk of marginalising communities without e-access. Currently, the challenge is making such solutions sustainable without perpetual reliance on donor funding. **E-services should thus be encouraged to the best degree possible, without increasing local dependencies on external funding.**

Replicating Positive Examples

It would be beneficial to have more examples of projects with a positive impact in the region. Successful projects often do not make it out of the region (or even local communities). **Small and localised grassroots interventions have in some places proven very successful as they address genuine local needs with a clear understanding of the context but are rarely replicated.** Educational projects, for example, must be tailored to address local complexities and with a careful consideration of the political context.

Additionally, more needs to be done to draw lessons from positive changes. For example, there seems to have been a shift in Serbia with a greater willingness to pay taxes after a top-down introduction of greater scrutiny. The reasons behind such societal changes need to be further investigated so that they could be implemented in other contexts.

Albania and Organised Crime

One country dominates when it comes to the link between organised crime and weak governance: Albania. Drug trafficking and other forms of organised crime have flourished on the back of malfunctioning state institutions. Albanian criminal networks now operate across the Balkans and have built networks in other countries. By way of example, Albania has emerged as one of the top sources of organised crime in the UK.

Recommendations

- The public needs to be educated that all organised crime has severe effects, sometimes close to home.
- Law enforcement requires a coordinated approach with prosecutors, judiciary and the civil sector. Increased training in key areas and greater technical support that is strategically applied can have a major impact.
- Technology increasingly provides an effective means to undermine corruption but must be applied without marginalising vulnerable groups.
- Grassroots and locally driven projects should be piloted more often. If successful, more needs to be done to publicise the results widely and scale them up accordingly.

NEXT MEETING: Radicalisation and Extremism (October 2018)

Alongside Islamic radicalisation, the next meeting will address the varieties of extreme discourses, hate speech and extremism in the Balkans. Experts, practitioners, academics and HMG representatives will share their experience and discuss ways forward.