

The New World of Privatized Violence

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Since end of the Cold War European and American decision-makers have tended to consider conflicts in apparently unimportant countries as none of their business. This was partly changed by September 11 – just as it changed many other things in world politics. Suddenly, the North realized that state failure, authoritarianism, cultural disintegration, social deprivation and economic hopelessness are not only tragic developments for the have-nots in the South but also affect the haves in the North. The question became relevant of whether the industrialized countries could afford more Afghanistans – territories, in which state control and the state's monopoly on violence had collapsed, and which offered safe havens and the necessary isolation for terrorists to organize themselves. In due course, war economies, conflict regions and failed states became a focus of attention. As the National Security Strategy of the U.S.A. 2002 rightly puts it on its very first page: »America is now threatened less by conquering states than we are by failing ones.« The concern grew that the rise of private violence in marginalized regions of the world could in future leave its marks in Europe and America as the Afghan warlords have done in New York.

The danger with putting the emphasis on terrorist threat is the that any form of private violence is classified as terrorism – negligently by American decision-makers because they are not willing or able to differentiate; deliberately by authoritarian regimes because calling rebels and oppositions movements terrorists serves to justify their repression and can generate additional resources to do this job more effectively.

This alone demonstrates why it is so important to differentiate. Containment of private violence requires an understanding of the motives, strategies and powers of the different non-state actors who control the means to exercise organized violence.

There are four ideal types of privatized violence: criminals, terrorists, warlords and rebels. They share a willingness to use violence in order to attain their objectives. They differ in their objectives, target groups, and

the geographic scope of their use of violence as well as in their relation to the state monopoly on the use of force. In very general terms, these four ideal types could be classified according to these criteria:

- ▶ Warlords and criminals are guided by economic objectives, terrorists and rebels by political ones.
- ▶ The main target groups of violence exercised by rebels and criminals are other organs of force – official security forces, such as the police and the military, or competing rebel groups and criminal gangs – while terrorists and warlords predominantly direct their use of force against unarmed civilians.
- ▶ The geographic scope of the warlords' and rebels' use of violence is usually limited and aims at the consolidation of control over a certain territory. Transnational organized crime and international terrorism act on a global scale, if with a limited territorial base.
- ▶ Warlords and rebels try to replace the state monopoly on the use of force by their own monopoly, while the use of force by terrorists and by organized crime coexists with this state monopoly or rather requires it.

The actors of violence sketched below are, as already mentioned, ideal types, artificial constructs which rarely occur in reality. Moreover, most of them have multiple identities. Depending on an observer's attitude, interests and motives, one and the same person can be regarded as a criminal, terrorist, warlord, or rebel.

Warlords

The emergence of warlords is by no means a new historical phenomenon. Warlords were, for instance, influential and partly decisive actors in Europe's Thirty Years' War (1618–1648). Similarly, in the first half of the twentieth century, large parts of China were under the control of warlords. Long-lasting civil wars and declining ability of states to adequately exert their monopoly on the use of force offer favorable conditions for the rise of warlordism.

Notably the changes in the international order in particular since 1990 have improved warlords' »career prospects«: until the end of the Cold War both super powers and the former colonial powers used development aid and military interventions to effectively prevent Africa's and Asia's weak states from collapsing. The danger was that such a collapse

would create a political vacuum, which in turn would invite the competing bloc to expand its control, or provoke a confrontation of the two blocs. Conversely, the linking of official development assistance to strict conditions, alongside its reduction since the early 1980s, has even contributed to the creeping collapse of weak regimes in the Third World and to the expansion of spaces for non-state violence.

Warlords aim at maximizing their profits from state disorder. The threat of force against civilians plays a central role in realizing this objective. Warlords are rarely entrepreneurs by themselves, but extract capital from the business activities of their subjects. Their main source of revenues is the quasi-taxation of the exploitation of mineral resources and of trade. The prime target groups of this taxation are diamond diggers, miners of precious metals and easily exploitable as well as high-priced ores, drug producers, drug traffickers and smugglers of consumer goods. In some cases, warlords have even managed to license international oil, mining, and logging companies.

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Warlordism differs from neopatrimonial clientelism in one important point: Warlords do not have to reward political loyalty by development projects, posts and privileges, they obtain loyalty from their subjects by the use or threat of force. This means that warlords do not even partly reinvest their revenues in the territory under their control. The transfer of resources to political barons and middle-men, as well as investment in physical infrastructure bears a great risk: both could result in the emergence of autonomous nuclei of power which might, in turn, undermine or even challenge the warlord's hegemony. The fear of such developments leads warlords resort to tactical alliances with powerful external actors. Private security companies offer their assistance in exchange for privileged access to attractive resources. Terrorists and criminal gangs help to crush opponents if they can use a warlord's territory as a safe haven.

Warlords can change: if they depend more on the »taxation« of trade and markets than on the exploitation of resources, they might even transform themselves into autocrats. Olson, who calls warlords »stationary

bandits«, analyses this process as follows: »The stationary bandit, because of his monopoly on crime and taxation, has an encompassing interest in his domain that makes him limit his predations because he bears a substantial share of the social losses resulting from these predations (...) The second way in which the encompassing interest of the stationary bandit changes his incentives is that it gives him an incentive to provide public goods that benefit his domain and those from whom his tax theft is taken.«¹ This long-term calculation can, however, be undermined by the steady inflow of external resources. If development assistance balances the social losses of warlordism and provides social services, warlords are able to continue maximizing the economic exploitation of the territory under their control. They are, so to speak, able to externalize the social costs of their rule.

Use of force by warlords is territorially defined and locally limited. It has a transnational dimension because warlords tend not to care about state boundaries when these are a significant hurdle for the realization of profit. The Liberian warlord (cum president) Charles Taylor started to develop new sources of revenue in Sierra Leone, Guinea and most recently Ivory Coast after he had consolidated his control over Liberia's markets and resources. The greed of warlords can trigger off conflict dynamics which eventually seize relatively stable states. The activities of warlords can even have global repercussions. First, they can expand to such an extent that whole sub-regions become affected. This can be observed in sub-Saharan Africa and the Caucasus. Great parts of West, Central, and the Horn of Africa are more or less under the control of local warlords. Moreover, warlords offer safe havens to organized crime and international terrorism – two forces capable of having a negative impact on a global scale.

Rebels

While warlordism has experienced a renaissance in the past ten years – in sub-Saharan Africa, the Caucasus, Central Asia and Southeast Asia – rebel movements have suffered a serious diminution in importance. There are two main reasons for this: the end of the Cold War and the demystification of the socialist model due to its failure in Eastern Europe. Rebel

1. Mancur Olson: *Power and Prosperity. Outgrowing Communist and Capitalist Dictatorships*, New York, 2000, p. 9.

movements played a central part in the proxy-wars of the East-West conflict. It would, however, be misleading to see rebel movements only in this context. Most of the rebels had comprehensible demands and used the East-West conflict to mobilize financial and material assistance to pursue them. At the heart of their demands was usually a fairer distribution of national wealth. It was only logical that the commitment to this goal promoted a certain receptiveness to socialist ideals. The breakdown of real socialism, therefore, was a severe setback for ideologically motivated rebel movements. Both the end of the Cold War and the failure of socialism contributed to the ending of long-lasting internal conflicts in the late 1980s and early 1990s: in South Africa, Namibia, Mozambique, and Ethiopia/Eritrea.

Rebels gain international importance these days in three ways: first, they depend increasingly on transnational organized crime in their efforts to self-finance their warfare and restock their armaments; second, they turn to international terrorist attacks to emphasize their national demands; and third, they offer safe havens and operational bases for criminal gangs and terrorists in the territories they control.

However, the reduced significance of rebel movements in world politics might also be a result of the fact that they are less and less distinguishable from other non-state actors of violence. Depending on one's perspective, the few groups who meet the three main criteria for classification as rebel movements – pursuing political motives, discriminatory use of violence, and ability to exert territorial control (see above) – can be called warlords, terrorists, and criminal gangs: the FARC (Revolutionary Armed Forces of Colombia) and the ELN (National Liberation Army) in Columbia, as well as the Tamil Liberation Tigers (LTTE) in Sri Lanka are involved in drug trafficking and commit terrorist acts; the behavior of the Sudan People's Liberation Army (SPLA) in the Sudan, as well as of the MLC (Congo Liberation Movement) and RCD (Congolese Movement for Democracy) in the Democratic Republic of Congo can also be interpreted as pure warlordism. The problem becomes more complicated when the Revolutionary United Front (RUF) in Sierra Leone, the GIA (Armed Islamic Groups) in Algeria, as well as Chechen, Abkhazian, Kashmiri, and Uzbek fighters are added to the category of rebel movement. The main reason for the increasing diffuseness of this category is

the drying-up of state sponsorship for rebel activities. There is only a handful of potential sponsors left, most of them internationally marginalized countries such as Libya, Syria, and Iran. There is, however, still a considerable number of countries which support rebels in neighboring countries more or less openly, including Venezuela, Uganda, Sudan, Rwanda, Liberia, and Georgia.

The decline of state sponsorship has left rebel movements with two options: first, to stick to their strategy of use of force – combatants as main target groups and the exertion of territorial control – and to develop new sources of income; or, second, to turn to more economical forms of use of force, that is, terrorist attacks. Some rebel movements have opted for self-financing their costly activities: drug production and smuggling, the trading of diamonds and high-priced consumer goods, extortion and kidnapping. This has forged links with organized crime. The connections to criminal gangs have increased in importance as the latter have become the prime sources for the arming of rebel movements. The turn to organized crime has relegated the political motives of some rebel groups to the background. In some cases, rebel groups have totally mutated into criminal gangs and the soldateskas of warlords. In parallel with this, classical rebel movements, such as the Tamil Liberation Tigers and the Kurdistan Workers Party (PKK), started increasingly to commit terrorist attacks – an expression of their limited ability to challenge government forces militarily. Despite these mutations, the analytical category of rebel movement should not be abandoned. Their predominantly political motives and discriminatory use of force must be taken into account when strategies are being developed for conflict resolution. Rebel movements are usually more easily reintegrated in peace arrangements than warlords and terrorists. Their transformation into political movements is more likely than in the case of the latter two.

As in the case of warlords, the immediate geographical scope of a rebel movement's use of force is limited – to the state whose government it wants to overthrow or from which it would like to secede, and to neighboring countries in which it holds operational bases or from which it obtains the necessary supplies. Nowadays, rebels gain international importance in three ways: first, they depend increasingly on transnational organized crime in their efforts to self-finance their warfare and restock their armaments; second, they turn to international terrorist attacks to emphasize their national demands; and third, they offer safe havens and operational bases for criminal gangs and terrorists in the territories they control.

Terrorism

In contrast to rebel movements, terrorists direct their use of violence primarily against civilians. »Terrorism is the intentional use of, or threat to use violence against civilians or against civilian targets, in order to attain political aims.«² The terrorist scene has experienced a fundamental transformation similar to that of rebel movements since the end of the Cold War – a transformation in its orientation as well as of its structures and methods.³ What has not changed in the past ten years is the fact that terrorism is still *the* instrument of the »asymmetric use of force« – the most effective weapon of violent non-state actors against the superior strength of police and military forces.

The terrorism of the 1970s and 1980s was mainly ideologically motivated and nationalistic in nature, and pursued clearly identifiable political, economic, and social goals. The terrorism of the 1990s and beyond has been dominated – not only since September 11 – by Islamic fundamentalist forces whose motives are more abstract and absolute. This change has also brought about a transformation of structures. The most active international terrorist groups are no longer centralized, hierarchically structured organizations, but networks of relatively autonomous cells, inspired and directed but not controlled by charismatic leaders. The al-Qaeda network is perhaps the best example of this, with its cells spread over more than 60 countries. This terrorist network also best represents the changes in terrorist methods. The dominant form of terrorist activities in the past were abductions of individuals or groups, such as air passengers, to extort political concessions or financial transfers. The destruction of the World Trade Center marks the preliminary peak of a trend which started some years ago: making terror absolute. The aim is the maximization of damage, preferably by causing the maximum number of casualties. Islamic fundamentalist groups do not have a monopoly on this form of terror. The American right-wing radical Timothy McVeigh stated explicitly that the main purpose of bombing the federal building in Oklahoma City in 1995 was a maximum »body count«. The same logic was ap-

2. Boaz Ganor: Defining Terrorism: Is One Man's Terrorist Another Man's Freedom Fighter? <http://www.ict.org.il/articles/define.htm> (2/10/2001).

3. See also Ian Lesser et al.: Countering the New Terrorism, Santa Monica 1999. <http://www.rand.org/publications/MR/MR989/> (20/8/2002).

plied by a German right-wing terrorist who carried out an attack on the Oktoberfest in Munich, in 1980.

These changes do not mean that the terrorist groups which dominated the scene in the 1970s and 1980s have completely disappeared. About one-third of the 33 terrorist groups designated as such by the US State Department,⁴ still resemble the classical model of hierarchically structured, ideologically and/or nationalistically motivated groups – among them well-known bodies such the Basque ETA and the Palestinian organizations under Abu Nidal, George Habash, and Ahmed Jabril. However, although their local importance is still significant, their willingness or ability to commit international attacks are low. The reduced relevance of these groups is due to the same factors as in the case of ideologically motivated rebel groups: the decline of state sponsorship and the failure of socialism as a societal counter-model to capitalism. The attractiveness of Islam as the only existing, comprehensive alternative model to the neo-liberal order, on the other hand, partly explains the rise of Islamic fundamentalist terrorism.

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The change of motives alone cannot explain why the now internationally dominant terrorist groups have also changed their structures. The transformation from hierarchical organization to fluid network of cells with a relatively loose chain of command and control is due to two reasons. First, hierarchical organizations fell victim to more effective state repression and penetration by intelligence agencies. Networks are far less prone to well-directed counter-insurgency. In addition, the revolution in communication technologies has enabled the new terrorists to maintain links between cells more easily. Satellite and mobile phones, as well as the Internet have been used for the exchange of information and the giving of orders. More difficult to explain is why the »new« terrorists seek to maximize damage. One reason might be the refusal of state organs in the past to give way to attempted extortion. Another factor is certainly that the public has become increasingly indifferent to humanitarian catastro-

4. US Department of State (ed.): *Patterns of Global Terrorism 2001*, Washington 2002, p. 85.

phes. This seems to have triggered off an escalatory spiral in which each act of terror has to outstrip the preceding one. Third, terrorist groups seem increasingly to be following the logic of warfare. It is no longer their prime objective to wring concessions by means of well-directed assaults, but to »force the enemy to his knees«. Victims among the civilian population are, within the framework of this logic, not unintended »collateral damage« but means to an end. A final factor might be the »transcendental« orientation of Islamic fundamentalist groups, which seems to render them less susceptible to moral scruples concerning human suffering.

Terrorist groups maintain various and intensive links to other violent non-state actors. Organized crime plays a central role in their arms supply – from hand-grenades and AK 47s to – at least this is the threat – atomic, biological, and chemical weapons of mass destruction. Drug trafficking, smuggling of consumer goods, and extortion are important sources of income for terrorist groups as well. Their political motivation forges links with some rebel movements. Some cannot be unambiguously classified as one or the other. »Patterns of Global Terrorism 2001« designates some groups as terrorists which, according to the definition applied in this article, are rather to be considered rebels: for example, the Colombian FARC and ELN, the Tamil Liberation Tigers, the Kurdish PKK, and the Lebanese Hezbollah.

Organized crime

Transnational organized crime has transformed itself in the past ten years in a similar way to international terrorism. The influence of the big cartels and »mafia« groups led by a boss and sharing markets on a territorial basis has decreased. The scene is increasingly dominated by a network of small cells who co-operate with each other on the basis of a functional division of labor. Columbian criminal gangs focus on the export of cocaine; Burmese and Afghans on the production of heroin. Nigerian, Turkish, Kurdish, Albanian, and Russian groups function as middlemen in drug smuggling and human trafficking. Italian Mafiosi specialize in extorting protection money and in the disposal of hazardous waste. This functional division of labor defuses conflicts between criminal gangs. Such conflicts still arise when newcomers seek to penetrate occupied markets, but they can usually be settled relatively quickly. The incremental restructuring of organized crime in networks of small cells has been – as in the case of in-

ternational terrorism – mainly a reaction to increasingly effective state repression by way of seizing the opportunities made available by the revolution in communication technologies. Organized criminal gangs, moreover, seem to have realized – far earlier than the formal private sector – that networking, flat hierarchies, and small working units would enable them to adapt more quickly and more efficiently than large cartels. International connections and a transnational division of labor have certainly qualified but not totally invalidated the importance of extended family bonds and ethnic affiliations.⁵

The extent of organized crime is very controversial. The database is small. It is, of course, almost impossible to gather reliable information on organized crime: the Mafia does not publish company reports. The definition of organized crime is another problem for the correct recording of its activities. Jens van Scherpenberg defines organized crime as the economic activity of groups which have a permanent structure and a division of labor; aim at the maximizing of profits; and exploit the special opportunities which result from the intentional and forcible violation of state-guaranteed individual rights (property rights, freedom, safety), as well as from the breach of state rules and the regulation of certain economic activities.⁶ Organized crime concentrates its activities on the following sectors: drug trafficking, migrant smuggling, trafficking in women and children, environmental crime in the form of trading in internationally protected flora and fauna, as well as the dumping of hazardous waste, illicit technology transfer, and smuggling of materials for weapons of mass destruction, arms trafficking, trafficking in precious gems, piracy, smuggling of (non-drug) contraband, intellectual property rights violations, foreign economic espionage, foreign corrupt business practices, counterfeiting, financial fraud, and high-tech crime.⁷ Estimates of the turnover of organized crime in the second half of the 1990s range from 800 billion dollars to 1.5 trillion dollars. At that time this represented 2.5 percent to 4.5 percent of global GDP or 14 percent to 27 percent of global trade.⁸ The core business of organized crime is money laundering – not as an activity

5. Jens van Scherpenberg: *Transnationale Organisierte Kriminalität: Die Schattenseite der Globalisierung*, Ebenhausen 2000, p. 12.

6. Van Scherpenberg: *Transnationale Organisierte Kriminalität*, p. 10.

7. US Government: International Crime Threat Assessment, Washington 2000. <http://clinton4.nara.gov/WH/EOP/NSC/html/documents/pub45270/pub45270index.html> (2/9/2001), pp. 21–47.

8. Van Scherpenberg: *Transnationale Organisierte Kriminalität*, p. 22.

to generate income but to transfer it to the legal capital market. Money laundering goes through three phases: first, the separation of the illegally obtained money from its source; second, the concealment of its origins; and finally, its transfer into legally incontestable forms.⁹ The extent of money laundering is estimated (controversially) at one trillion dollars.¹⁰

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Even if the real turnover of organized crime is closer to the bottom of the range of estimates than to the top, the international economic importance of this form of non-state violence is impressive. The deregulation of international trade in goods, services, and capital, increasing mobility and transborder migration, the temporary or rather permanent breakdown of the rule of law in some East European, Central Asian, or African countries, as well as the cash requirements of terrorist and rebel groups have significantly increased the extent of organized crime. The international political relevance of organized crime is based on its attempts to infiltrate, corrupt, or control national governments. The list of countries in which organized crime has made significant progress in this direction includes not only the usual suspects, such as Italy, Japan, Turkey, and Russia, as well as semi-anarchic states such as Nigeria, Zambia, Lebanon, Cyprus, Armenia, Georgia, and Albania, but also unexpected newcomers such as Belgium, Liechtenstein, Israel, and South Africa. Another important political dimension of transnationally acting criminal gangs lies in their central role as middlemen for goods exported by warlords and rebel movements, as well as suppliers of arms for the latter and terrorist groups. Organized crime does not seek to change the national or international social and political order, but tries to influence them in order to hinder effective crime control. Van Scherpenberg describes organized crime as the system-conforming parasite of the world economy.¹¹

9. Van Scherpenberg: *Transnationale Organisierte Kriminalität*, p. 18.

10. US Government: International Crime Threat Assessment, p. 47.

11. Van Scherpenberg: *Transnationale Organisierte Kriminalität*, p. 22.

The network

Co-operation between the actors of non-state violence is intensive and makes use of comparative advantages and synergies. Warlords and rebel movements utilize organized crime to channel drugs and raw materials into the world market and to acquire arms, means of communication, and consumer goods. Organized crime and terrorist groups use territories controlled by rebel movements and warlords as operational bases and safe havens. The co-operation between the different types of non-state violent actors occurs in five spheres in particular: (i) arms and (ii) drug trafficking, (iii) illegal trade of diamonds, (iv) smuggling of consumer goods, and (v) money laundering.

The intensity of the interconnections is certainly one factor which makes the differentiation between warlords, criminal gangs, rebels, and terrorists so difficult these days. More important, however, are two other factors: (i) the decline in state sponsorship, which forced politically motivated rebels and terrorists to resort increasingly to criminal activities in order to obtain arms and to maintain their logistical infrastructure; and (ii) the tendency among warlords and patrons of crime to disguise their purely economic agenda, legitimizing their activities by professing political grievances. In addition to their intensive interconnections, the diversification of activities and the masking of motives result in mutations and multiple identities. The most prevalent of the latter is the combination warlord/patron of organized crime. We have already discussed the fungibility of the roles of rebels and terrorists, but there are even more complex configurations than these bi-dimensional identities. The violent activities of RUF in Sierra Leone, UNITA in Angola, and a number of other groups in sub-Saharan Africa can be described as mixtures of rebellion, warlordism, and organized crime.

The partners

The network of internationally operating non-state actors of violence has numerous external links. To obtain arms and use them effectively, warlords, criminals, terrorists, and rebels need partners inside the law. These partners include governments, financial institutions, mining companies and traders, security companies, mercenaries, and even non-governmental organizations.

States

The important but diminishing role of state sponsors for terrorist and rebel groups has already been mentioned. Some governments still provide both groups with material and logistical support – out of a vague, historical sense of solidarity or for the sake of what they perceive to be the national interest. The US Department of State listed seven states as sponsors of terrorism in 2002: Cuba, Iran, Iraq, Libya, North Korea, Sudan, and Syria.¹² State sponsorship of terrorism, however, is not a one-way street, as the case of Afghanistan illustrates. The terrorist network al-Qaeda played a part in the stabilization of the Taliban regime, both militarily and financially. The relationship between the two can best be characterized in terms of a terrorist-sponsored state rather than of state-sponsored terrorism. Nevertheless, the list of those countries which support rebels or tolerate their operational bases on their territory is still far longer than that of states being sponsored by terrorists. The motives behind state support for rebels are partly the classical political ones, primarily the destabilization of unfriendly neighboring regimes. However, with the gradual conversion of rebels to warlords the motives of their state partners have also changed.

Money laundering on its current scale requires more than the cooperation of sinister banks and foreign exchange agents, but at least the tacit tolerance of financial operations on the fringe of legality by internationally renowned American, European, and Japanese financial institutions. The most important trading location for illegally obtained money is still the global financial center, London.

Most state partners have realized that participation in the plundering of resources by warlords promises enormous profits – not only for the state but also (and above all) for the individual members of the political elite. Countries such as Burkina Faso, Ivory Coast, Zambia, Uganda, Rwanda, Afghanistan, Pakistan, and Myanmar (Burma) function as indispensable agents for the export of resources and the import of arms by warlord-controlled territories. From there it is only a small step to the direct involvement of states in organized crime. The mildest form of this

12. US Department of State (ed.): *Patterns of Global Terrorism 2001*, pp. 63–68.

involvement is connivance in money laundering by means of inadequate legislation and law enforcement. The Financial Action Task Force (FATF) lists 18 countries in its 2001 annual report which have failed to take effective action against money laundering. It includes not only the »usual suspects«, mostly island states, but much more prominent international political actors, such as Russia, Egypt, Indonesia, Hungary, the Philippines, and Israel. Zambia, Albania, and a few other states have even reached a level of co-operation with organized crime at which government representatives are an integral part of criminal structures or are controlled by them. Another group of less important countries is subject to a process which Jean-Francois Bayart, Stephen Ellis, and Beatrice Hibou called the »criminalization of the state«.¹³ In these cases, the relationship between state and organized crime is becoming increasingly symbiotic.

Financial Institutions

However, states and governments are not the most important partners for non-state actors of violence these days. It is the private sector, primarily internationally operating financial institutions, which enjoys this status.¹⁴ Money laundering on its current scale requires more than the co-operation of sinister banks and foreign exchange agents in the business centers on the FATF list, but at least the tacit tolerance of financial operations on the fringe of legality by internationally renowned American, European, and Japanese financial institutions. The most important trading location for illegally obtained money is still the global financial center, London. Even the most rigorous action taken against money laundering in the context of the campaign against terror will merely be able to contain it. The number and variety of small financial institutions integrated in the international capital market, as well as the increased use of financial middlemen and agents, will ensure that non-state actors of violence will continue to be able to conceal the origin of their assets. Finally, the complete breakdown of the rule of law in some states has made possible the emergence of a parallel banking system over the last ten years which offers organized crime, terrorist groups, rebel movements, and warlords the

13. Francois Bayart, Stephen Ellis, and Beatrice Hibou: *The Criminalization of the State in Africa*, Oxford 1999.

14. See also van Scherpenberg: *Transnationale Organisierte Kriminalität*, p. 18.

means to carry out global financial transactions, to deposit money temporarily, or to invest it in the informal sector.

Construction and Service Companies

There are other economic sectors beyond the capital market which are particularly prone to forced or voluntary co-operation with non-state actors of violence.¹⁵ Force in this case means mainly the extortion of protection money and ransoms. The first is an almost classical business activity of organized crime in its involvement in waste disposal, construction, transport, and tourism. In these sectors, many companies are not only forced but even willing to co-operate with patrons of organized crime. Here, non-state actors of violence have even succeeded in establishing well-disguised front companies. Rebel movements and terrorist groups have successfully copied the strategies of organized crime in recent years to penetrate the private sector and to co-operate with it; al-Qaeda in particular seems to control a – functionally extraordinarily diversified – network of companies.

Private Security Companies

Warlords and rebel movements which have some sort of territorial control have – compared to organized crime and terrorists – additional opportunities to link up with the private sector. Among their main partners are private, transnationally operating security companies which have been able to expand their activities – both geographically and functionally – since the end of the Cold War, from the protection of individuals and company premises in developed countries to the provision of comprehensive security services for state and non-state actors in conflict-prone and war zones. Estimates put the annual turnover of these companies at around 100 billion euros.¹⁶ Such security companies are increasingly co-operating with warlords¹⁷ whose interest in such co-operation is clear: the commissioning of external actors to perform security services reduces the

15. See also van Scherpenberg: *Transnationale Organisierte Kriminalität*, p. 23.

16. P.W. Singer: »Corporate Warriors: The Rise and Ramifications of the Privatized Military Industry«, in: *International Security*, 3/2001.

17. See Singer: »Corporate Warriors«.

danger that a local baron will obtain the personal and material means to develop a power base or even to challenge the warlord.

Warlords rarely pay for the services of private security companies in cash; usually, remuneration takes the form of exclusive licenses for the exploitation of valuable resources, such as diamonds, gold, coltan, cobalt, timber, and other things. This partly explains the close inter-linkage between some mining companies and security companies. There are two other categories of private business which are of paramount importance for warlords: traders, who market the resources controlled by warlords on the one hand and guarantee the supply of arms and consumer goods on the other; and air carriers and shipowners, who transport these commodities. Both business sectors are dominated less by internationally respected companies than by a variety of adventurers and soldiers of fortune: Lebanese traders in West Africa, Belgian entrepreneurs in Central Africa, Ukrainian, Belarussian, and Serbian pilots almost everywhere. No non-state actor of violence would remain operational without integration in the global network of the black economy.

NGOs

However, the profit-driven private sector is not alone in its co-operation with non-state actors of violence; a number of non-profit non-governmental organizations also play an important role. It is almost forgotten that there was a broad coalition of groups in the 1970s and 1980s which offered not only moral and political support to liberation movements in Central America and sub-Saharan Africa but also material assistance, which could also be used to buy arms. The international decline of liberation movements, as well as the end of the Cold War, has also significantly reduced the engagement and political weight of these groups, and the more significant links between non-state actors of violence and NGOs are of a different nature and far less evident. At first sight, it is barely imaginable that altruistically motivated NGOs might have dealings with terrorists, warlords, and organized crime, but on closer inspection, some transnationally operating NGOs serve as cover organizations for international non-state actors of violence. Islamic associations in particular have recently aroused suspicions that they might be supporting terrorist groups materially and logistically. Rebel movements and terrorist groups maintain a diverse social infrastructure in many Islamic countries, which not only serves the recruitment of warriors and assassins, as well as the social

security of activists and their families, but also the pursuit of welfare-oriented objectives, partly making up the social gaps left by state failure. A prominent example of this is the religious schools in the Pakistan-Afghanistan border area run by Islamic welfare organizations and regarded as central sources for the recruitment of Taliban fighters and al-Qaeda terrorists. An even more comprehensive welfare approach characterizes the activities of two groups too easily described as »mere« terrorist movements: the Lebanese Hezbollah and the Palestinian Hamas.

There is another unintentional link between NGOs and non-state actors of violence: the humanitarian activities and emergency aid of NGOs in war zones. Numerous analyses of war economies have documented how important the supply of food and matériel is for the operations of rebels and warlords – whether they are diverted to the direct benefit of the latter or merely »taxed« by them.

Africa: A Future Focus of Terrorism?

On the basis of the examples given so far, two regional foci can be identified in which privatized violence culminates, both in terms of spread and intensity: Central Asia and Sub-Saharan Africa. Considering the numbers of perpetrators of private violence and of victims, Sub-Saharan Africa is the hotspot worldwide. While it has become internationally marginalized with regard to formal trade and investment and is struggling with regional integration, the region is nevertheless an important and integral part of transnational organized crime, and there is a remarkable, fully operating regional and continental network of warlords and rebels. Nigeria's criminal gangs rank among the most influential and effective forces in organized crime. Liberia's Charles Taylor is almost the global role model for warlords, his power stretching far beyond Liberia's borders. There are numerous other successful warlords in large parts of Africa. Most of them disguise their motives by calling their soldateskas liberation movements, but few of Africa's rebel movements predominantly pursue political objectives.

Despite this explosive combination of different forms of privatized violence, the region attracts little attention by the international security community. The reason for that is simple: there is no genuinely African, transnationally operating terrorist group in the region south of the Sahara. Certainly, there are radical Islamic groups in Somalia, Sudan,

Eritrea, and Ethiopia, possibly even in Kenya and Tanzania, which have links with al-Qaeda. Furthermore, there were two terrible bombings in Nairobi and Dar es Salaam in 1998 as well as very recent attacks on Israeli tourists in Mombasa, probably carried out by al-Qaeda or its associates. But these terrorist groups see themselves more as integral parts of an Islamic network than as pursuing an African agenda. The importance of Africa for international terrorism is mainly its provision of safe havens, as well as the opportunities it offers for money laundering and hiding away of assets. There are plausible rumors that al-Qaeda has invested some of its capital in Sierra Leone diamonds and Tanzanian tanzanite.¹⁸

How can we explain the fact that while sub-Saharan Africa seems to have given birth to warlords, criminal gangs, and rebels in abundance, it harbors few terrorist cells, which in turn identify themselves more as Islamists than as Africans? The combination of economic desperation, social deprivation, cultural disintegration, state failure, and state repression is insufficient to create international terrorism on the scale achieved by al-Qaeda. Two other ingredients seem indispensable for this: a mobilizing, integrative idea or ideology which sees the causes of its own misery as external in nature, and the time necessary for the development of a complex and effective configuration of terrorist cells. Sub-Saharan Africa has plenty of the latter but still lacks the ideological basis for developing its own version of international terrorism. If current conditions continue, however, the emergence of African terrorism cannot be ruled out. Conspiracy theories which interpret African civil wars and underdevelopment as part of a deliberate policy of industrialized countries to exploit Africa's resources, are increasingly popular in parts of the region. From there it is only a short distance to the justification of terrorist acts as legitimate means of fighting a superior and life-threatening enemy.

18. US Department of State (ed.): *Patterns of Global Terrorism 2001*, Washington 2002, p. 6.