



Transnational Organized Crime and Peacebuilding in East Africa

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Africa's most serious security challenges today include undemocratic regimes, terrorism, conflict, climate change, underdevelopment, poverty, and corruption. Within this insecure environment, transnational organized crime (TOC) deserves attention as it harms state-building, human security, and economic development. Though TOC impacts both developed and developing countries, it is a particularly potent threat to fragile, conflict-affected countries. East African countries are a prime example. Several types of transnational criminal networks have long existed in the region. This paper focuses on TOC in three East African countries: Ethiopia, Kenya, and Somalia. Ethiopia is seriously challenged by the smuggling of small arms and light weapons (SALW), Kenya is wrestling with drug trafficking, and Somalia is faced with the threat of al-Shabaab's terrorist activity and the illicit trafficking that finances its operations. This paper explores the nexus between TOC and peacebuilding in East Africa. Specifically, it provides a case study of small arms smugglers in Ethiopia, drug traffickers in Kenya, and al-Shabaab's sugar and charcoal smugglers in Somalia.

Political Transitions Undermined by Transnational Organized Crime

Ethiopia, Kenya, and Somalia are all engaged in political transitions. Each is conducting broad-based peace and reform initiatives. The Ethiopian government, under the leadership of Prime Minister Abiy Ahmed, is conducting political, economic, security, and social reforms.¹ The reforms are focused on political actors,

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government institutions, and the economic sector. A major obstacle to Abiy's reforms is the presence of illicit criminal networks, especially smugglers of illicit small arms.² This deadly flow of weapons is steadily increasing in Ethiopia, thereby intensifying ethnic rivalries and conflict that has resulted in the death of hundreds and the displacement of millions of people. However, it does not appear that the country's leaders have given adequate attention to the negative impact of criminal networks on the country's peace process, economic stability, and financial system integrity.

Kenya is working to ease decades of election-related violence and instability. Most recently, the country has been focused on solving the political tension between supporters of President Uhuru Kenyatta and the main opposition leader, Raila Odinga.³ Along with this, the Kenyan government is working to reduce chronic ethnic tension and conflict. However, Kenya, like Ethiopia, does not appear to have put adequate emphasis on the negative impact of illicit networks on peacebuilding efforts, specifically drug trafficking. Drug trafficking is steadily increasing in Kenya. Estimates show that 22 to 40 tons of heroin per year are being trafficked through the country.⁴ Today, Kenya is both a transit and destination point for heroin and cocaine originating from Afghanistan and Latin America, respectively.⁵ Drug trafficking undermines Kenyan peacebuilding by corrupting the country's politics—drug kingpins are even getting elected⁶ to public office—and opening the door to other crimes like small arms trafficking, wildlife poaching, cattle rustling, and charcoal trafficking.

In Somalia, the government, supported by the African Union Mission in Somalia (AMISOM) and other international and regional actors, has been fighting the al-Shabaab terrorist group since 2007. It has long been clear that al-Shabaab is financing its terror operations by engaging in illicit trafficking of various commodities, including charcoal and sugar.⁷ Choking off this illicit trade would deal a big blow to al-Shabaab's operational capability. With that goal in mind, the United Nations Security Council (UNSC) and Somali government banned the exportation of charcoal from Somalia in 2012; however, the measure has failed to stop al-Shabaab from profiting from the illicit charcoal trade. This income, as well as income from illegal trade in sugar, has continued to finance al-Shabaab's terrorist operations aimed at destabilizing not only Somalia but also several neighboring countries in East Africa.

Small Arms Smuggling in Ethiopia

Small arms are smuggled into Ethiopia through Djibouti and Sudan. Djibouti, due to its coastal location on the Red Sea and the Gulf of Aden, has emerged as a transit hub for small arms deliveries from rebel Houthi-controlled territory in Yemen into Ethiopia.⁸ Based on Ethiopian government reports, the seizure of illicit small arms is growing.⁹ For instance, in April 2019, the government seized 21 machine guns, 33,000 handguns, 275 rifles, and 300,000 bullets¹⁰ that came from Sudan and Djibouti and were destined for Ethiopia. Six months later, seizures included 2,221 handguns and 71 Kalashnikov rifles¹¹ smuggled across the Ethiopia-Sudan border. More recently (March 2020), the Ethiopian government seized "two containers of illegal firearms smuggled into Ethiopia via Djibouti by a global arms trafficking team."¹² These firearms originated from the Turkish port of Mersin, were transported to Djibouti's port and hidden there for more than five months, and ultimately smuggled into Ethiopia.¹³

This small arms smuggling is reportedly tightly connected to Ethiopia's ethnic rivalries, toxic rhetoric of ethnic entrepreneurs, societal insecurity, existing gun culture, porous borders, and lax gun control measures. Ethiopia operates a federal government system that is predominantly *ethnic*. There are two layers of government—federal and state. The leaders of state governments belong to the ethnic group dominant within that state. These leaders tend to be viewed by their ethnic members as "true" leaders and "heroes" fighting for their

group's interests. One manifestation of this is the state leaders' commitment to allowing their ethnic group members to have firearms. In some states, the leaders insist that organizing and arming are necessary tools for self-protection from threats posed by other ethnic groups.¹⁴ This has fueled ethnic tension and militarized competition among various ethnic groups, specifically Amharas, Oromos, Somalis, and Tigrayans. In many areas of the country, people sell their cattle and farmland in order to buy firearms and thereby demonstrate ethnic loyalty and pride. Further, lax national gun control measures (such as the issuance of gun possession licenses without rigorous checks on the weapon's point of origin) exacerbate the situation. Additionally, Ethiopians sense of societal insecurity, existing gun culture, and porous borders also help fuel the country's small arms trafficking boom.

The proliferation of illicit small arms has contributed to the militarization of Ethiopian society. In turn, this intensifies the country's ethnic tensions and rivalries. The spread of small arms has greatly contributed to the killing of hundreds of Ethiopians and the displacement of more than 2.6 million people in various ethnic conflicts over the past two years.¹⁵ In response, on several occasions, the Ethiopian government has warned that small arms smuggling poses a growing threat to national security, with dire implications for public safety and economic stability across the country.¹⁶

As countermeasures, Ethiopia has signed two key peace-related international agreements focusing on SALW. One is the 2004 Nairobi Protocol for Prevention, Control in Reduction of Small Arms and Light Weapons in the Great Lakes Region. The other is the 2001 UN Protocol Against the Illicit Manufacturing and Trafficking in Firearms, Their Parts and Components and Ammunition. Domestic measures have come more slowly; not until January 2020 did Ethiopia enact a comprehensive law to address the country's SALW problem. Prior to that, Ethiopia's sole legal tool was its 2004 Criminal Code, which includes three articles dealing with small arms. In the criminal code, illicit possession of small arms is considered only a misdemeanor offense, punishable by up to six months imprisonment. Aside from this law, all remaining small arms administration and control measures in Ethiopia were decentralized. Authority to issue firearms licenses and control movements of weapons was shared at the federal and state levels among the National Police, the National Intelligence and Security Services, and the Militia Office, but coordination and cooperation among these entities were lacking. The January 2020 comprehensive law seeks to address this by strengthening nationwide coordination of small arms administration and control. The mandate to enforce the new law is exclusively with the Federal Police Commission. State police commissions are engaged in the administration and control of SALWs only upon delegation by the Federal Police.¹⁷ Although the 2020 law represents commendable progress, it will not by itself solve the growing threat posed by illicit small arms trafficking in Ethiopia. The problem is deeply entrenched in Ethiopia, and therefore requires additional measures to address the drivers and facilitators of the illegal arms trade.

Drug Trafficking in Kenya

Recently, the East African coast has become a significant hub in the global heroin and cocaine trade.¹⁸ Kenya is now an important transit country for narcotics, namely heroin from Afghanistan and cocaine from Latin America. To a lesser extent, Kenya is also a destination country for these drugs.¹⁹ Both local and foreign traffickers are involved in Kenya's drug trade. Some drug traffickers combine the smuggling of illicit drugs with other contraband such as sugar, rice, electronics, poached wildlife, and counterfeit currency.²⁰ They sometimes also engage in legitimate businesses as a shield or to help launder the proceeds of illicit activities.²¹ The country's unpatrolled coastline, extensive air transportation system, rampant corruption, massive youth unemployment, and acutely intermingled politics, crime, and business are the drivers of drug

trafficking in Kenya.

The evolving linkage between drug networks and political office exacerbate Kenya's drug trafficking problem. Kenya's political patronage system has long been influenced by cash used for bribes, vote-buying, and other manipulations of the country's political process.²² In fact, Kenya's electoral process is reportedly one of the most expensive in the world.²³ Proceeds from heroin and cocaine trafficking have been used to fund multiple election campaigns,²⁴ as drug dealers seek to secure political protection for their illicit trading. Kenyan drug traders have also taken advantage of the weak system of checks and balances on the country's political actors and state institutions.²⁵ In some cases, drug traffickers themselves have run for public office,²⁶ which further fuels narco-corruption in Kenyan state agencies.

As one countermeasure, Kenya is a signatory to the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. In addition, Kenya has enacted Narcotics and Psychotropic Substances Control Act No. 4 of 1994. The act prohibited the trade of illegal drugs such as cocaine or heroin.²⁷ Also, in 1983, the Kenyan government established the Kenyan National Police Service's Anti-Narcotics Unit, a specialized division responsible for fighting drug trafficking in Kenya.²⁸ Further, in 2016, the Kenyan and U.S. governments signed a memorandum of understanding to combat the ever-growing threat of drug trafficking along the East African coastline.²⁹ In August 2019, the U.S. sentenced one of the most violent Kenyan drug traffickers, Baktash Akasha, to 25 years in prison and fined him USD\$100,000 after a long process of extradition.³⁰ He was convicted in the U.S. because corrupt Kenyan politicians wanted to prevent the case from coming to trial in a Kenyan court, despite overwhelming evidence against the Akashas.³¹ The Akasha dossier alleged the involvement of four senior Kenyan politicians in his drug trafficking, but Kenyan authorities failed to bring legal proceedings against them.³² The Akasha case is hardly an exception, as Kenya's inability to address drug trafficking has become a major nationwide problem.

al-Shabaab's Charcoal and Sugar Smuggling in Somalia

The terrorist group al-Shabaab is a serious security threat to Somalia, Kenya, and the broader East Africa region. Throughout al-Shabaab's 15-year presence in Somalia, it has engaged in criminal activity to finance its terror operations. al-Shabaab sustains itself financially by maintaining strong ties with organized criminal networks trafficking charcoal, sugar, small arms, cattle, and drugs.³³ Among these, illegal charcoal exports to Persian Gulf countries and illicit sugar smuggling into Kenya are its main sources of revenue.³⁴ al-Shabaab has built up an extensive racketeering operation, including checkpoint taxation that brings in upward of USD\$15 million per year.³⁵ According to a recent UN report, al-Shabaab's peak revenue from all sources is estimated at USD\$70 to USD\$100 million annually.³⁶

The UNSC recognizes the nexus between terrorists and organized criminal groups in Somalia. In 2012, the UNSC and the Somali government declared a ban on the export of charcoal from Somalia.³⁷ However, enforcement measures were ineffective and the ban was blatantly disregarded, in some instances with the help of corrupt Somali government officials who assisted al-Shabaab traffickers in obtaining documentation needed to traffic charcoal as well as sugar.³⁸ In this manner, al-Shabaab effectively circumvented the charcoal export ban by preparing false certificates of origin that fraudulently showed the charcoal as having originated from Comoros, Côte d'Ivoire, the Gambia, Ghana, or Iran.³⁹

Thirteen years of military operations by the Somali government and AMISOM against al-Shabaab have proved insufficient to defeat the group. Illicit business earnings have helped al-Shabaab withstand traditional, military-focused counterterrorism efforts. Unless the military measures are backed by cutting off al-Shabaab's

financial oxygen, its campaign of terror will continue to destabilize Somalia and the broader region.

Policy Options and Recommendations

Based on the foregoing analysis, current strategies for countering TOC must be closely linked to other nation-building and peacebuilding initiatives in Ethiopia, Kenya, and Somalia. Otherwise, the illicit networks will continue to undermine peace and stability in these countries. Through corruption and intimidation, these criminal networks have infiltrated state institutions, fouled national economies, and intensified ethnic conflict, thereby undercutting national peace processes. Yet in many East African countries, peacebuilding initiatives neglect the threat to peace and security represented by transnational criminal networks.

The following recommendations are offered in order to more effectively connect conventional TOC countermeasures with other peacebuilding initiatives.

1. For the Government of Ethiopia:

- a. **Recognize TOC, especially small arms smugglers, as governance and security challenges that require a strategic solution:** Fighting small arms smugglers is not merely a law enforcement issue, but also a political and economic challenge. Addressing the problem of Ethiopia's ethnic tensions and conflicts requires a merging of political approaches with law enforcement measures.

2. For the Government of Kenya:

- a. **Identify the convergence of the illicit drug business with politics, which is a crucial step in addressing the problem:** Doing so would help to expose the structural factors that drive and facilitate drug trafficking in Kenya.

3. For the Government of Somalia, AMISOM, and Regional and International Actors:

- a. **Elevate counter-finance efforts to the same priority level as military efforts in order to deal al-Shabaab a lasting defeat:** Targeting the group's financial resources and applying anti-TOC strategies are key strategic prerequisites for bringing sustainable peace to Somalia. The UNSC must be mindful of this as it prepares to close out AMISOM by December 2021 and hand full responsibility for Somalia's stabilization to the Somali Security Forces. This transition, if done without first cutting off al-Shabaab's illicit sources of income to incapacitate it financially, would provide an opportunity for the terrorist group to rebound and thrive.

4. For Key Stakeholders:

- a. **Integrate anti-TOC strategies to better combat and prevent TOC:** Illicit networks have infiltrated and undermined the peacebuilding initiatives of Ethiopia, Kenya, and Somalia. Achieving intended peacebuilding outcomes and broad-based reform agendas will require integrating these processes with anti-TOC strategies such as tracing, freezing, seizing, and confiscating the proceeds and instrumentalities of crime; managing porous borders; and, promoting and encouraging financial inclusion and transparency. Also, because TOC is borderless and transnational, cross-border cooperation and information sharing are necessary to combat and prevent it. In addition, building up professional

state institutions, specifically in law enforcement and national security, is a prerequisite for Ethiopia, Kenya, and Somalia to make lasting peacebuilding gains.

b. Foster partnerships and collaboration between the government, media, civil society, and private sector: Due to the clandestine nature of TOC and its secretive connections to public officials in East Africa, identifying and tracing these illicit networks is challenging. Therefore, encouraging free media to conduct investigations into these criminal networks and the corrupt officials who support them is essential. So is incentivizing other civil society entities and private business leaders, to advocate against corruption and illicit business activities. Partnerships between governments and journalists, business leaders, and civil society activists can make a significant contribution to eradicating the TOC scourge from East Africa that is undermining the region's peacebuilding efforts.

For a set of policy options and recommendations related to countering transnational organized crime as a peacebuilding strategy in the Horn of Africa, see the accompanying Africa Program Policy Brief No. 21 by Messay Asgedom Gobena.

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Cover Image: al-Shabaab hostages rescued by Interim Juba Administration forces in Kismayo, Somalia on May 30, 2014. Photo courtesy of AMISOM Public Information via Flickr Commons. https://www.flickr.com/photos/au_unistphotostream/14310093525/

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